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FOREWORD

This volume of legislation and related material is part of a five volume set of laws and related material frequently referred to by the Committees on International Relations of the House of Representatives and Foreign Relations of the Senate, amended to date and annotated to show pertinent history or cross references.

Volumes I (A and B), II, III and IV contain legislation and related material and are republished with amendments and additions at the end of each annual session of Congress. Volume V, which contains treaties and related material, is revised periodically.

We wish to express our appreciation to Dianne E. Rennack and C. Winston Woodland of the Foreign Affairs and National Defense Division of the Congressional Research Service of the Library of Congress who prepared volume I–A of this year’s compilation.

JESSE HELMS,
Chairman, Committee on Foreign Relations.

BENJAMIN A. GILMAN,
Chairman, Committee on International Relations.
EXPLANATORY NOTE

The body of statutory law set out in this volume was in force, as amended, at the end of 1999.

This volume sets out “session law” as originally enacted by Congress and published by the Archivist of the United States as “slip law” and later in the series United States Statutes at Large (as subsequently amended, if applicable). Amendments are incorporated into the text and distinguished by a footnote. Session law is organized in this series by subject matter in a manner designed to meet the needs of the Congress.

Although laws enacted by Congress in the area of foreign relations are also codified by the Law Revision Counsel of the House of Representatives, typically in title 22 United States Code, those codifications are not positive law and are not, in most instances, the basis of further amendment by the Congress. Cross references to the United States Code are included as footnotes for the convenience of the reader.

All Executive orders and State Department delegations of authority are codified and in force as of January 15, 2000.

Corrections may be sent to Dianne Rennack at Library of Congress, Congressional Research Service, Washington D.C., 20540-7460, or by electronic mail at drennack@crs.loc.gov.
ABBREVIATIONS

Bevans ............... Treaties and Other International Agreements of the United States of America, 1776–1949, compiled under the direction of Charles I. Bevans.

EAS .................. Executive Agreement Series.
F.R ................... Federal Register.
LNTS ................ League of Nations Treaty Series.
I Malloy, II Malloy Treaties, Conventions, International Acts, Protocols, and Agreements Between the United States of America and Other Powers, 1776–1909, compiled under the direction of the United States Senate by William M. Malloy.

Stat .................. United States Statutes at Large.
TIAS .................. Treaties and Other International Acts Series.
TS .................... Treaty Series.
U.S.C ................ United States Code.
UST .................. United States Treaties and Other International Agreements.
### A. FOREIGN ASSISTANCE

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1. Foreign Assistance and Arms Export Acts*

a. The Foreign Assistance Act of 1961, as Amended


*NOTE.—The Foreign Assistance Act will be referred to as the FA Act and "this Act."
Foreign Assistance Act of 1961 (P.L. 87-195)

[456x651]17

AN ACT To promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic development and internal and external security, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as “The Foreign Assistance Act of 1961.”

PART I

Chapter 1—Policy; Development Assistance Authorizations

Sec. 101. General Policy.—(a) The Congress finds that fundamental political, economic, and technological changes have resulted in the interdependence of nations. The Congress declares that the individual liberties, economic prosperity, and security of the people of the United States are best sustained and enhanced in a community of nations which respect individual civil and economic rights and freedoms and which work together to use wisely the world’s limited resources in an open and equitable international economic system. Furthermore, the Congress reaffirms the traditional humanitarian ideals of the American people and renews its commitment to assist people in developing countries to eliminate hunger, poverty, illness, and ignorance.

Therefore, the Congress declares that a principal objective of the foreign policy of the United States is the encouragement and sus-
tained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives.

United States development cooperation policy should emphasize four principal goals:

1. the alleviation of the worst physical manifestations of poverty among the world’s poor majority;
2. the promotion of conditions enabling developing countries to achieve self-sustaining economic growth with equitable distribution of benefits;
3. the encouragement of development processes in which individual civil and economic rights are respected and enhanced; and
4. the integration of the developing countries into an open and equitable international economic system.

The Congress declares that pursuit of these goals requires that development concerns be fully reflected in United States foreign policy and that United States development resources be effectively and efficiently utilized.

(b) Under the policy guidance of the Secretary of State, the agency primarily responsible for administering this part should have the responsibility for coordinating all United States development-related activities.4

Sec. 102.5 Development Assistance Policy.—(a) The Congress finds that the efforts of developing countries to build and maintain the social and economic institutions necessary to achieve self-sustaining growth and to provide opportunities to improve the quality of life for their people depend primarily upon successfully marshalling their own economic and human resources. The Congress recognizes that the magnitude of these efforts exceeds the resources of developing countries and therefore accepts that there will be a long-term need for wealthy countries to contribute additional resources for development purposes. The United States should take the lead in concert with other nations to mobilize such resources from public and private sources.

Provision of development resources must be adapted to the needs and capabilities of specific developing countries. United States assistance to countries with low per capita incomes which have limited access to private external resources should primarily be provided on concessional terms. Assistance to other developing countries should generally consist of programs which facilitate their access to private capital markets, investment, and technical skills, whether directly through guarantee or reimbursable programs by the United States Government or indirectly through callable capital provided to the international financial institutions.

4The responsibilities of the Agency mentioned in this subsection were transferred to the Director of IDCA, pursuant to sec. 6 of Reorganization Plan No. 2 of 1979 (establishing IDCA). The responsibilities of the Secretary of State, insofar as they relate to policy guidance other than foreign policy guidance, were also transferred to the Director. The Reorganization Plan No. 2 of 1979 ceased to be effective with enactment of the Foreign Affairs Reform and Restructuring Act of 1998, pursuant to sec. 1422(a)(1) (division G of Public Law 105-277; 112 Stat. 2681).

Bilateral assistance and United States participation in multilateral institutions shall emphasize programs in support of countries which pursue development strategies designed to meet basic human needs and achieve self-sustaining growth with equity.

The Congress declares that the principal purpose of United States bilateral development assistance is to help the poor majority of people in developing countries to participate in a process of equitable growth through productive work and to influence decisions that shape their lives, with the goal of increasing their incomes and their access to public services which will enable them to satisfy their basic needs and lead lives of decency, dignity, and hope. Activities shall be emphasized that effectively involve the poor in development by expanding their access to the economy through services and institutions at the local level, increasing their participation in the making of decisions that affect their lives, increasing labor-intensive production and the use of appropriate technology, expanding productive investment and services out from major cities to small towns and rural areas, and otherwise providing opportunities for the poor to improve their lives through their own efforts. Participation of the United States in multilateral institutions shall also place appropriate emphasis on these principles.

(b) Assistance under this chapter should be used not only for the purpose of transferring financial resources to developing countries, but also to help countries solve development problems in accordance with a strategy that aims to insure wide participation of the poor in the benefits of development on a sustained basis. Moreover, assistance shall be provided in a prompt and effective manner, using appropriate United States institutions for carrying out this strategy. In order to achieve these objectives and the broad objectives set forth in section 101 and in subsection (a) of this section, bilateral development assistance authorized by this Act shall be carried out in accordance with the following principles:

(1) Development is primarily the responsibility of the people of the developing countries themselves. Assistance from the United States shall be used in support of, rather than substitution for, the self-help efforts that are essential to successful development programs and shall be concentrated in those countries that take positive steps to help themselves. Maximum effort shall be made, in the administration of this part, to stimulate the involvement of the people in the development process through the encouragement of democratic participation in private and local governmental activities and institution building appropriate to the requirements of the recipient countries.

(2) Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

(3) United States bilateral development assistance should give high priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries, while also helping such governments enhance
their planning, technical, and administrative capabilities needed to insure the success of such undertakings.

(4) Development assistance provided under this chapter shall be concentrated in countries which will make the most effective use of such assistance to help satisfy basic human needs of poor people through equitable growth, especially in those countries having the greatest need for outside assistance. In order to make possible consistent and informed judgments in this respect, the President shall assess the commitment and progress of countries in moving toward the objectives and purposes of this chapter by utilizing criteria, including but not limited to the following:

(A) increase in agricultural productivity per unit of land through small- farm, labor-intensive agriculture;
(B) reduction of infant mortality;
(C) control of population growth;
(D) promotion of greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers;
(E) reduction of rates of unemployment and underemployment; and
(F) increase in literacy.

(5) United States development assistance should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries; food production and nutrition; rural development and generation of gainful employment; population planning and health; environment and natural resources; education, development administration, and human resources development; and energy development and production.6

(6) United States assistance shall encourage and promote the participation of women in the national economies of developing countries and the improvement of women’s status as an important means of promoting the total development effort.

(7) United States bilateral assistance shall recognize that the prosperity of developing countries and effective development efforts require the adoption of an overall strategy that promotes the development, production,6 and efficient utilization of energy and, therefore, consideration shall be given to the full implications of such assistance on the price, availability, and consumption of energy in recipient countries.

(8) United States cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, free labor unions, and private and voluntary agencies.

(9) To the maximum extent practicable, United States private investment should be encouraged in economic and social development programs to which the United States lends support.

6The reference to energy development and production was added by sec. 104(a) of the International Development Cooperation Act of 1979 (Public Law 96-53; 93 Stat. 360).
(10) Assistance shall be planned and utilized to encourage regional cooperation by developing countries in the solution of common problems and the development of shared resources.

(11) Assistance efforts of the United States shall be planned and furnished to the maximum extent practicable in coordination and cooperation with assistance efforts of other countries, including the planning and implementation of programs and projects on a multilateral and multidonor basis.

(12) United States bilateral development assistance should be concentrated on projects which do not involve large-scale capital transfers. However, to the extent that such assistance does involve large-scale capital transfers, it should be furnished in association with contributions from other countries working together in a multilateral framework.

(13) United States encouragement of policy reforms is necessary if developing countries are to achieve economic growth with equity.

(14) Development assistance should, as a fundamental objective, promote private sector activity in open and competitive markets in developing countries, recognizing such activity to be a productive and efficient means of achieving equitable and long-term economic growth.

(15) United States cooperation in development should recognize as essential the need of developing countries to have access to appropriate technology in order to improve food and water, health and housing, education and employment, and agriculture and industry.

(16) United States assistance should focus on establishing and upgrading the institutional capacities of developing countries in order to promote long-term development. An important component of institution building involves training to expand the human resource potential of people in developing countries.

(c) The Congress, recognizing the desirability of overcoming the worst aspects of absolute poverty by the end of this century by, among other measures, substantially lowering infant mortality and birth rates, and increasing life expectancy, food production, literacy, and employment, encourages the President to explore with other countries, through all appropriate channels, the feasibility of a worldwide cooperative effort to overcome the worst aspects of absolute poverty and to assure self-reliant growth in the developing countries by the year 2000.

NOTE.—Foreign assistance appropriations for fiscal year 2000 are included in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535). Amounts appropriated by that Act to carry out the purposes of provisions contained in the Foreign Assistance Act of 1961, during fiscal year 2000 unless otherwise specified, are included in footnotes.

7Paragraphs (13), (14), (15), and (16) were added by sec. 301 of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 190).
NOTE.—Prior to fiscal year 1992, Congress appropriated funds for each of the Development Assistance functional accounts authorized in sections 103 through 106 of the Foreign Assistance Act of 1961. For fiscal year 1992 through fiscal year 1995, however, Congress made appropriations in one lump sum for all programs within sections 103 through 106, with the exception of “Population, Development Assistance”. In fiscal year 1996, Congress made appropriations in one lump sum for Development Assistance. Since fiscal year 1997, Congress has made appropriations to two development accounts: “Development Assistance” and “Child Survival and Disease Programs Fund”.

For fiscal year 2000, to remain available until September 30, 2001, for the provisions of sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961 (Development Assistance and Development Fund for Africa), title V of the International Security and Development Cooperation Act of 1980 (African Development Foundation), and section 401 of the Foreign Assistance Act of 1969 (Inter-American Foundation), Congress appropriated $1,228,000,000. Congress also appropriated $715,000,000 in fiscal year 2000, to remain available until expended, for child survival, basic education for children, and to combat tropical and other diseases, and related activities.

Sec. 301 of the Miscellaneous Appropriations Act (H.R. 3425 enacted by reference in sec. 1000(a)(5) of Public Law 106-113; 113 Stat. 1535)), however, rescinded total discretionary budget authority provided to an agency, or obligation limit imposed, by an amount of 0.38 percent for fiscal year 2000. Sec. 301(b) of that Act placed the following restrictions on such rescissions: “(1) no program, project, or activity of any department, agency, instrumentality, or entity may be reduced by more than 15 percent (with ‘programs, projects, and activities’ as delineated in the appropriations Act or accompanying report for the relevant account, or for accounts and items not included in appropriations Acts, as delineated in the most recently submitted President’s budget), (2) no reduction shall be taken from any military personnel account, and (3) the reduction for the Department of Defense and Department of Energy Defense Activities shall be applied proportionately to all Defense accounts.”.
NOTE.—The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 113 Stat. 1535), provided the following:

"OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

"SEC. 501. Except for the appropriations entitled 'International Disaster Assistance', and 'United States Emergency Refugee and Migration Assistance Fund', not more than 15 percent of any appropriation item made available by this Act shall be obligated during the last month of availability."

NOTE.—Transfers Between Accounts. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 113 Stat. 1535), provided the following:

"TRANSFERS BETWEEN ACCOUNTS

"SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate."
NOTE.—Deobligation/Reobligation Authority. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 113 Stat. 1535), provided the following:

“DEOBLIGATION/REOBLIGATION AUTHORITY

“SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 2000, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: Provided, That the Appropriations Committees of both Houses of the Congress are notified 15 days in advance of the reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

“(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: Provided, That the authority of this subsection may not be used in fiscal year 2000.”
NOTE.—Availability of Funds. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), provided the following:

"AVAILABILITY OF FUNDS

"SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: Provided, That funds appropriated for the purposes of chapters 1, 8, and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading 'Assistance for Eastern Europe and the Baltic States' shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: Provided further, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: Provided further, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.".
NOTE.—Notification Requirements. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), provided the following:

"NOTIFICATION REQUIREMENTS

"SEC. 515. (a) For the purposes of providing the executive branch with the necessary administrative flexibility, none of the funds made available under this Act for 'Child Survival and Disease Programs Fund', 'Development Assistance', 'International Organizations and Programs', 'Trade and Development Agency', 'International Narcotics Control and Law Enforcement', 'Assistance for Eastern Europe and the Baltic States', 'Assistance for the Independent States of the Former Soviet Union', 'Economic Support Fund', 'Peacekeeping Operations', 'Operating Expenses of the Agency for International Development', 'Operating Expenses of the Agency for International Development Office of Inspector General', 'Nonproliferation, Anti-terrorism, Demining and Related Programs', 'Foreign Military Financing Program', 'International Military Education and Training', 'Peace Corps', and 'Migration and Refugee Assistance', shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified 15 days in advance: Provided, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 percent in excess of the quantities justified to Congress unless the Committees on Appropriations are notified 15 days in advance of such commitment: Provided further, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 percent of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: Provided further, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: Provided further, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as prac-
ticable, but in no event later than 3 days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: Provided further, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

“(b) Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.’’.

Note.—The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106±113; 113 Stat. 1535), provided the following:

“SPECIAL AUTHORITIES

“SEC. 538. (a) Funds appropriated in titles I and II of this Act that are made available for Afghanistan, Lebanon, Montenegro, and for victims of war, displaced children, displaced Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Kosova, may be made available notwithstanding any other provision of law: Provided, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985.

“(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and biodiversity conservation activities and, subject to the regular notification procedures of the Committees on Appropriations, energy programs aimed at reducing greenhouse gas emissions: Provided, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

“(c) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

“(d)(1) Waiver.—The President may waive the provisions of section 1003 of Public Law 100-204 if the President determines and certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that it is important to the national security interests of the United States.

“(2) Period of Application of Waiver.—Any waiver pursuant to paragraph (1) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after the enactment of this Act.’’.
**NOTE.**—The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), provided the following:

"SEC. 559. * * *

"(c) EQUITABLE ALLOCATION OF FUNDS.—Not more than 17 percent of the funds appropriated by this Act to carry out the provisions of sections 103 through 106 and chapter 4 of part II of the Foreign Assistance Act of 1961, that are made available for Latin America and the Caribbean region may be made available, through bilateral and Latin America and the Caribbean regional programs, to provide assistance for any country in such region.".

**NOTE.**—The Federal Reports Elimination and Sunset Act of 1995 (Public Law 104-66; 109 Stat. 707), as amended, modified or eliminated numerous reporting requirements in law. Sec. 3003(a) of that Act provided that, subject to certain restrictions, “each provision of law requiring the submittal to Congress (or any committee of the Congress) of any annual, semiannual, or other regular periodic report specified on the list [prepared by the Clerk of the House of Representatives for the first session of the 103rd Congress, House Document No. 103-7] * * * shall cease to be effective, with respect to that requirement, May 15, 2000.”.

Sec. 3003(d) of that Act, however, exempted certain sections of law from the application of subsec. (a). Among those exempted were several reports required by the Foreign Assistance Act of 1961 in secs. 116, 240A, 306, 489, 502B, and 634. Among those exempted were several reports required by the Arms Export Control Act in secs. 25, 28, and 36. Among those exempted was sec. 502 of the International Security and Development Cooperation Act of 1985. For a complete list of sections of law exempted from the application of sec. 3003(a) of Public Law 104-66, see Legislation on Foreign Relations Through 1999, vol. IV.

Sec. 209(e) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (H.R. 3427, enacted by reference in sec. 1000(a)(7) of Public Law 106-113; 113 Stat. 1536), continued the requirement of several reports to which Public Law 104-66 would otherwise have applied, including those required in secs. 118(f), 239(c), and 620C(c) of the Foreign Assistance Act of 1961; sec. 1205 of the International Security and Development Cooperation Act of 1985; secs. 533(b) and 586(c)(4) of the Foreign Assistance Appropriations Act, 1991. For a complete list of sections of law exempted from the application of sec. 3003(a) of Public Law 104-66 by sec. 209(e) of Public Law 106-113, see Legislation on Foreign Relations Through 1999, vol. IV.
Sec. 103. Agriculture, Rural Development, and Nutrition.—(a)(1) In recognition of the fact that the great majority of the people of developing countries live in rural areas and are dependent on agriculture and agricultural-related pursuits for their livelihood, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition—

(A) to alleviate starvation, hunger, and malnutrition;
(B) to expand significantly the provision of basic services to rural poor people to enhance their capacity for self-help; and
(C) to help create productive farm and off-farm employment in rural areas to provide a more viable economic base and enhance opportunities for improved incomes, living standards, and contributions by rural poor people to the economic and social development of their countries.

(2) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $760,000,000 for the fiscal year 1986 and $760,000,000 for the fiscal year 1987. Of these amounts, the President may use such amounts as he deems appropriate to carry out the provisions of section 316 of the International Security and Development Cooperation Act of 1980.

(3) Of the amounts authorized to be appropriated in paragraph; (2) for the fiscal year 1987, not less than $2,000,000 shall be available only for the purpose of controlling and eradicating amblyommia variegata (heartwater) in bovine animals in the Caribbean.

(b)(1) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansion of rural infrastructure and utilities such as farm-to-market roads, water management systems, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, forestry, soil

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822 U.S.C. 2151a. Sec. 103, as added by sec. 2(3) of the FA Act of 1973 (87 Stat. 715), was amended and restated by sec. 103(a) of the International Development and Food Assistance Act of 1978 (92 Stat. 943). Previous amendments to sec. 103 were made by sec. 2 of Public Law 93-559 (88 Stat. 1795), sec. 302 of Public Law 94-161 (89 Stat. 856), and by sec. 102 of Public Law 95-88 (91 Stat. 534).

9The authorization figures for fiscal years 1986 and 1987 were added by sec. 302 of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 190). Authorization for recent years included: fiscal year 1975—$500,000,000; fiscal year 1976—$618,000,000; fiscal year 1977—$745,000,000; fiscal year 1978—$380,000,000; fiscal year 1979—$665,231,000; fiscal year 1980—$659,000,000; fiscal year 1981—$665,231,000; fiscal year 1982—$725,213,000; fiscal year 1983—$700,000,000; fiscal year 1984—$700,000,000; fiscal year 1985—no authorization; fiscal years 1986 through 2000—no authorization.

10Sec. 316 of the International Security and Development Cooperation Act of 1980 concerns world hunger and instructs the Director of IDCA to encourage the ongoing work of PVOs to deal with world hunger problems abroad.

11Paragraph 3 was added by sec. 1304 of Public Law 99-399 (100 Stat. 898).
conservation, and improved seed, in ways which assure access to them by small farmers.

(2) In circumstances where development of major infrastructure is necessary to achieve the objectives set forth in this section, assistance for that purpose should be furnished under this chapter in association with significant contributions from other countries working together in a multilateral framework. Infrastructure projects so assisted should be complemented by other measures to ensure that the benefits of the infrastructure reach the poor.

(3) The Congress recognizes that the accelerating loss of forests and tree cover in developing countries undermines and offsets efforts to improve agricultural production and nutrition and otherwise to meet the basic human needs of the poor. Deforestation results in increased flooding, reduction in water supply for agricultural capacity, loss of firewood and needed wood products, and loss of valuable plants and animals. In order to maintain and increase forest resources, the President is authorized to provide assistance under this section for forestry projects which are essential to fulfill the fundamental purposes of this section. Emphasis shall be given to community woodlots, agroforestry, reforestation, protection of watershed forests, and more effective forest management.

(c) The Congress finds that the greatest potential for significantly expanding availability of food for people in rural areas and augmenting world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the agricultural producers in developing countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice and a principal element contributing to broadly based economic growth, as well as an important factor in alleviating inflation in the industrialized countries. In the allocation of funds under this section, special attention shall be given to increasing agricultural production in countries which have been designated as “least developed” by the United Nations General Assembly.

(d) Assistance provided under this section shall also be used in coordination with programs carried out under section 104 to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people. In particular, the President is encouraged—

(1) to devise and carry out in partnership with developing countries a strategy for programs of nutrition and health improvement for mothers and children, including breast feeding; and

(2) to provide technical, financial, and material support to individuals or groups at the local level for such programs.

Par. (3) and subsec. (f) were added by sec. 101 of the International Development Cooperation Act of 1979 (Public Law 96–53; 93 Stat. 359).
(e) Local currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance Act of 1954 which are owned by foreign governments shall be used whenever practicable to carry out the provisions of this section.

(f) The Congress finds that the efforts of developing countries to enhance their national food security deserves encouragement as a matter of United States development assistance policy. Measures complementary to assistance for expanding food production in developing countries are needed to help assure that food becomes increasingly available on a regular basis to the poor in such countries. Therefore, United States bilateral assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, and United States participation in multilateral institutions, shall emphasize policies and programs which assist developing countries to increase their national food security by improving their food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post-harvest food losses, and improving food distribution.

(g) (1) In order to carry out the purposes of this section, the President may continue United States participation in and may make contributions to the International Fund for Agricultural Development.

(2) Of the aggregate amount authorized to be appropriated to carry out part I of this Act, up to $50,000,000 for fiscal year 1986 and up to $50,000,000 for fiscal year 1987 may be made available, by appropriation or by transfer, for United States contributions to the second replenishment of the International Fund for Agricultural Development.

Sec. 103A. Agricultural Research.—Agricultural research carried out under this Act shall (1) take account of the special needs of small farmers in the determination of research priorities, (2) include research on the interrelationships among technology, institutions, and economic, social, environmental, and cultural factors affecting small-farm agriculture, and (3) make extensive use of field testing to adapt basic research to local conditions. Special emphasis shall be placed on disseminating research results to the farms on which they can be put to use, and especially on institutional and other arrangements needed to assure that small farmers have effective access to both new and existing improved technology.
Sec. 104. Population and Health.—(a) FINDINGS.—The Congress recognizes that poor health conditions and uncontrolled population growth can vitiate otherwise successful development efforts. Large families in developing countries are the result of complex social and economic factors which change relatively slowly among the poor majority least affected by economic progress, as well as the result of a lack of effective birth control. Therefore, effective family planning depends upon economic and social change as well as the delivery of services and is often a matter of political and religious sensitivity. While every country has the right to determine its own policies with respect to population growth, voluntary population planning programs can make a substantial contribution to economic development, higher living standards, and improved health and nutrition.

Good health conditions are a principal element in improved quality of life and contribute to the individual’s capacity to participate in the development process, while poor health and debilitating disease can limit productivity.

(b) ASSISTANCE FOR POPULATION PLANNING.—In order to increase the opportunities and motivation for family planning and to reduce the rate of population growth, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for voluntary population planning. In addition to the provision of family planning information and services, including also information and services which relate to and support natural family planning methods,17 and the conduct of directly relevant demographic research, population planning programs shall emphasize motivation for small families.

(c) ASSISTANCE FOR HEALTH AND DISEASE PREVENTION.—(1) In order to contribute to improvements in the health of the greatest number of poor people in developing countries, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for health programs. Assistance under this subsection shall be used primarily for basic integrated health services, safe water and sanitation, disease prevention and control, and related health planning and research. The assistance shall emphasize self-sustaining community-based health programs by means such as training of health auxiliary and other appropriate personnel, support for the establishment and evaluation of projects that can be replicated on a broader scale, measures to improve management of health programs, and other services and supplies to support health and disease prevention programs.

(2) (A) In carrying out the purposes of this subsection, the President shall promote, encourage, and undertake activities de-
signed to deal directly with the special health needs of children and mothers. Such activities should utilize simple, available technologies which can significantly reduce childhood mortality, such as improved and expanded immunization programs, oral rehydration to combat diarrhoeal diseases, and education programs aimed at improving nutrition and sanitation and at promoting child spacing. In carrying out this paragraph, guidance shall be sought from knowledgeable health professionals from outside the agency primarily responsible for administering this part. In addition to government-to-government programs, activities pursuant to this paragraph should include support for appropriate activities of the types described in this paragraph which are carried out by international organizations (which may include international organizations receiving funds under chapter 3 of this part) and by private and voluntary organizations, and should include encouragement to other donors to support such types of activities.

(B) In addition to amounts otherwise available for such purpose, there are authorized to be appropriated to the President $25,000,000 for fiscal year 1986 and $75,000,000 for fiscal year 1987 for use in carrying out this paragraph. Amounts appropriated under this subparagraph are authorized to remain available until expended.

(C) Appropriations pursuant to subparagraph (B) may be referred to as the “Child Survival Fund.”

(3) The Congress recognizes that the promotion of primary health care is a major objective of the foreign assistance program. The Congress further recognizes that simple, relatively low-cost means already exist to reduce incidence of communicable diseases among children, mothers, and infants. The promotion of vaccines for immunization, and salts for oral rehydration, therefore, is an essential feature of the health assistance program. To this end, the Congress expects the agency primarily responsible for administering this part to set as a goal the protection of not less than 80 per...
cent of all children, in those countries in which such agency has established development programs, from immunizable diseases by January 1, 1991. Of the aggregate amounts made available for fiscal year 1987 to carry out paragraph (2) of this subsection (relating to the Child Survival Fund) and to carry out subsection (c) (relating to development assistance for health), $50,000,000 shall be used to carry out this paragraph.21

(d) INTEGRATION OF ASSISTANCE PROGRAMS.—(1) Assistance under this chapter shall be administered so as to give particular attention to the interrelationship between (A) population growth, and (B) development and overall improvement in living standards in developing countries, and to the impact of all programs, projects, and activities on population growth. All appropriate activities proposed for financing under this chapter shall be designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families, in programs such as education in and out of school, nutrition, disease control, maternal and child health services, improvements in the status and employment of women, agricultural production, rural development, and assistance to the urban poor, and through community-based development programs which give recognition to people motivated to limit the size of their families.22 Population planning programs shall be coordinated with other programs aimed at reducing the infant mortality rate, providing better nutrition for pregnant women and infants, and raising the standard of living of the poor.

(2) Since the problems of malnutrition, disease, and rapid population growth are closely related, planning for assistance to be provided under subsections (b) and (c) of this section and under section 103 shall be coordinated to the maximum extent practicable.

(3) Assistance provided under this section shall emphasize low-cost integrated delivery systems for health, nutrition, and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

(e) RESEARCH AND ANALYSIS.—(1) Health and population research and analysis carried out under this Act shall—

(A) be undertaken to the maximum extent practicable in developing countries by developing country personnel, linked as appropriate with private and governmental biomedical research facilities within the United States;

(B) take account of the special needs of the poor people of developing countries in the determination of research priorities; and

(C) make extensive use of field testing to adapt basic research to local conditions.

(2) The President is authorized to study the complex factors affecting population growth in developing countries and to identify

21 The last sentence of paragraph (3) was added by sec. 103(a) of Public Law 99–529 (100 Stat. 3010).
22 The reference to community-based development programs was added by sec. 102(b) of the International Development Cooperation Act of 1979 (Public Law 96–53; 93 Stat. 360).
factors which might motivate people to plan family size or to space their children.

(f) Prohibition on Use of Funds for Abortions and Involuntary Sterilizations.—(1) None of the funds made available to carry out this part may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

Sec. 518 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 113 Stat. 1535), made a similar prohibition.

Sec. 599D of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 113 Stat. 1535), provided the following:

"AUTHORIZATION FOR POPULATION PLANNING

"Sec. 599D. (a) Authorization.—Not to exceed $385,000,000 of the funds appropriated in title II of this Act may be available for population planning activities or other population assistance.

(b) Restriction on Assistance to Foreign Organizations That Perform or Actively Promote Abortions.—

"(1) Performance of Abortions.—(A) Notwithstanding section 614 of the Foreign Assistance Act of 1961, or any other provision of law, no funds appropriated by title II of this Act for population planning activities or other population assistance may be made available for any foreign private, nongovernmental, or multilateral organization until the organization certifies that it will not, during the period for which the funds are made available, perform abortions in any foreign country, except where the life of the mother would be endangered if the pregnancy were carried to term or in cases of forcible rape or incest.

"(B) Subparagraph (A) may not be construed to apply to the treatment of injuries or illnesses caused by legal or illegal abortions or to assistance provided directly to the government of a country.

"(2) Lobbying Activities.—(A) Notwithstanding section 614 of the Foreign Assistance Act of 1961, or any other provision of law, no funds appropriated by title II of this Act for population planning activities or other population assistance may be made available for any foreign private, nongovernmental, or multilateral organization until the organization certifies that it will not, during the period for which the funds are made available, violate the laws of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited, or engage in activities or efforts to alter the laws or governmental policies of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited.

"(B) Subparagraph (A) shall not apply to activities in opposition to coercive abortion or involuntary sterilization.

(3) Application to Foreign Organizations.—The prohibitions and certifications of this subsection apply to funds made available to a foreign organization either directly or as a subcontractor or subgrantee.

(c) Waiver Authority.—

"(1) Authority.—The President may waive the restrictions contained in subsection (b) that require certifications from foreign private, nongovernmental, or multilateral organizations.

"(2) Reduction of Assistance.—In the event the President exercises the authority contained in paragraph (1) to waive either or both subsections (b)(1) and (b)(2), then—

"(A) assistance authorized by subsection (a) and allocated for population planning activities or other population assistance shall be reduced by a total of $12,500,000, and that amount shall be transferred from funds appropriated by this Act under the heading `Development Assistance' and consolidated and merged with funds appropriated by this Act under the heading `Child Survival and Disease Programs Fund'; and

"(B) notwithstanding any other provision of law, such transferred funds that would have been made available for population planning activities or other population assistance shall be made available for infant and child health programs that have a direct, measurable, and high impact on reducing the incidence of illness and death among children.

(3) Limitation.—The authority provided in paragraph (1) may be exercised to allow the provision of not more than $15,000,000, in the aggregate, to all foreign private, nongovernmental, or multilateral organizations with respect to which such authority is exercised.

"(4) Additional Requirements.—Upon exercising the authority provided in paragraph (1), the President shall report in writing to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives."

Title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 113 Stat. 1535), under "Development Assistance", provided the following:

"That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term 'motivate', as it relates to family plan-
(2) None of the funds made available to carry out this part may be used to pay for the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations.

(3) None of the funds made available to carry out this part may be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning.

(g) Authorizations of Appropriations.—(1) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

(A) $290,000,000 for fiscal year 1986 and $290,000,000 for fiscal year 1987 to carry out subsection (b) of this section; and

(B) $205,000,000 for fiscal year 1986 and $180,000,000 for fiscal year 1987 to carry out subsection (c) of this section.

(2) Funds appropriated under this subsection are authorized to remain available until expended.\(^{26}\)

\(^{25}\)Par. (3) of subsec. (f) was added by sec. 302(b) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1532).

\(^{26}\)The authorization figures for fiscal years 1986 and 1987 to carry out subsec. (b) and (c) were added by sec. 303 of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 190). Subsequently, sec. 404 of Public Law 99-529 (100 Stat. 3341) replaced the $205,000,000 authorization for subsec. (c) with an authorization of $180,000,000. Authorizations under subsec. (b) in recent years include: fiscal year 1978—$167,000,000; fiscal year 1979—$224,745,000; fiscal year 1980—$201,000,000; fiscal year 1981—$238,000,000; fiscal year 1982—$211,000,000; fiscal year 1983—$238,000,000; fiscal year 1984—$244,600,000; fiscal year 1985—no authorization; fiscal years 1986 through 2000—no authorization.

Authorizations under subsec. (c) in recent years include: fiscal year 1978—$107,700,000; fiscal year 1979—$148,494,000; fiscal year 1980—$141,000,000; fiscal year 1981—$145,300,000; fiscal year 1982—$133,405,000; fiscal year 1983—$133,405,000 (of the 1982 and 1983 subsec. (c) authorizations, not less than 16 percent or $38,000,000 whichever amount is less was made available for United Nations Fund for Population Activities); fiscal year 1984—$133,405,000; fiscal year 1985—no authorization; fiscal years 1988 through 2000—no authorization.

Congress did not enact an authorization for fiscal year 2000. Instead, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), waived the requirement for authorization, and title II of that Act provided the following:

(\*DEVELOPMENT ASSISTANCE\*)

\(^{*} * * *\) Provided further, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization; Provided further, That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortion; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services, and that any such voluntary family planning project shall meet the following requirements: (1) service providers or referral agents in the project shall not implement or be subject to quotas, or other numerical targets, of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning (this provision shall not be construed to include the use of quantitative estimates or indicators for budgeting and planning purposes); (2) the project shall not include payment of incentives, bribes, gratuities, or financial reward to (A) an individual in exchange for becoming a family planning acceptor; or (B) program personnel for achieving a numerical target or quota of total number of births; number of family planning acceptors, or acceptors of a particular method of family planning; (3) the project shall not deny any right or benefit, including the right of access to participate in any program of general welfare or the right of access to health care, as a consequence of any individual's decision not to accept family planning services; (4) the project shall provide family planning acceptors comprehensible information on the health benefits and risks of the method chosen, including those...
Sec. 105. Education and Human Resources Development.—(a) In order to reduce illiteracy, to extend basic education, and to increase manpower training in skills related to development, the President is authorized to furnish assistance on such terms and conditions as he may determine, for education, public administration, and human resource development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $180,000,000 for fiscal year 1986 and $180,000,000 for fiscal year 1987, which are authorized to remain available until expended.

(b) Assistance provided under this section shall be used primarily to expand and strengthen nonformal education methods, conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method; and (5) the project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits. Funds made available for each such fiscal year for purposes of chapter 4 of part II of this title shall be used in each such fiscal year for purposes of this subparagraph.

(c) Of the amounts authorized to be appropriated to carry out this section and chapter 4 of part II of this Act for the fiscal years 1987, 1988, and 1989, up to an aggregate of $1,000,000 shall be used in each such fiscal year for purposes of this subparagraph.

(d) Of the amounts authorized to be appropriated to carry out this section and chapter 4 of part II of this Act for the fiscal years 1987, 1988, and 1989, not less than $4,000,000 shall be used in each such fiscal year to finance education, training, and scholarships for the victims of apartheid, including teachers and other educational professionals, who are attending universities and colleges in South Africa.

(e) Funds made available for each such fiscal year for purposes of chapter 4 of part II of this Act may be used to finance such education, training, and scholarships in lieu of an equal amount made available under this subparagraph.

(f) In order to reduce illiteracy, to extend basic education, and to increase manpower training in skills related to development, the President is authorized to furnish assistance on such terms and conditions as he may determine, for education, public administration, and human resource development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $180,000,000 for fiscal year 1986 and $180,000,000 for fiscal year 1987, which are authorized to remain available until expended.

(g) Assistance provided under this section shall be used primarily to expand and strengthen nonformal education methods, conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method; and (5) the project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits. Funds made available for each such fiscal year for purposes of chapter 4 of part II of this title shall be used in each such fiscal year for purposes of this subparagraph.

(h) Of the amounts authorized to be appropriated to carry out this section and chapter 4 of part II of this Act for the fiscal years 1987, 1988, and 1989, up to an aggregate of $1,000,000 shall be used in each such fiscal year for purposes of this subparagraph.

(i) Of the amounts authorized to be appropriated to carry out this section and chapter 4 of part II of this Act for the fiscal years 1987, 1988, and 1989, not less than $4,000,000 shall be used in each such fiscal year to finance education, training, and scholarships for the victims of apartheid, including teachers and other educational professionals, who are attending universities and colleges in South Africa.

(j) Funds made available for each such fiscal year for purposes of chapter 4 of part II of this Act may be used to finance such education, training, and scholarships in lieu of an equal amount made available under this subparagraph.
especially those designed to improve productive skills of rural families and the urban poor and to provide them with useful information; to increase the relevance of formal education systems to the needs of the poor, especially at the primary level, through reform of curricula, teaching materials, and teaching methods, and improved teacher training; and to strengthen the management capabilities of institutions which enable the poor to participate in development. Assistance under this section shall also be provided for advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.31

(c)30, 32 * * * [Repealed—1979]

Sec. 106.33 Energy, Private Voluntary Organizations, and Selected Development Activities. — (a)(1)(A) 34 The Congress finds that energy development and production are vital elements in the development process, that energy shortages in developing countries severely limit the development process in such countries, that two-thirds of the developing countries which import oil depend on it for at least 90 percent of the energy which their economies require, and that the dramatic increase in world oil prices since 1973 has resulted in considerable economic hardship for many developing countries. The Congress is concerned that the value and purpose of much of the assistance provided to developing countries under sections 103, 104, and 105 are undermined by the inability of many developing countries to satisfy their energy requirements. Unless the energy deficit of the developing countries can be narrowed by more fully exploiting indigenous sources of energy such as oil, natural gas, and coal, scarce foreign exchange will increasingly have to be diverted to oil imports, primarily to the detriment of long-term development and economic growth.

(B) 34 The Congress recognizes that many developing countries lack access to the financial resources and technology necessary to locate, explore, and develop indigenous energy resources.

See also the Energy Policy Act of 1992 (Public Law 102-486; 106 Stat. 2776), particularly title XII, as it relates to the export of renewable energy technologies, and title XIII, as it relates to the export of clean coal technology. See Legislation on Foreign Relations Through 1999, vol. IV, sec. L.

30 Sec. 304(b) of the International Security and Development Cooperation Act of 1980 (Public Law 96-533; 94 Stat. 3146) redesignated pars. (1), (2), (3), and (4) of subsec. (a) as subpars. (A), (B), (C), and (D), respectively; redesignated subpars. (A), (B), and (C) of former par. (3) as clauses (i), (ii), and (iii), respectively; and added a new par. (2).
(C) 34 The Congress declares that there is potential for at least a moderate increase by 1990 in the production of energy for commercial use in the developing countries which are not members of the Organization of Petroleum Exporting Countries. In addition, there is a compelling need for vigorous efforts to improve the available data on the location, scale, and commercial exploitability of potential oil, natural gas, and coal reserves in developing countries, especially those which are not members of the Organization of Petroleum Exporting Countries. The Congress further declares that there are many benefits to be gained by the developing countries and by the United States and other developed countries through expanded efforts to expedite the location, exploration, and development of potential sources of energy in developing countries. These benefits include, but are not limited to, the following:

(i) 34 The world’s energy supply would be increased and the fear of abrupt depletion would be lessened with new energy production. This could have a positive impact upon energy prices in international markets as well as a positive effect upon the balance of payments problems of many developing countries.

(ii) 34 Diversification of the world’s supplies of energy from fossil fuels would make all countries, developing and developed, less susceptible to supply interruptions and arbitrary production and pricing policies.

(iii) 34 Even a moderate increase in energy production in the developing countries would improve their ability to expand commercial trade, foreign investment, and technology transfer possibilities with the United States and other developed countries.

(D) 34 Assistance for the production of energy from indigenous resources, as authorized by subsection (b) of this section, would be of direct benefit to the poor in developing countries because of the overwhelming impact of imported energy costs upon the lives of the poor and their ability to participate in development.

(2) 34 The Congress also finds that energy production from renewable, decentralized sources and energy conservation are vital elements in the development process. Inadequate access by the poor to energy sources as well as the prospect of depleted fossil fuel reserves and higher energy prices require an enhanced effort to expand the energy resources of developing countries through greater emphasis on renewable sources. Renewable and decentralized energy technologies have particular applicability for the poor, especially in rural areas.

(b) 33 (1) 35 In order to help developing countries alleviate their energy problems by improving their ability to use indigenous energy resources to produce the energy needed by their economies,
the President is authorized to furnish assistance, on such terms and conditions as he may determine, to enable such countries to prepare for and undertake development of their energy resources. Such assistance may include data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production.

(2) The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation through research on and development and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act. Such programs shall also be directed toward the earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain, and are transferable from one region of the world to another. Such programs may include research on and the development, demonstration, and application of suitable energy technologies (including use of wood); analysis of energy uses, needs, and resources; training and institutional development; and scientific interchange.

(c) The agency primarily responsible for administering this part and the Department of Energy shall coordinate with one another, to the maximum extent possible, the planning and implementation of energy programs under this chapter.

(d) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the following activities, to the extent that such activities are not authorized by sections 103, 104, and 105 of this Act:

(1) programs of technical cooperation and development, particularly the development efforts of United States private and voluntary agencies and regional and international development organizations;

(2) programs of research into, and evaluation of, the process of economic development in less developed countries and areas, into the factors affecting the relative success and costs of development activities, and into the means, techniques, and such other aspects of development assistance as the President may determine in order to render such assistance of increasing value and benefit;

(3) programs of reconstruction following natural or man-made disasters and programs of disaster preparedness, including the prediction of and contingency planning for natural disasters abroad;
(4) programs designed to help solve special development problems in the poorest countries and to make possible proper utilization of infrastructure and related projects funded with earlier United States assistance; and
(5) programs of urban development, with particular emphasis on small, labor intensive enterprises, marketing systems for small producers, and financial and other institutions which enable the urban poor to participate in the economic and social development of their country.

(e) (1) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $207,000,000 for fiscal year 1986 and $207,000,000 for fiscal year 1987.39
(2) Amounts appropriated under this section are authorized to remain available until expended.
(f) Of the amounts authorized to be appropriated to carry out this chapter $5,000,000 for fiscal year 1986 and $5,000,000 for fiscal year 1987 shall be used to finance cooperative projects among the United States, Israel, and developing countries.

Sec. 107. Appropriate Technology.—(a) In carrying out activities under this chapter, the President shall place special emphasis on the use of relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.
(b) Funds made available to carry out this chapter should be used to the extent practicable for activities in the field of appropriate technology, including support of an expanded and coordinated private effort to promote the development and dissemination of appropriate technology in developing countries.

Sec. 108. Application of Existing Provision.—* * * [Repealed—1978]

Sec. 108. Private Sector Revolving Fund.—(a) The Congress finds that the development of private enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system. It is therefore in the best in-

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39The authorization figures for fiscal years 1986 and 1987 were added by sec. 309(b) of the International Security and Development Act of 1985 (Public Law 99–83; 99 Stat. 190). Authorizations for recent years included the following: fiscal year 1976—$99,550,000; fiscal year 1977—$104,500,000; fiscal year 1978—$105,000,000; fiscal year 1979—$126,244,000; fiscal year 1980—$125,000,000; fiscal year 1981—$140,000,000; fiscal year 1982—$147,200,000; fiscal year 1983—$147,200,000; fiscal year 1984—$160,000,000; fiscal year 1985—no authorization; fiscal years 1988 through 2000—no authorization.

Sec. 105 of Public Law 96–53 struck out language in subsec. (e) which provided $30,000,000 during the period July 1, 1975, to Sept. 3, 1977, for reimbursement to private voluntary agencies of the United States for costs incurred with respect to the shipment of food and nonfood commodities provided through private donations.

Subsec. (f) was added by sec. 307(b) of the International Security and Development Cooperation Act of 1985 (Public Law 99–83; 99 Stat. 190).


Sec. 108, as added by the FA Act of 1973, was repealed by sec. 102(g)(2)(K)(i) of the International Development and Food Assistance Act of 1978 (92 Stat. 943).

43 U.S.C. 2151f.

terests of the United States to assist the development of the private sector in developing countries and to engage the United States private sector in that process. In order to promote such private sector development, the President is authorized to establish a revolving fund account in the United States Treasury. All funds deposited in such account shall, notwithstanding any provision in an appropriation Act to the contrary, be free from fiscal year limitations.

(b) Of the funds made available under this chapter in each of the fiscal years 1986 and 1987, up to $18,000,000 may be deposited in this account. Such funds used in accordance with the policies and authorities of this section shall be in addition to other funds available for private sector activities under other authorities in this Act. Any reflows and income arising from activities carried out pursuant to this section, including loan repayments and fee income (as provided in subsection (e) of this section), shall be deposited into the revolving fund and remain available to carry out the purposes of this section. All funds in such account may be invested in obligations of the United States.

(c) (1) The agency primarily responsible for administering this part is authorized to use the funds maintained in this revolving fund account to furnish assistance in furtherance of the policy of subsection (a) on such terms and conditions as it may determine. Amounts in the revolving fund account shall be available for obligation for assistance under this section only to such extent as may be provided in advance in appropriation Acts. Assistance may be provided under this section without regard to sections 604(a) and 620(r) of this Act.

(2) Assistance under this section may be provided only to support private sector activities which—

(A) are consistent with the United States development assistance policies set forth in section 102 of this Act and with the development priorities of the host country;
(B) are the types of activities for which assistance may be provided under sections 103 through 106 of this Act;
(C) will have a demonstration effect;
(D) will be innovative;
(E) are financially viable;
(F) will maximize the development impact appropriate to the host country, particularly in employment and the use of appropriate technology; and

43Sec. 108 Foreign Assistance Act of 1961 (P.L. 87-195)

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44Congress did not enact an authorization for fiscal year 2000. Instead, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), waived the requirement for authorization, and title II of that Act provided the following:

"MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

"For the cost of direct loans and loan guarantees, $1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: Provided, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 percent of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading $500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: Provided further, That funds made available under this heading shall remain available until September 30, 2001."
are primarily directed to making available to small business enterprises and cooperatives necessary support and services which are not otherwise generally available.

In determining whether an enterprise is a small business enterprise, the agency primarily responsible for administering this part shall take into consideration the enterprise's total net fixed assets and number of employees, together with the relevant definition utilized by the host country government and the International Bank for Reconstruction and Development and other international organizations.

(3) (A) Not more than $3,000,000 may be made available under this section to support any one project.

(B) Not more than 50 per centum of the financial support for any project may be provided under this section, and a substantial portion of the financial support for a project assisted under this section must be provided by sources within the host country.

(C) Not more than 20 per centum of the assets of the revolving fund account under this section may be used to support projects in any one country.

(D) In order to maximize the impact on institution building, loans under this section shall be made primarily to intermediary entities which provide necessary support and services for private sector activities.

(E) Loans under this section shall be at or near the interest rate otherwise available to the recipient.

(d) If at any time the assets of the revolving fund account exceed $100,000,000, the President shall remit the amount in excess of $100,000,000 to the United States Treasury.

(2) As used in this section, "assets" includes amounts in the revolving fund account plus the value of investments made with amounts from the fund plus the current value of outstanding obligations under loans under this section.

(3) In addition to the requirement of paragraph (1), at the end of any fiscal year, the agency primarily responsible for administering this part may determine that amounts in the revolving fund are sufficient to permit the remittance to the United States Treasury of an amount equal to a portion of the total amount of appropriated funds deposited in the revolving fund. Any such remittance shall be deemed to be a decrease in the appropriated funds in the revolving fund. After remittance has been made of an amount equal to the total amount of appropriated funds, the revolving fund shall consist and be deemed to consist entirely of nonappropriated funds.

(e) A fee may be charged, where appropriate, in carrying out activities with funds from the revolving fund authorized in this section. The amount of any such fee shall be determined by the agency primarily responsible for administering this part.

(f) In the event the revolving fund is terminated, all unobligated money in the fund at the time of such termination shall be transferred to and become part of the miscellaneous receipts account of the Treasury.

(g) As part of its annual congressional presentation documents submitted to the Congress, the agency primarily responsible for administering this part shall include a description of projects pro-
posed to be funded from the revolving fund account for that fiscal year. To the extent that projects are proposed for funding which are not contained in the annual congressional presentation documents, at least fifteen days' advance notification shall be provided to the Congress in accordance with section 634A of this Act.

(h) Not later than December 31 of each year, the President shall submit a comprehensive report which details all projects funded under this section during the previous fiscal year, all reflows to the revolving fund account, a status report on all projects currently contained in the fund's portfolio. Such reports shall include, but not be limited to, information regarding numbers and kinds of beneficiaries reached, amounts and kinds of benefits provided by the funded projects to targeted populations, and a justification for projects within the context of the goals and objectives of the United States development assistance program.

(i) To carry out the purposes of subsection (a), in addition to the other authorities set forth in this section, the agency primarily responsible for administering this part is authorized to issue guarantees on such terms and conditions as it shall determine assuring against losses incurred in connection with loans made to projects that meet the criteria set forth in subsection (c). The full faith and credit of the United States is hereby pledged for the full payment and performance of such guarantees.

(2) Loans guaranteed under this subsection shall be on such terms and conditions as the agency may prescribe, except for the following:

(A) The agency shall issue guarantees only when it is necessary to alleviate a credit market imperfection.

(B) Loans guaranteed shall provide for complete amortization within a period not to exceed ten years or, if the principal purpose of the guaranteed loan is to finance the construction or purchase of a physical asset with a useful life of less than ten years, within a period not to exceed such useful life.

(C) No loan guaranteed to any one borrower may exceed 50 percent of the cost of the activity to be financed, or $3,000,000, whichever is less, as determined by the agency.

(D) No loan may be guaranteed unless the agency determines that the lender is responsible and that adequate provision is made for servicing the loan on reasonable terms and protecting the financial interest of the United States.

(E) The fees earned from the loan guarantees issued under this subsection shall be deposited in the revolving fund account as part of the guarantee reserve established under paragraph (5) of this subsection. Fees shall be assessed at a level such that the fees received, plus the funds from the revolving fund account placed in the guarantee reserve satisfy the requirements of paragraph (5). Fees shall be reviewed every twelve months to ensure that the fees assessed on new loan guarantees are at the required level.

(F) Any guarantee shall be conclusive evidence that such guarantee has been properly obtained, and that the underlying

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Sec. 108(i) was added by sec. 2211 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100-418; 102 Stat. 1335).
Sec. 109.47 Transfer of Funds.—Whenever the President determines it to be necessary for the purposes of this chapter, not to exceed 15 per centum of the funds made available for any provision of this chapter may be transferred to, and consolidated with, the funds made available for any other provision of this chapter, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which

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472 U.S.C. 2151g. Sec. 109 was added by sec. 2(3) of the FA Act of 1973.
Sec. 509 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), provided the following:

"TRANSFERS BETWEEN ACCOUNTS"

"Sec. 509. None of the funds made available by this Act may be obligated under an appropriations account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate."

"DEVELOPMENT ASSISTANCE"

"(INCLUDING TRANSFER OF FUNDS)"

"* * * Provided further, That, notwithstanding section 109 of the Foreign Assistance Act of 1961, of the funds appropriated under this heading in this Act, and of the unobligated balances of funds previously appropriated under this heading, $2,500,000 may be transferred to 'International Organizations and Programs' for a contribution to the International Fund for Agricultural Development (IFAD')."

*The words "Notwithstanding sec. 108 of this Act," that had previously appeared in front of "whenever," were struck by sec. 102(g)(2)(K)(ii) of the International Development and Food Assistance Act of 1978 (92 Stat. 943).}
Sec. 111  Development and Use of Cooperatives. — In order to strengthen the participation of the rural and urban poor in their country's development, high priority shall be given to increasing the use of funds made available under this Act for technical and capital assistance in the development and use of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life.  

Sec. 112  Prohibiting Police Training. — * * * [Repealed—1974]
Sec. 113. Integrating Women Into National Economies.—(a) In recognition of the fact that women in developing countries play a significant role in economic production, family support, and the overall development process of the national economies of such countries, this part shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of developing countries, thus improving their status and assisting the total development effort.

(b) (1) Up to $10,000,000 of the funds made available each fiscal year under this chapter and chapter 10 of this part shall be used, in addition to funds otherwise available for such purposes, for assistance on such terms and conditions as the President may determine to encourage and promote the participation and integration of women as equal partners in the development process in the developing countries. These funds shall be used primarily to support activities which will increase the economic productivity and income earning capacity of women.

(2) Nothing in this section shall be construed to authorize the establishment of a separate development assistance program for women.

(c) Not less than $500,000 of the funds made available under this chapter for fiscal year 1982 shall be expended on international programs which support the original goals of the United Nations Decade for Women.

Sec. 114. Limiting Use of Funds for Abortions or Involuntary Sterilization.—[* * * [Repealed—1978]]

Sec. 115. Prohibiting Use of Funds for Certain Countries.—[* * * [Repealed—1978]]

Sec. 116. Human Rights.—(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment.

The current text of subsec. (c) was added by sec. 305 of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1533).

Sec. 117. Limiting Use of Funds for Abortions or Involuntary Sterilization.—[* * * [Repealed—1978]]

Sec. 118. Prohibiting Use of Funds for Certain Countries.—[* * * [Repealed—1978]]
grading treatment or punishment, prolonged detention without charges, causing the disappearance of persons by the abduction and clandestine detention of those persons, or other flagrant denial of the right to life, liberty, and the security of person, unless such assistance will directly benefit the needy people in such country.

(b) In determining whether this standard is being met with regard to funds allocated under this part, the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives may require the Administrator primarily responsible for administering part I of this Act to submit in writing information demonstrating that such assistance will directly benefit the needy people in such country, together with a detailed explanation of the assistance to be provided (including the dollar amounts of such assistance) and an explanation of how such assistance will directly benefit the needy people in such country. If either committee or the House of Congress disagrees with the Administrator's justification it may initiate action to terminate assistance to any country by a concurrent resolution under section 617 of this Act.

(b) No assistance may be provided to any government failing to take appropriate and adequate measures, within their means, to protect children from exploitation, abuse or forced conscription into military or paramilitary services.

(c) In determining whether or not a government falls within the provisions of subsection (a) and in formulating development assistance programs under this part, the Administrator shall consider, in consultation with the Assistant Secretary of State for Democracy, Human Rights, and Labor and in consultation with the Ambassador at Large for International Religious Freedom—

61 This phrase beginning with "causing the disappearance of * * *" was added by sec. 701(a) of the International Security and Development Cooperation Act of 1980 (Public Law 96-533; 94 Stat. 3156).
62 Sec. 9(a)(6) of Public Law 103-437 (108 Stat. 4588) struck out "International Relations" and inserted in lieu thereof "Foreign Affairs". Subsequently, sec. 1(a)(5) of Public Law 104-14 (109 Stat. 186) provided that references to the Committee on Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives.
64 Sec. 111 of the International Development and Food Assistance Act of 1977 (Public Law 95-88; 91 Stat. 537) amended and restated subsecs. (c) and (d), and added a new subsec. (e). Subsecs. (c) and (d) formerly read as follows:
66 Sec. 421(a)(1) of the International Religious Freedom Act of 1998 (Public Law 105-292; 112 Stat. 2809) added "and in consultation with the Ambassador at Large for International Religious Freedom--"
(1) the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Committee of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organization of American States:\textsuperscript{67}

(2) specific actions which have been taken by the President or the Congress relating to multilateral or security assistance to a less developed country because of the human rights practices or policies of such country; and\textsuperscript{67}

(3)\textsuperscript{67} whether the government—

\hspace{1em} (A) has engaged in or tolerated particularly severe violations of religious freedom, as defined in section 3 of the International Religious Freedom Act of 1998; or

\hspace{1em} (B) has failed to undertake serious and sustained efforts to combat particularly severe violations of religious freedom (as defined in section 3 of the International Religious Freedom Act of 1998), when such efforts could have been reasonably undertaken.

(d) The Secretary of State shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, by February 25\textsuperscript{68} of each year, a full and complete report regarding—

(1) the status of internationally recognized human rights, within the meaning of subsection (a)—

\hspace{1em} (A) in countries that receive assistance under this part, and

\hspace{1em} (B) in all other foreign countries which are members of the United Nations and which are not otherwise the subject of a human rights report under this Act:

(2) wherever applicable, practices regarding coercion in population control, including coerced abortion and involuntary sterilization;

(3)\textsuperscript{71} the status of child labor practices in each country, including—

\hspace{1em} (A) whether such country has adopted policies to protect children from exploitation in the workplace, including a
prohibition of forced and bonded labor and policies regarding acceptable working conditions; and

(B) the extent to which each country enforces such policies, including the adequacy of the resources and oversight dedicated to such policies;

(4) the votes of each member of the United Nations Commission on Human Rights on all country-specific and thematic resolutions voted on at the Commission's annual session during the period covered during the preceding year;

(5) the extent to which each country has extended protection to refugees, including the provision of first asylum and resettlement;

(6) the steps the Administrator has taken to alter United States programs under this part in any country because of human rights considerations;

(7) wherever applicable, violations of religious freedom, including particularly severe violations of religious freedom (as defined in section 3 of the International Religious Freedom Act of 1998) and

(8) wherever applicable, consolidated information regarding the commission of war crimes, crimes against humanity, and evidence of acts that may constitute genocide (as defined in article 2 of the Convention on the Prevention and Punishment of the Crime of Genocide and modified by the United States instrument of ratification to that convention and section 2(a) of the Genocide Convention Implementation Act of 1987).

(e) The President is authorized and encouraged to use not less than $3,000,000 of the funds made available under this chap-

[22 Sec. 102(d)(1) of the International Religious Freedom Act of 1998 (Public Law 105-292; 112 Stat. 2794) struck out "and" at the end of para. (4); replaced a period at the end of this para. (5) with "; and"; and added a new para. (6). Paras. (4) and (5), however, had already been redesignated as paras. (5) and (6) by sec. 2216 of Public Law 105-277. Sec. 2216 of Public Law 105-277 also redesignated a then-nonexistent para. (6) as para. (7). The amendment has been made to the subsequently enacted para. (6), shown here as para. (7).

Sec. 806(a) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (H.R. 3427, enacted by reference in sec. 1000(a)(7) of Public Law 106-113; 113 Stat. 1536), struck out "and" at the end of para. (6), struck out a period at the end of para. (7) and inserted in lieu thereof "and", and added a new para. (8).

71The first phrase, "The President is authorized and encouraged to use not less than", was added by sec. 109(1) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 947).

The authorization level of $3,000,000 and the reference to funds available under chapter 4 of part II were added by sec. 1002(a)(1) of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (Public Law 98-164; 97 Stat. 1052). Previously, amendments by sec. 306 of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1533), sec. 504 of Public Law 96-533 (94 Stat. 378), and sec. 109(2) of Public Law 95-424 (92 Stat. 947) authorized the use of $1,500,000 for this purpose in fiscal years 1982-1983, fiscal year 1981, and fiscal year 1979, respectively. The original text of subsec. (e), added by sec. 111 of Public Law 95-88 (91 Stat. 537), authorized the use of $750,000 for this purpose during fiscal year 1978.

The authorization level of $1,500,000 for the fiscal year 1986 and for each fiscal year thereafter was added by sec. 202 of Public Law 99-440 (100 Stat. 1095).

Paragraph designation "(I)" and a new par. (2) were added to subsec. (e) by sec. 1002(a)(3) of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (Public Law 98-164; 97 Stat. 1052). Par. (2) subsequently was repealed by sec. 4(a)(3)(B) of the South African Democracy Transition Support Act of 1993 (Public Law 103-149; 107 Stat. 1905), and the designation for par. (1) was struck out.

Par. (2) of subsec. (e) had stated a priority, with supporting guidelines and conditions, for giving grants to "nongovernmental organizations in South Africa promoting political, economic, social, juridical, and humanitarian efforts to foster a just society and to help victims of apartheid."

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ter, chapter 10 of this part,\textsuperscript{74} and chapter 4 of part II for each fiscal year for studies to identify, and for openly carrying out, programs and activities which will encourage or promote increased adherence to civil and political rights, including the right to free religious belief and practice,\textsuperscript{75} as set forth in the Universal Declaration of Human Rights, in countries eligible for assistance under this chapter or under chapter 10 of this part, except that funds made available under chapter 10 of this part may only be used under this subsection with respect to countries in sub-Saharan Africa. None of these funds may be used, directly or indirectly, to influence the outcome of any election in any country.

\textbf{(f)}\textsuperscript{76} (1) The report required by subsection (d) shall include—

(A) a list of foreign states where trafficking in persons, especially women and children, originates, passes through, or is a destination; and

(B) an assessment of the efforts by the governments of the states described in paragraph (A) to combat trafficking. Such an assessment shall address—

(i) whether government authorities in each such state tolerate or are involved in trafficking activities;

(ii) which government authorities in each such state are involved in anti-trafficking activities;

(iii) what steps the government of each such state has taken to prohibit government officials and other individuals from participating in trafficking, including the investigation, prosecution, and conviction of individuals involved in trafficking;

(iv) what steps the government of each such state has taken to assist trafficking victims;

\textsuperscript{74}Sec. 562 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (Public Law 101-133; 105 Stat. 1505) also repealed subsec. (f) and (g) of sec. 116, which had been added by sec. 202(b) of Public Law 99-440 (100 Stat. 1095).

Subsec. (f) directed not less than $500,000 under section (e)(2)(A) to be used “for direct legal and other assistance to political detainees and prisoners and their families, including the investigation of the killing of protesters and prisoners, and for support for actions of black-led community organizations to resist, through nonviolent means, the enforcement of apartheid policies...”.

Subsec. (g) directed $175,000 each fiscal year to “be used for direct assistance to families of victims of violence such as ‘necklacing’ and other such inhumane acts”, and another $175,000 to “be made available to black groups in South Africa which are actively working toward a multi-racial solution to the sharing of political power in that country through nonviolent, constructive means.”

\textsuperscript{75}Sec. 501(b) of the International Religious Freedom Act of 1998 (Public Law 105-292; 112 Stat. 2811) inserted “, including the right to free religious belief and practice”, after “adherence to civil and political rights”. Subsec. (a) of that sec. provided the following:

\textbf{(a) FINDINGS.}—Congress makes the following findings:

(1) In many nations where severe violations of religious freedom occur, there is not sufficient statutory legal protection for religious minorities or there is not sufficient cultural and social understanding of international norms of religious freedom.

(2) Accordingly, in the provision of foreign assistance, the United States should make a priority of promoting and developing legal protections and cultural respect for religious freedom.

\textsuperscript{76}Sec. 597 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), added subsec. (f).
Sec. 117. Assistance for Disadvantaged South Africans.—

* * *

Sec. 117. Environment and Natural Resources.—(a) The Congress finds that if current trends in the degradation of natural resources continue, the environment and natural resources will be severely impaired.

(b) In carrying out programs under this chapter, the President shall take into consideration the environmental consequence of development actions.

See also sec. 517(e) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), relating to assistance to the new independent states of the former Soviet Union;

See also sec. 534 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167; 103 Stat. 1228), as amended, relating to “Global Warming Initiative”;


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resources in developing countries continue, they will severely undermine the best efforts to meet basic human needs, to achieve sustained economic growth, and to prevent international tension and conflict. The Congress also finds that the world faces enormous, urgent, and complex problems, with respect to natural resources, which require new forms of cooperation between the United States and developing countries to prevent such problems from becoming unmanageable. It is, therefore, in the economic and security interests of the United States to provide leadership both in thoroughly reassessing policies relating to natural resources and the environment, and in cooperating extensively with developing countries in order to achieve environmentally sound development.

(b) In order to address the serious problems described in subsection (a), the President is authorized to furnish assistance under this part for developing and strengthening the capacity of developing countries to protect and manage their environment and natural resources. Special efforts shall be made to maintain and where possible to restore the land, vegetation, water, wildlife, and other resources upon which depend economic growth and human well-being, especially of the poor.

(c)(1) The President, in implementing programs and projects under this chapter and chapter 10 of this part, shall take fully into account the impact of such programs and projects upon the environment and natural resources of developing countries. Subject to such procedures as the President considers appropriate, the President shall require all agencies and officials responsible for programs or projects under this chapter—

(A) to prepare and take fully into account an environmental impact statement for any program or project under this chapter significantly affecting the environment of the global commons outside the jurisdiction of any country, the environment of the United States, or other aspects of the environment which the President may specify; and

(B) to prepare and take fully into account an environmental assessment of any proposed program or project under this chapter significantly affecting the environment of any foreign country.

Such agencies and officials should, where appropriate, use local technical resources in preparing environmental impact statements and environmental assessments pursuant to this subsection.

(2) The President may establish exceptions from the requirements of this subsection for emergency conditions and for cases in which compliance with those requirements would be seriously detrimental to the foreign policy interests of the United States.

Sec. 118. Tropical Forests.

(a) Importance of Forests and Tree Cover.—In enacting section 103(b)(3) of this Act the Congress recognized the importance...
of forests and tree cover to the developing countries. The Congress is particularly concerned about the continuing and accelerating alteration, destruction, and loss of tropical forests in developing countries, which pose a serious threat to development and the environment. Tropical forest destruction and loss—

(1) result in shortages of wood, especially wood for fuel; loss of biologically productive wetlands; siltation of lakes, reservoirs, and irrigation systems; floods; destruction of indigenous peoples; extinction of plant and animal species; reduced capacity for food production; and loss of genetic resources; and

(2) can result in desertification and destabilization of the earth's climate.

Properly managed tropical forests provide a sustained flow of resources essential to the economic growth of developing countries, as well as genetic resources of value to developed and developing countries alike.

(b) PRIORITIES.—The concerns expressed in subsection (a) and the recommendations of the United States Interagency Task Force on Tropical Forests shall be given high priority by the President—

(1) in formulating and carrying out programs and policies with respect to developing countries, including those relating to bilateral and multilateral assistance and those relating to private sector activities; and

(2) in seeking opportunities to coordinate public and private development and investment activities which affect forests in developing countries.

(c) ASSISTANCE TO DEVELOPING COUNTRIES.—In providing assistance to developing countries, the President shall do the following:

(1) Place a high priority on conservation and sustainable management of tropical forests.

(2) To the fullest extent feasible, engage in dialogues and exchanges of information with recipient countries—

(A) which stress the importance of conserving and sustainably managing forest resources for the long-term economic benefit of those countries, as well as the irreversible losses associated with forest destruction, and

(B) which identify and focus on policies of those countries which directly or indirectly contribute to deforestation.

(3) To the fullest extent feasible, support projects and activities—

(A) which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and

(B) which help developing countries identify and implement alternatives to colonizing forested areas.

(4) To the fullest extent feasible, support training programs, educational efforts, and the establishment or strengthening of institutions which increase the capacity of developing countries to formulate forest policies, engage in relevant land-use planning, and otherwise improve the management of their forests.

(5) To the fullest extent feasible, help end destructive slash-and-burn agriculture by supporting stable and productive farming practices in areas already cleared or degraded and on
lands which inevitably will be settled, with special emphasis on 
demonstrating the feasibility of agroforestry and other tech-
niques which use technologies and methods suited to the local 
environment and traditional agricultural techniques and fea-
ture close consultation with and involvement of local people.

(6) To the fullest extent feasible, help conserve forests which 
have not yet been degraded, by helping to increase production 
on lands already cleared or degraded through support of refor-
estation, fuelwood, and other sustainable forestry projects and 
practices, making sure that local people are involved at all 
stages of project design and implementation.

(7) To the fullest extent feasible, support projects and other 
activities to conserve forested watersheds and rehabilitate 
those which have been deforested, making sure that local peo-
ple are involved at all stages of project design and implementa-
tion.

(8) To the fullest extent feasible, support training, research, 
and other actions which lead to sustainable and more environ-
mentally sound practices for timber harvesting, removal, and 
processing, including reforestation, soil conservation, and other 
activities to rehabilitate degraded forest lands.

(9) To the fullest extent feasible, support research to expand 
knowledge of tropical forests and identify alternatives which 
will prevent forest destruction, loss, or degradation, including 
research in agroforestry, sustainable management of natural 
forests, small-scale farms and gardens, small-scale animal hus-
bandry, wider application of adopted traditional practices, and 
suitable crops and crop combinations.

(10) To the fullest extent feasible, conserve biological diver-
sity in forest areas by—

(A) supporting and cooperating with United States Gov-
ernment agencies, other donors (both bilateral and multi-
lateral), and other appropriate governmental, intergovern-
menttal, and nongovernmental organizations in efforts to 
identify, establish, and maintain a representative network 
of protected tropical forest ecosystems on a worldwide 
basis;

(B) whenever appropriate, making the establishment of 
protected areas a condition of support for activities involv-
ing forest clearance of degradation; and

(C) helping developing countries identify tropical forest 
ecosystems and species in need of protection and establish 
and maintain appropriate protected areas.

(11) To the fullest extent feasible, engage in efforts to in-
crease the awareness of United States Government agencies 
and other donors, both bilateral and multilateral, of the imme-
diate and long-term value of tropical forests.

(12) To the fullest extent feasible, utilize the resources and 
abilities of all relevant United States Government agencies.

(13) Require that any program or project under this chapter 
significantly affecting tropical forests (including projects involv-
ing the planting of exotic plant species)—
(A) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and
(B) take full account of the environmental impacts of the proposed activities on biological diversity, as provided for in the environmental procedures of the Agency for International Development.

(14) Deny assistance under this chapter for—
(A) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner which minimizes forest destruction and that the proposed activity will produce positive economic benefits and sustainable forest management systems; and
(B) actions which significantly degrade national parks or similar protected areas which contain tropical forests or introduce exotic plants or animals into such areas.

(15) Deny assistance under this chapter for the following activities unless an environmental assessment indicates that the proposed activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development:
(A) Activities which would result in the conversion of forest lands to the rearing of livestock.
(B) The construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands.
(C) The colonization of forest lands.
(D) The construction of dams or other water control structures which flood relatively undegraded forest lands.

(d) PVOS AND OTHER NONGOVERNMENTAL ORGANIZATIONS.—Whenever feasible, the President shall accomplish the objectives of this section through projects managed by private and voluntary organizations or international, regional, or national nongovernmental organizations which are active in the region or country where the project is located.

(e) COUNTRY ANALYSIS REQUIREMENTS.—Each country development strategy statement or other country plan prepared by the Agency for International Development shall include an analysis of—
(1) the actions necessary in that country to achieve conservation and sustainable management of tropical forests, and
(2) the extent to which the actions proposed for support by the Agency meet the needs thus identified.

(f) ANNUAL REPORT.—Each annual report required by section 634(a) of this Act shall include a report on the implementation of this section.
Sec. 119. Renewable and Unconventional Energy Technologies. [Repealed—1980]

Sec. 119. Endangered Species. (a) The Congress finds the survival of many animal and plant species is endangered by over-hunting, by the presence of toxic chemicals in water, air and soil, and by the destruction of habitats. The Congress further finds that the extinction of animal and plant species is an irreparable loss with potentially serious environmental and economic consequences for developing and developed countries alike. Accordingly, the preservation of animal and plant species through the regulation of the hunting and trade in endangered species, through limitations on the pollution of natural ecosystems, and through the protection of wildlife habitats should be an important objective of the United States development assistance.

(b) In order to preserve biological diversity, the President is authorized to furnish assistance under this part, notwithstanding section 660, to assist countries in protecting and maintaining wildlife habitats and in developing sound wildlife management and plant conservation programs. Special efforts should be made to establish and maintain wildlife sanctuaries, reserves, and parks; to enact and enforce anti-poaching measures; and to identify, study, and catalog animal and plant species, especially in tropical environments.

(c) Funding Level. — For fiscal year 1987, not less than $2,500,000 of the funds available to carry out this part (excluding funds made available to carry out section 104(c)(2), relating to the Child Survival Fund) shall be allocated for assistance pursuant to subsection (b) for activities which were not funded prior to fiscal year 1987. In addition, the Agency for International Development shall, to the fullest extent possible, continue and increase assistance pursuant to subsection (b) for activities for which assistance was provided in fiscal years prior to fiscal year 1987.

(d) Country Analysis Requirements. — Each country development strategy statement or other country plan prepared by the Agency for International Development shall include an analysis of—

1. the actions necessary in that country to conserve biological diversity, and
2. the extent to which the actions proposed for support by the Agency meet the needs thus identified.

734) is not applicable to this subsection. Sec. 3003(a)(1) of that Act, as amended, provided that "...each provision of law requiring the submittal to Congress (or any committee of the Congress) of any annual, semiannual, or other regular periodic report specified on the list...[prepared by the Clerk of the House of Representatives for the first session of the One Hundred Third Congress] shall cease to be effective, with respect to that requirement, May 15, 2000."


83 Sec. 533(d)(4)(A) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167; 103 Stat. 1227), added "notwithstanding section 660" at this point.

84 Sec. 119, as amended, provided that "...each provision of law requiring the submittal to Congress (or any committee of the Congress) of any annual, semiannual, or other regular periodic report specified on the list...[prepared by the Clerk of the House of Representatives for the first session of the One Hundred Third Congress] shall cease to be effective, with respect to that requirement, May 15, 2000."

85 Pars. (c) through (h) were added by sec. 302 of Public Law 99-529 (100 Stat. 3017).
Sec. 119 Foreign Assistance Act of 1961 (P.L. 87-195)  59

(e) **LOCAL INVOLVEMENT.**—To the fullest extent possible, projects supported under this section shall include close consultation with and involvement of local people at all stages of design and implementation.

(f) **PVOS AND OTHER NONGOVERNMENTAL ORGANIZATIONS.**—Whenever feasible, the objectives of this section shall be accomplished through projects managed by appropriate private and voluntary organizations, or international, regional, or national nongovernmental organizations, which are active in the region or country where the project is located.

(g) **ACTIONS BY AID.**—The Administrator of the Agency for International Development shall—

1. cooperate with appropriate international organizations, both governmental and nongovernmental;
2. look to the World Conservation Strategy as an overall guide for actions to conserve biological diversity;
3. engage in dialogues and exchanges of information with recipient countries which stress the importance of conserving biological diversity for the long-term economic benefit of those countries and which identify and focus on policies of those countries which directly or indirectly contribute to loss of biological diversity;
4. support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity;
5. whenever possible, enter into long-term agreements in which the recipient country agrees to protect ecosystems or other wildlife habitats recommended for protection by relevant governmental or nongovernmental organizations or as a result of activities undertaken pursuant to paragraph (6), and the United States agrees to provide, subject to obtaining the necessary appropriations, additional assistance necessary for the establishment and maintenance of such protected areas;
6. support, as necessary and in cooperation with the appropriate governmental and nongovernmental organizations, efforts to identify and survey ecosystems in recipient countries worthy of protection;
7. cooperate with and support the relevant efforts of other agencies of the United States Government, including the United States Fish and Wildlife Service, the National Park Service, the Forest Service, and the Peace Corps;
8. review the Agency’s environmental regulations and revise them as necessary to ensure that ongoing and proposed actions by the Agency do not inadvertently endanger wildlife species or their critical habitats, harm protected areas, or have other adverse impacts on biological diversity (and shall report to the Congress within a year after the date of enactment of this paragraph on the actions taken pursuant to this paragraph);
9. ensure that environmental profiles sponsored by the Agency include information needed for conservation of biological diversity; and
10. deny any direct or indirect assistance under this chapter for actions which significantly degrade national parks or simi-
lar protected areas or introduce exotic plants or animals into such areas.

(h) **Annual Reports.**—Each annual report required by section 634(a) of this Act shall include, in a separate volume, a report on the implementation of this section.

**Sec. 120. Sahel Development Program—Planning.**—(a) The Congress reaffirms its support of the initiative of the United States Government in undertaking consultations and planning with the countries concerned, and with other nations providing assistance, with the United Nations, and with other concerned international and regional organizations, toward the development and support of a comprehensive long-term African Sahel development program.

(b) The President is authorized to develop a long-term comprehensive development program for the Sahel and other drought-stricken nations in Africa.

(c) In developing this long-term program, the President shall—

1. consider international coordination for the planning and implementation of such program;

2. seek greater participation and support by African countries and organizations in determining development priorities; and

3. begin such planning immediately.

(d) **[Repealed—1978]**

**Sec. 121. Sahel Development Program—Implementation.**

**[Repealed—1990]**
Sec. 122. Foreign Assistance Act of 1961 (P.L. 87–195)

Sec. 122. General Authorities.—(a) In order to carry out the purposes of this chapter, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to countries and areas through programs of grant and loan assistance, bilaterally or through regional, multilateral, or private entities.

(b) The President is authorized to make loans payable as to principal and interest in United States dollars on such terms and conditions as he may determine, in order to promote the economic development of countries and areas, with emphasis upon assisting long range plans and programs designed to develop economic resources and increase productive capacities. The President shall determine the interest payable on any loan. In making loans under this chapter, the President shall consider the economic circumstances of the borrower and other relevant factors, including the capacity of the recipient country to repay the loan at a reasonable rate of interest, except that loans may not be made at a rate of interest of less than 3 per centum per annum commencing not later than ten years following the date on which the funds are initially made available under the loan, during which ten-year period the rate of interest shall not be lower than 2 per centum per annum, nor higher than the applicable legal rate of interest of the country in which the loan is made.

(c) Dollar receipts paid during any fiscal year from loans made under this part or from loans made under predecessor foreign assistance legislation shall be deposited in the Treasury as miscellaneous receipts.

(d) Not to exceed $10,000,000 of the funds made available each fiscal year for the purposes of this chapter may be used for assistance on such terms and conditions as the President may determine, to research and educational institutions in the United States for the purpose of strengthening their capacity to develop and carry out programs concerned with the economic and social development of developing countries.

(e) The President shall establish an interagency Development Loan Committee, consisting of such officers from such agencies of the United States Government as he may determine, which shall, under the direction of the President, establish standards and cri-

President for purposes of this section $25,000,000. In addition to the amounts authorized in the preceding sentences and to funds otherwise available for such purposes, there are authorized to be appropriated to the President for purposes of this section $86,558,000 for the fiscal year 1986 and $87,750,000 for the fiscal year 1987. Amounts appropriated under this section are authorized to remain available until expended.

(d) Funds available to carry out this section (including foreign currencies acquired with funds appropriated to carry out this section) may not be made available to any foreign government for disbursement unless the Administrator of the Agency for International Development determines that the foreign government will maintain a system of accounts with respect to those funds which will provide adequate identification of and control over the receipt and expenditure of those funds.

(e) Grants shall be made under this section to Sahel Development Program host governments in order to help them enhance their administrative capabilities to meet the administrative requirements resulting from donor country projects and activities.

Sec. 122.90 General Authorities.

Sec. 122.91 General Authorities.

Sec. 122.92 General Authorities.
Sec. 123. Private and Voluntary Organizations and Cooperatives in Overseas Development.—(a) The Congress finds that the participation of rural and urban poor people in their countries' development can be assisted and accelerated in an effective manner through an increase in activities planned and carried out by private and voluntary organizations and cooperatives. Such organizations and cooperatives, embodying the American spirit of self-help and assistance to others to improve their lives and incomes, constitute an important means of mobilizing private American financial and human resources to benefit poor people in developing countries. The Congress declares that it is in the interest of the United States that such organizations and cooperatives expand their overseas development efforts without compromising their private and independent nature. The Congress further declares that the financial resources of such organizations and cooperatives should be supplemented by the contribution of public funds for the purpose of undertaking development activities in accordance with the principles set forth in section 102 and, if necessary and determined on a case-by-case basis, for the purpose of sharing the cost of developing programs related to such activities.94 The Congress urges the Administrator of the agency primarily responsible for administering this part, in implementing programs authorized under this part, to draw on the resources of private and voluntary organizations and cooperatives to plan and carry out development activities and to establish simplified procedures for the development and approval of programs to be carried out by such private and voluntary organizations and cooperatives as have demonstrated a capacity to undertake effective development activities.95

93 22 U.S.C. 2151u. Sec. 123 was added by sec. 102(e) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 941).

94 The words to this point beginning with "and, if necessary * * *" were added by sec. 307(1) of the International Security and Development Cooperation Act of 1980 (Public Law 96-533; 94 Stat. 3147).

95 The words to this point beginning with "and to establish * * *" were added by sec. 307(2) of the International Security and Development Cooperation Act of 1980 (Public Law 96-533; 94 Stat. 3147).
Sec. 123 Foreign Assistance Act of 1961 (P.L. 87-195)

(b) In order to further the efficient use of United States voluntary contributions for development, relief, and rehabilitation of friendly peoples, the President is authorized to use funds made available for the purposes of this chapter and chapter 10 of this part to pay transportation charges on shipments by the American National Red Cross and by United States voluntary agencies registered with the Agency for International Development.

(c) Reimbursement under this section may be provided for transportation charges on shipments from United States ports, or in the case of excess or surplus property supplied by the United States from foreign ports, to ports of entry abroad or to points of entry abroad in cases (1) of landlocked countries, (2) where ports cannot be used effectively because of natural or other disturbances, (3) where carriers to a specified country are unavailable, or (4) where a substantial savings in costs or time can be effected by the utilization of points of entry other than ports.

(d) Where practicable, the President shall make arrangements with the receiving country for free entry of such shipments and for the making available by the country of local currencies for the purpose of defraying the transportation costs of such shipments from the port or point of entry of the receiving country to the designated shipping point of the consignee.

(e) Prohibitions on assistance to countries contained in this or any other Act shall not be construed to prohibit assistance by the agency primarily responsible for administering this part in support of programs of private and voluntary organizations and cooperatives already being supported prior to the date such prohibition becomes applicable. The President shall take into consideration, in any case in which statutory prohibitions on assistance would be applicable but for this subsection, whether continuation of support for such programs is in the national interest of the United States. If the President continues such support after such date, he shall prepare and transmit, not later than one year after such date, to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a report setting forth the reasons for such continuation.

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96 Sec. 562 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (Public Law 101-513; 104 Stat. 2026), added a new chapter 10 to part I of this Act, providing for long-term development in sub-Saharan Africa, and made a conforming amendment by inserting “and chapter 10 of this part” here.

97 This reference to the Agency for International Development was substituted in lieu of a reference to the Advisory Committee on Voluntary Foreign Aid by sec. 121 of the International Development Cooperation Act of 1979 (Public Law 96-53; 93 Stat. 366).

98 Subsec. (e) was added by sec. 307(3) of the International Security and Development Cooperation Act of 1980 (Public Law 96-533; 94 Stat. 3147).


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Sec. 124

Relatively Least Developed Countries.—(a) Relatively least developed countries (as determined on the basis of criteria comparable to those used for the United Nations General Assembly list of "least developed countries") are characterized by extreme poverty, very limited infrastructure, and limited administrative capacity to implement basic human needs growth strategies. In such countries special measures may be necessary to insure the full effectiveness of assistance furnished under this part.

(b) For the purpose of promoting economic growth in these countries, the President is authorized and encouraged to make assistance under this chapter available on a grant basis to the maximum extent that is consistent with the attainment of United States development objectives.
(c) The Congress recognizes that the relatively least developed countries have virtually no access to private international capital markets. Insofar as possible, prior assistance terms should be consistent with present grant assistance terms for relatively least developed countries. Therefore, notwithstanding section 620(r) of this Act and section 321 of the International Development and Food Assistance Act of 1975 but subject to paragraph (2) of this subsection, the President on a case-by-case basis, taking into account the needs of the country for financial resources and the commitment of the country to the development objectives set forth in sections 101 and 102—

(A) may permit a relatively least developed country to place amounts, which would otherwise be paid to the United States as payments on principal or interest on liability incurred by that country under this part (or any predecessor legislation) into local currency accounts (in equivalent amounts of local currencies as determined by the official exchange rate for United States dollars) for use by the relatively least developed country, with the concurrence of the Administrator of the agency primarily responsible for administering this part, for activities which are consistent with section 102; and

(B) may waive interest payments on liability incurred by a relatively least developed country under this part (or any predecessor legislation) if the President determines that that country would be unable to use for development purposes the equivalent amounts of local currencies which could be made available under subparagraph (A).

(2) The aggregate amount of interest waived and interest and principal paid into local currency accounts under this subsection in any fiscal year may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this chapter for that fiscal year, which amount may not exceed the amount authorized to be so approved by the annual authorizing legislation for development assistance programs. Amounts due and payable during fiscal year 1981 to the United States from relatively least developed countries on loans made under this part (or any predecessor legislation) are authorized to be approved for use, in accordance with the provisions of paragraph (1) of this subsection, in an amount not to exceed $10,845,000.105

(3) In exercising the authority granted by this subsection, the President should act in concert with other creditor countries.

(d) The President may on a case-by-case basis waive the requirement of section 110(a) for financial or “in kind” contributions in the case of programs, projects, or activities in relatively least developed countries.

(e) Section 110(b) shall not apply with respect to grants to relatively least developed countries.

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104 Sec. 112(a)(2) of the International Development and Food Assistance Act of 1978 (92 Stat. 949) stated that the authority granted by subsec. (c) shall not become effective until October 1, 1979.

105 This sentence was added by sec. 109 of the International Development Cooperation Act of 1979 (Public Law 96-53; 93 Stat. 363). The authorization figure for fiscal year 1981 was substituted in lieu of the fiscal year 1980 authorization ($18,800,000) by sec. 308 of the International Security and Development Cooperation Act of 1980 (Public Law 96-533; 94 Stat. 3147).
Sec. 125. Project and Program Evaluation.—(a) The Administrator of the agency primarily responsible for administering this part is directed to improve the assessment and evaluation of the programs and projects carried out by that agency under this chapter. The Administrator shall consult with the appropriate committees of the Congress in establishing standards for such evaluations.

(b) * * * [Repealed—1981]

Sec. 126. Development and Illicit Narcotics Production.—(a) The Congress recognizes that illicit narcotics cultivation is related to overall development problems and that the vast majority of all individuals employed in the cultivation of illicit narcotics reside in the developing countries and are among the poorest of the poor in those countries and that therefore the ultimate success of any effort to eliminate illicit narcotics production depends upon the availability of alternative economic opportunities for those individuals, upon other factors which assistance under this chapter could address, as well as upon direct narcotics control efforts.

(b)(1) In planning programs of assistance under this chapter, and chapter 10 of this part, and under chapter 4 of part II for countries in which there is illicit narcotics cultivation, the agency primarily responsible for administering this part should give priority consideration to programs which would help reduce illicit narcotics cultivation by stimulating broader development opportunities.

(2) The agency primarily responsible for administering this part may utilize resources for activities aimed at increasing awareness of the effects of production and trafficking of illicit narcotics on source and transit countries.

(c) In furtherance of the purposes of this section, the agency primarily responsible for administering this part shall cooperate fully with, and share its expertise in development matters with, other agencies of the United States Government involved in narcotics control activities abroad.

Sec. 127. Accelerated Loan Repayments.—The Administrator of the agency primarily responsible for administering this
part shall conduct an annual review of bilateral concessional loan balances and shall determine and identify those countries whose financial resources make possible accelerated loan repayments. In particular, European countries that were recipients of concessional loans by predecessor agencies to the agency primarily responsible for administering this part shall be contacted to negotiate accelerated repayments. The criteria used by the Administrator in making these determinations shall be established in conjunction with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

Sec. 128.112 Targeted Assistance.—(a) The President shall use poverty measurement standards, such as those developed by the International Bank for Reconstruction and Development, and other appropriate measurements in determining target populations for United States development assistance, and shall strengthen United States efforts to assure that a substantial percentage of development assistance under this chapter directly improves the lives of the poor majority, with special emphasis on those individuals living in absolute poverty.

(b) To the maximum extent possible, activities under this chapter that attempt to increase the institutional capabilities of private organizations or governments, or that attempt to stimulate scientific and technological research, shall be designed and monitored to ensure that the ultimate beneficiaries of these activities are the poor majority.

SEC. 129.113 PROGRAM TO PROVIDE TECHNICAL ASSISTANCE TO FOREIGN GOVERNMENTS AND FOREIGN CENTRAL BANKS OF DEVELOPING OR TRANSITIONAL COUNTRIES.

(a) Establishment of Program.—
(1) IN GENERAL.—Not later than 150 days after the date of the enactment of this section, the Secretary of the Treasury, after consultation with the Secretary of State and the Administrator of the United States Agency for International Development, is authorized to establish a program to provide technical assistance to foreign governments and foreign central banks of developing or transitional countries.

(2) ROLE OF SECRETARY OF STATE.—The Secretary of State shall provide foreign policy guidance to the Secretary to ensure that the program established under this subsection is effectively integrated into the foreign policy of the United States.

(b) CONDUCT OF PROGRAM.—

(1) IN GENERAL.—In carrying out the program established under subsection (a), the Secretary shall provide economic and financial technical assistance to foreign governments and foreign central banks of developing and transitional countries by providing advisers with appropriate expertise to advance the enactment of laws and establishment of administrative procedures and institutions in such countries to promote macroeconomic and fiscal stability, efficient resource allocation, transparent and market-oriented processes and sustainable private sector growth.

(2) ADDITIONAL REQUIREMENTS.—To the extent practicable, such technical assistance shall be designed to establish—

(A) tax systems that are fair, objective, and efficiently gather sufficient revenues for governmental operations;

(B) debt issuance and management programs that rely on market forces;

(C) budget planning and implementation that permits responsible fiscal policy management;

(D) commercial banking sector development that efficiently intermediates between savers and investors; and

(E) financial law enforcement to protect the integrity of financial systems, financial institutions, and government programs.

(c) ADMINISTRATIVE REQUIREMENTS.—In carrying out the program established under subsection (a), the Secretary—

(1) shall establish a methodology for identifying and selecting foreign governments and foreign central banks to receive assistance under the program;

(2) prior to selecting a foreign government or foreign central bank to receive assistance under the program, shall receive the concurrence of the Secretary of State with respect to the selec-
tion of such government or central bank and with respect to
the cost of the assistance to such government or central bank;
(3) shall consult with the heads of appropriate Executive
agencies of the United States, including the Secretary of State
and the Administrator of the United States Agency for Inter-
national Development, and appropriate international financial
institutions to avoid duplicative efforts with respect to those
foreign countries for which such agencies or organizations pro-
vide similar assistance;
(4) shall ensure that the program is consistent with the
International Affairs Strategic Plan and Mission Performance
Plan of the United States Agency for International Develop-
ment;
(5) shall establish and carry out a plan to evaluate the pro-
gram.
(d) Administrative Authorities.—In carrying out the program
established under subsection (a), the Secretary shall have the fol-
lowing administrative authorities:
(1) The Secretary may provide allowances and benefits under
chapter 9 of title I of the Foreign Service Act of 1980 (22
U.S.C. 4081 et seq.) to any officer or employee of any agency
of the United States Government performing functions under
this section outside the United States.
(2)(A) The Secretary may allocate or transfer to any agency
of the United States Government any part of any funds avail-
able for carrying out this section, including any advance to the
United States Government by any country or international or-
ganization for the procurement of commodities, supplies, or
services.
(B) Such funds shall be available for obligation and expendi-
ture for the purposes for which such funds were authorized, in
accordance with authority granted in this section or under au-
thority governing the activities of the agency of the United
States Government to which such funds are allocated or trans-
ferred.
(3) Appropriations for the purposes of or pursuant to this
section, and allocations to any agency of the United States
Government from other appropriations for functions directly
related to the purposes of this section, shall be available for—
(A) contracting with individuals for personal services
abroad, except that such individuals shall not be regarded
as employees of the United States Government for the pur-
pose of any law administered by the Office of Personnel
Management;
(B) the purchase and hire of passenger motor vehicles,
except that passenger motor vehicles may be purchased
only—
(i) for use in foreign countries; and
(ii) if the Secretary or the Secretary’s designee has
determined that the vehicle is necessary to accomplish
the mission;
(C) the purchase of insurance for official motor vehicles
acquired for use in foreign countries.
(D)(i) the rent or lease outside the United States, not to exceed 5 years, of offices, buildings, grounds, and quarters, including living quarters to house personnel, consistent with the relevant interagency housing board policy, and payments therefor in advance;
(ii) maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government or made available for use to the United States Government outside the United States; and
(iii) costs of insurance, fuel, water, and utilities for such properties;
(E) expenses of preparing and transporting to their former homes or places of burial the remains of foreign participants or members of the family of foreign participants, who may die while such participants are away from their homes participating in activities carried out with funds covered by this section;
(F) notwithstanding any other provision of law, transportation and payment of per diem in lieu of subsistence to foreign participants engaged in activities of the program under this section while such participants are away from their homes in countries other than the United States, at rates not in excess of those prescribed by the standardized Government travel regulations;
(G) expenses in connection with travel of personnel outside the United States, including travel expenses of dependents (including expenses during necessary stop-overs while engaged in such travel), and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year, and cost of transporting automobiles to and from a place of storage, and the cost of storing automobiles of such personnel when it is in the public interest or more economical to authorize storage; and
(H) grants to, and cooperative agreements and contracts with, any individual, corporation, or other body of persons, nonprofit organization, friendly government or government agency, whether within or without the United States, and international organizations, as the Secretary determines is appropriate to carry out the purposes of this section.
(4) Whenever the Secretary determines it to be consistent with the purposes of this section, the Secretary is authorized to furnish services and commodities on an advance-of-funds basis to any friendly country or international organization that is not otherwise prohibited from receiving assistance under this Act. Such advances may be credited to the currently applicable appropriation, account, or fund of the Department of the Treasury and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used.
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(e) ISSUANCE OF REGULATIONS.—The Secretary is authorized to issue such regulations with respect to personal service contractors as the Secretary deems necessary to carry out this section.

(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to infringe upon the powers or functions of the Secretary of State (including the powers or functions described in section 103 of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4802)) or of any chief of mission (including the powers or functions described in section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927)).

(g) TERMINATION OF ASSISTANCE.—The Secretary shall conclude assistance activities for a recipient foreign government or foreign central bank under the program established under subsection (a) if the Secretary, after consultation with the appropriate officers of the United States, determines that such assistance has resulted in the enactment of laws or the establishment of institutions in that country that promote fiscal stability and administrative procedures, efficient resource allocation, transparent and market-oriented processes and private sector growth in a sustainable manner.

(h) REPORT.—

(1) IN GENERAL.—Not later than 3 months after the date of the enactment of this section, and every 6 months thereafter, the Secretary shall prepare and submit to the appropriate congressional committees a report on the conduct of the program established under this section during the preceding 6-month period.

(2) DEFINITION.—In this subsection, the term “appropriate congressional committees” means—

(A) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(i) DEFINITIONS.—In this section:

(1) DEVELOPING OR TRANSITIONAL COUNTRY.—The term “developing or transitional country” means a country eligible to receive development assistance under this chapter.

(2) INTERNATIONAL FINANCIAL INSTITUTION.—The term “international financial institution” means the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guarantee Agency, the Asian Development Bank, the African Development Bank, the African Development Fund, the Inter-American Development Bank, the Inter-American Investment Corporation, the European Bank for Reconstruction and Development, and the Bank for Economic Cooperation and Development in the Middle East and North Africa.

(3) SECRETARY.—The term “Secretary” means the Secretary of the Treasury.

(4) TECHNICAL ASSISTANCE.—The term “technical assistance” includes—
(A) the use of short-term and long-term expert advisers to assist foreign governments and foreign central banks for the purposes described in subsection (b)(1);
(B) training in the recipient country, the United States, or elsewhere for the purposes described in subsection (b)(1);
(C) grants of goods, services, or funds to foreign governments and foreign central banks;
(D) grants to United States nonprofit organizations to provide services or products which contribute to the provision of advice to foreign governments and foreign central banks; and
(E) study tours for foreign officials in the United States or elsewhere for the purpose of providing technical information to such officials.

(5) FOREIGN PARTICIPANT.—The term “foreign participant” means the national of a developing or transitional country that is receiving assistance under the program established under subsection (a) who has been designated to participate in activities under such program.

(j) AUTHORIZATION OF APPROPRIATIONS.—
(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $5,000,000 for fiscal year 1999.
(2) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.

SEC. 130.114 ASSISTANCE FOR VICTIMS OF TORTURE.
(a) IN GENERAL.—The President is authorized to provide assistance for the rehabilitation of victims of torture.
(b) ELIGIBILITY FOR GRANTS.—Such assistance shall be provided in the form of grants to treatment centers and programs in foreign countries that are carrying out projects or activities specifically designed to treat victims of torture for the physical and psychological effects of the torture.
(c) USE OF FUNDS.—Such assistance shall be available—
(1) for direct services to victims of torture; and
(2) to provide research and training to health care providers outside of treatment centers or programs described in subsection (b), for the purpose of enabling such providers to provide the services described in paragraph (1).

Chapter 2—Other Programs115

Sec. 201.116 General Authority.—* * * [Repealed—1978]
Sec. 202.116 Authorization.—* * * [Repealed—1978]

114 22 U.S.C. 2152. Added by sec. 4(a) of the Torture Victims Relief Act of 1998 (Public Law 105–320; 112 Stat. 3016), as sec. 129, effective October 1, 1998. See also sec. 4(b) of that Act (p. 425), which authorized $5,000,000 for fiscal year 1999 and $7,500,000 for fiscal year 2000 to carry out this section. Sec. 6(a) of Public Law 106–87 (113 Stat. 1302) redesignated as sec. 130.

115 The chapter heading “Other Programs” was inserted in lieu of “Development Assistance” by sec. 102(g)(1)(B) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 942).

116 Secs. 201, 202, 203, 204, 207, and 208 were repealed by sec. 102(g)(1)(A) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 942). The text of sec. 204 was subsequently reinserted as subsec. (e) of sec. 122 of this Act.
Sec. 209. Foreign Assistance Act of 1961 (P.L. 87-195)

Sec. 203. Fiscal Provisions. — * * * [Repealed—1978]
Sec. 204. Development Loan Committee. — * * * [Repealed—1978]
Sec. 205. Relating to Transfers to International Financial Institutions. — * * * [Repealed—1972]

Title I—Multilateral and Regional Development Programs

Sec. 206. Regional Development in Africa. — The President is requested to seek and to take appropriate action, in cooperation and consultation with African and other interested nations and with international development organizations, to further and assist in the advancement of African regional development institutions, including the African Development Bank, with the view toward promoting African economic development.

Sec. 207. Purposes of Development Assistance. — * * * [Repealed—1978]

Sec. 208. Self-Help Criteria. — * * * [Repealed—1978]
Sec. 209. Multilateral and Regional Programs. — (a) The Congress recognizes that the planning and administration of development assistance by, or under the sponsorship of the United Nations, multilateral lending institutions, and other multilateral organizations may contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance.

(b) It is further the sense of the Congress (1) that where problems or opportunities are common to two or more countries in a region, in such fields as agriculture, education, transportation, communications, power, watershed development, disease control, and establishment of development banks, these countries often can more effectively resolve such problems and exploit such opportunities by joining together in regional organizations or working together on regional programs, (2) that assistance often can be utilized more efficiently in regional programs than in separate country programs, and (3) that to the maximum extent practicable consistent with the purposes of this Act assistance under this Act should be furnished so as to encourage less developed countries to cooperate with each other in regional development programs.

116 Sec. 203 was repealed by sec. 101(d) of the FA Act of 1971 (Public Law 92-226; 86 Stat. 21).
117 Sec. 102(g)(1)(C) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 942) added this new title heading.
118 22 U.S.C. 2166. Sec. 206 was added by sec. 102(b) of the FA Act of 1965.
119 22 U.S.C. 2169. Sec. 209 was added by sec. 102(e) of the FA Act of 1967. Sec. 101(c)(1) of the FA Act of 1971 (Public Law 92-226; 86 Stat. 21) amended subsection (a), which formerly read as follows:
120 (a) Multilateral Programs.—The Congress recognizes that planning and administration of development assistance by, or under the sponsorship of, multilateral lending institutions and other international organizations may, in some instances, contribute to the efficiency and effectiveness of that assistance through participation of other donors in the development effort, improved coordination of policies and programs, pooling of knowledge, avoidance of duplication of facilities and manpower, and greater encouragement of self-help performance.
121 The words “Regional Programs.—” which appeared at this point, were struck out by sec. 101(c)(3) of the FA Act of 1971 (Public Law 92-226; 86 Stat. 21).
(c) It is the sense of the Congress that the President should increase, to the extent practicable, the funds provided by the United States to multilateral lending institutions and multilateral organizations in which the United States participates for use by such institutions and organizations in making loans to foreign countries.

(d) In furtherance of the provisions of subsection (a) of this section, any funds appropriated under this part I may be transferred by the President to the International Development Association, the International Bank for Reconstruction and Development, the International Finance Corporation, the Asian Development Bank or other multilateral lending institutions and multilateral organizations in which the United States participates for the purpose of providing funds to enable any such institution or organization to make loans to foreign countries.

Sec. 211. General Authority.—* * * [Repealed—1978]

Sec. 212. Authorization.—* * * [Repealed—1978]

Sec. 213. Atoms for Peace.—* * * [Repealed—1962]

Title II—American Schools and Hospitals Abroad; Prototype Desalting Plant

Sec. 214. American Schools and Hospitals Abroad.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may specify, to schools and libraries outside the United States founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States.

(b) The President is authorized, notwithstanding the provisions of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 2161 et seq.), to furnish assistance, on such terms and

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Subsec. (c), which was added by sec. 101(c)(2) of the FA Act of 1971 (Public Law 92–226; 86 Stat. 21), was amended by sec. 311 of Public Law 94–161 (89 Stat. 849). It formerly read as follows: “Notwithstanding any other provision of law, the President should reduce the amounts and numbers of loans made by the United States directly to individual foreign countries with the objective of reducing the total amount of bilateral loans made under this Act so that, by not later than June 30, 1975, such total amount shall not exceed $100,000,000.”

Subsection (d) was added by sec. 101(c)(2) of the FA Act of 1971.

Sec. 211 was repealed by sec. 103(c) of the FA Act of 1962 (76 Stat. 256).

This new title heading was added by sec. 102(g)(1)(D) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 942).


Sec. 103(b)(1) of the FA Act of 1963 substituted the word “furnish” for the words “use, in addition to other funds available for such purposes, funds made available for the purposes of sec. 211 for”.

Sec. 103(b)(2) of the FA Act of 1963 struck out the words “to use” which appeared at this point.

Superseded by the Export Administration Act of 1979.

Sec. 103(b)(2) of the FA Act of 1963 substituted the words “to furnish” for the words “foreign currencies accruing to the United States Government under any Act, for purposes of subsection (2) of this section, and for”.

Sec. 502. Notwithstanding section 614 of the Foreign Assistance Act of 1961, none of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961:Provided, That none of the funds appropriated by title II of this Act may be transferred by the Agency for International Development directly to an international financial institution (as defined in section 533 of this Act) for the purpose of repaying a foreign country’s loan obligations to such institution.”.

Secs. 211, 212, 215, 216, 217, 218, 220, and 220A were repealed by sec. 102(g)(1)(A) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 942).

Sec. 213 was repealed by sec. 103(c) of the FA Act of 1962 (76 Stat. 256).

This new title heading was added by sec. 102(g)(1)(D) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 942).
conditions as he may specify, to institutions referred to in subsection (a) of this section, and to hospital centers for medical education and research outside the United States, founded or sponsored by United States citizens.\textsuperscript{132}

(c)\textsuperscript{133} (1) To carry out the purposes of this section, there are authorized to be appropriated to the President $35,000,000 for fiscal year 1986 and $35,000,000 for fiscal year 1987.

(2) Amounts appropriated under paragraph (1) are authorized to remain available until expended.\textsuperscript{134}

(d)\textsuperscript{135} Notwithstanding the provisions of subsection (b), funds appropriated under this section may be used for assistance to centers for pediatric plastic and reconstructive surgery established by Children's Medical Relief International, except that assistance may not be furnished for the domestic operations of any such center located in the United States, its territories or possessions.

\textbf{Sec. 215.} \textbf{Loans to Small Farmers.}—* * * [Repealed—1978]

\textbf{Sec. 216.} \textbf{Voluntary Agencies.}—* * * [Repealed—1978]

\textbf{Sec. 217.} \textbf{Used Equipment.}—* * * [Repealed—1978]

\textbf{Sec. 218.} \textbf{Fish and Other Protein Concentrates.}—* * * [Repealed—1978]

\textbf{Sec. 219.} \textbf{Prototype Desalting Plant.}—(a) In furtherance of purposes of this part and for the purpose of improving existing, and developing and advancing new technology and experience in the design, construction, and operation of large-scale desalting plants of advanced concepts which will contribute materially to low-cost desalination in all countries, including the United States, the President, if he determines it to be feasible, is authorized to participate in the development of a large-scale water treatment and desalting prototype plant and necessary appurtenances to be constructed in Israel as an integral part of a dual-purpose power generating and desalting project. Such financial, technical, and such other assistance as the President deems appropriate to provide for the study, design, construction, and, for a limited demonstration period of not to exceed five years, operation and maintenance of the water treatment and desalting facilities of the dual-purpose project.

(b) Any agreement entered into under subsection (a) of this section shall include such terms and conditions as the President deems appropriate to insure, among other things, that all informa-

\textsuperscript{130}Sec. 103(c)(1) of the FA Act of 1966 substituted the words to this point, beginning with “to institutions referred to in lieu of “to hospitals outside the United States founded or sponsored by United States citizens and serving as centers for medical education and research”.

\textsuperscript{131}Sec. 4(2) of the FA Act of 1973 amended and restated subsec. (c).

\textsuperscript{132}The authorization figures for fiscal years 1986 and 1987 were added by sec. 401 of the International Security and Development Cooperation Act of 1985 (Public Law 99–83; 99 Stat. 190). Authorizations under sec. 214 for recent years included the following: fiscal year 1975—$19,000,000; fiscal year 1976—25,000,000; fiscal year 1977—$25,000,000; fiscal year 1978—$25,000,000; fiscal year 1979—$25,000,000; fiscal year 1980—$25,000,000; fiscal year 1981—$30,000,000; fiscal year 1982—$20,000,000; fiscal year 1983—$20,000,000; fiscal year 1984—$30,000,000; fiscal year 1985—no authorization; fiscal years 1986 through 2000—no authorization.

\textsuperscript{133}Sec. 114(2) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 539) redesignated subsec. (f) which had been added by the FA Act of 1973, and redesignated subsec. (f) which had been added by Public Law 95–88; 91 Stat. 539 as subsec. (d).

\textsuperscript{134}22 U.S.C. 2179. Sec. 219 was added by sec. 104 of the FA Act of 1969 (Public Law 91–175; 83 Stat. 806).
tion, products, uses, processes, patents, and other developments obtained or utilized in the development of this prototype plant will be available without further cost to the United States for the use and benefit of the United States throughout the world, and to ensure that the United States, its officers and employees have a permanent right to review data and have access to such plant for the purpose of observing its operations and improving science and technology in the field of desalination.

(c) In carrying out the provisions of this section, the President may enter into contracts with public or private agencies and with any person without regard to sections 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529 and 41 U.S.C. 5).

(d) Nothing in this section shall be construed as intending to deprive the owner of any background patent or any right which such owner may have under that patent.

(e) In carrying out the provisions of this section, the President may utilize the personnel, services, and facilities of any Federal agency.

(f) The United States costs, other than its administrative costs, for the study, design, construction, and operation of a prototype plant under this section shall not exceed either 50 per centum of the total capital costs of the facilities associated with the production of water, and 50 per centum of the operation and maintenance costs for the demonstration period, or $20,000,000, whichever is less. There are authorized to be appropriated, subject to the limitations of this subsection, such sums as may be necessary to carry out the provisions of this section, including administrative costs thereof. Such sums are authorized to remain available until expended.

(g) No funds appropriated for the Office of Saline Water pursuant to the appropriation authorized by the Act of July 11, 1969 (83 Stat. 45; Public Law 91-43), or prior authorization Acts, shall be used to carry out the purposes of this section.

Sec. 220. Programs for Peaceful Communication.* * *
[Repealed—1978]

Sec. 220A. Suez Canal.* * * [Repealed—1978]

Title III—Housing and Other Credit Guaranty Programs*

Sec. 221. Housing Guarantees.—The Congress recognizes that shelter, including essential urban development services, is among the most fundamental of human needs. Shelter for most people in the developing countries consists largely of domestic materials assembled by local labor. While recognizing that most fi-
nancing for such shelter must come from domestic resources, the Congress finds that carefully designed programs involving United States capital and expertise can increase the availability of domestic financing for improved shelter and related services for low-income people by demonstrating to local entrepreneurs and institutions that providing low-cost shelter can be financially viable. The Congress reaffirms, therefore, that the United States should continue to assist developing countries in marshalling resources for low-cost shelter. Particular attention should be given to programs which will support pilot projects for low-cost shelter or which will have a maximum demonstration impact on local institutions and national policy. The Congress declares that the long run goal of all such programs should be to develop domestic construction capabilities and to stimulate local credit institutions to make available domestic capital and other management and technological resources required for effective low-cost shelter programs and policies.

Sec. 222. Authorization.—(a) To carry out the policy of section 221, the President is authorized to issue guaranties to eligible investors (as defined in section 238(c)) assuring against losses incurred in connection with loans made for projects meeting the criteria set forth in section 221. The total principal amount of guaranties issued under this title or heretofore issued under prior housing guaranty authorities, which are outstanding at any one time, shall not exceed $2,558,000,000. The authority of this section shall...

140 The word "shelter" was inserted in lieu of the word "housing" by sec. 541(a) of the Foreign Assistance Appropriations Act, 1985, as contained in the Continuing Appropriations Act, 1985 (Public Law 98-473; 98 Stat. 1903). This amendment had been included as sec. 311(a)(2) of H.R. 5119, the International Security and Development Cooperation Act of 1984, as passed by the House on May 10, 1984. Sec. 541(a) enacted sec. 311 of H.R. 5119.

141 22 U.S.C. 2182. Sec. 222, which was added by the FA Act of 1969 and had concerned housing projects in Latin American countries, was amended and restated by sec. 115(a) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 950).

142 This figure was increased from $2,158,000,000 by title II, chapter III, of the Dire Emergency Supplemental Appropriations for 1990 (Public Law 101-302; 104 Stat. 224). This figure was previously increased from $1,958,000,000 by sec. 313(a) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 190); and from $1,718,000,000 by sec. 541(a) of the Foreign Assistance Appropriations Act, 1985, as contained in the Continuing Appropriations Act, 1985 (Public Law 98-473; 98 Stat. 1903). This amendment had been included as sec. 311(b)(1) of H.R. 5119, the International Security and Development Cooperation Act of 1984, as passed by the House on May 10, 1984. Sec. 541(a) enacted sec. 311 of H.R. 5119. Previously, the amount was raised from $1,555,000,000 to $1,718,000,000 by sec. 310(a) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1535) and from $1,180,000,000 to $1,155,000,000 by sec. 112(a)(1) of Public Law 96-53 (93 Stat. 363).

Congress did not enact an authorization for fiscal year 2000. Instead, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), waived the requirements for authorization and title II of that Act provided the following:

"URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

"For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961, $1,500,000, to remain available until expended: Provided, That these funds are available to subsidize loan principal, 100 percent of which shall be guaranteed, pursuant to the authority of such sections. In addition, for administrative expenses to carry out guaranteed loan programs, $5,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: Provided further, That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) of the Foreign Assistance Act of 1961."

See also sec. 557 of that Act, relating to special debt relief for the poorest.
continue through September 30, 1992. The President may issue regulations from time to time with regard to the terms and conditions upon which such guaranties shall be issued and the eligibility of lenders.

(b) Activities carried out under this section shall emphasize—
   (1) projects which provide improved home sites to poor families on which to build shelter, and related services;
   (2) projects comprised of expandable core shelter units on serviced sites;
   (3) slum upgrading projects designed to conserve and improve existing shelter;
   (4) shelter projects for low income people designed for demonstration or institution building purposes; and
   (5) community facilities and services in support of projects authorized under this section to improve the shelter occupied by the poor.

(c) In issuing guaranties under this section with respect to projects in a country which require the use or conservation of energy, the President shall give consideration to the use of solar energy technologies, where such technologies are economically and technically feasible. Technologies which may be used include solar hot water systems, solar heating and cooling, passive solar heating, biomass conversion, photovoltaic and wind applications, and community-scale solar thermal applications.

(k) The total principal amount of guaranties issued under this section for each of the fiscal years 1986 and 1987 shall be comparable to the total principal amount of such guaranties issued for fiscal year 1984, subject to the dollar limitations on the issuance of guaranties under this section which are contained in subsection (a) and in appropriation Acts.

Sec. 222A. Agricultural and Productive Credit and Self-Help Community Development Programs.—(a) It is the sense of the Congress that in order to stimulate the participation of the private sector in the economic development of less-developed coun-

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143 Title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), under the heading "Urban and Environmental Credit Program Account", waived the second and third sentences of this subsec., which in effect lifted the ceiling on the outstanding principal amount of guaranties, and continued the authority contained in the section.


The authority of this section was previously extended from Sept. 30, 1984, by sec. 541(a) of the Foreign Assistance Appropriations Act, 1985 as contained in the Continuing Appropriations Act, 1985 (Public Law 98-473; 98 Stat. 1903). This amendment had been included as sec. 311(b)(2) of H.R. 5119, the International Security and Development Cooperation Act of 1984, as passed by the House on May 10, 1984. Sec. 541(a) enacted sec. 311 of H.R. 5119. This authority had been extended previously from Sept. 30, 1982, by sec. 310(a) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1535); and from Sept. 30, 1980, by sec. 112(a)(2) of Public Law 96-53 (93 Stat. 364).

144 Sec. 313(c) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat 190) added subsec. (k). This subsection should probably be labeled "(d)" instead of "(k)".

145 22 U.S.C. 2182a. Sec. 222A was added by sec. 8(a)(2) of the FA Act of 1974.
tries,\textsuperscript{146} the authority conferred by this section should be used to establish pilot programs\textsuperscript{147} to encourage private banks, credit institutions, similar private lending organizations, cooperatives, and private nonprofit development organizations to make loans on reasonable terms to organized groups and individuals residing in a community for the purpose of enabling such groups and individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. Agricultural credit and assistance for self-help community development projects should include, but not be limited to, material and such projects as wells, pumps, farm machinery, improved seed, fertilizer, pesticides, vocational training, food industry development, nutrition projects, improved breeding stock for farm animals, sanitation facilities, and looms and other handicraft aids.

(b) To carry out the purposes of subsection (a), the agency primarily responsible for administering part I is authorized to issue guaranties, on such terms and conditions as it shall determine, to private lending institutions, cooperatives, and private nonprofit development organizations\textsuperscript{148} assuring against loss of not to exceed 50 per centum of the portfolio of such loans made by any lender to organized groups or individuals residing in a community to enable such groups or individuals to carry out agricultural credit and self-help community development projects for which they are unable to obtain financial assistance on reasonable terms. In no event shall the liability of the United States exceed 75 per centum of any one loan.

(c) The total face amount of guaranties issued under this section outstanding at any one time shall not exceed $20,000,000.\textsuperscript{149} Not more than 10 per centum of such sum shall be provided for any one institution, cooperative, or organization.

(d)\textsuperscript{150} * * * [Repealed—1999]

(e) Not to exceed $3,000,000 of the guaranty reserve established under section 223(b) shall be available to make such payments as may be necessary to discharge liabilities under guaranties issued under this section or any guaranties previously issued under section 240 of this Act.

\textsuperscript{146}The words "in not more than six Latin American countries" and the words "in Latin America" were deleted by sec. 541(a) of the Foreign Assistance Appropriations Act, 1985, as contained in the Continuing Appropriations Act, 1985 (Public Law 98-473; 98 Stat. 1903). This amendment had been included as sec. 312(a)(1) of H.R. 5119, the International Security and Development Cooperation Act of 1984, as passed by the House on May 10, 1984. Sec. 541(a) enacted sec. 312 of H.R. 5119.

\textsuperscript{147}Previously such programs were limited to not more than six Latin American countries (Public Law 99-53; 99 Stat. 364).

\textsuperscript{148}The words "in not more than five Latin American countries", that previously appeared at this point, were struck out by sec. 541(a) of the Foreign Assistance Appropriations Act, 1985, as contained in the Continuing Appropriations Act, 1985 (Public Law 98-473; 98 Stat. 1903). This amendment had been included as sec. 312(a)(2) of H.R. 5119, the International Security and Development Cooperation Act of 1984, as passed by the House on May 10, 1984. Sec. 541(a) enacted sec. 312 of H.R. 5119.

\textsuperscript{149}This figure was increased from $15,000,000 by sec. 112(b)(2) of the International Development Cooperation Act of 1979 (Public Law 96-53; 93 Stat. 364).

\textsuperscript{150}Sec. 586(h)(3) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1555), repealed subsec. (d), which had provided the following:

"(d) The Inter-American Foundation shall be consulted in developing criteria for making loans eligible for guaranty coverage in Latin America under this section."

See also sec. 586 of that Act, page, wherein the President is authorized to abolish the Inter-American Foundation.
(f) Funds held by the Overseas Private Investment Corporation pursuant to section 236 may be available for meeting necessary administrative and operating expenses for carrying out the provisions of this section through June 30, 1976.

(g) The Overseas Private Investment Corporation shall, upon enactment of this subsection, transfer to the agency primarily responsible for administering part I all obligations, assets, and related rights and responsibilities arising out of, or related to the predecessor program provided for in section 240 of this Act.

(h) The authority of this section shall continue through September 30, 1988.\(^{151}\)

(i) Notwithstanding the limitations in subsection (c) of this section, foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States may be utilized to carry out the purposes of this section, including the discharge of liabilities under this subsection. The authority conferred by this subsection shall be in addition to authority conferred by any other provision of law to implement guaranty programs utilizing excess local currency.\(^{152}\)

**Sec. 223.** General Provisions.—(a) A fee shall be charged for each guaranty issued under section 222 or 222A\(^{154}\) in an amount to be determined by the President. In the event the fee to be charged for such type guaranty is reduced, fees to be paid under existing contracts for the same type of guaranty may be similarly reduced.

(b) The amount of $50,000,000 of fees accumulated under prior investment guaranty provisions repealed by the Foreign Assistance Act of 1969, together with all fees collected in connection with guaranties issued under section 222\(^{155}\) or under prior housing guaranty authorities,\(^{156}\) shall be available for meeting necessary administrative and operating expenses of carrying out the provisions of section 222 and administering housing guaranties heretofore authorized under this title and under prior housing guaranty provisions repealed by the Foreign Assistance Act of 1969 (in-
cluding, but not limited to expenses pertaining to personnel, supplies, and printing, subject to such limitations as may be imposed in annual appropriation Acts; for meeting management and custodial costs incurred with respect to currencies or other assets acquired under guaranties made pursuant to section 222 or heretofore pursuant to this title or prior Latin American and other housing guaranty authorities repealed by the Foreign Assistance Act of 1969; and to pay the cost of investigating and adjusting (including cost of arbitration) claims under such guaranties; and shall be available for expenditure in discharge of liabilities under such guaranties until such time as all such property has been disposed of and all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this subsection. Fees collected in connection with guaranties issued under section 222A shall likewise be available to meet similar expenses, costs, or liabilities incurred in connection with the programs authorized by that section. All of the foregoing fees referred to in this section together with earnings thereon and other income arising from guaranty operations under this title shall be held in a revolving fund account maintained in the Treasury of the United States. All funds in such account may be invested in obligations of the United States. Any interest or other receipts derived from such investments shall be credited to such account and may be used for the purposes cited in this section.

(c) Any payments made to discharge liabilities under guaranties issued under this title or section 222 or heretofore under prior Latin American or other housing guaranty authorities repealed by the Foreign Assistance Act of 1969, shall be paid first out of fees referred to in subsection (b) (excluding amounts required for purposes other than the discharge of liabilities under guaranties) as long as such fees are available, and thereafter shall be paid out of funds, if any, realized from the sale of currencies or other assets acquired in connection with any payment made to discharge liabilities under such guaranties as long as funds are available, and finally out of funds hereafter made available pursuant to subsection (e).

(d) All guaranties issued under section 222 or 222A or previously under section 240 of this Act or heretofore under this title or under prior Latin American or other housing guaranty authority repealed by the Foreign Assistance Act of 1969 shall constitute obligations, in accordance with the terms of such guaranties of the United States of America and the full faith and credit of the United States.
States of America is hereby pledged for the full payment and performance of such obligations.

(e)(1) There is hereby authorized to be appropriated to the President such amounts, to remain available until expended, as may be necessary from time to time to carry out the purposes of this title.

(2) In order to meet obligations incurred for the payment of claims pursuant to loan guarantees described in subsection (d), the Administrator of the agency primarily responsible for administering part I may, to the extent that reserves are not sufficient, borrow from time to time from the Treasury except that—

(i) the Administrator may exercise the authority to borrow under this paragraph only to such extent or in such amounts as are provided in advance in appropriation Acts; and

(ii) the amount borrowed under this paragraph which is outstanding at any one time may not exceed $100,000,000.

(B) Any such borrowing shall bear interest at a rate determined by the Secretary of the Treasury, taking into account the current average market yield on outstanding marketable obligations of the United States of comparable maturities. The Secretary of the Treasury shall make loans under this paragraph and for such purpose may borrow on the credit of the United States in accordance with subchapter I of chapter 31 of title 31 of the United States Code.

(f) In the case of any loan investment guaranteed under section 222, the agency primarily responsible for administering part I shall prescribe the maximum rate of interest allowable to the eligible investor, which maximum rate shall not exceed by more than 1 per centum the then current rate of interest applicable to housing mortgages insured by the Department of Housing and Urban Development. The maximum allowable rate of interest under this subsection shall be prescribed by the agency as of the date the project covered by the investment is officially authorized and, prior to the execution of the contract, the agency may amend such rate at its discretion, consistent with the provisions of subsection (f).

(g) Housing guaranties committed, authorized, or outstanding heretofore under this title or under prior housing guaranty authorities repealed by the Foreign Assistance Act of 1969 shall continue subject to provisions of law originally applicable thereto and fees collected hereafter with respect to such guaranties shall be available for the purposes specified in subsection (b).

The para. designation “(1)” and a new para. (2) were added by sec. 541(a) of the Foreign Assistance Appropriations Act, 1985, as contained in the Continuing Appropriations Act, 1985 (Public Law 98–473; 98 Stat. 1903). This amendment had been included as sec. 311(c) of H.R. 5119, the International Security and Development Cooperation Act of 1984, as passed by the House on May 10, 1984. Sec. 541(a) enacted sec. 311 of H.R. 5119.

$100,000,000 was substituted in lieu of $40,000,000 by title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 (sec. 101(e) of the Continuing Appropriations for 1988, Public Law 100–202; 101 Stat. 1329).

Language which specified that the maximum rate of interest should not be less than one-half of 1 per centum above the then current rate of interest applicable to housing mortgages insured by HUD, was struck out by sec. 112(c) of the International Development Cooperation Act of 1979 (Public Law 96–53; 93 Stat. 364).

The words “heretofore under this title or” were added by sec. 115(h) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 951).
Sec. 224 Foreign Assistance Act of 1961 (P.L. 87-195) 83

(h) No payment may be made under any guaranty issued pursuant to this title for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

(i) 168 * * * [Repealed—1978]

(j) 169 Guaranties shall be issued under section 222 only for housing projects which are coordinated with and complementary to any development assistance being furnished under chapter 1 of this part and which are specifically designed to demonstrate the feasibility and suitability of particular kinds of housing or of financial or other institutional arrangements. Of the aggregate face value of housing guaranties hereafter issued under this title, not less than 90 per centum shall be issued for housing suitable for families with income below the median income (below the median urban income for housing in urban areas) in the country in which the housing is located. 171

Sec. 224. Trade Credit Insurance Program for Central America.—(a) In order to enable the Export-Import Bank of the United States (hereafter in this section referred to as the “Bank”) to determine that there exists reasonable assurance of repayment as required under section 2(b)(1)(B) of the Export-Import Bank Act of 1945, the agency primarily responsible for administering part I of this Act (hereafter in this section referred to as the “Agency”) is authorized to provide guarantees to the Bank for liabilities to be incurred by the Bank in connection with guarantees or insurance provided under the Export-Import Bank Act of 1945 for financing for transactions involving the export of goods and services for the use of the private sector in Central American countries.

(b)(1) Guarantees provided by the Agency pursuant to the authority of subsection (a) shall be for short-term guarantees and insurance extended by the Bank which shall be repayable within a period not to exceed one year from the date of arrival at the port of importation of the goods and services covered by such guarantees or insurance. Guarantees or insurance extended by the Bank

168 Subsec. (i), which had authorized sections 221 and 222 to continue in force until Sept. 30, 1979, was repealed by sec. 115(i) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 952).

169 Sec. 311(5)(B) of Public Law 94-161 (89 Stat. 849) added subsection (j).

170 The words to this point beginning with “are coordinated with and” were substituted by sec. 112(d)(1) of the International Development Cooperation Act of 1979 (Public Law 96-53; 93 Stat. 364) in lieu of the following: “(1) except for regional projects in countries which are receiving, or which in the previous two fiscal years have received, development assistance under chapter 1 of part I of this Act, (2) are coordinated with and complementary to such assistance, and (3).”

171 Title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (division A, sec. 101(d) of Public Law 105-277; 112 Stat. 2681) struck out the third and fourth sentences of subsec. (i). The fourth sentence had previously been amended and restated by sec. 112(d)(2) of the International Development Cooperation Act of 1979 (Public Law 96-53; 93 Stat. 364). The two stricken sentences, as amended, had read as follows:

“The face value of guaranties issued with respect to housing in any country shall not exceed $25,000,000 in any fiscal year, and the average face value of guaranties issued in any fiscal year shall not exceed $15,000,000. Of the total amount of housing guaranties authorized to be issued under section 222 through September 30, 1982, not less than a face amount of $25,000,000 shall be issued for projects in Israel and not less than a face amount of $25,000,000 shall be issued for projects in Egypt.”

172 22 U.S.C. 2184. Sec. 224 was added by sec. 541(a) of the Foreign Assistance Appropriations Act, 1985, as contained in the Continuing Appropriations Act, 1985 (Public Law 98-473; 98 Stat. 1903). This amendment had been included as sec. 1011 of H.R. 5119, the International Security and Development Cooperation Act of 1984, as passed by the House on May 10, 1984. Sec. 541(a) enacted sec. 1011 of H.R. 5119. Reference in the section title to Central America was added by the Support for East European Democracy (SEED) Act of 1989 (Public Law 101-173; 103 Stat. 1313).

173 For text, see Legislation on Foreign Relations Through 1999, vol. III.
and guaranteed by the Agency pursuant to subsection (a) shall be provided by the Bank in accordance with criteria and procedures agreed to by the Agency and the Bank. Such agreement shall also provide for the establishment of a reserve fund by the Agency, with such funds made available to the reserve as the Agency deems necessary to discharge liabilities under guarantees provided by the Agency pursuant to subsection (a).

(2) The administrator of such agency shall transmit a copy of such agreement to the Speaker of the House of Representatives and to the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(c) The Agency shall not enter into any commitments to guarantee under subsection (a) after September 30, 1991.174

(d) Of the funds authorized to be appropriated for chapter 4 of part II of this Act, there are authorized to be made available such sums as may be deemed necessary by the Agency to discharge liabilities under guarantees entered into under subsection (a).

(e) Commitments to guarantee under subsection (a) are authorized only to the extent and in the amounts provided in appropriations Acts, except that the aggregate amount of outstanding commitments under subsection (a) may not exceed $300,000,000 of contingent liability for loan principal during fiscal year 1986 and may not exceed $400,000,000 of contingent liability for loan principal during fiscal year 1987.175

(f) To the extent that any of the funds made available pursuant to subsection (d) are paid out for a claim arising out of liabilities guaranteed under subsection (a), amounts received after the date of such payment, with respect to such claim, shall be credited to the reserve fund referred to in subsection (b), shall be merged with the funds in such reserve, and shall be available for the purpose of payments by the Agency to the Bank for guarantees under subsection (a).

(g) Beginning on a date six months after the date of enactment of this section, and at intervals of six months thereafter, the administrator of the agency primarily responsible for administering part I of this Act and the President of the Export-Import Bank of the United States shall prepare and transmit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report on the amount and extension of credits during the preceding six-month period.

(h) The Export-Import Bank shall provide without reimbursement such administrative and technical assistance to the Agency as the Bank and the Agency deem appropriate to assist the Agency in carrying out this section.

Sec. 225.176 Trade Credit Insurance Program for Poland.

(a) General Authority.—


175Sec. 314 of the International Security and Development Cooperation Act of 1985 substituted the text following the word "Acts," in lieu of the words "not to exceed $300,000,000 in the fiscal year 1985."

Sec. 225 Foreign Assistance Act of 1961 (P.L. 87-195) 85

(1) ASSURANCE TO EXPORT-IMPORT BANK OF REPAYMENT.—The President is authorized to provide guarantees to the Bank for liabilities described in paragraph (2) in order to satisfy the requirement of section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)(B)) that the Bank have reasonable assurance of repayment.

(2) LIABILITIES WHICH MAY BE GUARANTEED.—The liabilities that may be guaranteed under paragraph (1) are liabilities incurred by the Bank in connection with guarantees or insurance provided under the Export-Import Bank Act of 1945 for financing for transactions involving the export of goods and services for the use of the private sector in Poland.

(b) GUARANTEES AVAILABLE ONLY FOR SHORT-TERM GUARANTEES AND INSURANCE.—Guarantees provided under subsection (a) shall be for short-term guarantees and insurance extended by the Bank which shall be repayable within a period not to exceed one year from the date of arrival at the port of importation of the goods and services covered by such guarantees or insurance.

(c) AGREEMENT ON CRITERIA AND PROCEDURES.—Guarantees or insurance extended by the Bank and guaranteed pursuant to subsection (a) shall be provided by the Bank in accordance with criteria and procedures agreed to by the Administrator and the Bank.

(d) RESERVE FUND.—The agreement referred to in subsection (c) shall also provide for the establishment of a reserve fund by the administering agency, with such funds made available to the reserve as the Administrator deems necessary to discharge liabilities under guarantees provided under subsection (a).

(e) DISCHARGE OF LIABILITIES.—

(1) FUNDS WHICH MAY BE USED.—Such amounts of the funds made available to carry out chapter 4 of part II of this Act (relating to the economic support fund) as the President determines are necessary may be made available to discharge liabilities under guarantees entered into under subsection (a).

(2) CREDITING OF SUBSEQUENT PAYMENTS.—To the extent that any of the funds made available pursuant to paragraph (1) are paid out for a claim arising out of liabilities guaranteed under subsection (a), amounts received after the date of such payment, with respect to such claim, shall be credited to the reserve fund established pursuant to subsection (d), shall be merged with the funds in such reserve, and shall be available for the purpose of payments by the Administrator to the Bank for guarantees under subsection (a).

(f) APPROPRIATIONS ACTION REQUIRED.—Commitments to guarantee under subsection (a) are authorized only to the extent and in the amounts provided in advance in appropriations Acts.

(g) LIMITATION ON OUTSTANDING COMMITMENTS.—The aggregate amount of outstanding commitments under subsection (a) may not exceed $200,000,000 of contingent liability for loan principal during any fiscal year.

(h) BIANNUAL REPORTS TO CONGRESS.—Every 6 months, the Administrator and the President of the Bank shall prepare and transmit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a report on the amount and extension of guarantees and insurance provided
by the Bank and guaranteed under this section during the preceding 6-month period.

(i) Administrative and Technical Assistance.—The Bank shall provide, without reimbursement, such administrative and technical assistance to the administering agency as the Bank and the Administrator determine appropriate to assist the administering agency in carrying out this section.

(j) Fees and Premiums.—The Bank is authorized to charge fees and premiums, in connection with guarantees or insurance guaranteed by the administering agency under subsection (a), that are commensurate (in the judgment of the Bank) with the Bank's administrative costs and the risks covered by the agency's guarantees. Any amounts received by the Bank in excess of the estimated costs incurred by the Bank in administering such guarantees or insurance—

(1) shall be credited to the reserve fund established pursuant to subsection (d),
(2) shall be merged with the funds in such reserve, and
(3) shall be available for the purpose of payments by the administering agency to the Bank for guarantees under subsection (a).

(k) Restrictions Not Applicable.—Prohibitions on the use of foreign assistance funds for assistance for Poland shall not apply with respect to the funds made available to carry out this section.

(l) Expiration of Authority.—The President may not enter into any commitments to guarantee under subsection (a) after September 30, 1992.

(m) Definitions.—For purposes of this section—

(1) the term “administering agency” means the Agency for International Development;
(2) the term “Administrator” means the Administrator of the Agency for International Development; and
(3) the term “Bank” means the Export-Import Bank of the United States.

SEC. 226. Loan Guarantees to Israel Program.

(a) In General.—Subject to the terms and conditions of this section, during the period beginning October 1, 1992, and ending September 30, 1997, the President is authorized to issue guarantees against losses incurred in connection with loans to Israel made as a result of Israel's extraordinary humanitarian effort to resettle and absorb immigrants into Israel from the republics of the former Soviet Union, Ethiopia and other countries. In the event that less than the full amount authorized to be issued under subsection (b) of this section is issued in such period, the authority to issue the balance of such guarantees shall be available in the fiscal year ending on September 30, 1998.

(b) Fiscal Year Levels.—The President is authorized to issue guarantees in furtherance of the purposes of this section.

1993 In past years, the President has determined, pursuant to sec. 226(d), that amounts authorized under this section for loan guarantees be reduced. See Presidential Determination No. 93-44 of September 30, 1993 (58 F.R. 52209); Presidential Determination No. 94-57 of September.
Subject to subsection (d), the total principal amount of guarantees which may be issued by the President under this section shall be up to $10,000,000,000 which may be issued as follows:

(1) in fiscal year 1993, up to $2,000,000,000 may be issued on October 1, 1992 or thereafter;

(2) subject to subsection (d), in fiscal years 1994 through 1997, up to $2,000,000,000 in each fiscal year may be issued on October 1 or thereafter.

(3) If less than the full amount of guarantees authorized to be made available in a fiscal year pursuant to paragraphs (1) and (2) of this subsection is issued to Israel during that fiscal year, the authority to issue the balance of such guarantees shall extend to any subsequent fiscal year ending on or before September 30, 1998.

(4)(A) Not later than September 1 of each year during the period in which the President is authorized to issue loan guarantees under subsection (a), beginning in fiscal year 1993, the President shall notify the appropriate congressional committees in writing of his intentions regarding the exercise of that authority for the fiscal year beginning on October 1 of that year, including a statement of the total principal amount of guarantees, if any, that the President proposes to issue for that fiscal year.

(B) For purposes of this paragraph, the term “appropriate congressional committees” means the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives.

(c) USE OF GUARANTEES.—Guarantees may be issued under this section only to support activities in the geographic areas which were subject to the administration of the Government of Israel before June 5, 1967.

(d) LIMITATION ON GUARANTEE AMOUNT.—The amount of authorized but unissued guarantees that the President is authorized to issue as specified in subsection (b) shall be reduced by an amount equal to the amount extended or estimated to have been extended by the Government of Israel during the previous year for activities which the President determines are inconsistent with the objectives of this section or understandings reached between the United States Government and the Government of Israel regarding the implementation of the loan program. The President shall submit a report to Congress no later than September 30 of each fiscal year during the pendency of the program specifying the amount calculated under this subsection and that will be deducted from the amount of guarantees authorized to be issued in the next fiscal year.

(e) FEES.—

(1) Fees charged for the loan guarantee program under this section each year shall be an aggregate annual origination fee

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30, 1994 (59 F.R. 52057); Presidential Determination No. 95-46 of September 29, 1995 (60 F.R. 53087).

179 See Sec. 1(a)(5) of Public Law 104-14 (109 Stat. 186) provided that references to the Committee on Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives.
equal to the estimated subsidy cost of the guarantees issued under this section for that year, calculated by the Office of Management and Budget for the Federal Credit Reform Act of 1990. This shall also include an amount for the administrative expenses of the Agency for International Development in administering the program under this section. All such fees shall be paid by the Government of Israel to the Government of the United States. Funds made available for Israel under chapter 4 of Part II of the Foreign Assistance Act of 1961, as amended, may be utilized by the Government of Israel to pay such fees to the United States Government. No further appropriations of subsidy cost are needed for the loan guarantee authorized hereunder for fiscal year 1993 and the four succeeding fiscal years.

(2) The origination fee shall be payable to the United States Government on a pro rata basis as each guarantee for each loan or increment is issued.

(f) AUTHORITY TO SUSPEND.—Except as provided in subsections (l) and (m) of this section, the President shall determine the terms and conditions for issuing guarantees. If the President determines that these terms and conditions have been breached, the President may suspend or terminate the provision of all or part of the additional loan guarantees not yet issued under this section. Upon making such a determination to suspend or terminate the provision of loan guarantees, the President shall submit to the Speaker of the House of Representatives and the President Pro Tempore of the Senate his determination to do so, including the basis for such suspension or termination.

(g) PROCEDURES FOR SUSPENSION OR TERMINATION.—Any suspension or termination pursuant to subsection (f) shall be in accordance with the following procedures:

(1) Upon making a determination to suspend or terminate the provision of loan guarantees, the President shall submit to the Speaker of the House of Representatives and the President Pro Tempore of the Senate his determination to do so, including the basis for such suspension or termination.

(2) Such a suspension or termination shall cease to be effective if Congress enacts, within 30 days of submission, a joint resolution authorizing the assistance notwithstanding the suspension.

(3) Any such joint resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(4) For the purpose of expediting the consideration and enactment of joint resolutions under this subsection, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

(5) In the event that the President suspends the provision of additional loan guarantees under subsection (f) and Congress does not enact a joint resolution pursuant to this subsection, the provision of additional loan guarantees under the program established by this section may be resumed only if the Presi-
of the reasons for the suspension have been resolved or that the resumption is otherwise in the national interest.

(h) Economic Context.—The effective absorption of immigrants into Israel from the republics of the former Soviet Union and Ethiopia within the private sector requires large investment and economic restructuring to promote market efficiency and thereby contribute to productive employment and sustainable growth. Congress recognizes that the Government of Israel is developing an economic strategy designed to achieve these goals, and that the Government of Israel intends to adopt a comprehensive, multi-year economic strategy based on prudent macroeconomic policies and structural reforms. Congress also recognizes that these policies are being designed to reduce direct involvement of the government in the economic system and to promote private enterprise, important prerequisites for economic stability and sustainable growth.

(i) Consultations.—It is the sense of the Congress that, as agreed between the two Governments and in order to further the policies specified in subsection (h), Israel and the United States should continue to engage in consultations concerning economic and financial measures, including structural and other reforms, that Israel should undertake during the pendency of this program to enable its economy to absorb and resettle immigrants and to accommodate the increased debt burden that will result from loans guaranteed pursuant to this section. It is the sense of the Congress that these consultations on economic measures should address progress and plans in the areas of budget policies, privatization, trade liberalization, financial and capital markets, labor markets, competition policy, and deregulation.

(j) Goods and Services.—During the pendency of the loan program authorized under this section, it is anticipated that, in the context of the economic reforms undertaken pursuant to subsections (h) and (i) of this section, Israel's increased population due to its absorption of immigrants, and the liberalization by the Government of Israel of its trade policy with the United States, the amount of United States investment goods and services purchased for use in or with respect to the country of Israel will substantially increase.

(k) Reports.—The President shall report to Congress by December 31 of each fiscal year until December 31, 1999, regarding the implementation of this section.

(l) applicability of foreign assistance act authorities.—Section 223 of the Foreign Assistance Act shall apply to guarantees issued under subsection (a) in the same manner as such section applies to guarantees issued under section 222, except that subsections (a), (e)(1), (g), and (j) of section 223 shall not apply to such guarantees and except that, to the extent section 223 is inconsistent with the Federal Credit Reform Act of 1990, that Act shall apply. Loans shall be guaranteed under this section without regard to sections 221, 222, and 238(c). Notwithstanding section 223(f), the interest rate for loans guaranteed under this section may include a reasonable fee to cover the costs and fees incurred by the borrower in connection with this program or financing under this section in the event the borrower elects not to finance such costs or
fees out of loan principal. Guarantees once issued hereunder shall be unconditional and fully and freely transferable.

(m) **TERMS AND CONDITIONS.**—

(1) Each loan guarantee issued under this section shall guarantee 100 percent of the principal and interest payable on such loans.

(2) The standard terms of any loan or increment guaranteed under this section shall be 30 years with semiannual payments of interest only over the first 10 years, and with semiannual payments of principal and interest on a level payment basis, over the last 20 years thereof, except that the guaranteed loan or any increments issued in a single transaction may include obligations having different maturities, interest rates, and payment terms if the aggregate scheduled debt service for all obligations issued in a single transaction equals the debt service for a single loan or increment of like amount having the standard terms described in this sentence. The guarantor shall not have the right to accelerate any guaranteed loan or increment or to pay any amounts in respect of the guarantees issued other than in accordance with the original payment terms of the loan. For purposes of determining the maximum principal amount of any loan or increment to be guaranteed under this section, the principal amount of each such loan or increment shall be—

(A) in the case of any loan issued on a discount basis, the original issue price (excluding any transaction costs) thereof; or

(B) in the case of any loan issue on an interest-bearing basis, the stated principal amount thereof.

### Title IV—Overseas Private Investment Corporation

**Sec. 231.** Creation, Purpose and Policy.—To mobilize and facilitate the participation of United States private capital and skills in the economic and social development of less developed countries and areas, and countries in transition from nonmarket to

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180 A new title IV was added by sec. 105 of the FA Act of 1969. Prior to this, title IV had been titled "Surveys of Investment Opportunities." For Executive Order concerning OPIC, see Legislation on Foreign Relations Through 1999, vol. I-B.

Title IV was amended extensively by title I of S. 2757 and title I of H.R. 5263, both enacted by reference in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461; 102 Stat. 2268):

"Sec. 555. * * *

Provided further, That title I of H.R. 5263 as passed by the House of Representatives on September 20, 1988, is hereby enacted into law: Provided further, That purchases, investments or other acquisitions of equity by the fund created by section 104 of H.R. 5263 as hereby enacted are limited to such amounts as may be provided in advance in appropriations Acts: Provided further, That notwithstanding any other provision of this Act, titles I and III of S. 2757 as reported by the Senate Committee on Foreign Relations on September 7, 1988, are hereby enacted into law: Provided further, That purchases, investments or other acquisitions of equity by the fund created by section 104 of S. 2757 as hereby enacted are limited to such amounts as may be provided in advance in appropriations Acts: * * *.

Sec. 231. Creation, Purpose and Policy. —To mobilize and facilitate the participation of United States private capital and skills in the economic and social development of less developed countries and areas, and countries in transition from nonmarket to
market economies, thereby complementing the development assistance objectives of the United States, there is hereby created the Overseas Private Investment Corporation (hereinafter called the "Corporation"), which shall be an agency of the United States under the policy guidance of the Secretary of State.

The Corporation, in determining whether to provide insurance, financing, or reinsurance for a project, shall especially—

1. be guided by the economic and social development impact and benefits of such a project and the ways in which such a project complements, or is compatible with, other development assistance programs or projects of the United States or other donors;

2. give preferential consideration to investment projects in less developed countries that have per capita incomes of $984 or less in 1986 United States dollars, and restrict its activities with respect to investment projects in less developed countries that have per capita incomes of $4,269 or more in 1986 United States dollars (other than countries designated as beneficiary countries under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702), Ireland, and Northern Ireland); and

3. ensures that the project is consistent with the provisions of section 117 (as so redesignated by the Special Foreign Assistance Act of 1986), section 118, and section 119 of this Act relating to the environment and natural resources of, and tropical forests and endangered species in, developing countries, and consistent with the intent of regulations issued pursuant to sections 118 and 119 of this Act.

In carrying out its purpose, the Corporation, utilizing broad criteria, shall undertake—

(a) to conduct financing, insurance, and reinsurance operations on a self-sustaining basis, taking into account in its financing operations the economic and financial soundness of projects;
(b) to utilize private credit and investment institutions and
the Corporation's guaranty authority as the principal means of
mobilizing capital investment funds;
(c) to broaden private participation and revolve its funds
through selling its direct investments to private investors
whenever it can appropriately do so on satisfactory terms;
(d) to conduct its insurance operations with due regard to
principles of risk management including efforts to share its
insurance risks and reinsurance risks;
(e) to the maximum degree possible consistent with its
purposes—
(1) to give preferential consideration in its investment
insurance, reinsurance, and guaranty activities to invest-
ment projects sponsored by or involving United States
small business; and
(2) to increase the proportion of projects sponsored by or
significantly involving United States small business to at
least 30 percent of all projects insured, reinsured, or guar-
anteed by the Corporation;
(f) to consider in the conduct of its operations the extent
to which less developed country governments are receptive to
private enterprise, domestic and foreign, and their willingness
and ability to maintain conditions which enable private enter-
prise to make its full contribution to the development process;
(g) to foster private initiative and competition and dis-
courage monopolistic practices;
(h) to further to the greatest degree possible, in a manner
consistent with its goals, the balance-of-payments and employ-
ment objectives of the United States;
(i) to conduct its activities in consonance with the activi-
ties of the agency primarily responsible for administering part
I and the international trade, investment, and financial poli-
cies of the United States Government, and to seek to support
those developmental projects having positive trade benefits for
the United States;

188 Sec. 2(1)(C) of the OPIC Amendments Act of 1974 (Public Law 93-390) struck the words,
"when appropriate," which appeared at this point.
189 Subsec. (e), as amended by Public Law 93-390, was amended and restated by sec. 2(2) of
Public Law 95-268 (92 Stat. 213), it formerly read as follows:
"(e) to give preferential consideration in its investment insurance, financing, and reinsurance
activities (to the maximum extent practicable consistent with the Corporation's purposes) to in-
vestment projects involving businesses of not more than $2,500,000 net worth or with not more
than $7,500,000 in total assets;".
190 Sec. 2(5) of Public Law 95-268 (92 Stat. 214) struck subsecs. (f) and (l) and redesignated
subsecs. (g) through (n) as (f) through (l), respectively. Subsecs. (f) and (l) formerly read as fol-
ows:
"(f) to encourage and support only those private investments in less developed friendly coun-
tries and areas which are sensitive and responsive to the special needs and requirements of
their economies, and which contribute to the social and economic development of their people;"
"(l) to the maximum extent practicable, to give preferential consideration in the Corporation's
insurance insurance, financing, and reinsurance activities to investment projects in the less de-
veloped friendly countries which have per capita incomes of $450 or less in 1973 United States
dollars; and"
191 Sec. 2(1)(E) of the OPIC Amendments Act of 1974 (Public Law 93-390) added the words
"and employment".
192 The words ", and to seek to support those developmental projects having positive trade
benefits for the United States" were added by sec. 2(2) of the OPIC Amendments Act of 1981
(Public Law 97-65; 95 Stat. 1021).
(j) to advise and assist, within its field of competence, interested agencies of the United States and other organizations, both public and private, national and international, with respect to projects and programs relating to the development of private enterprise in less developed countries and areas;

(k) (1) to decline to issue any contract of insurance or reinsurance, or any guaranty, or to enter into any agreement to provide financing for an eligible investor's proposed investment if the Corporation determines that such investment is likely to cause such investor (or the sponsor of an investment project in which such investor is involved) significantly to reduce the number of his employees in the United States because he is replacing his United States production with production from such investment which involves substantially the same product for substantially the same market as his United States production; and (2) to monitor conformance with the representations of the investor on which the Corporation relied in making the determination required by clause (1);

(l) to decline to issue any contract of insurance or reinsurance, or any guaranty, or to enter into any agreement to provide financing for an eligible investor's proposed investment if the Corporation determines that such investment is likely to cause a significant reduction in the number of employees in the United States;

(m) to refuse to insure, reinsure, or finance any investment subject to performance requirements which would reduce substantially the positive trade benefits likely to accrue to the United States from the investment; and

(n) to refuse to insure, reinsure, guarantee, or finance any investment in connection with a project which the Corporation determines will pose an unreasonable or major environmental, health, or safety hazard, or will result in the significant degradation of national parks or similar protected areas.

Sec. 231A. Additional Requirements.—(a) Worker Rights.—

(1) Limitation on OPIC Activities.—The Corporation may insure, reinsure, guarantee, or finance a project only if the country in which the project is to be undertaken is taking steps to adopt and implement laws that extend internationally recognized worker rights, as defined in section 507(4) of the Trade Act of 1974, to workers in that country (including any designated zone in that country). The Corporation shall also in-
clude the following language, in substantially the following form, in all contracts which the Corporation enters into with eligible investors to provide financial support under this title:

“The investor agrees not to take actions to prevent employees of the foreign enterprise from lawfully exercising their right of association and their right to organize and bargain collectively. The investor further agrees to observe applicable laws relating to a minimum age for employment of children, acceptable conditions of work with respect to minimum wages, hours of work, and occupational health and safety, and not to use forced labor. The investor is not responsible under this paragraph for the actions of a foreign government.”

(2) **Use of Annual Reports on Workers Rights.**—The Corporation shall, in making its determinations under paragraph (1), use the reports submitted to the Congress pursuant to section 504 of the Trade Act of 1974. The restriction set forth in paragraph (1) shall not apply until the first such report is submitted to the Congress.

(3) **Waiver.**—Paragraph (1) shall not prohibit the Corporation from providing any insurance, reinsurance, guaranty, or financing with respect to a country if the President determines that such activities by the Corporation would be in the national economic interests of the United States. Any such determination shall be reported in writing to the Congress, together with the reasons for the determination.

(4) In making a determination under this section for the People’s Republic of China, the Corporation shall discuss fully and completely the justification for making such determination with respect to each item set forth in subparagraphs (A) through (E) of section 507(4) of the Trade Act of 1974.

(b) **Environmental Impact.**—The Board of Directors of the Corporation shall not vote in favor of any action proposed to be taken by the Corporation that is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented, unless for at least 60 days before the date of the vote—

(1) an environmental impact assessment or initial environmental audit, analyzing the environmental impacts of the proposed action and of alternatives to the proposed action has been conducted, including the language required in contracts, to sec. 231A(a)(1).

Sec. 3(a) of the Export Enhancement Act of 1999 (Public Law 106-158; 113 Stat. 1745) redesignated subsec. (b) as subsec. (c), and added a new subsec. (b).
been completed by the project applicant and made available to the Board of Directors; and

(2) such assessment or audit has been made available to the public of the United States, locally affected groups in the host country, and host country nongovernmental organizations.

(c)\textsuperscript{205} \textbf{PUBLIC HEARINGS.}—(1)\textsuperscript{206} The Board shall hold at least one public hearing each year in order to afford an opportunity for any person to present views as to whether the Corporation is carrying out its activities in accordance with section 231 and this section or whether any investment in a particular country should have been or should be extended insurance, reinsurance, guarantees, or financing under this title.

(2)\textsuperscript{206} In conjunction with each meeting of its Board of Directors, the Corporation shall hold a public hearing in order to afford an opportunity for any person to present views regarding the activities of the Corporation. Such views shall be made part of the record.

\textbf{Sec. 232.\textsuperscript{207} Capital of the Corporation.}—The President is authorized to pay in as capital of the Corporation, out of dollar receipts made available through the appropriation process from loans made pursuant to this part and from loans made under the Mutual Security Act of 1954, as amended, for the fiscal year 1970 not to exceed $20,000,000 and for the fiscal year 1971 not to exceed $20,000,000. Upon the payment of such capital by the President, the Corporation shall issue an equivalent amount of capital stock to the Secretary of the Treasury.

\textbf{Sec. 233.\textsuperscript{208} Organization and Management.}—(a) \textbf{STRUCTURE OF THE CORPORATION.}—The Corporation shall have a Board of Directors, a President, an Executive Vice President, and such other officers and staff as the Board of Directors may determine.

(b) \textbf{BOARD OF DIRECTORS.}—All powers of the Corporation shall vest in and be exercised by or under the authority of its Board of Directors ("the Board") which shall consist of fifteen Directors,\textsuperscript{209} including the Chairman, with eight Directors\textsuperscript{210} constituting a quorum for the transaction of business.\textsuperscript{211} Eight Directors\textsuperscript{211, 212} shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall not be officials or employees of the Government of the United States. At least two of the eight Directors\textsuperscript{213} appointed under the preceding sentence shall be experienced in small business, one in organized labor, and

\begin{footnotesize}
\textsuperscript{205}Sec. 3(a)(3) of the Export Enhancement Act of 1999 (Public Law 106-158; 113 Stat. 1745) inserted "(1)" before "The Board" and added a new para. (2).

\textsuperscript{206}22 U.S.C. 2193. Sec. 232 was added by sec. 105 of the FA Act of 1969.

\textsuperscript{207}22 U.S.C. 2192. Sec. 232 was added by sec. 105 of the FA Act of 1969.

\textsuperscript{208}The number of Directors was increased from 11 to 15 by sec. 3(a)(1) of the OPIC Amendments Act of 1981 (Public Law 97-65; 95 Stat. 1021), effective Oct. 1, 1981.

\textsuperscript{209}The number of Directors was increased from six to eight by sec. 3(a) of the OPIC Amendments Act of 1981 (Public Law 97-65; 95 Stat. 1021), effective Oct. 1, 1981.

\textsuperscript{210}Sec. 4(1) of the Export Enhancement Act of 1999 (Public Law 106-158; 113 Stat. 1746) struck out two sentences at this point that designated the Administrator of AID as Chairman of the Board, ex officio, and the U.S. Trade Representative or Deputy U.S. Trade Representative as Vice Chairman of the Board, ex officio. The second sentence, establishing the USTR role, had been added by sec. 3(a)(2) of the OPIC Amendments Act of 1981 (Public Law 97-65; 95 Stat. 1021), effective Oct. 1, 1981.

\textsuperscript{211}Sec. 4(2) of the Export Enhancement Act of 1999 (Public Law 106-158; 113 Stat. 1746) struck out "other than the President of the Corporation, appointed pursuant to subsection (c) who shall serve as a Director ex officio)" at this point.

\textsuperscript{212}The number of Directors was increased from one of the six to two of the eight by sec. 3(a) of the OPIC Amendments Act of 1981 (Public Law 97-65; 95 Stat. 1022), effective Oct. 1, 1981.

\textsuperscript{213}The number of Directors was increased from one of the six to two of the eight by sec. 3(a) of the OPIC Amendments Act of 1981 (Public Law 97-65; 95 Stat. 1022), effective Oct. 1, 1981.
\end{footnotesize}
one in cooperatives. Each such Director shall be appointed for a term of no more than three years. The terms of no more than three such Directors shall expire in any one year. Such Directors shall serve until their successors are appointed and qualified and may be reappointed.

The other Directors shall be officials of the Government of the United States, including the President of the Corporation, the Administrator of the Agency for International Development, the United States Trade Representative, and an official of the Department of Labor, designated by and serving at the pleasure of the President of the United States. The United States Trade Representative may designate a Deputy United States Trade Representative to serve on the Board in place of the United States Trade Representative.

There shall be a Chairman and a Vice Chairman of the Board, both of whom shall be designated by the President of the United States from among the Directors of the Board other than those appointed under the second sentence of the first paragraph of this subsection.

All Directors who are not officers of the Corporation or officials of the Government of the United States shall be compensated at a rate equivalent to that of level IV of the Executive Schedule (5 U.S.C. 5315) when actually engaged in the business of the Corporation and may be paid per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, as amended, from time to time, while away from their homes or usual places of business.

(c) President of the Corporation.—The President of the Corporation shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. In making such appointment, the President shall take into account private business experience of the appointee. The President of the Corporation shall be its Chief Executive Officer and responsible for the operations and management of the Corporation, subject to bylaws and policies established by the Board.

(d) Officers and Staff.—The Executive Vice President of the Corporation shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. Other officers, attorneys, employees, and agents shall be selected and appointed by the Corporation, and shall be vested with such powers and duties as the Corporation may determine. Of such persons employed by the Corporation.

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214 The number of Directors was increased from two to three by sec. 3(a)(3) of the OPIC Amendments Act of 1981 (Public Law 97–65; 95 Stat. 1022), effective Oct. 1, 1981.
215 Sec. 4(3)(A) of the Export Enhancement Act of 1999 (Public Law 106–158; 113 Stat. 1746) inserted "including".
216 The reference to an official of the Department of Labor was added by sec. 3(b) of the OPIC Amendments Act of 1981 (Public Law 97–65; 95 Stat. 1022), effective October 1, 1981.
217 Sec. 4(3)(B) of the Export Enhancement Act of 1999 (Public Law 106–158; 113 Stat. 1746) inserted "the President of the Corporation, the Administrator of the Agency for International Development, the United States Trade Representative, and" after "including".
218 Sec. 4(4) of the Export Enhancement Act of 1999 (Public Law 106–158; 113 Stat. 1746) added this para.
219 The current rate of compensation at level IV of the Executive Schedule is $122,400 per annum (Executive Order 13144; 64 F.R. 72237; December 21, 1999).
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poration, not to exceed twenty may be appointed, compensated, or removed without regard to the civil service laws and regulations: Provided, That under such regulations as the President of the United States may prescribe, officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, except for cause, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary. Such positions shall be in addition to those otherwise authorized by law, including those authorized by section 5108 of title 5 of the United States Code.

Sec. 234. Investment Insurance and Other Programs.—The Corporation is hereby authorized to do the following:

(a) INVESTMENT INSURANCE.—(1) To issue insurance, upon such terms and conditions as the Corporation may determine, to eligible investors assuring protection in whole or in part against any of all of the following risks with respect to projects which the Corporation has approved—

(A) inability to convert into United States dollars other currencies, or credits in such currencies, received as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof;

(B) loss of investment, in whole or in part, in the approved project due to expropriation or confiscation by action of a foreign government;

(C) loss due to war, revolution, insurrection or civil strife; and

(D) loss due to business interruption caused by any of the risks set forth in subparagraphs (A), (B), and (C).

(2) Recognizing that major private investments in less developed friendly countries or areas are often made by enterprises in which there is multinational participation, including significant United States private participation, the Corporation may make arrangements with foreign governments (including agencies, instru-


221 Sec. 2(2)(A) of the OPIC Amendments Act of 1974 (Public Law 93-390) inserted section title "Investment Insurance and Other Programs" in lieu of "Investment Incentive Programs".

222 Sec. 5(b)(2) of the OPIC Amendments Act of 1981 (Public Law 97-65; 95 Stat. 1023) provided:

"(2) The authority of the Overseas Private Investment Corporation to enter into contracts under section 234(a) of the Foreign Assistance Act of 1961 shall be effective for any fiscal year beginning after September 30, 1981, only to such extent or in such amounts as are provided in appropriation Acts.".

223 The reference to civil strife was added by sec. 4(a)(1) of the OPIC Amendments Act of 1981 (Public Law 97-65; 95 Stat. 1022).

224 Sec. 6(a)(1)(D) of the OPIC Amendments Act of 1985 (Public Law 99-204; 99 Stat. 1671) added subpar. (D).

225 Subsec. (a)(2) was amended by sec. 2(2)(8) of the OPIC Amendments Act of 1974 (Public Law 93-390). It formerly read as follows: "(2) Recognizing that major private investments in less developed friendly countries in areas are often made by enterprises in which there is multinational participation, including significant United States private participation, the Corporation may make such arrangements with foreign governments (including agencies, instrumentalities, or political subdivisions thereof) or with multilateral organizations for sharing liabilities assumed under investment insurance for such investments and may in connection therewith issue insurance to investors not otherwise eligible hereunder: Provided, however, That liabilities assumed by the Corporation under the authority of this subsection shall be consistent with the purposes of this title and that the maximum share of liabilities so assumed shall not exceed the proportionate participation by eligible investors in the total project financing.".
mentalties, or political subdivisions thereof) or with multilateral organizations and institutions for sharing liabilities assumed under investment insurance for such investments and may in connection therewith issue insurance to investors not otherwise eligible hereunder, except that liabilities assumed by the Corporation under the authority of this subsection shall be consistent with the purposes of this title and that the maximum share of liabilities so assumed shall not exceed the proportionate participation by eligible investors in the project.226

(3) Not more than 10 per centum of the maximum contingent liability227 of investment insurance which the Corporation is permitted to have outstanding under section 235(a)(1)228 shall be issued to a single investor.

(4)229 Before issuing insurance for the first time for loss due to business interruption, and in each subsequent instance in which a significant expansion is proposed in the type of risk to be insured under the definition of “civil strife” or “business interruption”, the Corporation shall, at least sixty days before such insurance is issued, submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report with respect to such insurance, including a thorough analysis of the risks to be covered, anticipated losses, and proposed rates and reserves and, in the case of insurance for loss due to business interruption, an explanation of the underwriting basis upon which the insurance is to be offered. Any such report with respect to insurance for loss due to business interruption shall be considered in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act.231

(b) INVESTMENT GUARANTIES.—To issue to eligible investors guaranties of loans and other investments made by such investors assuring against loss due to such risks and upon such terms and conditions as the Corporation may determine: Provided, however, That such guaranties on other than loan investments shall not exceed 75 per centum of such investment: Provided further, That except for loan investments for credit unions made by eligible credit unions or credit union associations, the aggregate amount of investment

226 The words “total” and “financing”, which previously appeared immediately before and after the word “project”, were deleted by sec. 4(a)(2) of the OPIC Amendments Act of 1981 (Public Law 97–65; 95 Stat. 1022).

227 Sec. 3(1) of Public Law 95–268 (92 Stat. 214) struck out the following words that previously appeared at this point: “and that the maximum share of liabilities so assumed under paragraph (1)(A) and (B) of paragraph (1)(C) shall not exceed the Corporation’s proportional share of such liabilities as specified in paragraph (4) or (5) of this subsection.”.

228 The words “maximum contingent liability” were substituted in lieu of “total face amount” by sec. 3(2) of Public Law 95–268 (92 Stat. 214).

229 Sec. 4(a)(3) of the OPIC Amendments Act of 1981 (Public Law 97–65; 95 Stat. 1022). Pars. (4) through (7), which had been added by the OPIC Amendments Act of 1974 (Public Law 93–259) and had appeared at this point, were struck by sec. 3(3) of Public Law 95–268 (92 Stat. 214). This new par. (4) was added by sec. 4(a)(4) of the OPIC Amendments Act of 1981 (Public Law 97–65; 95 Stat. 1022). Subsequently, sec. 6(a)(2)(A) and (B) of the OPIC Amendments Act of 1985 (Public Law 99–204; 99 Stat. 1671) inserted “insurance for the first time loss due to business interruption” in lieu of “civil strife insurance for the first time” and replaced “definition of civil strife” with “definition of civil strife or business interruption”.

230 Sec. 1(a)(5) of Public Law 104–14 (109 Stat. 186) provided that references to the Committee on Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives.

231 Sec. 6(a)(2) (C) and (D) of the OPIC Amendments Act of 1985 (Public Law 99–204; 99 Stat. 1671) added the text from the word “reserves” to the end of para. (4).
(exclusive of interest and earnings) so guaranteed with respect to any project shall not exceed, at the time of issuance of any such guaranty, 75 per centum of the total investment committed to any such project as determined by the Corporation, which determination shall be conclusive for purposes of the Corporation's authority to issue any such guaranty: Provided further, That not more than 15 per centum of the maximum contingent liability of investment guaranties which the Corporation is permitted to have outstanding under section 235(a)(2) shall be issued to a single investor.

(c) DIRECT INVESTMENT.—To make loans in United States dollars repayable in dollars or loans in foreign currencies (including, without regard to section 1415 of the Supplemental Appropriation Act, 1953, such foreign currencies which the Secretary of the Treasury may determine to be excess to the normal requirements of the United States and the Director of the Bureau of the Budget may allocate) to firms privately owned or of mixed private and public ownership upon such terms and conditions as the Corporation may determine. Loans may be made under this subsection only for projects that are sponsored by or significantly involve United States small business or cooperatives.

The Corporation may designate up to 25 percent of any loan under this subsection for use in the development or adaptation in the United States of new technologies or new products or services that are to be used in the project for which the loan is made and are likely to contribute to the economic or social development of less developed countries.

No loan may be made under this subsection to finance any operation for the extraction of oil or gas. The aggregate amount of loans under this subsection to finance operations for the mining or other extraction of any deposit of ore or other nonfuel minerals may not in any fiscal year exceed $4,000,000.

(d) INVESTMENT ENCOURAGEMENT.—To initiate and support through financial participation, incentive grant, or otherwise, and on such terms and conditions as the Corporation may determine, the identification, assessment, surveying and promotion of private

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232 Sec. 7 of the OPIC Amendments Act of 1985 (Public Law 99–204; 99 Stat. 1672) changed the per centum from 10 to 15.

233 The words “permitted to have outstanding under section 235(a)(2)” were inserted in lieu of the words “authorized to issue under this subsection” by sec. 4(b) of the OPIC Amendments Act of 1981 (Public Law 97–65; 95 Stat. 1022).

234 Sec. 104 of the OPIC Amendments Act of 1988, S. 2757, enacted into law by reference in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100–461; 102 Stat. 2268), struck out the following which previously appeared at this point: “The Corporation may not purchase or invest in any stock in any other corporation, except that it may (1) accept as evidence of indebtedness debt securities convertible to stock, but such debt securities shall not be converted to stock while held by the Corporation, and (2) acquire stock through the enforcement of any lien or pledge or otherwise to satisfy a previously contracted indebtedness which would otherwise be in default, or as the result of any payment under any contract of insurance or guaranty. The Corporation shall dispose of any stock it may so acquire as soon as reasonably feasible under the circumstances then pertaining.”

235 This paragraph was added by sec. 103 of the OPIC Amendments Act of 1988, S. 2757, enacted into law by reference in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100–461; 102 Stat. 2268).

236 Sec. 3(5) of Public Law 95–268 (92 Stat. 214) inserted this paragraph in lieu of the following:

“...No loans shall be made under this section to finance operations for mining or other extraction of any deposit of ore, oil, gas, or other mineral.”
investment opportunities, utilizing wherever feasible and effective the facilities of private investors, except that—

(1) the Corporation shall not finance any survey to ascertain the existence, location, extent, or quality of, or to determine the feasibility of undertaking operations for the extraction of, oil or gas; and

(2) expenditures financed by the Corporation during any fiscal year on surveys to ascertain the existence, location, extent, or quality of, or to determine the feasibility of undertaking operations for the extraction of nonfuel minerals may not exceed $200,000.238

(e) Special Activities.—To administer and manage special projects and programs, including programs of financial and advisory support which provide private technical, professional, or managerial assistance in the development of human resources, skills, technology, capital savings and intermediate financial and investment institutions and cooperatives and including the initiation of incentives, grants, and studies for renewable energy and other small business activities.239 The funds for these projects and programs may, with the Corporation’s concurrence, be transferred to it for such purposes under the authority of section 632(a) or from other sources, public or private. Administrative funds may not be made available for incentives, grants, and studies for renewable energy and other small business activities.240

(f) Other Insurance Functions.—(1) To make and carry out contracts of insurance or reinsurance, or agreements to associate or share risks, with insurance companies, financial institutions, any other persons, or groups thereof, and employing the same where appropriate, as its agent, or acting as their agent, in the issuance and servicing of insurance, the adjustment of claims, the exercise of subrogation rights, the ceding and accepting of reinsurance, and in any other matter incident to an insurance business; except that such agreements and contracts shall be consistent with the purposes of the Corporation set forth in section 231 of this Act and shall be on equitable terms.242

(2) To enter into pooling or other risk-sharing agreements with multinational insurance or financing agencies or groups of such agencies.243
(3) To hold an ownership interest in any association or other entity established for the purposes of sharing risks under investment insurance.

(4) To issue, upon such terms and conditions as it may determine, reinsurance of liabilities assumed by other insurers or groups thereof in respect of risks referred to in subsection (a)(1).

The amount of reinsurance of liabilities under this title which the Corporation may issue shall not exceed $600,000,000 in any one year, and the amount of such reinsurance shall not be in the aggregate exceed at any one time an amount equal to the amount authorized for the maximum contingent liability outstanding at any one time under section 235(a)(1). All reinsurance issued by the Corporation under this subsection shall require that the reinsured party retain for his own account specified portions of liability, whether first loss or otherwise.

(g) PILOT EQUITY FINANCE PROGRAM.—

(1) AUTHORITY FOR PILOT PROGRAM.—In order to study the feasibility and desirability of a program of equity financing, the Corporation is authorized to establish a 4-year pilot program under which it may, on the limited basis prescribed in paragraphs (2) through (5), purchase, invest in, or otherwise acquire equity or quasi-equity securities of any firm or entity, upon such terms and conditions as the Corporation may determine, for the purpose of providing capital for any project which is consistent with the provisions of this title except that—

(A) the aggregate amount of the Corporation's equity investment with respect to any project shall not exceed 30 percent of the aggregate amount of all equity investment made with respect to such project at the time that the Corporation's equity investment is made, except for securities acquired through the enforcement of any lien, pledge, or contractual arrangement as a result of a default by any

[244] The words "exceed $600,000,000 in any one year, and the amount of such reinsurance shall not", which previously appeared at this point, were struck out by sec. 4(b)(3)(A) of the OPIC Amendments Act of 1981 (Public Law 97-65; 95 Stat. 1022).

[245] The phrase "and the Corporation shall endeavor to increase such specified portions to the maximum extent possible", which previously appeared at this point, was struck out by sec. 4(b)(3)(B) of the OPIC Amendments Act of 1981 (Public Law 97-65; 95 Stat. 1022).

[246] Sec. 104 of the OPIC Amendments Act of 1988, S. 2757, enacted into law by reference in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461; 102 Stat. 2268), struck out the first sentence of this paragraph. It formerly read: "The authority granted by paragraph (3) may be exercised notwithstanding the prohibition under subsection (c) against the Corporation purchasing or investing in any stock in any other corporation."

[247] Subsec. (g) was added by sec. 104(3) of the OPIC Amendments Act of 1988, S. 2757, enacted into law by reference in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461; 102 Stat. 2268).

[250] Sec. 6001(1) of Public Law 106-31 (113 Stat. 113) struck out para. (c) within subsec. (g), which had provided as follows:

"(c) CREATION OF FUND FOR ACQUISITION OF EQUITY.—The Corporation is authorized to establish a revolving fund to be available solely for the purposes specified in this subsection and to make transfers to the fund of a total of $10,000,000 (less amounts transferred to the fund before the date of the enactment of the Jobs Through Exports Act of 1992) from its noncredit account revolving fund. The Corporation shall transfer to the fund in each fiscal year all amounts received by the Corporation during the preceding fiscal year as income on securities acquired under this subsection, and from the proceeds on the disposition of such securities. Purchases of investments in, and other acquisitions of equity from the fund are authorized for any fiscal year only to the extent or in such amounts as are provided in advance in appropriations Acts or are transferred to the Corporation pursuant to section 632(a) of this Act."

Previously the paragraph was amended and restated by sec. 103 of the Jobs Through Exports Act of 1992 (Public Law 102-549; 106 Stat. 3651).
party under any agreement relating to the terms of the Corporation's investment; and

(B) the Corporation's equity investment under this subsection with respect to any project, when added to any other investments made or guaranteed by the Corporation under subsection (b) or (c) with respect to such project, shall not cause the aggregate amount of all such investment to exceed, at the time any such investment is made or guaranteed by the Corporation, 75 percent of the total investment committed to such project as determined by the Corporation.

The determination of the Corporation under subparagraph (B) shall be conclusive for purposes of the Corporation's authority to make or guarantee any such investment.

(2) 248 EQUITY AUTHORITY LIMITED TO PROJECTS IN SUB-SAHARAN AFRICA AND CARIBBEAN BASIN AND MARINE TRANSPORTATION PROJECTS GLOBALLY.—Equity investments may be made under this subsection only in projects in countries eligible for financing under this title that are countries in sub-Saharan Africa or countries designated as beneficiary countries under section 212 of the Caribbean Basin Economy Recovery Act249 and in marine transportation projects in countries and areas eligible for OPIC support worldwide using United States commercial maritime expertise.250

(3) ADDITIONAL CRITERIA.—In making investment decisions under this subsection, the Corporation shall give preferential consideration to projects sponsored by or significantly involving United States small business or cooperatives. The Corporation shall also consider the extent to which the Corporation's equity investment will assist in obtaining the financing required for the project.

(4) DISPOSITION OF EQUITY INTEREST.—Taking into consideration, among other things, the Corporation's financial interests and the desirability of fostering the development of local capital markets in less developed countries, the Corporation shall endeavor to dispose of any equity interest it may acquire under this subsection within a period of 10 years from the date of acquisition of such interest.

(5) 251 IMPLEMENTATION.—To the extent provided in advance in appropriations Acts, the Corporation is authorized to create such legal vehicles as may be necessary for implementation of its authorities, which legal vehicles may be deemed non-Federal borrowers for purposes of the Federal Credit Reform Act of 1990. Income and proceeds of investments made pursuant to this section 234(g) may be used to purchase equity or quasi-equity securities in accordance with the provisions of this section:

248 Sec. 6001(2) of Public Law 106-31 (113 Stat. 113) struck out “LIMITATION TO PROJECTS IN SUB-SAHARAN AFRICA AND CARIBBEAN BASIN” and inserted in lieu thereof “EQUITY AUTHORITY LIMITED TO PROJECTS IN SUB-SAHARAN AFRICA AND CARIBBEAN BASIN AND MARINE TRANSPORTATION PROJECTS GLOBALLY”.


250 Sec. 6001(2) of Public Law 106-31 (113 Stat. 113) inserted “and in marine transportation projects in countries and areas eligible for OPIC support worldwide using United States commercial maritime expertise” at the end of the sentence.

251 Sec. 6001(3) of Public Law 106-31 (113 Stat. 113) added para. (5).
Sec. 234A. Foreign Assistance Act of 1961 (P.L. 87-195) 103

Provided, however, That such purchases shall not be limited to the 4-year period of the pilot program: Provided further, That the limitations contained in section 234(g)(2) shall not apply to such purchases.

(6) Consultations with Congress.—The Corporation shall consult annually with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate on the implementation of the pilot equity finance program established under this subsection.

Sec. 234A. Enhancing Private Political Risk Insurance Industry.

(a) Cooperative Programs.—In order to encourage greater availability of political risk insurance for eligible investors by enhancing the private political risk insurance industry in the United States, and to the extent consistent with this title, the Corporation

Sec. 234A. Enhancing Private Political Risk Insurance Industry.

(b) Persons Eligible for the Program.—An insurance company, financial institution, or other person shall be eligible to participate in the facultative reinsurance program established under this section if that company, institution, or other person is an eligible investor under this title. The Corporation shall take steps to encourage equitable participation in the program by all eligible persons.

(c) Maximum Exposure.—The exposure of the Corporation under the facultative reinsurance program at any one time may not exceed $150,000,000 or, with respect to one country, $50,000,000.

(d) Advisory Group.—

(1) Establishment and Membership.—The Corporation shall establish a group to advise the Corporation on the development and implementation of the program of facultative reinsurance under this section. The group shall be composed of nine members as follows:

(A) Three officers or employees of the Corporation designated by the Board.

(B) Four persons appointed by the Board, of whom at least one shall represent an insurance company, one a reinsurance brokerage firm, and one an underwriter, a financial institution, or other person or entity eligible for the facultative reinsurance program under this section. In selecting such persons, the Board shall consider their previous active involvement in the field of political risk insurance or reinsurance and shall consult with any major organizations representing insurance, reinsurance, and brokerage institutions as to the suitability of the respective candidates to represent their industry.

(C) Two persons appointed by the Board from among persons who are eligible investors, other than persons described in subparagraph (B).

(2) Functions.—The advisory group shall advise the Corporation on the development and implementation of the facultative reinsurance program under this section, including ways to ensure equitable participation in the program by all eligible persons.

(3) Meetings.—The advisory group shall meet not later than one hundred and eighty days after the date of the enactment of the Overseas Private Investment Corporation Amendments Act of 1985, and not less than once in every one hundred and eighty-day period thereafter.

(4) Federal Advisory Committee Act.—The advisory group shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

(e) Report to the Congress.—The Corporation shall, not later than eighteen months after the date of the enactment of the Overseas Private Investment Corporation Amendments Act of 1985, submit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report on the implementation of the facultative reinsurance program established under subsection (a).
Sec. 235. Issuing Authority, Direct Investment Authority and Reserves.

shall under take programs of cooperation with such industry, and
in connection with such programs may engage in the following ac-
tivities:

(1) Utilizing its statutory authorities, encourage the develop-
ment of associations, pools, or consortia of United States pri-

(2) Share insurance risks (through coinsurance, contingent
insurance, or other means) in a manner that is conducive to
the growth and development of the private political risk insur-
ance industry in the United States.

(3) Notwithstanding section 237(e), upon the expiration of in-
surance provided by the Corporation for an investment, enter
into risk-sharing agreements with United States private politi-
cal risk insurers to insure any such investment; except that, in
cooperating in the offering of insurance under this paragraph,
the Corporation shall not assume responsibility for more than
50 percent of the insurance being offered in each separate
transaction.

(b) ADVISORY GROUP.—

(1) Establishment and Membership.—The Corporation
shall establish a group to advise the Corporation on the devel-
opment and implementation of the cooperative programs under
this section. The group shall be appointed by the Board and
shall be composed of up to 12 members, including the follow-
ing:

(A) Up to seven persons from the private political risk
insurance industry, of whom no fewer than two shall rep-
resent private political risk insurers, one shall represent
private political risk reinsurers, and one shall represent
insurance or reinsurance brokerage firms.

(B) Up to four persons, other than persons described in
subparagraph (A), who are purchasers of political risk in-
surance.

(2) Functions.—The Corporation shall call upon members of
the advisory group, either collectively or individually, to advise
it regarding the capability of the private political risk insur-
ance industry to meet the political risk insurance needs of
United States investors, and regarding the development of co-
operative programs to enhance such capability.

(3) Meetings.—The advisory group shall meet not later than
September 30, 1989, and at least annually thereafter. The Cor-
poration may from time to time convene meetings of selected
members of the advisory group to address particular questions
requiring their specialized knowledge.

(4) Federal Advisory Committee Act.—The advisory group
shall not be subject to the Federal Advisory Committee Act (5
U.S.C. App.).

Sec. 235. Issuing Authority, Direct Investment Authority and Reserves.—
(a) **ISSUING AUTHORITY.—**

(1) **INSURANCE AND FINANCING.—**

(A) The maximum contingent liability outstanding at any one time pursuant to insurance issued under section 234(a), and the amount of financing issued under sections 234(b) and (c), shall not exceed in the aggregate $29,000,000,000.

(B) Subject to spending authority provided in appropriations Acts pursuant to section 504(b) of the Federal Credit Reform Act of 1990, the Corporation is authorized to transfer such sums as are necessary from its noncredit activities to pay for the subsidy cost of the investment guaranties and direct loan programs under subsections (b) and (c) of section 234.

(2) **TERMINATION OF AUTHORITY.—**

The authority of subsections (a), (b), and (c) of section 234 shall continue until September 30, 2003.257

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256 Sec. 581(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998 (Public Law 105–118; 111 Stat. 2435), struck out “(a) and (b)” and inserted in lieu thereof “(a), (b), and (c).”


“OVERSEAS PRIVATE INVESTMENT CORPORATION

"NONCREDIT ACCOUNT

“The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: Provided, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed $35,000) shall not exceed $35,000,000: Provided further, That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section
PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, $24,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961 to be derived by transfer from the Overseas Private Investment Corporation noncredit account:

Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974:

Provided further, That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 2000 and 2001:

Provided further, That such sums as shall be appropriated pursuant to subsection (f) of this section for such purposes. The allocation of such funds to each such reserve shall be determined by the Board after consultation with the Secretary of the Treasury. Additional amounts may thereafter be transferred to such reserves pursuant to section 236.

(d) Any payment made to discharge liabilities under investment insurance or reinsurance issued under section 234 under similar predecessor guaranty authority or under section 234A shall be paid first out of the Insurance Reserve, as long as such reserve remains available, and thereafter out of funds made available pursuant to subsection (f) of this section. Any payments made to discharge liabilities under guaranties issued under section 234(b) or under similar predecessor guaranty authority shall be paid first out of the Guaranty Reserve as long as such reserve remains available, and thereafter out of funds made available pursuant to subsection (f) of this section.

(e) There is hereby authorized to be transferred to the Corporation at its call, for the purposes specified in section 236, all fees 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

See also sec. 513 of that Act, relating to commerce and trade, sec. 534, relating to compliance with U.N. sanctions against Iraq, and sec. 598, relating to the OPIC Maritime Fund.

259 Sec. 238(b) of the OPIC Amendments Act of 1974 (Public Law 93-390) substituted “insurance or reinsurance issued under section 234” in lieu of “insurance issued under section 234(a)”. The reference to sec. 234A was added by sec. 9(f) of the OPIC Amendments Act of 1985 (Public Law 99-204; 99 Stat. 1672).
Sec. 236. Income and Revenues.—In order to carry out the purposes of the Corporation, all revenues and income transferred to or earned by the Corporation, from whatever source derived, shall be held by the Corporation and shall be available to carry out its purposes, including without limitation—

(a) payment of all expenses of the Corporation, including investment promotion expenses;

(b) transfers and additions to the insurance or guaranty reserves, the Direct Investment Fund established pursuant to section 235, and such other funds or reserves as the Corpora-
Sec. 237. General Provisions Relating to Insurance Guaranty, and Financing Program.—(a) Insurance guaranties, and reinsurance issued under this title shall cover investment made in connection with projects in any less developed friendly country or area with the government to which the President of the United States has agreed to institute a program for insurance, guaranties, or reinsurance.

(b) The Corporation shall determine that suitable arrangements exist for protecting the interest of the Corporation in connection with any insurance, guaranty or reinsurance issued under this title, including arrangements concerning ownership, use, and disposition of the currency, credits, assets, or investments on account of which payment under such insurance, guaranty, or reinsurance is to be made, and right, title, claim, or cause of action existing in connection therewith.

(c) All guaranties issued prior to July 1, 1956, all guaranties issued under sections 202(b) and 413(b) of the Mutual Security Act of 1954, as amended, all guaranties heretofore issued pursuant to prior guaranty authorities repealed by the Foreign Assistance Act of 1969, and all insurance, reinsurance, and guaranties issued pursuant to this title shall constitute obligations, in accordance with the terms of such insurance, reinsurance, or guaranties, of the United States of America and the full faith and credit of the United States of America is hereby pledged for the full payment and performance of such obligations.

(d) Fees.—

(1) In general.—Fees may be charged for providing insurance, reinsurance, financing, and other services under this title in amounts to be determined by the Corporation. In the event fees charged for insurance, reinsurance, financing, or other services are reduced, fees to be paid under existing contracts for the same type of insurance, reinsurance, financing, or services and for similar guarantees issued under predecessor guarantee authority may be reduced.

(2) Credit transaction costs.—Project-specific transaction costs incurred by the Corporation relating to loan obligations or loan guarantee commitments covered by the provisions of the Federal Credit Reform Act of 1990, including the costs of project-related travel and expenses for legal representation provided by persons outside the Corporation and other similar

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262 U.S.C. 2197. Sec. 237 was added by Sec. 105 of the FA Act of 1969.

Sec. 110(c) of the OPIC Amendments Act of 1988, S. 2757, enacted into law by reference in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461; 102 Stat. 2268) struck “and Guaranty” and inserted “Guaranty, and Financing”.

263 Sec. 2(4) of the OPIC Amendments Act of 1974 (Public Law 93-390) added the reference to reinsurance.

expenses which are charged to the borrower, shall be paid out of the appropriate finance account established pursuant to section 505(b) of such Act.

(3) **Noncredit transaction costs.**—Fees paid for the project-specific transaction costs and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 (other than those covered in paragraph (2)), including financing, insurance, reinsurance, missions, seminars, conferences, and other preinvestment services, shall be available for obligation for the purposes for which they were collected, notwithstanding any other provision of law.

(e) No insurance, guaranty, or reinsurance 263 of any equity investment shall extend beyond twenty years from the date of issuance.

(f) Compensation for insurance, reinsurance, or guaranties issued under this title shall not exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the Corporation plus interest, earnings, or profits actually accrued on such investment to the extent provided by such insurance, reinsurance, or guaranty, except that the Corporation may provide that (1) appropriate adjustments in the insured dollar value be made to reflect the replacement cost of project assets, and (2) compensation for a claim of loss under insurance of an equity investment may be computed on the basis of the net book value attributable to such equity investment on the date of loss. 265 Notwithstanding the preceding sentence, the Corporation shall limit the amount of direct insurance and reinsurance issued by it under section 234 or 234A so that risk of loss as to at least 10 per centum of the total investment of the insured and its affiliates in the project is borne by the insured and such affiliates, except that limitation shall not apply to direct insurance or reinsurance of loans by banks or other financial institutions to unrelated parties and 266 (3) 267 compensation for loss due to business interruption may be computed on a basis to be determined by the Corporation which reflects amounts lost.

(g) No payment may be made under any guaranty, insurance or reinsurance 263 issued pursuant to this title for any loss arising out of fraud or misrepresentation for which the party seeking payment is responsible.

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263 The first sentence of subsec. (f) was amended and restated by sec. 6(a) of the OPIC Amendments Act of 1981 (Public Law 97–65; 95 Stat. 1023). Previous amendments to this sentence in subsec. (f) which are retained in the new text include the following: The word “reinsurance” was added by sec. 2(4)(F) of Public Law 93–390; the basic language of clause (1) was added by sec. 5 of Public Law 95–268 (92 Stat. 215).

265 This sentence was added by sec. 2(4)(G) of the OPIC Amendments Act of 1974 (Public Law 93–390). The phrase “except that limitation shall not apply to direct insurance or reinsurance of loans by banks or other financial institutions to unrelated parties” was added by sec. 5 of Public Law 95–268 (92 Stat. 215).

266 A sentence, as added by sec. 2(4)(G) of Public Law 93–390 and which previously appeared at this point, was struck out by sec. 6(b) of the OPIC Amendments Act of 1981 (Public Law 97–65; 95 Stat. 1023). It formerly read as follows: “The preceding sentence shall not apply to the extent not permitted by State law.”

267 Subpara. (3) as added by sec. 6(b) of the OPIC Amendments Act of 1985 (Public Law 99–204).
(h) Insurance, guaranties, or reinsurance\textsuperscript{268} of a loan or equity investment of an eligible investor in a foreign bank, finance company, or other credit institution shall extend only to such loan or equity investment and not to any individual loan or equity investment made by such foreign bank, finance company, or other credit institution.

(i) Claims arising as a result of insurance, reinsurance\textsuperscript{269} or guaranty operations under this title or under predecessor guaranty authority may be settled, and disputes arising as a result thereof may be arbitrated with the consent of the parties, on such terms and conditions as the Corporation may determine. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

(j) Each guaranty contract executed by such officer or officers as may be designated by the Board shall be conclusively presumed to be issued in compliance with the requirements of this Act.

(k) In making a determination to issue insurance, guaranties, or reinsurance under this title, the Corporation shall consider the possible adverse effect of the dollar investment under such insurance, guaranty, or reinsurance upon the balance of payments of the United States.

(l)\textsuperscript{271} (1) No payment may be made under any insurance or reinsurance which is issued under this title on or after the date of enactment of this subsection\textsuperscript{272} for any loss occurring with respect to a project, if the preponderant cause of such loss was an act by the investor seeking payment under this title, by a person possessing majority ownership and control of the investor at the time of the act, or by any agent of such investor or controlling person, and a court of the United States has entered a final judgment that such act constituted a violation under the Foreign Corrupt Practices Act of 1977.

(2) Not later than 120 days after the date of enactment of this subsection,\textsuperscript{270} the Corporation shall adopt regulations setting forth appropriate conditions under which any person convicted under the Foreign Corrupt Practices Act of 1977 for an offense related to a project insured or otherwise supported by the Corporation shall be suspended, for a period of not more than five years, from eligibility to receive any insurance, reinsurance, guaranty, loan, or other financial support authorized by this title.

(m)\textsuperscript{273} (1) Before finally providing insurance, reinsurance, guaranties, or financing under this title for any environmentally sensitive investment in connection with a project in a country, the Cor-

\textsuperscript{268}Sec. 2(4)(I) of the OPIC Amendments Act of 1974 (Public Law 93-390) substituted the words "guaranties, or reinsurance" in lieu of "guaranties".

\textsuperscript{269}Sec. 2(4)(I) of the OPIC Amendments Act of 1974 (Public Law 93-390) added the word "reinsurance".

\textsuperscript{270}Subsec. (k) was amended by sec. 2(4)(K) of the OPIC Amendments Act of 1974 (Public Law 93-390). It formerly read as follows: "(k) In making a determination to issue insurance or a guaranty under this title, the Corporation shall consider the possible adverse effect of the dollar investment under such insurance or guaranty upon the balance of payments of the United States".

\textsuperscript{271}Subsec. (i) was added by sec. 6 of Public Law 95-268 (92 Stat. 215).

\textsuperscript{272}Subsec. (i) became effective April 24, 1978.

\textsuperscript{273}Subsec. (m) was added by sec. 4(b) of the OPIC Amendments Act of 1985 (Public Law 99-204).
poration shall notify appropriate government officials of that country of—

(A) all guidelines and other standards adopted by the International Bank for Reconstruction and Development and any other international organization relating to the public health or safety or the environment which are applicable to the project; and

(B) to the maximum extent practicable, any restriction under any law of the United States relating to public health or safety or the environment that would apply to the project if the project were undertaken in the United States.

The notification under the preceding sentence shall include a summary of the guidelines, standards, and restrictions referred to in subparagraphs (A) and (B), and may include any environmental impact statement, assessment, review; or study prepared with respect to the investment pursuant to section 239(g).

(2) Before finally providing insurance, reinsurance, guarantees, or financing for any investment subject to paragraph (1), the Corporation shall take into account any comments it receives on the project involved.

(3) On or before September 30, 1986, the Corporation shall notify appropriate government officials of a country of the guidelines, standards, and legal restrictions described in paragraph (1) that apply to any project in that country—

(A) which the Corporation identifies as potentially posing major hazards to public health and safety or the environment; and

(B) for which the Corporation provided insurance, reinsurance, guarantees, or financing under this title before the date of enactment of this subsection and which is in the Corporation’s portfolio on that date.

(n) 274 Penalties for Fraud.—Whoever knowingly makes any false statement or report, or willfully overvalues any land, property, or security, for the purpose of influencing in any way the action of the Corporation with respect to any insurance, reinsurance, guarantee, loan, equity investment, or other activity of the Corporation under section 234 or any change or extension of any such insurance, reinsurance, guarantee, loan, equity investment, or activity, by renewal, deferment of action or otherwise, or the acceptance, release, or substitution of security therefor, shall be fined not more than $1,000,000 or imprisoned not more than 30 years, or both.

(o) 275 Use of Local Currencies.—Direct loans or investments made in order to preserve the value of funds received in inconvertible foreign currency by the Corporation as a result of activities conducted pursuant to section 234(a) shall not be considered in determining whether the Corporation has made or has outstanding loans or investments to the extent of any limitation on obligations and equity investment imposed by or pursuant to this title. The provisions of section 504(b) of the Federal Credit Reform Act of...
1990 shall not apply to direct loan obligations made with funds described in this subsection.

Sec. 238.**Definitions.**—As used in this title—

(a) the term “investment” includes any contribution or commitment of funds, commodities, services, patents, processes, or techniques, in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of commodities or services pursuant to a lease or other contract;

(b) the term “expropriation” includes, but is not limited to, any abrogation, repudiation, or impairment by a foreign government of its own contract with an investor with respect to a project, where such abrogation, repudiation, or impairment is not caused by the investor’s own fault or misconduct, and materially adversely affects the continued operation of the project;

(c) the term “eligible investor” means: (1) United States citizens; (2) corporations, partnerships, or other associations including nonprofit associations, created under the laws of the United States or any State or territory thereof, or the District of Columbia; and substantially beneficially owned by United States citizens; and (3) foreign corporations, partnerships, or other associations wholly owned by one or more such United States citizens, corporations, partnerships, or other associations: Provided however, That the eligibility of such foreign corporation shall be determined without regard to any shares, in aggregate less than 5 per cent of the total issued and subscribed share capital, held by other than the United States owners:

Provided further, That in the case of any loan investment a final determination of eligibility may be made at the time the insurance or guaranty is issued; in all other cases, the investor must be eligible at the time a claim arises as well as the time the insurance or guaranty is issued;

(d) the term “noncredit account revolving fund” means the account in which funds under section 236 and all funds from noncredit activities are held; and

(e) the term “noncredit activities” means all activities of the Corporation other than its loan guarantee program under section 234(b) and its direct loan program under section 234(c); and

(f) the term “predecessor guaranty authority” means prior guaranty authorities (other than housing guaranty authorities) repealed by the Foreign Assistance Act of 1969, section 202(b) and 413(b) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948;
Sec. 239. General Provisions and Powers.—(a) The Corporation shall have its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be resident thereof.

(b) The President shall transfer to the Corporation, at such time as he may determine, all obligations, assets and related rights and responsibilities arising out of, or related to, predecessor programs and authorities similar to those provided for in section 234 (a), (b), and (d). Until such transfer, the agency heretofore responsible for such predecessor programs shall continue to administer such assets and obligations, and such programs and activities authorized under this title as may be determined by the President.

(c) The Corporation shall be subject to the applicable provisions of chapter 91 of title 31, United States Code, except as otherwise provided in this title.

(2) An independent certified public accountant shall perform a financial and compliance audit of the financial statements of the Corporation at least once every three years, in accordance with generally accepted Government auditing standards for a financial and compliance audit, as issued by the Comptroller General. The independent certified public accountant shall report the results of such audit to the Board. The financial statements of the Corporation shall be presented in accordance with generally accepted accounting principles. These financial statements and the report of the accountant shall be included in a report which contains, to the extent applicable, the information identified in section 9106 of title 31, United States Code, and which the Corporation shall submit to the Congress not later than six and one-half months after the end of the last fiscal year covered by the audit. The General Accounting Office may review the audit conducted by the accountant and the report to the Congress in the manner and at such times as the General Accounting Office considers necessary.

(3) In lieu of the financial and compliance audit required by paragraph (2), the General Accounting Office shall, if the Office considers it necessary or upon the request of the Congress, audit the financial statements of the Corporation in the manner provided in paragraph (2). The Corporation shall reimburse the General Ac-
counting Office for the full cost of any audit conducted under this paragraph.

(4) All books, accounts, financial records, reports, files, workpapers, and property belonging to or in use by the Corporation and the accountant who conducts the audit under paragraph (2), which are necessary for purposes of this subsection, shall be made available to the representatives of the General Accounting Office.

(d) To carry out the purposes of this title, the Corporation is authorized to adopt and use a corporate seal, which shall be judicially noticed; to sue and be sued in its corporate name; to adopt, amend, and repeal bylaws governing the conduct of its business and the performance of the powers and duties granted to or imposed upon it by law; to acquire, hold or dispose of, upon such terms and conditions as the Corporation may determine, any property, real, personal, or mixed, tangible or intangible, or any interest therein; to invest funds derived from fees and other revenues in obligations of the United States and to use the proceeds therefrom, including earnings and profits, as it shall deem appropriate; to indemnify directors, officers, employees and agents of the Corporation for liabilities and expenses incurred in connection with their Corporation activities; to require bonds of officers, employees, and agents and pay the premiums therefor; notwithstanding any other provision of law, to represent itself or to contract for representation in all legal and arbitral proceedings; to enter into limited-term contracts with nationals of the United States for personal services to carry out activities in the United States and abroad under subsections (d) and (e) of section 234; to purchase, discount, rediscount, sell, and negotiate, with or without its endorsement or guaranty, and guarantee notes, participation certificates, and other evidence of indebtedness (provided that the Corporation shall not issue its own securities, except participation certificates for the purpose of carrying out section 231(c) or participation certificates as evidence of indebtedness held by the Corporation in connection with settlement of claims under section 237(i)); to make and carry out such contracts and agreements as are necessary and advisable in the conduct of its business; to exercise the priority of the Government of the United States in collecting debts from bankrupt, insolvent, or decedents' estates; to determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations; to collect or compromise any obligations assigned to or held by the Corporation, including any legal or equitable rights accruing to the Corporation; and to take such actions as may be necessary or appropriate to carry out the powers herein or hereafter specifically conferred upon it.

286 Sec. 107 of the Jobs Through Exports Act of 1992 (Public Law 102-549; 106 Stat. 3654) inserted “to enter into limited-term contracts with nationals of the United States for personal services to carry out activities in the United States and abroad under subsections (d) and (e) of section 234;” after “legal and arbitral proceedings.”

287 The words to this point beginning with “or participation certificates * * *” were added by sec. 7(2) of Public Law 95-268 (92 Stat. 215).

288 This phrase beginning with “to collect or compromise * * *” was added by sec. 8(1) of the OPIC Amendments Act of 1981 (Public Law 97-76; 95 Stat. 1024).
(e) The Inspector General of the Agency for International Development (1) may conduct reviews, investigations, and inspections of all phases of the Corporation's operations and activities and (2) shall conduct all security activities of the Corporation relating to personnel and the control of classified material. With respect to his responsibilities under this subsection, the Inspector General shall report to the Board. The agency primarily responsible for administering part I shall be reimbursed by the Corporation for all expenses incurred by the Inspector General in connection with his responsibilities under this subsection.

(f) Except for the provisions of this title, no other provision of this or any other law shall be construed to prohibit the operation in Yugoslavia, Poland, Hungary, or any other East European country, or the People's Republic of China, or Pakistan of the programs authorized by this title, if the President determines that the operation of such program in such country is important to the national interest.

(g) The requirements of section 117(c) of this Act relating to environmental impact statements and environmental assessments shall apply to any investment which the Corporation insures, reinsures, guarantees, or finances under this title in connection with a project in a country.
Sec. 240. 301 Small Business Development—The Corporation shall undertake, in cooperation with appropriate departments, agencies, and instrumentalities of the United States as well as private entities and others, to broaden the participation of United States small business, cooperatives, and other small United States investors in the development of small private enterprise in less developed friendly countries or areas. The Corporation shall allocate up to 50 percent of its annual net income, after making suitable provision for transfers and additions to reserves, to assist and facilitate the development of projects consistent with the provisions of this section. Such funds may be expended, notwithstanding the requirements of section 231(a), on such terms and conditions as the Corporation may determine, through loans, grants, or other programs authorized by section 234 and section 234A.
Sec. 240A. 302 Reports to the Congress.—After (a) the end of each fiscal year, the Corporation shall submit to the Congress a complete and detailed report of its operations during such fiscal year. Such report shall include—

1. an assessment, based upon the development impact profiles required by section 239(h), of the economic and social development impact and benefits of the projects with respect to which such profiles are prepared, and of the extent to which the operations of Corporation complement or are compatible with the development assistance programs of the United States and other donors; and

2. a description of any project for which the Corporation—
   (A) refused to provide any insurance, reinsurance, guaranty, financing, or other financial support, on account of violations of human rights referred to in section 239(i); or
   (B) notwithstanding such violations, provided such insurance, reinsurance, guaranty, financing, or financial support, on the basis of a determination (i) that the project will directly benefit the needy people in the country in which the project is located, or (ii) that the national security interest so requires.

(b) 303 (1) Each annual report required by subsection (a) shall contain projections of the effects on employment in the United States of all projects for which, during the preceding fiscal year, the Corporation initially issued any insurance, reinsurance, or guaranty or made any direct loan. Each such report shall include projections of—

(A) the amount of United States exports to be generated by those projects, both during the start-up phase and over a period of years;
(B) the final destination of the products to be produced as a result of those projects; and
(C) the impact such production will have on the production of similar products in the United States with regard to both domestic sales and exports.

(2) 304 The projections required by this subsection shall be based on an analysis of each of the projects described in paragraph (1).

(3) 304 In reporting the projections on employment required by this subsection, the Corporation shall specify, with respect to each project—

(A) any loss of jobs in the United States caused by the project, whether or not the project itself creates other jobs;
(B) any jobs created by the project; and
(C) the country in which the project is located, and the economic sector involved in the project.

No proprietary information may be disclosed under this paragraph.

303 Subsec. (b), which required a one-time report to Congress on the development of private and multilateral programs for investment insurance and any reinsurance arrangements OPIC had made with private insurance companies, multilateral organizations and institutions, or other entities, was struck out by sec. 9(a)(2) of the OPIC Amendments Act of 1981 (Public Law 97–65; 95 Stat. 1024).
304 Sec. 108 of the Jobs Through Exports Act of 1992 (Public Law 102–549; 106 Stat. 3654) struck out the former par. (2), and inserted new paras. (2) and (3).
Sec. 240B. PROHIBITION ON NONCOMPETITIVE AWARDING OF INSURANCE CONTRACTS ON OPIC SUPPORTED EXPORTS.

(a) REQUIREMENT FOR CERTIFICATION.—

(1) IN GENERAL.—Except as provided in paragraph (3), the investor on whose behalf insurance, reinsurance, guaranties, or other financing is provided under this title with respect to a project shall be required to certify to the Corporation that any contract for the export of goods as part of that project will include a clause requiring that United States insurance compa-
Sec. 241.310 Assistance to Certain Disadvantaged Children in Asia.

(a) The Congress recognizes the humanitarian needs of disadvantaged children in Asian countries where there has been or continues to be a heavy presence of United States military and related personnel in recent years. Moreover, the Congress finds that inadequate provision has been made for the care and welfare of

(2) When certification must be made.—The investor shall be required, in every practicable case, to so certify before the insurance, reinsurance, guarantee, or other financing is provided. In any case in which such a certification is not made in advance, the investor shall include in the certification the reasons for the failure to make a certification in advance.

(3) Exception.—Paragraph (1) does not apply with respect to an investor who does not, because of the nature of the investment, have a controlling interest in fact in the project in question.

(b) Reports by the United States Trade Representative.—The United States Trade Representative shall review the actions of the Corporation under subsection (a) and, after consultation with representatives of United States insurance companies, shall report to the Congress in the report required by section 181(b) of the Trade Act of 1974 with respect to such actions.

(c) Definitions.—For purposes of this section—

(1) the term “United States insurance company” includes—

(A) an individual, partnership, corporation, holding company, or other legal entity which is authorized, or in the case of a holding company, subsidiaries of which are authorized, by a State to engage in the business of issuing insurance contracts or reinsuring the risk underwritten by insurance companies; and

(B) foreign operations, branches, agencies, subsidiaries, affiliates, or joint ventures of any entity described in subparagraph (A);

(2) United States insurance companies shall be considered to have had a “fair and open competitive opportunity to provide insurance” if they—

(A) have received notice of the opportunity to provide insurance; and

(B) have been evaluated on a nondiscriminatory basis; and

(3) the term “State” includes the District of Columbia and any commonwealth, territory, or possession of the United States.
such disadvantaged children, particularly those fathered by the United States citizens.

(b) Accordingly, the President is authorized to expend up to $3,000,000\(^{311}\) of funds made available under chapter 1 of this part, in addition to funds otherwise available for such purposes, to help meet the needs of these disadvantaged children in Asia by assisting in the expansion and improvement of orphanages, hostels, day care centers, school feeding programs, and health, education, and welfare programs. Assistance provided under this section shall be furnished under the auspices of and by international organizations or private voluntary agencies operating within, and in cooperation with, the countries of Asia where these disadvantaged children reside.

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**Title VI—Alliance for Progress**

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**Title VII—Evaluation of Programs**

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**Title VIII—Southeast Asia Multilateral and Regional Programs**

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**Title IX—Utilization of Democratic Institutions in Development**

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Sec. 281.\(^{316}\) Utilization of Democratic Institutions in Development. — (a)\(^{317}\) In carrying out programs authorized in this chapter and chapter 1,\(^{318}\) emphasis shall be placed on assuring maximum participation in the task of economic development on the part of the people of the developing countries, through the encouragement of democratic private and local governmental institutions.

(b)\(^{317}\) In order to carry out the purposes of this title, programs under this chapter and chapter 1\(^{318}\) shall—

1. recognize the differing needs, desires, and capacities of the people of the respective developing countries and areas;

2. use the intellectual resources of such countries and areas in conjunction with assistance provided under this Act so as to encourage the development of indigenous institutions that meet their particular requirements for sustained economic and social progress; and

3. support civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

(c)\(^{317}\) In the allocation of funds for research under this chapter and chapter 1,\(^{318}\) emphasis shall be given to research designed to examine the political, social, and related obstacles to development in countries receiving assistance under part I of this Act. In par-

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\(^{311}\) Sec. 903(a) of the International Security and Development Cooperation Act of 1985 (Public Law 99-195) increased the authorization of funds from $2,000,000 to $3,000,000.

\(^{312}\) Title VI, as added by the FA Act of 1962, was repealed by sec. 102(g)(1)(A) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 942).

\(^{313}\) Title VII, as added by the FA Act of 1963, was repealed by sec. 102(g)(1)(A) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 942).

\(^{314}\) Title VIII, as added by the FA Act of 1966, was repealed by sec. 102(g)(1)(A) of the International Development and Food Assistance Act of 1978 (92 Stat. 942).

\(^{315}\) Title IX was added by sec. 106 of the FA Act of 1966.

\(^{316}\) 22 U.S.C. 2218. Sec. 281 was added by sec. 106 of the FA Act of 1966.

\(^{317}\) Subsec. designation "(a)" and subs. (b), (c) and (d) were added by sec. 108, of the FA Act of 1967.

\(^{318}\) The words "and chapter 1" were added by sec. 102(g)(2)(A) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 942).
Sec. 296 General Provisions.—(a) The Congress declares that, in order to prevent famine and establish freedom from hunger, the United States should strengthen the capacities of the United States land-grant and other eligible universities in program-related agricultural institutional development and research, consistent with sections 103 and 103A, should improve their participation in the United States Government's international efforts to apply more effective agricultural sciences to the goal of increasing world food production, and in general should provide increased and longer term support to the application of science to solving food and nutrition problems of the developing countries.

The Congress so declares because it finds—

(1) that the establishment, endowment, and continuing support of land-grant universities in the United States by Federal, State, and county governments has led to agricultural progress in this country;

(2) that land-grant and other universities in the United States have demonstrated over many years their ability to cooperate with foreign agricultural institutions in expanding indigenous food production for both domestic and international markets;

(3) that, in a world of growing population with rising expectations, increased food production and improved distribution, storage, and marketing in the developing countries is necessary not only to prevent hunger but to build the economic

319 The last sentence was added by sec. 106(a) of the FA Act of 1968.
320 Subsec. (e) was added by sec. 106(b) of the FA Act of 1968.
321 Title X, as added by the FA Act of 1967, was repealed by sec. 104(b) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 947).
322 Title XI, as added by the FA Act of 1967, was repealed by sec. 502(d)(1) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 959).
base for growth, and moreover, that the greatest potential for increasing world food supplies is in the developing countries where the gap between food need and food supply is the greatest and current yields are lowest;

(4) that increasing and making more secure the supply of food is of greatest benefit to the poorest majority in the developing world;

(5) that research, teaching, and extension activities, and appropriate institutional development therefor are prime factors in increasing agricultural production abroad (as well as in the United States) and in improving food distribution, storage, and marketing;

(6) moreover, that agricultural research abroad has in the past and will continue in the future to provide benefits for agriculture in the United States and that increasing the availability of food of higher nutritional quality is of benefit to all; and

(7) that universities need a dependable source of Federal funding, as well as other financing, in order to expand, or in some cases to continue, their efforts to assist in increasing agricultural production in developing countries.

(b) Accordingly, the Congress declares that, in order to prevent famine and establish freedom from hunger, various components must be brought together in order to increase world food production, including—

(1) strengthening the capabilities of universities to assist in increasing agricultural production in developing countries;

(2) institution-building programs for development of national and regional agricultural research and extension capacities in developing countries which need assistance;

(3) international agricultural research centers;

(4) contract research; and

(5) research program grants.

(c) The United States should—

(1) effectively involve the United States land-grant and other eligible universities more extensively in each component;

(2) provide mechanisms for the universities to participate and advise in the planning, development, implementation, and administration of each component; and

(3) assist such universities in cooperative joint efforts with—

(A) agricultural institutions in developing nations, and

(B) regional and international agricultural research centers,

directed to strengthening their joint and respective capabilities and to engage them more effectively in research, teaching, and extension activities for solving problems in food production, distribution, storage, marketing, and consumption in agriculturally underdeveloped nations.

(d) As used in this title, the term “universities” means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia, now receiving, or which may hereafter receive, benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as
Sec. 297  Foreign Assistance Act of 1961 (P.L. 87-195) 123

“land-grant” universities; institutions now designated or which may hereafter be designated as sea-grant colleges under the Act of October 15, 1966 (known as the National Sea Grant College and Program Act), which are commonly known as sea-grant colleges; and other United States colleges and universities which—

(1) have demonstrable capacity in teaching, research, and extension activities in the agricultural sciences; and

(2) can contribute effectively to the attainment of the objective of this title.

(e) As used in this title, the term “Administrator” means the Administrator of the Agency for International Development.

(f) * * * [Repealed—1978]

(g) * * * [Repealed—1978]

Sec. 297. General Authority.—(a) To carry out the purposes of this title, the President is authorized to provide assistance on such terms and conditions as he shall determine—

(1) to strengthen the capabilities of universities in teaching, research, and extension work to enable them to implement current programs authorized by paragraphs (2), (3), (4), and (5) of this subsection, and those proposed in the report required by section 300 of this title;

(2) to build and strengthen the institutional capacity and human resources skills of agriculturally developing countries so that these countries may participate more fully in the international agricultural problem-solving effort and to introduce and adapt new solutions to local circumstances;

(3) to provide program support for long-term collaborative university research, in the developing countries themselves to the maximum extent practicable, on food production, distribution, storage, marketing and consumption;

(4) to involve universities more fully in the international network of agricultural science, including the international research centers, the activities of international organizations such as the United Nations Development Program and the Food and Agriculture Organization, and the institutions of agriculturally developing nations; and

(5) to provide program support for international agricultural research centers, to provide support for research projects identified for specific problem-solving needs, and to develop and strengthen national research systems in the developing countries.

(b) Programs under this title shall be carried out so as to—

(1) utilize and strengthen the capabilities of universities in—

324 Sec. 6 of Reorganization Plan No. 2 of 1979 (establishing IDCA), transferred all responsibilities and functions vested in this subsection from the Administrator to the Director of IDCA. The Reorganization Plan No. 2 of 1979 ceased to be effective with enactment of the Foreign Affairs Reform and Restructuring Act of 1998, pursuant to sec. 1422(a)(1) (division G of Public Law 105–277; 112 Stat. 2681).

325 Subsecs. (f) and (g), which defined the terms “agriculture” and “farmers,” were repealed by sec. 103(c) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 945). Similar definitions for these terms can now be found in sec. 644 (o) and (p) of this Act.


327 The words “...in the developing countries themselves to the maximum extent practicable,” were added by sec. 113(1) of the International Development Cooperation Act of 1979 (Public Law 96–53; 93 Stat. 364).
Sec. 298. Board for International Food and Agricultural Development.—(a) To assist in the administration of the programs authorized by this title, the President shall establish a permanent Board for International Food and Agricultural Development (hereafter in this title referred to as the “Board”) consisting of seven members, not less than four to be selected from the uni-

328 Subsec. (c) was amended and restated by sec. 113(2) of the International Development Cooperation Act of 1979 (Public Law 96-53; 93 Stat. 364). It formerly read as follows:

"(c) To the maximum extent practicable, activities under this section shall—

(1) be directly related to the food and agricultural needs of developing countries;

(2) be carried out within the developing countries;

(3) be adapted to local circumstances;

(4) provide for the most effective interrelationship between research, education, and extension in promoting agricultural development in developing countries; and

(5) emphasize the improvement of local systems for delivering the best available knowledge to the small farmers of such countries.

329 This authority of the Administrator was transferred to the Director of IDCA, pursuant to sec. 6 of Reorganization Plan No. 2 of 1979 (establishing IDCA). The Reorganization Plan No. 2 of 1979 ceased to be effective with enactment of the Foreign Affairs Reform and Restructuring Act of 1998, pursuant to sec. 1422(a)(1) (division G of Public Law 105-277; 112 Stat. 2681).

330 22 U.S.C. 2220c. Sec. 298 was added by sec. 312 of Public Law 94-161 (89 Stat. 849).
iversities. Terms of members shall be set by the President at the time of appointment. Members of the Board shall be entitled to such reimbursement for expenses incurred in the performance of their duties (including per diem in lieu of subsistence while away from their homes or regular place of business) as the President deems appropriate.

(b) The Board's general areas of responsibility shall include, but not be limited to—

(1) participating in the planning, development, and implementation of, 
(2) initiating recommendations for, and 
(3) monitoring of, 
the activities described in section 297 of this title.

(c) The Board's duties shall include, but not necessarily be limited to—

(1) participating in the formulation of basic policy, procedures, and criteria for project proposal review, selection, and monitoring; 
(2) developing and keeping current a roster of universities—
   (A) interested in exploring their potential for collaborative relationships with agricultural institutions, and with scientists working on significant programs designed to increase food production in developing countries, 
   (B) having capacity in the agricultural sciences, 
   (C) able to maintain an appropriate balance of teaching, research, and extension functions, 
   (D) having capacity, experience, and commitment with respect to international agricultural efforts, and 
   (E) able to contribute to solving the problems addressed by this title; 
(3) recommending which developing nations could benefit from programs carried out under this title, and identifying those nations which have an interest in establishing or developing agricultural institutions which engage in teaching, research, or extension activities; 
(4) reviewing and evaluating memorandums of understanding or other documents that detail the terms and conditions between the Administrator and universities participating in programs under this title; 
(5) reviewing and evaluating agreements and activities authorized by this title and undertaken by universities to assure compliance with the purposes of this title; 
(6) recommending to the Administrator the apportionment of funds under section 297 of this title; and 
(7) assessing the impact of programs carried out under this title in solving agricultural problems in the developing nations.

(d) The President may authorize the Board to create such subordinate units as may be necessary for the performance of its duties, including but not limited to the following:

331 This function of the Administrator was transferred to the Director of IDCA, pursuant to sec. 6 of Reorganization Plan No. 2 of 1979 (establishing IDCA). The Reorganization Plan No. 2 of 1979 ceased to be effective with enactment of the Foreign Affairs Reform and Restructuring Act of 1998, pursuant to sec. 1422(a)(1) (division G of Public Law 105–277; 112 Stat. 2681).
(1) a Joint Research Committee to participate in the administration and development of the collaborative activities described in section 297(a)(3) of this title; and

(2) a Joint Committee on Country Programs which shall assist in the implementation of the bilateral activities described in sections 297(a)(2), 297(a)(4), and 297(a)(5).

(e) In addition to any other functions assigned to and agreed to by the Board, the Board shall be consulted in the preparation of the annual report required by section 300 of this title and on other agricultural development activities related to programs under this title.

**Sec. 299.** **Authorization.**—(a) The President is authorized to use any of the funds hereafter made available under section 103 of this Act to carry out the purposes of this title. Funds made available for such purposes may be used without regard to the provisions of sections 110(b) and 122(d) of this Act.

(b) Foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States shall be used to the maximum extent possible in lieu of dollars in carrying out the provisions of this title.

(c) Assistance authorized under this title shall be in addition to any allotments or grants that may be made under other authorizations.

(d) Universities may accept and expend funds from other sources, public and private, in order to carry out the purposes of this title. All such funds, both prospective and inhand, shall be periodically disclosed to the Administrator as he shall by regulation require, but no less often than in an annual report.

**Sec. 300.** **Annual Report.**—The President shall transmit to the Congress, not later than April 1 of each year, a report detailing the activities carried out pursuant to this title during the preceding fiscal year and containing a projection of programs and activities to be conducted during the subsequent five fiscal years. Each report shall contain a summary of the activities of the Board established pursuant to section 298 of this title and may include the separate views of the Board with respect to any aspect of the programs conducted or proposed to be conducted under this title.

**Chapter 3—International Organizations and Programs**

**Sec. 301.** **General Authority.**—(a) When he determines it to be in the national interest, the President is authorized to make voluntary contributions on a grant basis to international organizations.
and to programs administered by such organizations, and in the case of the Indus Basin Development Fund administered by the International Bank for Reconstruction and Development to make grants and loans payable as to principal and interest in United States dollars and subject to the provisions of section 122(b),\textsuperscript{337} on such terms and conditions as he may determine, in order to further the purposes of this part.

(b)\textsuperscript{338} * * * [Repealed—1981]

(c)\textsuperscript{339} No contributions by the United States shall be made to the United Nations Relief and Works Agency for Palestine Refugees in the Near East except on the condition that the United Nations Relief and Works Agency take all possible measures to assure that no part of the United States contribution shall be used to furnish assistance to any refugee who is receiving military training as a member of the so-called Palestine Liberation Army or any other guerrilla type organization or who has engaged in any act of terrorism.

(d)\textsuperscript{340} In any case in which a fund established solely by United States contributions under this or any other Act is administered by an international organization under the terms of an agreement between the United States and such international organization, such agreement shall provide that the Comptroller General of the United States shall conduct such audits as are necessary to assure that such fund is administered in accordance with such agreement. The President shall undertake to modify any existing agreement entered into before the date of enactment of this subsection to conform to the requirements of the preceding sentence. The Comptroller General shall report simultaneously to the Congress and the President the results of the audit conducted under this subsection.\textsuperscript{341}

(e)\textsuperscript{342} (1) In the case of the United Nations and its affiliated organizations, including the International Atomic Energy Agency, the

\textsuperscript{337} The words to this point, beginning with ", and in the case of the Indus Basin",” were added by sec. 107(a) of the FA Act of 1966. The reference to sec. 122(b) was substituted in lieu of a reference to sec. 201(d) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 941).

\textsuperscript{338} Subsec. (b), as amended by sec. 107(b) of the FA Act of 1966, was repealed by sec. 734(a)(1) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1560). It formerly read as follows:

"(b) Contributions to the United Nations Development Program for the calendar years succeeding 1961 may not exceed forty per centum of the total amount contributed for such purposes (including assessed and audited local costs) for each such year. The President shall seek to assure that no contribution to the United Nations Development Program authorized by this Act shall be used for projects for economic or technical assistance to the Government of Cuba, so long as Cuba is governed by the Castro regime."

\textsuperscript{339} Subsec. (c) was amended by sec. 108(a) of the FA Act of 1969. It formerly read as follows:

"(c) In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East through contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the President shall take into account (1) whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees, and (2) the extent and success of efforts by the Agency and the Arab host governments to rectify the Palestine refugee relief rolls. Contributions by the United States for the fiscal year 1967 shall not exceed $13,300,000. No contributions under this subsection shall be made except on the condition that the United Nations Relief and Works Agency take all possible measures to assure that no part of the United States contribution shall be used to furnish assistance to any refugee who is receiving military training as a member of the so-called Palestine Liberation Army."

\textsuperscript{340} Subsec. (d) was added by sec. 110(a) of the FA Act of 1967.

\textsuperscript{341} This sentence was added by sec. 701(a) of the International Security and Development Cooperation Act of 1980 (Public Law 96-533; 94 Stat. 3156).

\textsuperscript{342} Subsec. (e) was added by sec. 9(1) of the FA Act of 1973.
President shall, acting through the United States representative to such organizations, propose and actively seek the establishment by the governing authorities of such organizations of external, professionally qualified groups \[343\] of appropriate size for the purpose of providing an independent and continuous program of selective examinations, review, evaluation, and audits \[344\] of the programs and activities of such organizations. Such proposal shall provide that such groups \[343\] shall be established in accordance with such terms of reference as such governing authority may prescribe and that the reports of such groups \[343\] on each examination, review, evaluation, or audit \[344\] shall be submitted directly to such governing authority for transmittal to the representative of each individual member nation. Such proposal shall further include a statement of auditing and reporting standards, as prepared by the Comptroller General of the United States, for the consideration of the governing authority of the international organization concerned to assist in formulating terms of reference for such review and evaluation groups. \[343\]

(2) In the case of the International Bank for Reconstruction and Development and the Asian Development Bank, the President shall, acting through the United States representative to such organizations, propose and actively seek the establishment by the governing authorities of such organizations professionally qualified groups of appropriate size for the purpose of providing an independent and continuous program of selective examination, review, evaluation, and audits \[344\] of the programs and activities of such organizations. Such proposal shall provide that such groups shall be established in accordance with such terms of reference as such governing authorities may prescribe, and that the reports of such groups on each examination, review, evaluation, or audit \[344\] shall be submitted directly to such governing authority for transmittal to the representative of each individual member nation. Such proposal shall further include a statement of auditing and reporting standards, as prepared by the Comptroller General of the United States, for the consideration of the governing authority of the international organization concerned to assist in formulating terms of reference for such review and evaluation groups.

(3) \[345\] * * * [Repealed—1981]

(f) \[346\] The President is hereby authorized to permit United States participation in the International Fertilizer Development Center and is authorized to use any of the funds made available under this...
part for the purpose of furnishing assistance to the Center on such terms and conditions as he may determine.

(g) It is the sense of the Congress that the President should instruct the appropriate representatives of the United States to the United Nations to encourage the specialized agencies of the United Nations to transfer the funding of technical assistance programs carried out by such agencies to the United Nations Development Program.

(h) The President is authorized to permit the United States to participate in and to use any of the funds made available under this part after the date of enactment of this subsection for the purpose of furnishing assistance (on such terms and conditions as the President may determine) to the International Food Policy Research Institute.

Sec. 302. Authorization.—(a)(1) There are authorized to be appropriated to the President $270,000,000 for fiscal year 1986 and $236,084,000 for fiscal year 1987 for grants to carry out the purposes of this chapter, in addition to funds available under other Acts for such purposes. Of the amount appropriated for each of the fiscal years 1986 and 1987 pursuant to these authorizations—

(A) 59.65 percent shall be for the United Nations Development Program;

(B) 19.30 percent shall be for the United Nations Children’s Fund;


The amount $236,084,000 was substituted in lieu of the amount $275,000,000 by sec. 404 of Public Law 99–529 (100 Stat. 3010).

The authorization figures and earmarkings for fiscal years 1986 and 1987 were added by sec. 402(a) of the International Security and Development Cooperation Act of 1985 (Public Law 99–83; 99 Stat. 190).

Authorizations under sec. 302 during recent years included the following: fiscal year 1975—$165,000,000; fiscal year 1976—$195,500,000; fiscal year 1977—$219,900,000; fiscal year 1978—$252,000,000; fiscal year 1979—$285,450,000; fiscal year 1980—$267,280,000; fiscal year 1981—$233,350,000; fiscal year 1982—$218,600,000; fiscal year 1983—$218,600,000; fiscal year 1984—$266,214,000; fiscal year 1985—no authorization; fiscal years 1988 through 2000—no authorization.

Congress did not enact an authorization for fiscal year 2000. Instead, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 113 Stat. 1535), waived the requirements for authorization, and title IV of that Act provided the following:

"INTERNATIONAL ORGANIZATIONS AND PROGRAMS

"For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $183,000,000: Provided, That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: Provided further, That not less than $5,000,000 should be made available to the World Food Program: Provided further, That none of the funds appropriated under this heading may be made available to the International Fund for Agricultural Development in title II: paragraph on nonproliferation, anti-terrorism, demining and related programs in title II; sec. 515, relating to notification requirements; sec. 516, relating to limiting the availability of funds for international organizations and programs; sec. 522, relating to child survival, AIDS, and other activities; sec. 523, relating to prohibiting indirect funding to certain countries; sec. 536, relating to funding for the international fund for agricultural development; sec. 561, relating to restrictions on voluntary contributions to U.N. agencies; and sec. 599C, relating to contributions to the U.N. Population Fund."
(C) 7.20 percent shall be for the International Atomic Energy Agency, except that these funds may be contributed to that Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency;

(D) 5.44 percent shall be for Organization of American States development assistance programs;

(E) 3.51 percent shall be for the United Nations Environment Program;

(F) 0.70 percent shall be for the World Meteorological Organization;

(G) 0.70 percent shall be for the United Nations Capital Development Fund;

(H) 0.35 percent shall be for the United Nations Education and Training Program for Southern Africa;

(I) 0.18 percent shall be for the United Nations Voluntary Fund for the Decade for Women;

(J) 0.07 percent shall be for the Convention on International Trade in Endangered Species;

(K) 0.70 percent shall be for the World Food Program;

(L) 0.18 percent shall be for the United Nations Institute for Namibia;

(M) 0.12 percent shall be for the United Nations Trust Fund for South Africa;

(N) 0.04 percent shall be for the United Nations Voluntary Fund for Victims of Torture;

(O) 0.07 percent shall be for the United Nations Industrial Development Organization;

(P) 0.55 percent shall be for the United Nations Development Program Trust Fund To Combat Poverty and Hunger in Africa;

(Q) 0.97 percent shall be for contributions to international conventions and scientific organizations;

(R) 0.18 percent for the United Nations Center on Human Settlements (Habitat); and

(S) 0.09 percent shall be for the World Heritage Fund.\footnote{Sec. 117(e) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 953) also provided an authorization of $1,000,000 for contribution to the World Assembly on Aging.}

[Repealed—1981]

\footnote{Sec. 117(e) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 953) also provided an authorization of $1,000,000 for contribution to the World Assembly on Aging.}

\footnote{Par. (2) was added by sec. 313(a)(1)(C) of Public Law 94-161 (89 Stat. 849).}

\footnote{Par. (3), which had prohibited the use of funds under this subsection for the U.N. Institute for Namibia during fiscal year 1979 unless the President determined that such funds would not be used to support the military or paramilitary activities of the South-West African Peoples Organization, was repealed by sec. 734(a) of the International Security and Development Cooperation Act 1981 (Public Law 97-113; 95 Stat. 1560).}
(b)(1) There is authorized to be appropriated to the President for loans for Indus Basin Development to carry out the purposes of this section, in addition to funds available under this or any other Act for such purposes, for use beginning in the fiscal year 1969, $61,220,000. Such amounts are authorized to remain available until expended.

(2) There is authorized to be appropriated to the President for grants for Indus Basin Development, in addition to any other funds available for such purposes, for use in the fiscal year 1974, $14,500,000, and for use in the fiscal year 1975, $14,500,000, and for use beginning in the fiscal year 1976, $27,000,000, which amounts shall remain available until expended. The President shall not exercise any special authority granted to him under section 610(a) or 614(a) of this Act to transfer any amount appropriated under this paragraph to, and to consolidate such amount with, any funds made available under any other provisions of this Act.

(c) None of the funds available to carry out this chapter shall be contributed to any international organization or to any foreign government or agency thereof to pay the costs of developing or operating any volunteer program of such organization, government, or agency relating to the selection, training, and programing of volunteer manpower.

(d)-(h) [Repealed by Pub. L. 95-424, Sec. 604.] (i) In addition to amounts otherwise available under this section there are authorized to be appropriated for fiscal year 1976 $1,000,000, and for fiscal year 1977 $2,000,000, to be available only for the purpose of strengthening safeguards and inspections relating to nuclear missile facilities and materials. Amounts appropriated under this subsection are authorized to remain available until expended.

(j) In addition to amounts otherwise available under this section for such purposes, there are authorized to be appropriated to the President $3,000,000 for fiscal year 1989 to be available only...
for United States contributions to multilateral and regional drug abuse control programs. Of the amount authorized to be appropriated by this subsection—

(1) $2,000,000 shall be for a United States contribution to the United Nations Fund for Drug Abuse Control;

(2) $600,000 shall be for the Organization of American States (OAS) Inter-American Drug Abuse Control Commission (CICAD) Legal Development Project, except that the proportion which such amount bears to the total amount of contributions to this specific project may not exceed the proportion which the United States contribution to the budget of the Organization of American States for that fiscal year bears to the total contributions to the budget of the Organization of American States for that fiscal year; and

(3) $400,000 shall be for the Organization of American States (OAS) Inter-American Drug Abuse Control Commission (CICAD) Law Enforcement Training Project, except that the proportion which such amount bears to the total amount of contributions to this specific project may not exceed the proportion which the United States contribution to the budget of the Organization of American States for that fiscal year bears to the total contributions to the budget of the Organization of American States for that fiscal year.

Sec. 303. Indus Basin Development.—In the event that funds made available under this Act (other than part II) are used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the development of the Indus Basin through the program of cooperation among South Asian and other countries of the free world, which is designed to promote economic growth and political stability in South Asia, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of the purposes of such programs: Provided, That compensating allowances are made in the administration of other programs to the same or other areas to which the requirements of said section 901(b) are applicable.

Sec. 304. United Nations Peacekeeping.—* * * [Repealed—1978]

Sec. 305. Integration of Women.—The President is requested to instruct each representative of the United States to each international organization of which the United States is a member.

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364 For text, see Legislation on Foreign Relations Through 1999, vol. I–B.
365 Sec. 304, as added by the FA Act of 1967, was repealed by sec. 604 of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 961).
366 22 U.S.C. 2225. Sec. 305 was added by sec. 54 of the FA Act of 1974, which inserted it at the end of part III, chapter 3. Sec. 313(b) of Public Law 94-161 reinserted it at the end of part I, chapter 3.
(including but not limited to the International Bank for Reconstruction and Development, the Asian Development Bank, the Inter-American Development Bank, the International Monetary Fund, the United Nations, and the Organization for Economic Cooperation and Development) to carry out their duties with respect to such organizations in such a manner as to encourage and promote the integration of women into the national economies of member and recipient countries and into professional and policy-making positions within such organizations, thereby improving the status of women. The President is further requested, in making United States contributions to such organizations, to take into account the progress, or lack of progress, of such organizations in adopting and implementing policies and practices which encourage and promote the integration of women into the national economies of member and recipient countries, and into professional and policy-making positions within such organizations, in accordance with the World Plan of Action of the Decade for Women.367

Sec. 306.368 Reports on International Organizations.—The annual reports to the Congress under section 2 of the Act of September 21, 1950 (64 Stat. 902, 22 U.S.C. 262a), shall be submitted within nine months after the end of the fiscal year to which they relate.

Sec. 307.369 Withholding of United States Proportionate Share for Certain Programs of International Organizations.—(a) Notwithstanding any other provision of law, none of the funds authorized to be appropriated by this chapter shall be available for the United States proportionate share for programs for Burma, Iraq, North Korea, Syria, Libya, Iran, Cuba, or the Pal-

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367 This sentence was added by sec. 118(b) of the International Development and Food Assistance Act of 1977 (Public Law 95-88; 91 Stat. 540).
368 22 U.S.C. 2226. Sec. 306 was added by sec. 703 of the International Security and Development Cooperation Act of 1980 (Public Law 96-533; 94 Stat. 3157). Sec. 1301(b) of the Federal Reports Elimination Act of 1998 (Public Law 105-362; 112 Stat. 3293) struck out subsec. designation "(a)" in this para., and striking out subsec. (b), which had required the President to submit semiannual reports to the Congress listing all U.S. Government voluntary contributions to international organizations. Pursuant to Executive Order 12374 (July 28, 1982; 47 F.R. 32903), those reporting responsibilities had been delegated to the Secretary of State.
370 The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), provided:

"LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

"Sec. 516. Subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of section 307(a) of the Foreign Assistance Act of 1961, shall remain available for obligation until September 30, 2001.".

370 Sec. 431(a)(1) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 102-236; 106 Stat. 459) struck out ‘‘the South-West Africa People’s Organization’’ and inserted ‘‘Burma, Iraq, North Korea, Syria’’. Sec. 431(b) of Public Law 103-236 (108 Stat. 459) further provided the following:

1. For the United Nations Development Program—

1. (1) Except as provided in paragraphs (2) and (3), for fiscal years 1994 and 1995 none of the funds made available for United Nations Development Program or United Nations Development Program—Administered Funds shall be available for programs and activities in or for Burma.

1. (2) Of the funds made available for United Nations Development Program and United Nations Development Program—Administered Funds for fiscal year 1994, $11,000,000 may be available only if the President certifies to the Congress that the United Nations Development Program’s programs and activities in or for Burma promote the enjoyment of inter-
estine Liberation Organization or for projects whose purpose is to provide benefits to the Palestine Liberation Organization or entities associated with it,371 or at the discretion of the President, Communist countries listed in section 620(f) of this Act.372

(b) The Secretary of State—

(1) shall review, at least annually, the budgets and accounts of all international organizations receiving payments of any funds authorized to be appropriated by this chapter; and

(2) shall report to the appropriate committees of Congress the amounts of funds expended by each such organization for the purposes described in subsection (a) and the amount contributed by the United States to each such organization.

(c) 373 (1) Subject to paragraph (2), the limitations 374 of subsection (a) shall not apply to contributions to the International

nationally guaranteed human rights in Burma and do not benefit the State Law and Order Restoration Council (SLORC) military regime.

371 Sec. 3 of the Middle East Peace Facilitation Act of 1993, as amended (Public Law 103–125; 107 Stat. 1309), authorized the President to suspend certain provisions of law, including sec. 307 of this Act, as they applied to the P.L.O. or entities associated with it if certain conditions were met and the President so certified and consulted with relevant congressional committees. This authority was continued in the Middle East Peace Facilitation Act of 1994 (part E of Public Law 103–236) and the Middle East Peace Facilitation Act of 1995, (title VI of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996; Public Law 104–107).


Authority to waive certain provisions was continued in general provisions of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 133 Stat. 1535); see secs. 538(c) and (d), 551, 554, and 563. See also, however, sec. 587 of that Act, which prohibits assistance to the Palestinian Broadcasting Corporation.

On December 5, 1997, the President waived the provisions of section 1003 of the Anti-Terrorism Act of 1987 (Public Law 100–204) through June 4, 1998 (Presidential Determination No. 98–8; 62 F.R. 66255); further waived through November 26, 1998 (Presidential Determination No. 98–28; June 3, 1998; 63 F.R. 32713); through May 24, 1999 (Presidential Determination No. 98–5; November 25, 1998; 63 F.R. 68145); through October 21, 1999 (Presidential Determination No. 99–25; March 1, 1999; 64 F.R. 9353); and through April 21, 2000 (Presidential Determination 00–2; October 21, 1999; 64 F.R. 8755).372


374 Sec. 2809(a)(1) of the Foreign Relations Authorization Act, Fiscal Years 1998 and 1999 (division B of division G of Public Law 105–277; 112 Stat. 2681) struck out “The limitations” and inserted in lieu thereof “(1) Subject to paragraph (2), the limitations”. Sec. 2809(a)(2) of that Act added para. (2). See also secs. 2809(b) and (c) of that Act, in Legislation on Foreign Relations Through 1999, vol. II.
Sec. 451 Contingencies.  

(1) Notwithstanding any other provision of law, the President is authorized to use funds made available to carry out any provision of this Act (other than the provisions of chapter 1 of this part) in order to provide, for any unanticipated contingencies, assistance authorized by this part in accordance with the provisions applicable to the furnishing of such assistance, except that the authority of this subsection may not be used for the Atomic Energy Agency or the United Nations Children’s Fund (UNICEF).

(2) Except as provided in subparagraph (B), with respect to funds authorized to be appropriated by this chapter and available for the International Atomic Energy Agency, the limitations of subsection (a) shall apply to programs or projects of such Agency in Cuba.

(B)(i) Subparagraph (A) shall not apply with respect to programs or projects of the International Atomic Energy Agency that provide for the discontinuation, dismantling, or safety inspection of nuclear facilities or related materials, or for inspections and similar activities designed to prevent the development of nuclear weapons by a country described in subsection (a).

(ii) Clause (i) shall not apply with respect to the Juragua Nuclear Power Plant near Cienfuegos, Cuba, or the Pedro Pi Nuclear Research Center unless Cuba—

(I) ratifies the Treaty on the Non-Proliferation of Nuclear Weapons (21 UST 483) or the Treaty for the Prohibition of Nuclear Weapons in Latin America (commonly known as the Treaty of Tlatelolco);

(II) negotiates full-scope safeguards of the International Atomic Energy Agency not later than two years after ratification by Cuba of such Treaty; and

(III) incorporates internationally accepted nuclear safety standards.

Chapter 4—Supporting Assistance [Repealed—1972]

Chapter 5—Contingencies

Sec. 451 Contingencies. (a) Notwithstanding any other provision of law, the President is authorized to be appropriated by this chapter and available for the Atomic Energy Agency or the United Nations Children’s Fund (UNICEF).
not be used to authorize the use of more than $25,000,000 during any fiscal year. 381

(2) The President shall report promptly to the Speaker of the House of Representatives and to the Committee on Foreign Relations and the Committee on Appropriations of the Senate each time he exercises the authority contained in this subsection.

(b) 382 * * * [Repealed—1981]

(c) No part of this fund shall be used to pay for any gifts to any officials of any foreign government made heretofore or hereafter. 383

Chapter 6—Central America Democracy, Peace, and Development Initiative 384

Sec. 461. 384, 385 Statement of Policy.—(a) The Congress finds that—

(1) the building of democracy, the restoration of peace, the improvement of living conditions, and the application of equal justice under law in Central America are important to the interests of the United States and the community of American States; and

(2) the interrelated issues of social and human progress, economic growth, political reform, and regional security must be effectively dealt with to assure a democratic and economically and politically secure Central America.

(b)(1) The achievement of democracy, respect for human rights, peace, and equitable economic growth depends primarily on the cooperation and the human and economic resources of the people and governments of Central America. The Congress recognizes that the United States can make a significant contribution to such peaceful and democratic development through a consistent and coherent policy which includes a long-term commitment of assistance. This policy should be designed to support actively—

(A) democracy and political reform, including opening the political process to all members of society;

(B) full observance of internationally recognized human rights, including free elections, freedom of the press, freedom of association, and the elimination of all human rights abuses;

(C) leadership development, including training and educational programs to improve public administration and the administration of justice;

(D) land reform, reform in tax systems, encouragement of private enterprise and individual initiative, creation of favor-
able investment climates, curbing corruption where it exists,
and spurring balanced trade;

(E) the establishment of the rule of law and an effective judicial system; and

(F) the termination of extremist violence by both the left and
the right as well as vigorous action to prosecute those guilty
of crimes and the prosecution to the extent possible of past of-
fenders.

(2) The policy described in paragraph (1) should also promote eq-
uitable economic growth and development, including controlling the
flight of capital and the effective use of foreign assistance and ad-
hering to approved programs for economic stabilization and fiscal
responsibility. Finally, this policy should foster dialog and negotia-
tions—

(A) to achieve peace based upon the objectives of democra-
tization, reduction of armament, an end to subversion, and the
withdrawal of foreign military forces and advisers; and

(B) to provide a security shield against violence and intimi-
dation.

(3) It is the purpose of this chapter to establish the statutory
framework and to authorize the appropriations and financing nec-
essary to carry out the policy described in this section.

(c) The Congress finds, therefore, that the people of the United
States are willing to sustain and expand a program for economic
and military assistance in Central America if the recipient coun-
tries can demonstrate progress toward and a commitment to these
goals.

Sec. 462. 384, 386 Conditions on Furnishing Assistance.—The
President shall ensure that assistance authorized by this Act and
the Arms Export Control Act to Central American countries is fur-
nished in a manner which fosters demonstrated progress toward
and commitment to the objectives set forth in section 461. Where
necessary to achieve this purpose, the President shall impose condi-
tions on the furnishing of such assistance. In carrying out this sec-
tion, the President shall consult with the Congress in regard to
progress toward the objectives set forth in section 461, and any
conditions imposed on the furnishing of assistance in furtherance
of those objectives.

Sec. 463. 384, 387 Peace Process in Central America.—The
Congress—

(1) strongly supports the initiatives taken by the Contadora
group and the resulting Document of Objectives which has
been agreed to by Costa Rica, El Salvador, Guatemala, Hon-
duras, and Nicaragua and which sets forth a framework for ne-
egotiating a peaceful settlement to the conflict and turmoil in
the region; and

(2) finds that the United States should provide such assist-
ance and support as may be appropriate in helping to reach
comprehensive and verifiable final agreements, based on the
Document of Objectives, which will ensure peaceful and endur-
ing solutions to the Central American conflicts.

Sec. 464 Economic Assistance Coordination.—(a) The Congress finds that participation by Central American countries in an effective forum for dialog on, and the continuous review and advancement of, Central America's political, economic, and social development would foster cooperation between the United States and Central American countries.

(b) It is the sense of the Congress that—

(1) the President should enter into negotiations with the countries of Central America to establish a Central American Development Organization (hereafter in this section referred to as the 'Organization') to help provide a continuous and coherent approach to the development of the Central American region; and

(2) the establishment of the Organization should be based upon the following principles:

(A) Participation in the Organization should be open to the United States, other donors, and those Central American countries that commit themselves to, among other things, respecting internationally recognized human rights, building democracy, and encouraging equitable economic growth through policy reforms.

(B) The Organization should be structured to include representatives from both the public and private sectors, including representatives from the labor, agriculture, and business communities.

(C) The Organization should meet periodically to carry out the functions described in subparagraphs (D) and (E) of this paragraph and should be supported by a limited professional secretariat.

(D) The Organization should make recommendations affecting Central American countries on such matters as—

(i) political, economic, and social development objectives, including the strengthening of democratic pluralism and the safeguarding of internationally recognized human rights;

(ii) mobilization of resources and external assistance needs; and

(iii) reform of economic policies and structures.

(E) The Organization should have the capacity for monitoring country performance on recommendations issued in accordance with subparagraph (D) of this paragraph and for evaluating progress toward meeting such country objectives.

(F) To the maximum extent practicable, the United States should follow the recommendations of the Organization in disbursing bilateral economic assistance for any Central American country. No more than 75 percent of such United States assistance in any fiscal year should be disbursed until the recommendations of the Organization for that fiscal year have been made final and communicated to the donor countries. The limitation on disbursements contained in the preceding sentence should apply

only to recommendations made final and communicated to
donor countries prior to the fourth quarter of such fiscal
year. The United States representative to the Organization
should urge other donor countries to similarly implement
the recommendations of the Organization.

(G) The administrator of the agency primarily respon-
sible for administering part I of this Act, or his designee,
should represent the United States Government in the Or-
ganization and should carry out his functions in that ca-
pacity under the continuous supervision and general direc-
tion of the Secretary of State.

(c) Subject to subsection (d)(2), the President is authorized to
participate in the Organization.

(d)(1) The administrator of the agency primarily responsible for
administering part I of this Act, under the supervision and direc-
tion of the Secretary of State, shall prepare a detailed proposal to
carry out this section and shall keep the Committee on Foreign Af-
fairs of the House of Representatives and the Committee on For-
egn Relations of the Senate fully and currently informed concern-
ing the development of this proposal.

(2) The President shall transmit to the Committee on Foreign Af-
fairs of the House of Representatives and the Committee on For-
egn Relations of the Senate a copy of the text of any agreement,
which he proposes to sign, that would provide for the establish-
ment of United States participation in the Organization no less than
sixty days prior to his signature. During that sixty-day period there
shall be full and formal consultations with and review by those
committees in accordance with procedures applicable to reprogram-
ing notifications pursuant to section 634A of this Act.

Sec. 465. 384, 390 Authorization for Fiscal Years 1988 and
1989.—(a) In addition to amounts otherwise available for such pur-
poses, there are authorized to be appropriated to the President, for
the purpose of furnishing nonmilitary assistance for Central Amer-
ican countries, $1,200,000,000 for each of the fiscal years 1988 and
1989, which are authorized to remain available until expended.

(b) For the purpose of providing the assistance described in sub-
section (a), funds appropriated pursuant to the authorizations in
that subsection may be transferred by the President for obligation
in accordance with the authorities of part I of this Act (including
chapter 4 of part II), the Peace Corps Act, the Migration and Refu-
gee Assistance Act of 1962, the United States Information and
Education Exchange Act of 1948, the Mutual Educational and Cul-
tural Exchange Act of 1961, the National Endowment for Democ-
Racy Act, and the State Department Basic Authorities Act of 1956.

Sec. 466. 384, 391 Definitions.—For the purposes of this chapter,
the term "Central American countries" includes Belize, Costa Rica,
El Salvador, Guatemala, Honduras, Nicaragua, Panama, and re-
gional programs which benefit such countries.

384 Sec. 1(a)(5) of Public Law 104-14 (109 Stat. 186) provided that references to the Committee on
Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives.
Chapter 7—Debt-For-Nature Exchanges 392

Sec. 461. Definition.—For purpose of this chapter, the term “debt-for-nature exchange” means the cancellation or redemption of the foreign debt of the government of a country in exchange for—

(1) that government’s making available local currencies (including through the issuance of bonds) which are used only for


393 U.S.C. 2281. All sections in ch. 7 are misnumbered, as enacted by the International Development and Finance Act of 1989 (Public Law 101–240; 103 Stat. 2521). Should read “Sec. 471.”

The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 113 Stat. 1535), provided the following:

**DEBT-FOR-DEVELOPMENT**

“SEC. 531. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development, and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

* * * * * *

**AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES**

“SEC. 558. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act on account of the amount of the foreign debt of the government of such country which would be eligible for cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation of a loan pursuant to this section.

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act on account of the amount of the foreign debt of the government of such country which would be eligible for cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation of a loan pursuant to this section.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABLE USES OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading “Debt Restructuring.”.
eligible projects involving the conservation or protection of the environment in that country (as described in section 463); or

(2) that government's financial resource or policy commitment to take certain specified actions to ensure the restoration, protection, or sustainable use of natural resources within that country; or

(3) a combination of assets and actions under both paragraphs (1) and (2).

Sec. 462. Assistance for Commercial Debt Exchanges.—
(a) The Administrator of the Agency for International Development is authorized to furnish assistance, in the form of grants on such terms and conditions as may be necessary, to nongovernmental organizations for the purchase on the open market of discounted commercial debt of a foreign government of an eligible country which will be canceled or redeemed under the terms of an agreement with that government as part of a debt-for-nature exchange.

(b) Notwithstanding any other provision of law, a grantee (or any subgrantee) of the grants referred to in subsection (a) may retain, without deposit in the Treasury of the United States and without further appropriation by Congress, interest earned on the proceeds of any resulting debt-for-nature exchange pending the disbursements of such proceeds and interest for approved program purposes, which may include the establishment of an endowment, the income of which is used for such purposes.

Sec. 463. Eligible Projects.—(a) The Administrator of the Agency for International Development shall seek to ensure that debt-for-nature exchanges under this chapter support one or more of the following activities by either the host government, a local private conservation group, or a combination thereof:

(1) restoration, protection, or sustainable use of the world's oceans and atmosphere;
(2) restoration, protection, or sustainable use of diverse animal and plant species;
(3) establishment, restoration, protection, and maintenance of parks and reserves;
(4) development and implementation of sound systems of natural resource management;
(5) development and support of local conservation programs;
(6) training programs to strengthen conservation institutions and increase scientific, technical, and managerial capabilities of individuals and organizations involved in conservation efforts;
(7) efforts to generate knowledge, increase understanding, and enhance public commitment to conservation;
(8) design and implementation of sound programs of land and ecosystem management; and

394 All sections in ch. 7 are misnumbered, as enacted by the International Development and Finance Act of 1989 (Public Law 101-240; 103 Stat. 2521). Reference should read "section 473".
395 22 U.S.C. 2282. All sections in ch. 7 are misnumbered, as enacted by the International Development and Finance Act of 1989 (Public Law 101-240; 103 Stat. 2521). Should read "Sec. 472".
396 22 U.S.C. 2283. All sections in ch. 7 are misnumbered, as enacted by the International Development and Finance Act of 1989 (Public Law 101-240; 103 Stat. 2521). Should read "Sec. 473".
(9) promotion of regenerative approaches in farming, forestry, fishing, and watershed management.

(b)(1) In cooperation with nongovernmental organizations, the Administrator of the Agency for International Development shall seek to identify those areas, which because of an imminent threat, are in particular need of immediate attention to prevent the loss of unique biological life or valuable ecosystem.

(2) The Administrator of the Agency for International Development shall encourage as many eligible countries as possible to propose such exchanges with the purpose of demonstrating to a large number of governments the feasibility and benefits of sustainable development.

Sec. 464. Eligible Countries.—In order for a foreign country to be eligible to participate in a debt-for-nature exchange under this chapter, the Administrator of the Agency for International Development shall determine that—

(1) the host country is fully committed to the long-term viability of the program or project that is to be undertaken through the debt-for-nature exchange;

(2) a long-term plan has been prepared by the host country, or private conservation group, which adequately provides for the long-term viability of the program or project that is to be undertaken through the debt-for-nature exchange or that such a plan will be prepared in a timely manner; and

(3) there is a government agency or a local nongovernmental organization, or combination thereof, in the host country with the capability, commitment, and record of environmental concern to oversee the long-term viability of the program or project that is to be undertaken through the debt-for-nature exchange.

Sec. 465. Terms and Conditions.—(a) The terms and conditions for making grants under this chapter shall be deemed to be fulfilled upon final approval by the Administrator of the Agency for International Development of the debt-for-nature exchange, a certification by the nongovernmental organization that the host government has accepted the terms of the exchange, and that an agreement has been reached to cancel the commercial debt in an agreed upon fashion.

(b) Grants made under this section are intended to complement, and not substitute for, assistance otherwise available to a foreign country under this Act or any other provision of law.

(c) The United States Government is prohibited from accepting title or interest in any land in a foreign country as a condition on the debt exchange.

Sec. 466. Pilot Program for Sub-Saharan Africa.—(a) The Administrator of the Agency for International Development, in co-
operation with nongovernmental conservation organizations, shall invite the government of each country in sub-Saharan Africa to submit a list of those areas of severely degraded national resources which threaten human survival and well-being and the opportunity for future economic growth or those areas of biological or ecological importance within the territory of that country.

(b) The Administrator of the Agency for International Development shall assess the list submitted by each country under subsection (a) and shall seek to reach agreement with the host country for the restoration and future sustainable use of those areas.

(c)(1) The Administrator of the Agency for International Development is authorized to make grants, on such terms and conditions as may be necessary, to nongovernmental organizations for the purchase on the open market of discounted commercial debt of a foreign government of an eligible sub-Saharan country in exchange for commitments by that government to restore natural resources identified by the host country under subsection (a) or for commitments to develop plans for sustainable use of such resources.

(2) Notwithstanding any other provision of law, a grantee (or any subgrantee) of the grants referred to in section (a) may retain, without deposit in the Treasury of the United States and without further appropriation by Congress, interest earned on the proceeds of any resulting debt-for-nature exchange pending the disbursements of such proceeds and interest for approved program purposes, which may include the establishment of an endowment, the income of which is used for such purposes.

Chapter 8—International Narcotics Control

SEC. 481. POLICY, GENERAL AUTHORITIES, COORDINATION, FOREIGN POLICE ACTIONS, DEFINITIONS, AND OTHER PROVISIONS.

(a) POLICY AND GENERAL AUTHORITIES.—
(1) **STATEMENTS OF POLICY.**—(A) International narcotics trafficking poses an unparalleled transnational threat in today's world, and its suppression is among the most important foreign policy objectives of the United States.

(B) Under the Single Convention on Narcotic Drugs, 1961, and under the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, the parties are required to criminalize certain drug-related activities, provide appropriately severe penalties, and cooperate in the extradition of accused offenders.

(C) International narcotics control programs should include, as priority goals, the suppression of the illicit manufacture of and trafficking in narcotic and psychotropic drugs, money laundering, and precursor chemical diversion, and the progressive elimination of the illicit cultivation of the crops from which narcotic and psychotropic drugs are derived.

(D) International criminal activities, particularly international narcotics trafficking, money laundering, and corruption, endanger political and economic stability and democratic development, and assistance for the prevention and suppression of international criminal activities should be a priority for the United States.

(E) The international community should provide assistance, where appropriate, to those producer and transit countries which require assistance in discharging these primary obligations.

(F) The objective of the United States in dealing with the problem of international money laundering is to ensure that countries adopt comprehensive domestic measures against money laundering and cooperate with each other in narcotics money laundering investigations, prosecutions, and related forfeiture actions.

(G) Effective international cooperation is necessary to control the illicit cultivation, production, and smuggling of, trafficking in, and abuse of narcotic and psychotropic drugs.

(2) In order to promote such cooperation, the President is authorized to conclude agreements, including reciprocal maritime agreements, with other countries to facilitate control of the production, processing, transportation, and distribution of narcotics anal...
The Foreign Assistance Act of 1961 (P.L. 87-195) is a United States federal law that provides foreign aid and assistance to other countries. The act has been amended and restated several times since its enactment in 1961, and includes provisions for the control of narcotics and psychotropic drugs and other controlled substances.

(3) In order to promote international cooperation in combating international trafficking in illicit narcotics, it shall be the policy of the United States to use its voice and vote in multilateral development banks to promote the development and implementation in the major illicit drug producing countries of programs for the reduction and eventual eradication of narcotic drugs and other controlled substances, including appropriate assistance in conjunction with effective programs of illicit crop eradication.

(4) Notwithstanding any other provision of law, the President is authorized to furnish assistance to any country or international organization, on such terms and conditions as he may determine, for the control of narcotic and psychotropic drugs and other controlled substances, or for other anticrime purposes.

(b) Coordination of All United States Antinarcotics Assistance to Foreign Countries.

(1) Responsibility of Secretary of State.—Consistent with subtitle A of title I of the Anti-Drug Abuse Act of 1988, the Secretary of State shall be responsible for coordinating all assistance provided by the United States Government to support international efforts to combat illicit narcotics production or trafficking.

(2) Rule of Construction.—Nothing contained in this subsection or section 489(b) shall be construed to limit or impair the authority or responsibility of any other Federal agency with respect to law enforcement, domestic security operations, or intelligence activities as defined in Executive Order 12333.

(c) Participation in Foreign Police Actions.

(1) Prohibition on Effecting an Arrest.—No officer or employee of the United States may directly effect an arrest in any foreign country as part of any foreign police action with respect to narcotics control efforts, notwithstanding any other provision of law.

(2) Participation in Arrest Actions.—Paragraph (1) does not prohibit an officer or employee of the United States, with the approval of the United States chief of mission, from being present when foreign officers are effecting an arrest or from assisting foreign officers who are effecting an arrest.

(3) Exception for Exigent, Threatening Circumstances.—Paragraph (1) does not prohibit an officer or
employee from taking direct action to protect life or safety if exigent circumstances arise which are unanticipated and which pose an immediate threat to United States officers or employees, officers or employees of a foreign government, or members of the public.

(4) Exception for Maritime Law Enforcement.—With the agreement of a foreign country, paragraph (1) does not apply with respect to maritime law enforcement operations in the territorial sea or archipelagic waters of that country.

(5) Interrogations.—No officer or employee of the United States may interrogate or be present during the interrogation of any United States person arrested in any foreign country with respect to narcotics control efforts without the written consent of such person.

(6) Exception for Status of Forces Arrangements.—This subsection does not apply to the activities of the United States Armed Forces in carrying out their responsibilities under applicable Status of Forces Arrangements.

(d) Use of Herbicides for Aerial Eradication.—

(1) Monitoring.—The President, with the assistance of appropriate Federal agencies, shall monitor any use under this chapter of a herbicide for aerial eradication in order to determine the impact of such use on the environment and on the health of individuals.

409 Sec. 4(d) of the International Narcotics Control Act of 1992 (Public Law 102-583; 106 Stat. 4915) inserted "or archipelagic waters" after "sea".

410 Subsec. (d), as added by sec. 4 of Public Law 95-384 (92 Stat. 730), was amended by sec. 502(a)(1) of the International Security and Development Cooperation Act of 1981 (Public Law 101-231; 103 Stat. 1964). Sec. 502(a)(2) and (3) of Public Law 97-113 also stipulated the conditions under which funds appropriated prior to enactment of this amendment could be utilized generally, and specifically in the case of assistance for Colombia appropriated in fiscal year 1980. Subsection (d) previously read as follows:

"(d)(1) The Secretary of State shall inform the Secretary of Health and Human Services of the use or intended use by any country or international organization of any herbicide to eradicate marihuana in a program receiving assistance under this chapter, and if the Secretary determines that such persons are exposed to amounts of such herbicide which are harmful to their health, the Secretary shall prepare and transmit a report to the Congress setting forth such determination together with any recommendations the Secretary may have.

"(2) The Secretary of Health and Human Services shall monitor the impact on the health of persons who may use or consume marihuana of the spraying of a herbicide to eradicate such marihuana in a program receiving assistance under this chapter, and if the Secretary determines that such persons are exposed to amounts of such herbicide which are harmful to their health, the Secretary shall prepare and transmit a report to the Congress setting forth such determination together with any recommendations the Secretary may have.

"(3) Of the funds authorized to be appropriated for the fiscal year 1982 under section 482, the President is urged to use not less than $100,000 to develop a substance that clearly and readily warns persons who may use or consume marihuana that it has been sprayed with the herbicide paraquat or other herbicide harmful to the health of such persons.

"(4) If the Secretary of Agriculture determines that a substance has been developed that clearly and readily warns persons who may use or consume marihuana that it has been sprayed with the herbicide paraquat or other herbicide harmful to the health of such persons, such substance shall be used in conjunction with the spraying of paraquat or such other herbicide in any program receiving assistance under this chapter.

"(5) (A) The President, with the assistance of appropriate Federal agencies, shall monitor any use under this chapter of a herbicide in the aerial eradication of coca in order to determine the impact of such use on the environment and on the health of individuals.

"(6) The President shall report on such impact in the annual report required by subsection (e).

"(C) If the President determines that any such use is harmful to the environment or the health of individuals, the President shall immediately report that determination to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, together with such recommendations as the President deems appropriate."
(2) **ANNUAL REPORTS.**—In the annual report required by section 489(a), the President shall report on the impact on the environment and the health of individuals of the use under this chapter of a herbicide for aerial eradication.

(3) **REPORT UPON DETERMINATION OF HARM TO ENVIRONMENT OR HEALTH.**—If the President determines that any such use is harmful to the environment or the health of individuals, the President shall immediately report that determination to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, together with such recommendations as the President deems appropriate.

(e) **DEFINITIONS.**—For purposes of this chapter and other provisions of this Act relating specifically to international narcotics matters—

(1) the term “legal and law enforcement measures” means—

(A) the enactment and implementation of laws and regulations or the implementation of existing laws and regulations to provide for the progressive control, reduction, and gradual elimination of the illicit cultivation, production, processing, transportation, and distribution of narcotic drugs and other controlled substances; and

(B) the effective organization, staffing, equipping, funding, and activation of those governmental authorities responsible for narcotics control;

(2) the term “major illicit drug producing country” means a country in which—

(A) 1,000 hectares or more of illicit opium poppy is cultivated or harvested during a year;

(B) 1,000 hectares or more of illicit coca is cultivated or harvested during a year; or

(C) 5,000 hectares or more of illicit cannabis is cultivated or harvested during a year, unless the President determines that such illicit cannabis production does not significantly affect the United States;
(3) the term “narcotic and psychotropic drugs and other controlled substances” has the same meaning as is given by any applicable international narcotics control agreement or domestic law of the country of countries concerned;

(4) the term “United States assistance” means—
   (A) any assistance under this Act (including programs under title IV of chapter 2, relating to the Overseas Private Investment Corporation), other than—
   (i) assistance under this chapter,
   (ii) any other narcotics-related assistance under this part (including chapter 4 of part II), but any such assistance provided under this clause shall be subject to the prior notification procedures applicable to reprogrammings pursuant to section 634A of this Act,
   (iii) disaster relief assistance, including any assistance under chapter 9 of this part,
   (iv) assistance which involves the provision of food (including monetization of food) or medicine, and
   (v) assistance for refugees;
   (B) sales, or financing on any terms, under the Arms Export Control Act;
   (C) the provision of agricultural commodities, other than food, under the Agricultural Trade Development and Assistance Act of 1954; and
   (D) financing under the Export-Import Bank Act of 1945;

(5) the term “major drug-transit country” means a country—
   (A) that is a significant direct source of illicit narcotic or psychotropic drugs or other controlled substances significantly affecting the United States; or
   (B) through which are transported such drugs or substances;

(6) the term “precursor chemical” has the same meaning as the term “listed chemical” has under paragraph (33) of section 102 of the Controlled Substances Act (21 U.S.C. 802(33));

(7) the term “major money laundering country” means a country whose financial institutions engage in currency transactions involving significant amounts of proceeds from international narcotics trafficking; and

417 Para. (5) was added by sec. 2005(c)(3) of Public Law 95-570 (100 Stat. 3207–63).
418 Sec. 1519(c) of the Housing and Community Development Act of 1992 (Public Law 102-550; 106 Stat. 4060) (1) inserted “or” at the end of subpar. (A); (2) struck out “or” at the end of subpar. (B) and inserted a period (but did not strike out semicolon); and (3) struck out subpar. (C), which formerly read “(C) through which significant sums of drug-related profits or monies are laundered with the knowledge or complicity of the government.”
419 Sec. 11(a) of the International Narcotics Control Act of 1992 (Public Law 102-583; 106 Stat. 4934) struck out a period at the end of par. 5; inserted “; and”; and added par. (6). Subsequently, sec. 101(b) of the International Narcotics Control Corrections Act of 1994 (Public Law 103-447; 108 Stat. 4691) struck out “; and”, redesignated para. (6) as para. (8), and added new paras. (6) and (7).
420 Para. (33) of section 102 of the Controlled Substances Act (21 U.S.C. 802(33)) defines “listed chemical” as “any list I chemical or any list II chemical”. List I chemicals are listed in para. (34) of that section; list II chemicals in para. (35).
(8) the term “appropriate congressional committees” means the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

Sec. 482. Authorization.—(a) To carry out the purposes of section 481, there are authorized to be appropriated to the President $147,783,000 for fiscal year 1993 and $171,500,000 for fiscal year 1994.

421 Sec. 1(a)(5) of Public Law 104-14 (109 Stat. 186) provided that references to the Committee on Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives.

422 22 U.S.C. 2291a. Sec. 482, as added by sec. 503 of the Foreign Relations Authorization Act of 1972, was amended and restated by sec. 3 of the International Security Assistance Act of 1977 (Public Law 95-92; 91 Stat. 614). It formerly read as follows:

"SEC. 482. AUTHORIZATION.—To carry out the purposes of section 481, there are authorized to be appropriated to the President $42,500,000 for each of the fiscal years 1974 and 1975, $40,000,000 for the fiscal year 1976, no part of which may be obligated for or on behalf of any country where illegal traffic in opiates has been a significant problem unless and until the President determines and certifies in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that assistance furnished to such country pursuant to the authority in this chapter is significantly reducing the amount of illegal opiates entering the international market, and not to exceed $34,000,000 for the fiscal year 1977. Amounts appropriated under this section are authorized to remain available until expended."

423 Subsection designation "(a)" and the original text of subsec. (b) were added by sec. 5(b) of the International Security Assistance Act of 1978 (Public Law 95-88; 92 Stat. 731). Subsec. (a) was further amended and restated by sec. 3 of the International Security Assistance Act of 1979 (Public Law 96-92; 93 Stat. 701); and further amended by sec. 402(a) of the International Security and Development Cooperation Act of 1980 (Public Law 96-533; 94 Stat. 3149). The 1980 amendment, in addition to other changes in subsection (a), struck out a paragraph which had earmarked $16 million for Colombia during fiscal year 1980 for a variety of items used in the interdiction of drug traffic.

Subsec. (a) was further amended and restated when sec. 502(c) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1539) substituted the authorization levels for fiscal years 1982 and 1983 in lieu of the figure for fiscal year 1981 and deleted a paragraph limiting the fiscal year 1981 U.S. contribution to the U.N. Fund for Drug Abuse Control to $3,000,000 or 50 percent of total contributions, whichever is less.

Subsec. (a) was further amended when sec. 4201 of the International Narcotics Control Act of 1988 (Public Law 100-690; 102 Stat. 4267) set the fiscal year 1989 authorization level and struck out the following:

"In addition to the amounts authorized by the preceding sentence, there are authorized to be appropriated to the President $45,000,000 for the fiscal year 1987 to carry out the purposes of section 481, except that funds may be appropriated pursuant to this additional authorization only if the President has submitted to the Congress a detailed plan for the expenditure of those funds, including a description of how regional cooperation on narcotics control matters would be promoted by the use of those funds. Of the funds authorized to be appropriated by the preceding sentence, not less that $10,000,000 shall be available only to provide helicopters or other aircraft to countries receiving assistance for fiscal year 1987 under this chapter. These funds shall be used primarily for aircraft which will be based in Latin America for use for narcotics control and eradication and interdiction efforts throughout the region. These aircraft shall be used solely for narcotics control, eradication, and interdiction efforts."

Para. (3) subsec. (a), added by sec. 614 of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 231), was struck out by the International Narcotics Control Act of 1988. It previously read as follows:

"(3) Funds authorized to be appropriated by this section for fiscal year 1986 and for fiscal year 1987 may be used for a contribution to the United Nations Fund for Drug Abuse Control only if that organization includes in its crop substitution projects a plan for cooperation with the law enforcement forces of the host country."

424 Authorizations under sec. 482 during recent years included the following: fiscal year 1975—$42,500,000; fiscal year 1976—$40,000,000; fiscal year 1977—$34,000,000; fiscal year 1978—$39,000,000; fiscal year 1979—$40,000,000; fiscal year 1980—$51,758,000; fiscal year 1981—$38,573,000; fiscal year 1982—$37,700,000; fiscal year 1983—$37,700,000; fiscal year 1984—$47,000,000; fiscal year 1985—no authorization; fiscal years 1995 through 2000—no authorization.

Sec. 602 of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 228), added the authorizations for fiscal years 1986 ($57,529,000) and 1987 ($75,445,000). The authorization amount for 1987 was subsequently amended by sec. 401 of Public Law 99-529 and by sec. 10(h) of Public Law 99-570 (100 Stat. 3207-50). Sec. 16 of the International Narcotics Control Act of 1989 (Public Law 101-231; 103 Stat. 164) added author-
(2) Amounts appropriated under this subsection are authorized to remain available until expended.

(b) \textit{Procurement of Weapons and Ammunition}.—

(1) \textit{Prohibition}.—Except as provided in paragraph (2), funds made available to carry out this chapter shall not be made available for the procurement of weapons or ammunition.

(2) \textit{Exceptions}.—Paragraph (1) shall not apply with respect to funds for the procurement of—

(A) weapons or ammunition provided only for the defensive arming of aircraft used for narcotics-related purposes, or

(B) firearms and related ammunition provided only for defensive purposes to employees or contract personnel of the Department of State engaged in activities under this chapter, if, at least 15 days before obligating those funds, the President notifies the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.

(c) \textit{Contributions and Reimbursement}.—\textit{(1) To\textit{ ensure local commitment to the activities assisted under this chapter, a country receiving assistance under this chapter should bear an appropriate share of the costs of any narcotics control program,}}
project, or activity for which such assistance is to be provided. A country may bear such costs on an ‘‘in kind’’ basis.

(2) The President is authorized to accept contributions from foreign governments to carry out the purposes of this chapter. Such contributions shall be deposited as an offsetting collection to the applicable appropriation account and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.

(B) At the time of submission of the annual congressional presentation documents required by section 634(a), the President shall provide a detailed report on any contributions received in the preceding fiscal year, the amount of such contributions, and the purposes for which such contributions were used.

(3) The President is authorized to provide assistance under this chapter on a reimbursable basis. Such reimbursements shall be deposited as an offsetting collection to the applicable appropriation and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.

(d) ADMINISTRATIVE ASSISTANCE.—(1) Except as provided in paragraph (2), personnel funded pursuant to this section are authorized to provide administrative assistance to personnel assigned to the bureau designated by the Secretary of State to replace the Bureau for International Narcotics Matters.

(2) Paragraph (1) shall not apply to the extent that it would result in a reduction in funds available for antinarcotics assistance to foreign countries.

(e) ADVANCE NOTIFICATION OF TRANSFER OF SEIZED ASSETS.—The President shall notify the appropriate congressional committees at least 10 days prior to any transfer by the United States Government to a foreign country for narcotics control purposes of any property or funds seized by or otherwise forfeited to the United States Government in connection with narcotics-related activity.

(f) TREATMENT OF FUNDS.—Funds transferred to and consolidated with funds appropriated pursuant to this chapter may be made available on such terms and conditions as are applicable to funds appropriated pursuant to this chapter. Funds so transferred or consolidated shall be apportioned directly to the bureau within the Department of State responsible for administering this chapter.

(g) EXCESS PROPERTY.—For purposes of this chapter, the Secretary of State may use the authority of section 608, without regard to the restrictions of such section, to receive nonlethal excess property from any agency of the United States Government for the purpose of providing such property to a foreign government under the same terms and conditions as funds authorized to be appropriated for the purposes of this chapter.
Sec. 483. Prohibition on Use of Foreign Assistance for Reimbursements for Drug Crop Eradications.—Funds made available to carry out this Act may not be used to reimburse persons whose illicit drug crops are eradicated.

SEC. 484. REQUIREMENTS RELATING TO AIRCRAFT AND OTHER EQUIPMENT.

(a) RETENTION OF TITLE TO AIRCRAFT.—

(1) IN GENERAL.—(A) Except as provided in paragraph (2), any aircraft made available to a foreign country under this chapter, or made available to a foreign country primarily for narcotics-related purposes under any other provision of law, shall be provided only on a lease or loan basis.

(B) Subparagraph (A) applies to aircraft made available at any time after October 27, 1986 (which was the date of enactment of the International Narcotics Control Act of 1986).

(2) EXCEPTIONS.—(A) Paragraph (1) shall not apply to the extent that—

(i) the application of that paragraph with respect to particular aircraft would be contrary to the national interest of the United States; and

(ii) the President notifies the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.

(B) Paragraph (1) does not apply with respect to aircraft made available to a foreign country under any provision of law that authorizes property that has been civilly or criminally forfeited to the United States to be made available to foreign states.

(3) ASSISTANCE FOR LEASING OF AIRCRAFT.—(A) For purposes of satisfying the requirement of paragraph (1), funds made available for the “Foreign Military Financing Program” under section 23 of the Arms Export Control Act may be used to finance the leasing of aircraft under chapter 6 of that Act.

(B) Section 61(a)(3) of that Act shall not apply with respect to leases so financed; rather the entire cost of any such lease (including any renewals) shall be an initial, one time payment of the amount which would be the sales price for the aircraft if they were sold under section 21(a)(1)(B) or section 22 of that Act (as appropriate).

(C) To the extent that aircraft so leased were acquired under chapter 5 of that Act, funds used pursuant to this paragraph to finance such leases shall be credited to the Special Defense Acquisition Fund under chapter 5 of that Act (excluding the amount of funds that reflects the charges described in section 21(e)(1) of that Act). The funds described in the parenthetical clause of the preceding sentence shall be available for payments consistent with sections 37(a) and 43(b) of that Act.


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(b) PERMISSIBLE USES OF AIRCRAFT AND OTHER EQUIPMENT.— The President shall take all reasonable steps to ensure that aircraft and other equipment made available to foreign countries under this chapter are used only in ways that are consistent with the purposes for which such equipment was made available.

(c) REPORTS.—In the reports submitted pursuant to section 489(a), the President shall discuss—

(1) any evidence indicating misuse by a foreign country of aircraft or other equipment made available under this chapter, and

(2) the actions taken by the United States Government to prevent future misuse of such equipment by that foreign country.

Sec. 485. RECORDS OF AIRCRAFT USE.—(a) REQUIREMENT TO MAINTAIN RECORDS.—The President shall maintain detailed records on the use of any aircraft made available to a foreign country under this chapter, including aircraft made available before the enactment of this section.

(b) CONGRESSIONAL ACCESS TO RECORDS.—The President shall make the records maintained pursuant to subsection (a) available to the Congress upon a request of the Chairman of the Committee on Foreign Affairs of the House of Representatives or the Chairman of the Committee on Foreign Relations of the Senate.

Sec. 486. REALLOCATION OF FUNDS WITHHELD FROM COUNTRIES WHICH FAIL TO TAKE ADEQUATE STEPS TO HALT ILLEGAL DRUG PRODUCTION OR TRAFFICKING.

(a) If any funds authorized to be appropriated for any fiscal year for assistance under this Act are not used for assistance for the country for which those funds were allocated because of the re-
requirements of section 490 \footnote{Sec. 5(b)(1)(A) of the International Narcotics Control Act of 1992 (Public Law 102-583; 106 Stat. 4932) struck out "481(h)", and inserted in lieu thereof "490".} or any other provision of law requiring the withholding of assistance for countries that have not taken adequate steps to halt illicit drug production or trafficking, the President shall use those funds for additional assistance for those countries which have met their illicit drug eradication targets or have otherwise taken significant steps to halt illicit drug production or trafficking, as follows:

(1) \textit{International narcotics control assistance}.—Those funds may be transferred to and consolidated with the funds appropriated to carry out this chapter in order to provide additional narcotics control assistance for those countries. Funds transferred under this paragraph may only be used to provide increased funding for activities previously justified to the Congress. Transfers may be made under this paragraph without regard to the 20-percent increase limitation contained in section 610(a). This paragraph does not apply with respect to funds made available for assistance under the Arms Export Control Act.

(2) \textit{Other assistance}.—Any such funds not used under paragraph (1) shall be reprogrammed within the account for which they were appropriated (subject to the regular reprogramming procedures under section 634A) in order to provide additional \footnote{Sec. 101(d)(3)(B) of the International Narcotics Control Corrections Act of 1994 (Public Law 103-447; 108 Stat. 4692) struck out "security" here.} assistance for those countries.

\textbf{Sec. 487.} \footnote{Sec. 6(b)(5)(A) of the International Narcotics Control Act of 1961 (P.L. 87-195) Sec. 487} \textit{Prohibition on Assistance to Drug Traffickers.} (a) \textit{Prohibition}.—The President shall take all reasonable steps to ensure that assistance under this Act and the Arms Export Control Act is not provided to or through any individual or entity that the President knows or has reason to believe—

(1) has been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States, a State or the District of Columbia, or a foreign country relating to \footnote{Sec. 101(d)(3)(A) of the International Narcotics Control Act of 1994 (Public Law 103-447; 106 Stat. 4932) struck out "Security" in the para. (2) catchline, and inserted in lieu thereof "Other". Sec. 101(d)(4) of that Act struck out subsec. (b) in this section, which had provided a definition of "security assistance".} narcotic or psychotropic drugs or other controlled substances; \footnote{Sec. 101(d)(3)(B) of the International Narcotics Control Corrections Act of 1994 (Public Law 103-447; 108 Stat. 4692) struck out "security" here.} or

(2) is or has been an illicit trafficker in any such controlled substance or is or has been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such substance.

(b) \textit{Regulations}.—The President shall issue regulations specifying the steps to be taken in carrying out this section.

\footnote{22 U.S.C. 2291f. Sec. 487 was added by sec. 4503 of the International Narcotics Control Act of 1988 (Public Law 100-690; 102 Stat. 3428).}
(c) CONGRESSIONAL REVIEW OF REGULATIONS.—Regulations issued pursuant to subsection (b) shall be submitted to the Congress before they take effect.

SEC. 488 LIMITATIONS ON ACQUISITION OF REAL PROPERTY AND CONSTRUCTION OF FACILITIES.

(a) ACQUISITION OF REAL PROPERTY.—

(1) PROHIBITION.—Funds made available to carry out this chapter may not be used to acquire (by purchase or other means) any land or other real property for use by foreign military, paramilitary, or law enforcement forces.

(2) EXCEPTION FOR CERTAIN LEASES.—Paragraph (1) shall not apply to the acquisition of real property by lease of a duration not to exceed 2 years.

(3) REPORT.—The Secretary of State shall provide to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate within 30 days after the end of each quarter of the fiscal year a detailed report on all leases entered into pursuant to paragraph (2), including the cost and duration of such lease, a description of the property leased, and the purpose for which such lease was entered into.

(b) CONSTRUCTION OF FACILITIES.—

(1) LIMITATION.—Funds made available to carry out this chapter may not be used for construction of facilities for use by foreign military, paramilitary, or law enforcement forces unless, at least 15 days before obligating funds for such construction, the President notifies the appropriate congressional committees in accordance with procedures applicable to reprogramming notifications under section 634A.

(2) EXCEPTION.—Paragraph (1) shall not apply to the construction of facilities which would require the obligation of less than $750,000 under this chapter.

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451 Sec. 1(a)(5) of Public Law 104-14 (109 Stat. 186) provided that references to the Committee on Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives.
SEC. 489. REPORTING REQUIREMENTS.

(a) INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT.—Not later than March 1 of each year, the President shall transmit to the Speaker of the House of Representatives, and to the Committee on Foreign Relations of the Senate, a report containing the following:

(1) For each country that received assistance under this chapter for either of the 2 preceding fiscal years, a report on the extent to which the country has—

(A) met the goals and objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, including action on such issues as illicit cultivation, production, distribution, sale, transportation, financing, and money laundering, asset seizure, extradition, mutual legal assistance, law enforcement and transit cooperation, precursor chemical control, and demand reduction;

(B) accomplished the goals described in an applicable bilateral narcotics agreement with the United States or a multilateral agreement; and

(C) taken legal and law enforcement measures to prevent and punish public corruption, especially by senior government officials, that facilitates the production, processing, or shipment of narcotic and psychotropic drugs and other controlled substances, or that discourages the investigation or prosecution of such acts.

(2) (A) A description of the policies adopted, agreements concluded, and programs implemented by the Department of State in pursuit of its delegated responsibilities for international narcotics control, including appropriate information on the status of negotiations between the United States and other countries on updated extradition treaties, mutual legal assistance treaties, precursor chemical controls, money laundering, and agreements pursuant to section 2015 of the International Narcotics Act of 1986 (relating to interdiction procedures for vessels of foreign registry).

(B) Information on multilateral and bilateral strategies with respect to money laundering pursued by the Department of State, the Department of Justice, the Department of the Treasury, and other relevant United States Government agencies, eil-
other collectively or individually, to ensure the cooperation of foreign governments with respect to narcotics-related money laundering and to demonstrate that all United States Government agencies are pursuing a common strategy with respect to major money laundering countries. The report shall include specific detail to demonstrate that all United States Government agencies are pursuing a common strategy with respect to achieving international cooperation against money laundering and are pursuing a common strategy with respect to major money laundering countries, including a summary of United States objectives on a country-by-country basis.

(3) The identity of those countries which are—
(A) major illicit drug producing countries or major drug-transit countries as determined under section 490(h);
(B) major sources of precursor chemicals used in the production of illicit narcotics; or
(C) major money laundering countries.

(4) In addition, for each country identified pursuant to paragraph (3), the following:
(A) A description of the plans, programs, and timetables adopted by such country, including efforts to meet the objectives of the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, and a discussion of the adequacy of the legal and law enforcement measures taken and the accomplishments achieved in accord with those plans.
(B) Whether as a matter of government policy or practice, such country encourages or facilitates the illicit production or distribution of narcotic or psychotropic drugs or other controlled substances or the laundering of proceeds from illegal drug transactions; and whether any senior official of the government of such country engages in, encourages, or facilitates the illicit production or distribution of such drugs or substances, or the laundering of proceeds from illegal drug transactions.

(5) In addition, for each country identified pursuant to paragraph (3)(A) or (3)(B), a detailed status report, with such information as can be reliably obtained, on the narcotic or psychotropic drugs or other controlled substances which are being cultivated, produced, or processed in or transported through such country, noting significant changes in conditions, such as increases or decreases in the illicit cultivation and manufacture of and traffic in such drugs and substances.

(6) In addition, for those countries identified pursuant to paragraph (3)(C)—
(A) which countries are parties to international agreements on a method for maintaining records of transactions of an established list of precursor and essential chemicals;
(B) which countries have established a procedure by which such records may be made available to United States law enforcement authorities; and

(C) which countries have enacted national chemical control legislation which would impose specific recordkeeping and reporting requirements for listed chemicals, establish a system of permits or declarations for imports and exports of listed chemicals, and authorize government officials to seize or suspend shipments of listed chemicals.

(7) In addition, for those countries identified pursuant to paragraph (3)(D) the following:

(A)(i) Which countries have financial institutions engaging in currency transactions involving international narcotics trafficking proceeds that include significant amounts of United States currency or currency derived from illegal drug sales in the United States or that otherwise significantly affect the United States;

(ii) which countries identified pursuant to clause (i) have not reached agreement with the United States authorities on a mechanism for exchanging adequate records in connection with narcotics investigations and proceedings; and

(iii) which countries identified pursuant to clause (ii)—

(I) are negotiating in good faith with the United States to establish such a record-exchange mechanism, or

(II) have adopted laws or regulations that ensure the availability to appropriate United States Government personnel and those of other governments of adequate records in connection with narcotics investigations and proceedings.

(B) Which countries—

(i) have ratified the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances and are taking steps to implement that Convention and other applicable agreements and conventions such as the recommendations of the Financial Action Task Force, the policy directive of the European Community, the legislative guidelines of the Organization of American States, and other similar declarations; and

(ii) have entered into bilateral agreements for the exchange of information on money-laundering with countries other than the United States.

(C) Findings on each country’s adoption of law and regulations considered essential to prevent narcotics-related money laundering. Such findings shall include whether a country has—

(i) criminalized narcotics money laundering;

(ii) required banks and other financial institutions to know and record the identity of customers engaging in significant transactions, including the recording of large currency transactions at thresholds appropriate to that country’s economic situation;
(iii) required banks and other financial institutions to maintain, for an adequate time, records necessary to reconstruct significant transactions through financial institutions in order to be able to respond quickly to information requests from appropriate government authorities in narcotics-related money laundering cases;

(iv) required or allowed financial institutions to report suspicious transactions;

(v) established systems for identifying, tracing, freezing, seizing, and forfeiting narcotics-related assets;

(vi) enacted laws for the sharing of seized narcotics assets with other governments;

(vii) cooperated, when requested, with appropriate law enforcement agencies of other governments investigating financial crimes related to narcotics; and

(viii) addressed the problem on international transportation of illegal-source currency and monetary instruments.

The report shall also detail instances of refusals to cooperate with foreign governments, and any actions taken by the United States Government and any international organization to address such obstacles, including the imposition of sanctions or penalties.

(b) ANNUAL REPORTS ON ASSISTANCE.—

(1) IN GENERAL.—At the time that the report required by subsection (a) is submitted each year, the Secretary of State, in consultation with appropriate United States Government agencies, shall report to the appropriate committees of the Congress on the assistance provided or proposed to be provided by the United States Government during the preceding fiscal year, the current fiscal year, and the next fiscal year to support international efforts to combat illicit narcotics production or trafficking.

(2) INFORMATION TO BE INCLUDED.—Each report pursuant to this subsection shall—

(A) specify the amount and nature of the assistance provided or to be provided;

(B) include, for each country identified in subsection (a)(3)(A), information from the Drug Enforcement Administration, the Customs Service, and the Coast Guard describing in detail—

(i) the assistance provided or to be provided to such country by that agency, and

(ii) the assistance provided or to be provided to that agency by such country,

with respect to narcotic control efforts during the preceding fiscal year, the current fiscal year, and the next fiscal year; and

(C) list all transfers, which were made by the United States Government during the preceding fiscal year, to a foreign country for narcotics control purposes of any property seized by or otherwise forfeited to the United States
Government in connection with narcotics-related activity, including an estimate of the fair market value and physical condition of each item of property transferred.

SEC. 489A. \[Repealed—1995\]

SEC. 490. ANNUAL CERTIFICATION PROCEDURES.

(a) WITHHOLDING OF BILATERAL ASSISTANCE AND OPPOSITION TO MULTILATERAL DEVELOPMENT ASSISTANCE.—

(1) BILATERAL ASSISTANCE.—Fifty percent of the United States assistance allocated each fiscal year in the report required by section 653 for each major illicit drug producing country or major drug-transit country shall be withheld from obligation and expenditure, except as provided in subsection (b). This paragraph shall not apply with respect to a country if the President determines that its application to that country would be contrary to the national interest of the United States, except that any such determination shall not take effect until at least 15 days after the President submits written notification of that determination to the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A.

(2) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to vote, on and after March 1 of each year, against any loan or other utilization of the funds of their respective institution to or for any major illicit drug producing country or major drug-transit country (as determined under subsection (h)), except as provided in subsection (b). For purposes of this paragraph, the term “multilateral development bank” means the International Bank for Reconstruction and Development, the International Development Association, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, and the European Bank for Reconstruction and Development.

(b) CERTIFICATION PROCEDURES.—

\[Footnotes:\n


458 Sec. 1112(c)(2) of Public Law 104-66 (104 Stat. 707) struck out subsec. (i) to this section. Previously amended and restated by sec. 101(g)(1)(H) of the International Narcotics Control Corrections Act of 1994 (Public Law 103-447; 108 Stat. 4693), subsec. (i) most recently read as follows: "(i) EFFECTIVE DATES OF SECTIONS.—This section applies only during fiscal year 1995. Section 490A does not apply during that fiscal year."

459 In Presidential Determination No. 99-15 issued on February 26, 1999 (64 F.R. 11319), the President stated the following:
Pursuant to Section 490(b)(1)(A) of the Foreign Assistance Act of 1961, as amended (the Act), I hereby determine and certify that the following major illicit drug producing and/or major illicit drug transit countries/dependent territories have cooperated fully with the United States, or have taken adequate steps on their own, to achieve full compliance with the goals and objectives established by the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances:

Aruba, The Bahamas, Belize, Bolivia, Brazil, China, Colombia, Dominican Republic, Ecuador, Guatemala, Hong Kong, India, Jamaica, Laos, Mexico, Pakistan, Panama, Peru, Taiwan, Thailand, Venezuela, and Vietnam.

Pursuant to Section 490(b)(1)(B) of the Act, I hereby determine that it is in the vital national interests of the United States to certify the following major illicit drug producing and/or major illicit drug transit countries:

Cambodia, Haiti, Nigeria, and Paraguay.

Analysis of the relevant U.S. vital national interests, as required under Section 490(b)(3) of the Act, is attached.

I have determined that the following major illicit drug producing and/or major illicit drug transit countries do not meet the standards set forth in Section 490(b) for certification:

Afghanistan, Burma.

In making these determinations, I have considered the factors set forth in Section 490 of the Act. Given that the performance of each of these countries/dependent territories has differed, I have attached an explanatory statement for each of the countries/dependent territories subject to this determination.
essing, or shipment of narcotic and psychotropic drugs and other controlled substances, or that discourages the investig-
tigation or prosecution of such acts.

(3) Information to be included in national interest certification.—If the President makes a certification with re-
spect to a country pursuant to paragraph (1)(B), the President shall include in such certification—

(A) a full and complete description of the vital national interests placed at risk if United States bilateral assist-
ance to that country is terminated pursuant to this section and multilateral development bank assistance is not pro-
vided to such country; and

(B) a statement weighing the risk described in subpara-
graph (A) against the risks posed to the vital national in-
terests of the United States by the failure of such country to cooperate fully with the United States in combating nar-
cotics or to take adequate steps to combat narcotics on its own.

(c) Licit Opium Producing Countries.—The President may make a certification under subsection (b)(1)(A) with respect to a major illicit drug producing country, or major drug-transit country, that is a producer of licit opium only if the President determines that such country maintains licit production and stockpiles at levels no higher than those consistent with licit market demand, and has taken adequate steps to prevent significant diversion of its licit cultivation and production into the illicit markets and to prevent illicit cultivation and production. 460

(d) Congressional Review.—Subsection (e) shall apply if, with-
in 30 461 calendar days after receipt of a certification submitted under subsection (b) at the time of submission of the report re-
quired by section 489(a), the Congress enacts a joint resolution dis-
approving the determination of the President contained in such cer-
tification.

(e) Denial of Assistance for Countries Decertified.—If the President does not make a certification under subsection (b) with respect to a country or the Congress enacts a joint resolution dis-
approving such certification, then until such time as the conditions specified in subsection (f) are satisfied—

(1) funds may not be obligated for United States assistance for that country, and funds previously obligated for United States assistance for that country may not be expended for the purpose of providing assistance for that country; and

(2) the requirement to vote against multilateral development bank assistance pursuant to subsection (a)(2) shall apply with respect to that country, without regard to the date specified in that subsection.

460 Sec. 101(g)(1)(D) of the International Narcotics Control Corrections Act of 1994 (Public Law 103-447; 108 Stat. 4693) struck out "that such country has taken adequate steps to prevent sig-
nificant diversion of its licit cultivation and production into the illicit market, maintains produc-
tion and stockpiles at levels no higher than those consistent with licit market demand, and pre-
vents illicit cultivation and production.", and inserted in lieu thereof "that such country main-
tains licit production and stockpiles at levels no higher than those consistent with licit market demand, and has taken adequate steps to prevent significant diversion of its licit cultivation and production into the illicit markets and to prevent illicit cultivation and production."

461 Sec. 101(g)(1)(E) of the International Narcotics Control Corrections Act of 1994 (Public Law 103-447; 108 Stat. 4693) struck out "45" and inserted in lieu thereof "30".
(f) Recertification.—Subsection (e) shall apply to a country described in that subsection until—

(1) the President, at the time of submission of the report required by section 489(a), makes a certification under subsection (b)(1)(A) or (b)(1)(B) with respect to that country, and the Congress does not enact a joint resolution under subsection (d) disapproving the determination of the President contained in that certification; or

(2) the President, at any other time, makes the certification described in subsection (b)(1)(B) with respect to that country, except that this paragraph applies only if either—

(A) the President also certifies that—

(i) that country has undergone a fundamental change in government, or

(ii) there has been a fundamental change in the conditions that were the reason—

(I) why the President had not made a certification with respect to that country under subsection (b)(1)(A), or

(II) if he had made such a certification and the Congress enacted a joint resolution disapproving the determination contained in the certification, why the Congress enacted that joint resolution; or

(B) the Congress enacts a joint resolution approving the determination contained in the certification under subsection (b)(1)(B).

Any certification under subparagraph (A) of paragraph (2) shall discuss the justification for the certification.

(g) Senate Procedures.—Any joint resolution under this section shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(h) Determining Major Drug-Transit and Major Illicit Drug Producing Countries.—Not later than November 1 of each year, the President shall notify the appropriate committees of the Congress of which countries have been determined to be major

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462 Subsec. (g) formerly read "Congressional Review Procedures.—(1) Senate.—". Sec. 101(g)(1)(F) of the International Narcotics Control Corrections Act of 1994 (Public Law 103-447; 108 Stat. 4693) struck this out, inserted "Senate Procedures.—", and struck out para. (2), which had read as follows:

"(2) House of Representatives.—For the purpose of expediting the consideration and enactment of joint resolutions under this section, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives."


In a letter, released November 10, 1999, to the chairman of the committees on Appropriations, Foreign Relations, and International Relations, the President stated:

"In accordance with the provisions of section 490(h) of the Foreign Assistance Act of 1961, as amended, I have determined that the following are major illicit drug producing or drug transit 'countries' (including certain entities that are not sovereign states): Afghanistan, The Bahamas, Bolivia, Brazil, Burma, Cambodia, China, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, Hong Kong, India, Jamaica, Laos, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, Taiwan, Thailand, Venezuela, and Vietnam.

This year I have removed Aruba and Belize from the majors list; added Belize as part of this year's Central America region of concern; added the entire Eastern and Southern Caribbean, including the Leeward and windward Islands, Aruba, and the Netherlands Antilles, as a region of concern; and also added North Korea as a country of concern." (publications-admin@pub.pub.whitehouse.gov).
drug-transit countries, and which countries have been determined to be major illicit drug producing countries, for purposes of this Act.

SEC. 490A. [Repealed—1995]

Chapter 9—International Disaster Assistance

Sec. 491. Policy and General Authority.—(a) The Congress, recognizing that prompt United States assistance to alleviate human suffering caused by natural and manmade disasters is an important expression of the humanitarian concern and tradition of the people of the United States, affirms the willingness of the United States to provide assistance for the relief and rehabilitation of people and countries affected by such disasters.

(b) Subject to the limitations in section 492, and notwithstanding any other provision of this or any other Act, the President is authorized to furnish assistance to any foreign country, international organization, or private voluntary organization, on such terms and conditions as he may determine, for international disaster relief and rehabilitation, including assistance relating to disaster preparedness, and to the prediction of, and contingency planning for, natural disasters abroad.

(c) In carrying out the provisions of this section the President shall ensure that the assistance provided by the United States shall, to the greatest extent possible, reach those most in need of relief and rehabilitation as a result of natural and manmade disasters.

Sec. 492. Authorization.—(a) There are authorized to be appropriated to the President to carry out section 491, $25,000,000 for the fiscal year 1986 and $25,000,000 for the fiscal year 1987.

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465 Sec. 101(1) of Public Law 94–161 (89 Stat. 849) inserted "International Disaster Assistance" in lieu of "Refugee Relief Assistance".

466 22 U.S.C. 2292. Sec. 491 was added by sec. 101(3) of Public Law 94–161 (89 Stat. 849). An earlier sec. 491, which was added by sec. 109 of the FA Act of 1971, and repealed by sec. 101(2) of Public Law 94–161 (89 Stat. 849), read as follows:

"Sec. 491. Refugee Relief Assistance.—There is authorized to be appropriated to the President for the fiscal year 1972, in addition to funds otherwise available for such purposes, not to exceed $250,000,000, to remain available until expended, for use by the President in providing assistance for the relief and rehabilitation of refugees from East Pakistan and for humanitarian relief in East Pakistan. Such assistance shall be distributed, to the maximum extent practicable, under the auspices of and by international institutions and relief agencies or United States voluntary agencies."

467 The words "on appropriations" which previously appeared at this point, were struck out by sec. 404(b) of the International Security and Development Cooperation Act of 1980 (Public Law 96–533; 94 Stat. 3150).

468 The words, "international organization, or private voluntary organization," were inserted in lieu of "or international organization" by sec. 118(a) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 953).


470 The subsection designation "(a)" and a new subsec. (b) were added by sec. 404(a) of the International Security and Development Cooperation Act of 1980 (Public Law 96–533; 94 Stat. 3150).

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Amounts appropriated under this section are authorized to remain available until expended.\footnote{For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $202,880,000, to remain available until expended: Provided, That the agency for International Development shall submit a report to the Committees on Appropriations at least 5 days prior to providing assistance through the Office of Transition Initiatives for a country that did not receive such assistance in fiscal year 1999.\footnote{See also sec. 501 of that Act, relating to obligations during last month of availability.}}

(b)\footnote{A sentence which called for a quarterly report on the programming and obligation of funds under Sec. 492 and had previously appeared at this point, was struck by Sec. 118(b)(2) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 953).} In addition to amounts otherwise available to carry out this chapter, up to $50,000,000 in any fiscal year may be obligated against appropriations under this part (other than this chapter) for use in providing assistance in accordance with the authorities and general policies of section 491. Amounts subsequently appropriated under this chapter with respect to a disaster may be used to reimburse any appropriation account against which obligations were incurred under this subsection with respect to that disaster.

Sec. 493. Disaster Assistance—Coordination.—The President is authorized to appoint a Special Coordinator for International Disaster Assistance whose responsibility shall be to promote maximum effectiveness and coordination in responses to foreign disasters by United States agencies and between the United States and other donors. Included among the Special Coordinator’s responsibilities shall be the formulation and updating of contingency plans for providing disaster relief.

Sec. 494. Disaster Relief Assistance.—There is authorized to be appropriated, in addition to other sums available for such purposes, $65,000,000 for use by the President for disaster relief and emergency recovery needs in Pakistan, and Nicaragua, under such terms and conditions as he may determine, such sums to remain available until expended.

Sec. 494A. Famine and Disaster Relief to Drought-Stricken African Nations.—\footnote{Repealed—1978} \footnote{Redesignated—1977}

Sec. 494B. African Development Program.—\footnote{Redesignated—1977}

Sec. 495. Cyprus Relief and Rehabilitation.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other needy people in Cyprus. There is authorized to be
appropriated for the purposes of this section, in addition to amounts otherwise available for such purposes, $40,000,000.\textsuperscript{478} Such amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with the policy and general authority contained in section 491.

Sec. 495A.\textsuperscript{479} Guatemala Relief and Rehabilitation.—*

Sec. 495B.\textsuperscript{480} Italy Relief and Rehabilitation.—(a) In addition to amounts otherwise available for such purpose, there is authorized to be appropriated $25,000,000 for the fiscal year 1976 to furnish assistance under this chapter for the relief and rehabilitation of the people who have been victimized by the recent earthquake in Italy. Amounts appropriated under this section are authorized to remain available until expended.

(b) There are authorized to be appropriated to the President $30,000,000 for the fiscal year 1978 for relief, rehabilitation, and reconstruction assistance, in accordance with the provisions of section 491 and on such terms and conditions as he may determine, for the people who have been victimized by the recent earthquakes in Italy. Amounts appropriated under this subsection are authorized to remain available until expended.

(c) Obligations incurred prior to the date of enactment of this section against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Italy may be charged to the appropriations authorized under this section.

(d)\textsuperscript{482} (1) The Congress recognizes that prompt United States assistance is necessary to alleviate the human suffering arising from the earthquakes in southern Italy in late 1980. Accordingly, there are authorized to be appropriated to the President, in addition to amounts otherwise available for such purpose, $50,000,000 for the fiscal year 1981 for relief, rehabilitation, and reconstruction assist-
ance for the victims of those earthquakes. Such assistance shall be provided in accordance with the policies and general authorities of section 491 and on such terms and conditions as the President may determine.

(2) Amounts appropriated under this subsection are authorized to remain available until expended.

(3) Obligations incurred against other appropriations or accounts for the purpose of providing relief, rehabilitation, and reconstruction assistance for the victims of the late 1980 earthquakes in southern Italy may be charged to appropriations, enacted after those obligations were incurred, for assistance for that purpose under this chapter.

Sec. 495C. Lebanon Relief and Rehabilitation.—(a) The Congress, recognizing that prompt United States assistance is necessary to alleviate the human suffering arising from the civil strife in Lebanon and to restore the confidence of the people of Lebanon, authorizes the President to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other needy people in Lebanon.

(b) There is authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise available for such purposes, $20,000,000, which amount is authorized to remain available until expended.

(c) Assistance under this section shall be provided in accordance with the policies and general authority contained in section 491.

(d) Obligations incurred prior to the date of enactment of this section against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Lebanon may be charged to the appropriations authorized under this section.

(e) * * * [Repealed—1978]

Sec. 495D. Romanian Relief and Rehabilitation.—(a) The Congress, recognizing that prompt United States assistance is necessary to alleviate the human suffering arising from recent earthquakes in Romania, authorizes the President to furnish assistance, on such terms and conditions as he may determine, for the relief and rehabilitation of refugees and other earthquake victims in Romania.

(b) There are hereby authorized to be appropriated to the President for the fiscal year 1977, notwithstanding any other provisions of this Act, in addition to amounts otherwise available for such purposes, not to exceed $20,000,000, which amount is authorized to remain available until expended.


484 The FA Appropriations Act, 1977, provided the following: "For necessary expenses to carry out the provisions of section 495C, $20,000,000."

485 Subsec. (e), which called for a quarterly report on programming and obligation of funds under sec. 495C, and had previously appeared at this point, was repealed by sec. 502(d)(1) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 959).

486 22 U.S.C. 2292j. Sec. 495D was added by Public Law 95–21 (91 Stat. 48).

487 The FA Appropriations Act, 1978, provided the following: "Sec. 601. For expenses necessary to carry out the provisions of section 495D of the Foreign Assistance Act of 1961, as amended, $13,000,000 for the fiscal year 1977 for Romanian relief and rehabilitation assistance, to remain available until expended."
Sec. 495E. 489 Turkey Relief, Rehabilitation, and Reconstruction.—The President is requested to use up to $10,000,000 of the funds made available under section 492 of this Act to provide relief, rehabilitation, and reconstruction assistance to the victims of the recent earthquakes in Turkey.

Sec. 495F. 490 African Rehabilitation and Resettlement.—(a) The Congress recognizes that United States assistance is necessary to help developing countries in Africa meet the longer term rehabilitation and resettlement needs of displaced persons and other innocent victims of civil strife. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for the longer term rehabilitation and resettlement needs of such victims. Funds for this purpose should be used to assist African governments in providing semipermanent housing, potable water supply systems, and sanitary facilities which are generally not provided by existing refugee relief agencies.

(b) There are authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise available for such purposes, $15,000,000 for the fiscal year 1981.

(c) Assistance under this section shall be provided in accordance with the policies and general authority contained in section 491.

(d) Obligations incurred prior to the date of enactment of this section against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Romania may be charged to the appropriations authorized under this section.

(e) 488 * * * [Repealed—1981]

(f) Nothing in this section shall be interpreted as endorsing any measure undertaken by the Government of Romania which would suppress human rights as defined in the Conference on Security and Co-operation in Europe (Helsinki) Final Act and the United Nations Declaration on Human Rights, or as constituting a precedent for or commitment to provide United States development assistance to Romania, and the Romanian Government shall be so notified when aid is furnished under this section.

Sec. 495E. 489 Turkey Relief, Rehabilitation, and Reconstruction.—The President is requested to use up to $10,000,000 of the funds made available under section 492 of this Act to provide relief, rehabilitation, and reconstruction assistance to the victims of the recent earthquakes in Turkey.

Sec. 495F. 490 African Rehabilitation and Resettlement.—(a) The Congress recognizes that United States assistance is necessary to help developing countries in Africa meet the longer term rehabilitation and resettlement needs of displaced persons and other innocent victims of civil strife. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for the longer term rehabilitation and resettlement needs of such victims. Funds for this purpose should be used to assist African governments in providing semipermanent housing, potable water supply systems, and sanitary facilities which are generally not provided by existing refugee relief agencies.

(b) There are authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise available for such purposes, $15,000,000 for the fiscal year 1981.
Sec. 495H. Foreign Assistance Act of 1961 (P.L. 87-195)

Sec. 495H. 494 Cambodian Disaster Relief Assistance.—(a) The Congress recognizes that prompt United States assistance is necessary to alleviate the human suffering arising from famine and disease in Cambodia. Accordingly, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for disaster relief to alleviate the suffering of the victims of famine and disease in Cambodia. Assistance provided under this section shall be for humanitarian purposes and limited to the civilian population, with emphasis on providing food, medicine and medical care, clothing, temporary shelter, transportation for emergency supplies and personnel, and similar assistance to save human lives.

(b) Assistance provided under this section or any other provision of law to alleviate the human suffering caused by famine and disease in Cambodia shall be provided, to the maximum extent practicable, through international agencies and private voluntary organizations such as (among others) the World Relief Committee, World Medical Missions, Inc., Cama Services, World Vision, Food for the Hungry, Thailand Baptist Mission, Catholic Relief Services, Oxfam, and the International Rescue Committee.

(c)(1) In providing assistance under this section, the President shall satisfy himself that adequate procedures have been established to ensure that such assistance reaches the innocent victims of famine and disease for whom it is intended. Such procedures shall include end use monitoring of deliveries on a periodic basis the terms of the conference report (House Report 96-787), and in accordance with associated agreements stated in the joint Explanatory Statements of the Committee of Conference, accompanying H.R. 4473 " * * " (this conference report was never approved by Congress). H.R. 4473 provided the following: Assistance to African refugees: For necessary expenses to carry out the provisions of section 495F, $14,250,000: Provided, That these funds shall be transferred to the Office of Refugee Programs of the Department of State for obligation and expenditure.

Sec. 495G. Special Caribbean Hurricane Relief Assistance.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, for disaster relief and reconstruction in the Caribbean to assist in alleviating the human suffering caused by recent hurricanes in that region. In addition to amounts otherwise available for such purposes, there is authorized to be appropriated for purposes of this section $25,000,000 for the fiscal year 1980, which amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with the policies and general authorities contained in section 491.

Sec. 495H. Cambodian Disaster Relief Assistance. —(a) The Congress recognizes that prompt United States assistance is necessary to alleviate the human suffering arising from famine and disease in Cambodia. Accordingly, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for disaster relief to alleviate the suffering of the victims of famine and disease in Cambodia. Assistance provided under this section shall be for humanitarian purposes and limited to the civilian population, with emphasis on providing food, medicine and medical care, clothing, temporary shelter, transportation for emergency supplies and personnel, and similar assistance to save human lives.

(b) Assistance provided under this section or any other provision of law to alleviate the human suffering caused by famine and disease in Cambodia shall be provided, to the maximum extent practicable, through international agencies and private voluntary organizations such as (among others) the World Relief Committee, World Medical Missions, Inc., Cama Services, World Vision, Food for the Hungry, Thailand Baptist Mission, Catholic Relief Services, Oxfam, and the International Rescue Committee.

(c)(1) In providing assistance under this section, the President shall satisfy himself that adequate procedures have been established to ensure that such assistance reaches the innocent victims of famine and disease for whom it is intended. Such procedures shall include end use monitoring of deliveries on a periodic basis the terms of the conference report (House Report 96-787), and in accordance with associated agreements stated in the joint Explanatory Statements of the Committee of Conference, accompanying H.R. 4473 " * * " (this conference report was never approved by Congress). H.R. 4473 provided the following: Assistance to African refugees: For necessary expenses to carry out the provisions of section 495F, $14,250,000: Provided, That these funds shall be transferred to the Office of Refugee Programs of the Department of State for obligation and expenditure.

Sec. 495G. Special Caribbean Hurricane Relief Assistance.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, for disaster relief and reconstruction in the Caribbean to assist in alleviating the human suffering caused by recent hurricanes in that region. In addition to amounts otherwise available for such purposes, there is authorized to be appropriated for purposes of this section $25,000,000 for the fiscal year 1980, which amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with the policies and general authorities contained in section 491.

Sec. 495H. Cambodian Disaster Relief Assistance. —(a) The Congress recognizes that prompt United States assistance is necessary to alleviate the human suffering arising from famine and disease in Cambodia. Accordingly, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for disaster relief to alleviate the suffering of the victims of famine and disease in Cambodia. Assistance provided under this section shall be for humanitarian purposes and limited to the civilian population, with emphasis on providing food, medicine and medical care, clothing, temporary shelter, transportation for emergency supplies and personnel, and similar assistance to save human lives.

(b) Assistance provided under this section or any other provision of law to alleviate the human suffering caused by famine and disease in Cambodia shall be provided, to the maximum extent practicable, through international agencies and private voluntary organizations such as (among others) the World Relief Committee, World Medical Missions, Inc., Cama Services, World Vision, Food for the Hungry, Thailand Baptist Mission, Catholic Relief Services, Oxfam, and the International Rescue Committee.

(c)(1) In providing assistance under this section, the President shall satisfy himself that adequate procedures have been established to ensure that such assistance reaches the innocent victims of famine and disease for whom it is intended. Such procedures shall include end use monitoring of deliveries on a periodic basis the terms of the conference report (House Report 96-787), and in accordance with associated agreements stated in the joint Explanatory Statements of the Committee of Conference, accompanying H.R. 4473 " * * " (this conference report was never approved by Congress). H.R. 4473 provided the following: Assistance to African refugees: For necessary expenses to carry out the provisions of section 495F, $14,250,000: Provided, That these funds shall be transferred to the Office of Refugee Programs of the Department of State for obligation and expenditure.

Sec. 495G. Special Caribbean Hurricane Relief Assistance.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, for disaster relief and reconstruction in the Caribbean to assist in alleviating the human suffering caused by recent hurricanes in that region. In addition to amounts otherwise available for such purposes, there is authorized to be appropriated for purposes of this section $25,000,000 for the fiscal year 1980, which amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with the policies and general authorities contained in section 491.
Sec. 495I. 497 Assistance for Displaced Persons in Central America.—(a)(1) The Congress recognizes that prompt United States assistance is necessary to help meet the basic human needs of persons displaced by strife in El Salvador. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to help alleviate the suffering of these displaced persons. Assistance provided under this section shall be for humanitarian purposes, with emphasis on the provision of food, medicine, medical care, and shelter and, where possible, implementation of other relief and rehabilitation activities. The Congress encourages the use, where appropriate of the services of private and voluntary organizations and international relief agencies in the provision of assistance under this section.

(2) The Congress understands that the country of Belize has expressed interest and willingness in the resettlement in its territory of Haitian nationals who desire to settle in Belize. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to assist the Government of Belize in the resettlement of Haitian nationals in the national territory of Belize.

(b) There are authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise

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495 Par. (2), which had required a report by the President that adequate procedures have been established to ensure that the assistance provided under this section is reaching the innocent victims of famine and disease for whom it is intended, was repealed by sec. 734(1) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1560). Such report was submitted on February 11, 1980.

496 The Supplemental Appropriation and Rescission Bill, 1980 (Public Law 96-304; 94 Stat. 873), included $30 million intended for Cambodian Disaster Relief Assistance.

The FA Appropriations Act, 1982, provided that out of the $473 million in funds for migration and refugee assistance during fiscal year 1982, $5,000,000 of this amount shall be used for assistance for persons displaced by strife in El Salvador as provided in H.R. 3566 as reported May 19, 1981. Under the provisions of the Further Continuing Appropriations Act, 1983 (Public Law 97-377), which continued funding for foreign assistance at the rates and under the terms and conditions provided in the FA Appropriations Act, 1982, with exceptions, no prior year earmarking of funds under the “Migration and Refugee Assistance” account would apply.

Sec. 495J. Lebanon Emergency Relief, Rehabilitation, and Reconstruction Assistance.—(a) The Congress recognizes that prompt United States assistance is necessary to alleviate the human suffering and resettlement needs of the innocent victims of recent strife in Lebanon. Therefore, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for the relief, rehabilitation, and reconstruction needs of such victims. Assistance provided under this section shall emphasize the provision of food, medicine, clothing, shelter, and water supply systems, and similar efforts to ameliorate the suffering of the people in Lebanon.

(b) In addition to amounts otherwise available for such purpose, there is authorized to be appropriated to the President $50,000,000 to carry out this section. Amounts appropriated under this subsection are authorized to remain available until expended.

(c) Assistance under this section shall be furnished in accordance with the policies and utilizing the general authorities provided in section 491.

Sec. 495K. African Famine Assistance.—
(a) Authorization of Assistance.—The President is authorized to provide assistance for famine relief, rehabilitation, and recovery in Africa. Assistance under this section shall be provided for humanitarian purposes and shall be provided on a grant basis. Such assistance shall include—

(TRANSPORT OF FUNDS)

“For expenses necessary to carry out the provisions of section 495j of the Foreign Assistance Act of 1961, $35,000,000 which shall be derived by transfer from the Department of State, ‘Migration and Refugee Assistance,’ to remain available until expended: Provided, That such amount not less than $10,000,000 shall be available only for the America University of Beirut.”


The Urgent Supplemental Appropriations, 1985—African Famine Relief (Public Law 99–10; 99 Stat. 27), provided the following:

“For an additional amount for international disaster assistance, $137,500,000 for emergency relief and recovery assistance for Africa, to be available only for such purpose and to remain available until March 31, 1986: Provided, That the Committee on Appropriations of each House of Congress is notified five days in advance of the obligation of any funds made available under this paragraph, unless the emergency is life threatening and immediate action is necessary.”

“OPERATING EXPENSES

“Of the amount appropriated in this Act for ‘International disaster’ assistance, $2,500,000 shall be transferred to ‘Operating expenses of the Agency for International Development’ to be used for monitoring food and disaster assistance in Africa.”
Sec. 496. 502 Long-Term Development Assistance for Sub-Saharan Africa.—(a) FINDINGS.—The Congress finds that—

(1) relief, rehabilitation, and recovery projects to benefit the poorest people, including the furnishing of seeds for planting, fertilizer, pesticides, farm implements, farm animals and vaccine and veterinary services to protect livestock upon which people depend, blankets, clothing, and shelter, disease prevention and health care projects, water projects (including water purification and well-drilling), small-scale agricultural projects, and food protection and preservation projects; and

(2) projects to meet emergency health needs, including vaccinations.

(b) USES OF FUNDS.—

(1) PRIVATE AND VOLUNTARY ORGANIZATIONS AND INTERNATIONAL ORGANIZATIONS.—Funds authorized to be appropriated by this section shall be used primarily for grants to private and voluntary organizations and international organizations.

(2) EMERGENCY HEALTH PROJECTS.—A significant portion of the funds authorized to be appropriated by this section shall be used for emergency health projects pursuant to subsection (a)(2).

(3) MANAGEMENT SUPPORT ACTIVITIES.—Of the amount authorized to be appropriated by this section, $2,500,000 shall be transferred to the “Operating Expenses of the Agency for International Development” account. These funds shall be used for management support activities associated with the planning, monitoring, and supervision of emergency food and disaster assistance provided in those countries in Africa described in section 5(a) of the African Famine Relief and Recovery Act of 1985.

(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to the amounts otherwise available for such purpose, there are authorized to be appropriated $137,500,000 for the fiscal year 1985 for use in providing assistance under this section.

(d) POLICIES AND AUTHORITIES TO BE APPLIED.—Assistance under this section shall be furnished in accordance with the policies and general authorities contained in section 491.
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(1) drought and famine have caused countless deaths and untold suffering among the people of sub-Saharan Africa;

(2) drought and famine in combination with other factors such as desertification, government neglect of the agricultural sector, and inappropriate economic policies have severely affected long-term development in sub-Saharan Africa; and

(3) the most cost-effective and efficient way of overcoming Africa's vulnerability to drought and famine is to address Africa's long-term development needs through a process that builds upon the needs and capabilities of the African people, promotes sustained and equitable economic growth, preserves the environment, and protects the rights of the individual.

(b) Authority To Furnish Assistance.—The President is authorized to furnish project and program assistance, on such terms and conditions as he may determine in accordance with the policies contained in this section, for long-term development in sub-Saharan Africa.

(c) Purpose Of Assistance.—

(1) Purpose.—The purpose of assistance under this section shall be to help the poor majority of men and women in sub-Saharan Africa to participate in a process of long-term development through economic growth that is equitable, participatory, environmentally sustainable, and self-reliant.

(2) Use Of Assistance To Encourage Private Sector Development.—Assistance under this section should, in a manner consistent with paragraph (1), be used to promote sustained economic growth, encourage private sector development, promote individual initiatives, and help to reduce the role of central governments in areas more appropriate for the private sector.

(d) Application Of Development Assistance General Authorities And Policies.—Except to the extent inconsistent with this section—

(1) any reference in any law to chapter 1 of this part (including references to sections 103 through 106) shall be deemed to include a reference to this section; and

(2) assistance under this section shall be provided consistent with the policies contained in section 102.

(e) Private And Voluntary Organizations.—

(1) Consultation To Ensure Local Perspectives.—The Agency for International Development shall take into account the local-level perspectives of the rural and urban poor in sub-Saharan Africa, including women, during the planning process for project and program assistance under this section. In order
to gain that perspective the Agency for International Development should consult closely with African, United States, and other private and voluntary organizations that have demonstrated effectiveness in or commitment to the promotion of local, grassroots activities on behalf of long-term development in sub-Saharan Africa as described in subsection (c).

(2) Definition of private and voluntary organizations.—For purposes of this section, the term “private and voluntary organization” includes (in addition to entities traditionally considered to be private and voluntary organizations) cooperatives, credit unions, trade unions, women’s groups, nonprofit development research institutions, and indigenous local organizations, which are private and nonprofit.

(f) Local involvement in project implementation.—Local people, including women, shall be closely consulted and involved in the implementation of every project under this section which as a local focus.

(g) Participation of African women.—The Agency for International Development shall ensure that development activities assisted under this section incorporate a significant expansion of the participation (including decisionmaking) and integration of African women in each of the critical sectors described in subsection (i).

(h) Types of assistance.—

(1) Projects and programs to address critical sectoral priorities.—Assistance under this section shall emphasize primarily projects and programs to address critical sectoral priorities for long-term development described in subsection (i).

(2) Reform of economic policies.—

(A) Use of program assistance.—Assistance under this section may also include program assistance to promote reform of sectoral economic policies affecting long-term development in sub-Saharan Africa as described in subsection (c), with primary emphasis on reform of economic policies to support the critical sectoral priorities described in subsection (i).

(B) Protection of vulnerable groups.—Assisted policy reforms shall also include provisions to protect vulnerable groups (especially poor, isolated, and female farmers, the urban poor, and children including displaced children) and long-term environmental interests from possible negative consequences of the reforms.

(3) Other assistance.—Funds made available to carry out this section shall be used almost exclusively for assistance in accordance with paragraphs (1) and (2). Assistance consistent with the purpose of subsection (c) may also be furnished under this section to carry out the provisions of sections 103 through 106 of this Act.

(i) Critical sectoral priorities.—The critical sectoral priorities for long-term development, as described in subsection (c), are the following:

(1) Agricultural production and natural resources.—

(A) Agricultural production.—Increasing agricultural production in ways which protect and restore the natural resource base, especially food production, through agricul-
tural policy changes, agricultural research (including participatory research directly involving small farmers) and extension, development and promotion of agriculture marketing activities, credit facilities, and appropriate production packages, and the construction and improvement of needed production-related infrastructure such as farm-to-market roads, small-scale irrigation, and rural electrification. Within this process, emphasis shall be given to promoting increased equity in rural income distribution, recognizing the role of small farmers.

(B) NATURAL RESOURCE BASE.—Maintaining and restoring the renewable natural resource base primarily in ways which increase agricultural production, through the following:

(i) Small-scale, affordable, resource-conserving, low-risk local projects, using appropriate technologies (including traditional agricultural methods) suited to local environmental, resource, and climatic conditions, and featuring close consultation with and involvement of local people at all stages of project design and implementation. Emphasis shall be given to grants for African local government organizations, international or African nongovernmental organizations, and United States private and voluntary organizations.

(ii) Support for efforts at national and regional levels to provide technical and other support for projects of the kinds described in clause (i) and to strengthen the capacities of African countries to provide effective extension and other services in support of environmentally sustainable increases in food production.

(iii) Support for special training and education efforts to improve the capacity of countries in sub-Saharan Africa to manage their own environments and natural resources.

(iv) Support for low-cost desalination activities in order to increase the availability of fresh water sources in sub-Saharan Africa.

(2) HEALTH.—Improving health conditions, with special emphasis on meeting the health needs of mothers and children (including displaced children) through the establishment of primary health care systems that give priority to preventive health and that will be ultimately self-sustaining.

(3) VOLUNTARY FAMILY PLANNING SERVICES.—Providing increased access to voluntary family planning services, including encouragement of private, community, and local government initiatives.

(4) EDUCATION.—Improving the relevance, equity, and efficiency of education, with special emphasis on improving primary education.

(5) INCOME-GENERATING OPPORTUNITIES.—Developing income-generating opportunities for the unemployed and underemployed in urban and rural areas through, among other things, support for off-farm employment opportunities in micro- and small-scale labor-intensive enterprises.
(j) **Minimum Levels of Assistance for Certain Critical Sectors.**—The Agency for International Development should target the equivalent of 10 percent of the amount authorized to be appropriated for each fiscal year to carry out this chapter for each of the following:

1. The activities described in subsection (i)(1)(B), including identifiable components of agricultural production projects.
2. The activities described in subsection (i)(2).
3. The activities described in subsection (i)(3).

(k) **Effective Use of Assistance.**—Assistance provided under this section shall be concentrated in countries which will make the most effective use of such assistance in order to fulfill the purpose specified in subsection (c), especially those countries (including those of the Sahel region) having the greatest need for outside assistance.

(l) **Promotion of Regional Integration.**—Assistance under this section shall, to the extent consistent with this section, include assistance to promote the regional and subregional integration of African production structures, markets, and infrastructure.

(m) **Donor Coordination Mechanism.**—Funds made available to carry out this section may be used to assist the governments of countries in sub-Saharan Africa to increase their capacity to participate effectively in donor coordination mechanisms at the country, regional, and sector levels.

(n) **Relation to Other Authorities.**—

1. **Assistance under other authorities.**—The authority granted by this section to provide assistance for long-term development in sub-Saharan Africa is not intended to preclude the use of other authorities for that purpose. Centrally funded programs which benefit sub-Saharan Africa shall continue to be funded under chapter 1 of part I of this Act.

2. **Transfer authorities.**—

   A. The transfer authority contained in section 109 of this Act shall not apply with respect to this section.

   B. The transfer authority contained in section 610(a) of this Act may not be used to transfer funds made available to carry out this section in order to allow them to be used in carrying out any other provision of this Act.

3. **Reprogramming notifications.**—Section 634A of this Act does not apply with respect to funds made available to carry out this section.

4. **Procurement of goods and services.**—In order to allow the assistance authorized by this section to be furnished as effectively and expeditiously as possible, section 604(a) of this Act, and similar provisions relating to the procurement of goods and services, shall not apply with respect to goods and services procured for use in carrying out this section. The exemption provided by this paragraph shall not be construed to apply to the Comprehensive Anti/Apartheid Act of 1986.

(o) **Support for SADCC Projects.**—

1. **Authority to provide assistance.**—To the extent funds are provided for such purpose in the annual Foreign Oper-
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izations, Export Financing, and Related Programs Appropriations Act, funds made available to carry out this chapter may be used to assist sector projects, in the sectors specified in paragraph (2), that are supported by the Southern Africa Development Coordination Conference (SADCC) to enhance the economic development of the member states forming that regional institution.

(2) SECTORS.—The sectors with respect to which assistance may be provided under this subsection are the following: transportation; manpower development; agriculture and natural resources; energy (including the improved utilization of electrical power sources which already exist in the member states and offer the potential to swiftly reduce the dependence of those states on South Africa for electricity); and industrial development and trade (including private sector initiatives).

(3) RELATION TO DFA POLICIES AND AUTHORITIES.—To the maximum extent feasible, the assistance authorized by this subsection shall be provided consistent with the policies and authorities contained in the preceding subsection of this section.

Sec. 497. 504 Authorizations of Appropriations for the Development Fund for Africa.—Funds appropriated to carry out this chapter are authorized to be made available until expended. It is the sense of the Congress that the authority of this subsection should be used to extend the period of availability of those funds whenever appropriate to improve the quality of assistance provided under section 496. 505

504 22 U.S.C. 2294.
505 Congress did not enact an authorization for fiscal year 2000. Instead, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), waived the requirements for authorization, and title II of that Act provided the following:

**AGENCY FOR INTERNATIONAL DEVELOPMENT**

**CHILD SURVIVAL AND DISEASE PROGRAMS FUND**

*For necessary expenses to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961, for child survival, basic education, assistance to combat tropical and other diseases, and related activities, in addition to funds otherwise available for such purposes, $715,000,000, to remain available until expended: Provided, That this amount shall be made available for such activities as: (1) immunization programs; (2) oral rehydration programs; (3) health and nutrition programs, and related education programs, which address the needs of mothers and children; (4) water and sanitation programs; (5) assistance for displaced and orphaned children; (6) programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria and other diseases; and (7) up to $98,000,000 for basic education programs for children: Provided further, That none of the funds appropriated under this heading may be made available for nonproject assistance for health and child survival programs, except that funds may be made available for such assistance for ongoing health programs: Provided further, That $35,000,000 shall be available only for the HIV/AIDS programs requested under this heading in House Document 106-101.

**DEVELOPMENT ASSISTANCE**

**(INCLUDING TRANSFER OF FUNDS)**

*For necessary expenses to carry out the provisions of sections 103 through 106, and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96-533) and the provisions of section 401 of the Foreign Assistance Act of 1969, $1,228,000,000, to remain available until September 30, 2001: * * * Provided further, That of the amount appropriated under this heading, up to $14,400,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: * * * *
Chapter 11—Support for the Economic and Democratic Development of the Independent States of the Former Soviet Union

SEC. 498. ASSISTANCE FOR THE INDEPENDENT STATES.

The President is authorized to provide assistance to the independent states of the former Soviet Union under this chapter for the following activities:

(1) URGENT HUMANITARIAN NEEDS.—Meeting urgent humanitarian needs (including those arising from the health effects of exposure to radiation in the Chernobyl region), in particular—
   (A) meeting needs for medicine, medical supplies and equipment, and food, including the nutritional needs of infants such as processed baby food; and
   (B) continuing efforts to rebuild from the earthquake in Armenia.

(2) DEMOCRACY.—Establishing a democratic and free society by fostering—
   (A) political, social, and economic pluralism;
   (B) respect for internationally recognized human rights and the rule of law;
   (C) the development of institutions of democratic governance, including electoral and legislative processes;
   (D) the institution and improvement of public administration at the national, intergovernmental, regional, and local level;
   (E) the development of a free and independent media;
   (F) the development of effective control by elected civilian officials over, and the development of a nonpolitical officer corps in, the military and security forces; and
   (G) strengthened administration of justice through programs and activities carried out in accordance with section 498B(e).

(3) FREE MARKET SYSTEMS.—Creating and developing private enterprise and free market systems based on the principle of private ownership of property, including—
   (A) the development of private cooperatives, credit unions, and labor unions;
   (B) the improvement in the collection and analysis of statistical information;
   (C) the reform and restructuring of banking and financial systems; and
   (D) the protection of intellectual property.

(4) TRADE AND INVESTMENT.—Creating conditions that promote trade and investment, and encouraging participation of the United States private sector in the development of the pri-
vate sector in the independent states of the former Soviet Union.

(5) Food Distribution and Production.—Promoting market-based mechanisms for the distribution of the inputs necessary to agricultural production and for the handling, marketing, storage, and processing of agricultural commodities; encouraging policies that provide incentives for agricultural production; and creating institutions that provide technical and financial support for the agricultural sector.

(6) Health and Human Services.—Promoting programs to strengthen and build institutions that provide quality health care and voluntary family planning services, housing, and other services and policies that are components of a social safety net, particularly for infants, children, and people with disabilities.

(7) Education and Educational Television.—Promoting broad-based educational reform at all levels, in particular—

(A) by assisting the development of curricula and by making available textbooks, other educational materials, and appropriate telecommunications technologies for the delivery of educational and instructional programming; and

(B) by assisting the development of the skills necessary to produce educational television programs aimed at promoting basic skills and the human values associated with a democratic society and a free market economy.

(8) Energy Efficiency and Production.—Promoting market-based pricing policies and the transfer of technologies that reduce energy wastage and harmful emissions; supporting developmentally sound capital energy projects that utilize United States advanced coal technologies; and promoting efficient production, use, and transportation of oil, gas, coal, and other sources of energy.

(9) Civilian Nuclear Reactor Safety.—Implementing—

(A) a program of short-term safety upgrade of civilian nuclear power plants, including the training of power plant personnel, implementation of improved procedures for nuclear power plant operation, the development of effective and independent regulatory authorities, and cost-effective hardware upgrades; and

(B) a program to retire those civilian nuclear power plants whose capacity could be more cost-effectively replaced through energy efficiency.

(10) Environment.—Enhancing the human and natural environment and conserving environmental resources, including through—

(A) facilitation of the adoption of environmentally-sound policies and technologies, environmental restoration, and sustainable use of natural resources;

(B) promotion of the provision of environmental technology, education, and training by United States businesses, not-for-profit organizations, and institutions of higher education; and
(C) promotion of cooperative research efforts to validate and improve environmental monitoring of protracted radiation exposure.

(11) TRANSPORTATION AND TELECOMMUNICATIONS.—Improving transportation and telecommunications infrastructure and management, including intermodal transportation systems to ensure the safe and efficient movement of people, products, and materials.

(12) DRUG EDUCATION, INTERDICTION, AND ERADICATION.—Promoting drug education, interdiction, and eradication programs.

(13) MIGRATION.—Protecting and caring for refugees, displaced persons, and other migrants; addressing the root causes of migration; and promoting the development of appropriate immigration and emigration laws and procedures.

SEC. 498A. CRITERIA FOR ASSISTANCE TO GOVERNMENTS OF THE INDEPENDENT STATES.

(a) In General.—In providing assistance under this chapter for the government of any independent state of the former Soviet Union, the President shall take into account not only relative need but also the extent to which that independent state is acting to—

(1) make significant progress toward, and is committed to the comprehensive implementation of, a democratic system based on principles of the rule of law, individual freedoms, and representative government determined by free and fair elections;

(2) make significant progress in, and is committed to the comprehensive implementation of, economic reform based on market principles, private ownership, and integration into the world economy, including implementation of the legal and policy frameworks necessary for such reform (including protection of intellectual property and respect for contracts);

(3) respect internationally recognized human rights, including the rights of minorities and the rights to freedom of religion and emigration;

(4) respect international law and obligations and adhere to the Helsinki Final Act of the Conference on Security and Cooperation in Europe and the Charter of Paris, including the obligations to refrain from the threat or use of force and to settle disputes peacefully;

(5) cooperate in seeking peaceful resolution of ethnic and regional conflicts;

(6) implement responsible security policies, including—

22 U.S.C. 2295a. Sec. 907 of the FREEDOM Support Act (Public Law 102-511; 106 Stat. 3357) provided the following restriction:

"United States assistance under this Act or any Act (other than assistance under title V of this Act) may not be provided to the Government of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh.

See also footnote at sec. 498C.

Section 2(c) of Executive Order 12884 of December 1, 1993 (58 F.R. 64099; December 3, 1993) delegated to the Coordinator (as established in sec. 102 of the FREEDOM Support Act; 22 U.S.C. 5812) those functions conferred upon the President in sections 498A(a), 498B(c) and 498B(g).
(A) adhering to arms control obligations derived from agreements signed by the former Soviet Union;
(B) reducing military forces and expenditures to a level consistent with legitimate defense requirements;
(C) not proliferating nuclear, biological, or chemical weapons, their delivery systems, or related technologies; and
(D) restraining conventional weapons transfers;
(7) take constructive actions to protect the international environment, prevent significant transborder pollution, and promote sustainable use of natural resources;
(8) deny support for acts of international terrorism;
(9) accept responsibility for paying an equitable portion of the indebtedness to United States firms incurred by the former Soviet Union;
(10) cooperate with the United States Government in uncovering all evidence regarding Americans listed as prisoners-of-war, or otherwise missing during American operations, who were detained in the former Soviet Union during the Cold War; and
(11) terminate support for the communist regime in Cuba, including removal of troops, closing military and intelligence facilities, including the military and intelligence facilities at Lourdes and Cienfuegos, and ceasing trade subsidies and economic, nuclear, and other assistance.

(b) INELIGIBILITY FOR ASSISTANCE.—The President shall not provide assistance under this chapter—

(1) for the government of any independent state that the President determines is engaged in a consistent pattern of gross violations of internationally recognized human rights or of international law;
(2) for the government of any independent state that the President determines has failed to take constructive actions to facilitate the effective implementation of applicable arms control obligations derived from agreements signed by the former Soviet Union;
(3) for the government of any independent state that the President determines has, on or after the date of enactment of this chapter, knowingly transferred to another country—

511 Sec. 106(b) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104-114; 110 Stat. 795) struck out “of military facilities” and inserted in lieu thereof “military and intelligence facilities, including the military and intelligence facilities at Lourdes and Cienfuegos.”
Sec. 111(b) of that Act (110 Stat. 802) further provided that “Notwithstanding any other provision of law, the President shall withhold from assistance allocated on or after March 12, 1996, for any country an amount equal to the sum of assistance and credits, if any, provided on or after March 12, 1996 by that country or any entity in that country in support of the completion of the Cuban nuclear facility at Juragua, near Cienfuegos, Cuba.”

512 Section 1(a)(2) of Executive Order 12884 of December 1, 1993 (58 F.R. 64099; December 3, 1993), as amended, delegated to the Secretary of State those functions conferred upon the President in paragraphs (1), (2), (3), and (5) of sec. 498A(b).
See also in the Foreign Assistance Appropriations, 2000: sec. 567—to prohibit foreign assistance to the Government of Russia should it enact or implement laws which would discriminate against minority religious faiths in the Russian Federation.

513 On August 7, 1996, the State Department issued Public Notice 2306, stating that “the Secretary of State has made a determination pursuant to Section 498A of the Foreign Assistance Act of 1961, as amended, and has concluded that publication of the determination would be harmful to the national security of the United States.” (61 F.R. 10056)
(A) missiles or missile technology inconsistent with the guidelines and parameters of the Missile Technology Control Regime; or
(B) any material, equipment, or technology that would contribute significantly to the ability of such country to manufacture any weapon of mass destruction (including nuclear, chemical, and biological weapons) if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of such weapon;

(4) for the government of any independent state that is prohibited from receiving such assistance by section 101 or 102 of the Arms Export Control Act or sections 306(a)(1) and 307 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1991;514

(5) for the government of any independent state effective 30 days after the President has determined and certified to the appropriate congressional committees (and Congress has not enacted legislation disapproving the determination within that 30-day period) that such government is providing assistance for, or engaging in nonmarket based trade (as defined in section 498B(k)(3)) with, the Cuban Government; or

(6) for the Government of Russia if it has failed to make significant progress on the removal of Russian or Commonwealth of Independent States troops from Estonia, Latvia, and Lithuania or if it has failed to undertake good faith efforts, such as negotiations, to end other military practices that violate the sovereignty of the Baltic states.

(c) EXCEPTIONS TO INELIGIBILITY.—Assistance prohibited by subsection (b) or any similar provision of law, other than assistance prohibited by the provisions referred to in subsection (b)(4), may be furnished under any of the following circumstances:

(1) The President determines that furnishing such assistance is important to the national interest of the United States.

(2) The President determines that furnishing such assistance will foster respect for internationally recognized human
rights and the rule of law or the development of institutions of democratic governance.

(3) The assistance is furnished for the alleviation of suffering resulting from a natural or man-made disaster.

(4) The assistance is provided under the secondary school exchange program administered by the United States Information Agency.

The President shall immediately report to the Congress any determination under paragraph (1) or (2) or any decision to provide assistance under paragraph (3).

(d) REDUCTION IN ASSISTANCE FOR SUPPORT OF INTELLIGENCE FACILITIES IN CUBA.—

(1) REDUCTION IN ASSISTANCE.—Notwithstanding any other provision of law, the President shall withhold from assistance provided, on or after the date of the enactment of this subsection, for an independent state of the former Soviet Union under this Act an amount equal to the sum of assistance and credits, if any, provided on or after such date by such state in support of intelligence facilities in Cuba, including the intelligence facility at Lourdes, Cuba.

(2) WAIVER.—(A) The President may waive the requirement of paragraph (1) to withhold assistance if the President certifies to the appropriate congressional committees that the provision of such assistance is important to the national security of the United States, and, in the case of such a certification made with respect to Russia, if the President certifies that the Russian Government has assured the United States Government that the Russian Government is not sharing intelligence data collected at the Lourdes facility with officials or agents of the Cuban Government.

(B) At the time of a certification made with respect to Russia under subparagraph (A), the President shall also submit to the appropriate congressional committees a report describing the intelligence activities of Russia in Cuba, including the purposes for which the Lourdes facility is used by the Russian Government and the extent to which the Russian Government provides payment or government credits to the Cuban Government for the continued use of the Lourdes facility.

(C) The report required by subparagraph (B) may be submitted in classified form.

519 Section 3(c) of Executive Order 12884 of December 1, 1993 (58 F.R. 64099; December 3, 1993), as amended, delegated to the Secretary of State those functions conferred upon the President in paragraph (3) of sec. 498A(c), and the requirement to make reports under that section regarding determinations under that paragraph. This delegation of authority is subject to the authority of the Coordinator (as established in sec. 102 of the FREEDOM Support Act; 22 U.S.C. 5812) under sec. 102 of that Act. Sec. 3 of that Executive Order ceased to be effective with enactment of the Foreign Affairs Reform and Restructuring Act of 1998, pursuant to sec. 1422(a)(4) (division G of Public Law 105-277; 112 Stat. 2681).

520 Sec. 106(c)(3) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104-114; 110 Stat. 796) added para. (4).

521 Sec. 106(d)(2) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104-114; 110 Stat. 797) added subsec. (d). Sec. 106(d)(1) of that Act further provided the following:

"(d) FACILITIES AT LOURDES, CUBA.—

"(1) DISAPPROVAL OF CREDITS.—The Congress expresses its strong disapproval of the extension by Russia of credits equivalent to $200,000,000 in support of the intelligence facility at Lourdes, Cuba, in November 1994."
(D) For purposes of this paragraph, the term “appropriate congressional committees” includes the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

(3) EXCEPTIONS TO REDUCTIONS IN ASSISTANCE.—The requirement of paragraph (1) to withhold assistance shall not apply with respect to—

(A) assistance to meet urgent humanitarian needs, including disaster and refugee relief;
(B) democratic political reform or rule of law activities;
(C) technical assistance for safety upgrades of civilian nuclear power plants;
(D) the creation of private sector or nongovernmental organizations that are independent of government control;
(E) the development of a free market economic system;
(F) assistance under the secondary school exchange program administered by the United States Information Agency; or
(G) assistance for the purposes described in the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160).

SEC. 498B. AUTHORITIES RELATING TO ASSISTANCE AND OTHER PROVISIONS.

(a) ASSISTANCE THROUGH GOVERNMENTS AND NONGOVERNMENTAL ORGANIZATIONS.—Assistance under this chapter may be provided to governments or through nongovernmental organizations.

(b) TECHNICAL AND MANAGERIAL ASSISTANCE.—Technical assistance under this chapter shall, to the maximum extent feasible, be provided on a long term, on-site basis and shall emphasize the provision of practical, management and other problem-solving advice, particularly advice on private enterprise provided by United States business volunteers.

(c) ENTERPRISE FUNDS.—Activities supported pursuant to this chapter may include the establishment of and the provision of support for one or more enterprise funds for the independent states of the former Soviet Union. If the President determines that an enterprise fund should be established and supported under this chapter, the provisions contained in section 201 of the Support for East European Democracy (SEED) Act of 1989 (excluding the authorizations of appropriations provided in subsection (b) of that section) shall be deemed to apply with respect to such enterprise fund and to funds made available to such enterprise fund pursuant to this chapter.

522 Sec. 498B.
523 In Department of State Public Notice 1926 of December 10, 1993, the Coordinator of U.S. Assistance to the New Independent States determined that the following enterprise funds should be established and supported under chapter 11 of part I of the Act: (1) The Russian-American Enterprise Fund, (2) The Fund for Large Enterprise Restructuring, and (3) The Central Asia Regional Enterprise Fund (58 F.R. 69441). Department of State Public Notice 1976 of March 23, 1994, determined that the Western NIS Enterprise Fund should be established and supported under chapter 11 of part I (59 F.R. 16255). Department of State Public Notice 2228 of June 23, 1995, determined that the U.S. Russia Investment Fund should be established and supported under chapter 11 of part I (61 F.R. 36176).
Sec. 498B  Foreign Assistance Act of 1961 (P.L. 87-195)  185

(d) **Cooperative Development and Research Projects.**—Assistance under this chapter may include support for cooperative development projects, including cooperative development research projects, among the United States, other countries, and independent states of the former Soviet Union.

(e) **Administration of Justice Programs.**—In order to strengthen the administration of justice in the independent states of the former Soviet Union under paragraph (2)(G) of section 498, the President may exercise the same authorities as are available under section 534 of this Act, subject to the limitations and requirements of that section, other than subsection (c) and the last two sentences of subsection (e).

(f) **Use of Economic Support Funds.**—Any funds that have been allocated under chapter 4 of part II for assistance for the independent states of the former Soviet Union may be used in accordance with the provisions of this chapter.

(g) **Use of SEED Agency Funds and Administrative Authorities.**—The President may authorize any agency of the United States Government that has authority to conduct activities under the Support for East European Democracy (SEED) Act of 1989 to use—

1. any funds that are available to it for activities related to international affairs outside Eastern Europe, and
2. any administrative authorities that are available to it for activities with respect to Eastern Europe,

to conduct activities authorized by section 498 with respect to the independent states of the former Soviet Union.

(h) **Procurement Restrictions.**—Funds made available for assistance under this chapter may be used for procurement—

1. in the United States, the independent states of the former Soviet Union, or a developing country; or
2. in any other country but only if—
   A. the provision of such assistance requires commodities or services of a type that are not produced in and available for purchase in any country specified in paragraph (1); or
   B. the President determines, on a case-by-case basis, that procurement in such other country is necessary—
      i. to meet unforeseen circumstances, such as emergency situations, where it is important to permit procurement in a country not specified in paragraph (1), or
      ii. to promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives.

(i) **Terms and Conditions.**—Assistance under this chapter shall be provided on such terms and conditions as the President may determine, consistent with applicable provisions of law (except as otherwise provided in subsection (j)).

(j) **Waiver of Certain Provisions.**—

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Section 5(a) of Executive Order 12884 of December 1, 1993 (58 F.R. 64099; December 3, 1993) delegated to the head of the agency that is responsible for administering relevant programs or activities those functions conferred upon the President in sections 498B(h) and 498B(i).

This delegation of authority is subject to the authority of the Coordinator (as established in sec. 102 of the FREEDOM Support Act; 22 U.S.C. 5812) under sec. 102 of that Act.
(1) IN GENERAL.—Funds authorized to be appropriated for fiscal year 1993 by this chapter, and any other funds appropriated for fiscal year 1993 that are used under the authority of subsection (f) or (g), may be used to provide assistance under this chapter notwithstanding any other provision of law, except for—

(A) this chapter;

(B) section 634A of this Act and comparable notification requirements contained in sections of the annual foreign operations, export financing, and related programs Act;

(C) sections 101 and 102 of the Arms Export Control Act and sections 306 and 307 of the Chemical and Biological Weapons Control and Warfare Elimination Act of 1961, to the extent that they apply to assistance to governents; and

(D) section 1341 of title 31, United States Code (commonly referred to as the “Anti-Deficiency Act”), the Congressional Budget and Impoundment Control Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and the Budget Enforcement Act of 1990.

(2) NUCLEAR REACTOR SAFETY AND RELATED ACTIVITIES.—Any provision that corresponds to section 510 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (relating to the prohibition on financing exports of nuclear equipment, fuel, and technology) shall not apply with respect to funds used pursuant to this chapter.

(k) DEFINITIONS.—

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—As used in this chapter, the term “appropriate congressional committees” means the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(2) INDEPENDENT STATES OF THE FORMER SOVIET UNION.—As used in this chapter, the terms “independent states of the former Soviet Union” and “independent states” have the meaning given those terms by section 3 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992.

525 Formerly referred to sections 669 and 670 of this Act. Sec. 826(b) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236; 108 Stat. 519) repealed those two sections, and sec. 826(c) of that Act stated that “Any reference in law as of the date of enactment of this Act [April 30, 1994] to section 669 or 670 of the Foreign Assistance Act of 1961 shall, after such date, be deemed to be a reference to section 101 or 102, as the case may be, of the Arms Export Control Act.”


529 Sec. 1(a)(5) of Public Law 104-14 (109 Stat. 186) provided that references to the Committee on Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives.
(3) Sec. 498C. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—To carry out this chapter, there are authorized to be appropriated to the President for fiscal year 1993 $410,000,000, in addition to amounts otherwise available for assistance for the independent states of the former Soviet Union. Amounts appropriated pursuant to this subsection are authorized to remain available until expended.532

530 Sec. 106(c)(2) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104-114; 110 Stat. 796) added para. (3).

531 22 U.S.C. 2295c.

532 Congress did not enact an authorization for fiscal year 2000. Instead, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), waived the requirements for authorization, and titles II and V of that Act provided the following:

"TITLE II—BILATERAL ECONOMIC ASSISTANCE
* * * * * * * *

*ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

"(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the Independent States of the former Soviet Union and for related programs, $839,000,000, to remain available until September 30, 2001: Provided, That the provisions of such chapter shall apply to funds continued..."
appropriated by this paragraph: Provided further, That such sums as may be necessary may be transferred to the Export-Import Bank of the United States for the cost of any financing under the Export-Import Bank Act of 1945 for activities for the Independent States: Provided further, That of the funds made available for the Southern Caucasus region, 15 percent shall be used for nonproliferation, anti-terrorism and related programs and activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 504 of the FREEDOM Support Act for the Non-proliferation and Disarmament Programs and Activities of the FREEDOM Support Act.

(3) Any activity authorized under title V of the Non-proliferation, Anti-terrorism, Demining and Related Programs and Activities of the FREEDOM Support Act shall not be counted against the 25 percent limitation.

(4) Of the funds appropriated under this heading, not less than $14,700,000 shall be made available for salaries and expenses to carry out the Russian Leadership Program enacted on May 21, 1999 (113 Stat. 93 et seq.).

(b) Of the funds appropriated under this heading, not less than $180,000,000 should be made available for assistance for Mongolia.

(c) Of the funds appropriated under this heading, not less than 12.92 percent shall be made available for assistance for Armenia.

(d) Of the funds appropriated under this heading, not less than 12.2 percent shall be made available for assistance for Georgia.

(e) Section 907 of the FREEDOM Support Act shall not apply to—

(1) any activity carried out by a member of the United States and Foreign Commercial Service while acting within his or her official capacity;

(2) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421);

(3) any activity carried out by a member of the United States and Foreign Commercial Service while acting within his or her official capacity;

(4) any insurance, reinsurance, guarantee, or other assistance provided by the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.);

(f) Of the funds made available under this heading for nuclear safety activities, not to exceed 9 percent of the funds provided for any single project may be used to pay for management costs incurred by a United States national lab in administering said project.

(g) Not more than 25 percent of the funds appropriated under this heading may be made available for assistance for any country in the region. Activities authorized under title V (non-proliferation and disarmament programs and activities) of the FREEDOM Support Act shall not be counted against the 25 percent limitation.

(h) Of the funds appropriated under title II of this Act not less than $12,000,000 should be made available for assistance for Mongolia of which not less than $6,000,000 should be made available from funds appropriated under this heading: Provided, That funds made available for assistance for Mongolia may be made available in accordance with the purposes and utilizing the authorities provided in chapter 11 of part I of the Foreign Assistance Act of 1961.

(i)(1) Of the funds appropriated under this heading that are allocated for assistance for Mongolia may be made available in accordance with the purposes and utilizing the authorities provided in chapter 11 of part I of the Foreign Assistance Act of 1961.

(ii) Of the funds appropriated under this heading that are allocated for assistance for the Government of the Russian Federation, 50 percent shall be withheld from obligation until the President determines and certifies in writing to the Committees on Appropriations that the Government of the Russian Federation has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability.

(2) Paragraph (1) shall not apply to—

(A) assistance to combat infectious diseases and child survival activities; and

(B) activities authorized under title V (Nonproliferation and Disarmament Programs and Activities) of the FREEDOM Support Act.

(j) None of the funds appropriated under this heading may be made available for the Government of the Russian Federation, until the Secretary of State certifies to the Committees on Appropriations that the Government of the Russian Federation has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability.

(k) Of the funds appropriated under this title, not less than $14,700,000 shall be made available for assistance for Armenia.

(l) Of the funds appropriated under this title, not less than $14,700,000 shall be made available for assistance for Georgia.

(m) Of the funds appropriated under this title, not less than $14,700,000 shall be made available for assistance for Ukraine.

*(NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS)

*For necessary expenses for nonproliferation, anti-terrorism, and related programs and activities, $216,000,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for activities for the Independent States: Provided further, That such sums as may be necessary may be transferred to the Export-Import Bank of the United States for the cost of any financing under the Export-Import Bank Act of 1945 for activities for the Independent States: Provided further, That of the funds made available for the Southern Caucasus region, 15 percent shall be used for nonproliferation, anti-terrorism and related programs and activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 504 of the FREEDOM Support Act for the Non-proliferation and Disarmament Programs and Activities of the FREEDOM Support Act.

*NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism, and related programs and activities, $216,000,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for activities for the Independent States: Provided further, That such sums as may be necessary may be transferred to the Export-Import Bank of the United States for the cost of any financing under the Export-Import Bank Act of 1945 for activities for the Independent States: Provided further, That of the funds made available for the Southern Caucasus region, 15 percent shall be used for nonproliferation, anti-terrorism and related programs and activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 504 of the FREEDOM Support Act for the Non-proliferation and Disarmament Programs and Activities of the FREEDOM Support Act.

For necessary expenses for activities for the Independent States, $14,700,000, of which not less than $6,000,000 should be made available for assistance for Armenia, $14,700,000 for assistance for Georgia, $14,700,000 for assistance for Ukraine, $216,000,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for activities for the Independent States: Provided further, That of the funds made available for the Southern Caucasus region, 15 percent shall be used for nonproliferation, anti-terrorism and related programs and activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 504 of the FREEDOM Support Act for the Non-proliferation and Disarmament Programs and Activities of the FREEDOM Support Act.
and management of the demining program.

able for demining and related activities, not to exceed $500,000, in addition to funds otherwise
appropriated under this heading, $40,000,000 should be made available for demining, clearance
of unexploded ordnance, and related activities:

of unexploded ordnance, and related activities: Provided further, That funds appropriated
under this heading may be made available for the International Atomic Energy Agency only if
the Secretary of State determines (and so reports to the Congress) that Israel is not being de-
nied its right to participate in the activities of that Agency:

the Secretary of State determines that to do so is in the national security interest of the
United States to do so:

funds may also be used for such countries other than the Independent States of the former So-
viet Union and international organizations when it is in the national security interest of the
United States or Israel to do so:

unds may be made available without regard to the restriction in this subsection if the President
determines that to do so is in the national security interest of the United States.

funds may be made available without regard to the restriction in this subsection if the President
determines that to do so is in the national security interest of the United States.

funds appropriated in this Act or prior appropriations Acts that are or have been made avail-
able for an Enterprise Fund in the Independent States of the Former Soviet Union may be de-
posited by such Fund in interest-bearing accounts prior to the disbursement of such funds by
the Fund for program purposes. The Fund may retain for such program purposes any interest
earned on such deposits without returning such interest to the Treasury of the United States
and without further appropriation by the Congress. Funds made available for Enterprise Funds
shall be expended at the minimum rate necessary to make timely payment for projects and ac-
tivities.

In issuing new task orders, entering into contracts, or making grants, with funds appro-
priated in this Act or prior appropriations Acts under the headings 'Assistance for the New Inde-
pendent States of the Former Soviet Union' and 'Assistance for the Independent States of the
Former Soviet Union', for projects or activities that have as one of their primary purposes the
fostering of private sector development, the Coordinator for United States Assistance to the New
Independent States and the implementing agency shall encourage the participation of and give
significant weight to contractors and grantees who propose investing a significant amount of
their own resources (including volunteer services and in-kind contributions) in such projects and
activities.

TO PROHIBIT FOREIGN ASSISTANCE TO THE GOVERNMENT OF THE RUSSIAN FEDERATION SHOULD IT
ENACT LAWS WHICH WOULD DISCRIMINATE AGAINST MINORITY RELIGIOUS FAITHS IN THE RUSSIAN
FEDERATION

Sec. 567. None of the funds appropriated under this Act may be made available for the Gov-
ernment of the Russian Federation, after 180 days from the date of the enactment of this Act,
(b) Operating expenses.—

(1) Authority to transfer program funds.—Subject to paragraph (2), funds made available under subsection (a) may be transferred to, and merged with, funds appropriated for “Operating Expenses of the Agency for International Development”. Funds so transferred may be expended for administrative costs in carrying out this chapter, including reimbursement of the Department of State for its incremental costs associated with assistance provided under this chapter.

(2) Limitation on amount transferred.—Not more than 2 percent of the funds made available for a fiscal year under subsection (a) may be transferred pursuant to paragraph (1) unless, at least 15 days before transferring any additional amount, the President notifies the appropriate congressional committees in accordance with the procedures applicable to reprogramming notifications under section 634A of this Act.

Chapter 12—Support for the Economic and Political Independence of the Countries of the South Caucasus and Central Asia

SEC. 499. UNITED STATES ASSISTANCE TO PROMOTE RECONCILIATION AND RECOVERY FROM REGIONAL CONFLICTS.

(a) Purpose of assistance.—The purposes of assistance under this section include—

(1) the creation of the basis for reconciliation between belligerents;

(2) the promotion of economic development in areas of the countries of the South Caucasus and Central Asia impacted by civil conflict and war; and

(3) the encouragement of broad regional cooperation among countries of the South Caucasus and Central Asia that have been destabilized by internal conflicts.

(b) Authorization for assistance.—

(1) In general.—To carry out the purposes of subsection (a), the President is authorized to provide humanitarian assistance and economic reconstruction assistance for the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

unless the President determines and certifies in writing to the Committees on Appropriations and the Committee on Foreign Relations of the Senate that the Government of the Russian Federation has implemented no statute, executive order, regulation or similar government action that would discriminate, or would have as its principal effect discrimination, against religious groups or religious communities in the Russian Federation in violation of accepted international agreements on human rights and religious freedoms to which the Russian Federation is a party.

See also the FREEDOM Support Act (Public Law 102-511; 106 Stat. 3320), in Legislation on Foreign Relations Through 1999, vol. I-B.

533 Section 3(b) of Executive Order 12884 of December 1, 1993 (58 F.R. 64099; December 3, 1993), as amended, delegated to the Secretary of State those functions conferred upon the President in section 498C(b)(2). This delegation of authority is subject to the authority of the Coordinator (as established in sec. 102 of the FREEDOM Support Act; 22 U.S.C. 5812) under sec. 102 of that Act. Sec. 3 of that Executive Order ceased to be effective with enactment of the Foreign Affairs Reform and Restructuring Act of 1998, pursuant to sec. 1422(a)(4) (division G of Public Law 105-277; 112 Stat. 2681).

534 Sec. 596(b) of the Silk Road Strategy Act of 1999 (sec. 596 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000; H.R. 3422, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535) added chapter 12 to part I of this Act.

(2) Definition of humanitarian assistance.—In this subsection, the term “humanitarian assistance” means assistance to meet humanitarian needs, including needs for food, medicine, medical supplies and equipment, education, and clothing.

(c) Activities supported.—Activities that may be supported by assistance under subsection (b) include—

(1) providing for the humanitarian needs of victims of the conflicts;  
(2) facilitating the return of refugees and internally displaced persons to their homes; and  
(3) assisting in the reconstruction of residential and economic infrastructure destroyed by war.

SEC. 499A. Economic assistance.

(a) Purpose of assistance.—The purpose of assistance under this section is to foster economic growth and development, including the conditions necessary for regional economic cooperation, in the South Caucasus and Central Asia.

(b) Authorization for assistance.—To carry out the purpose of subsection (a), the President is authorized to provide assistance for the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

(c) Activities supported.—In addition to the activities described in section 498, activities supported by assistance under subsection (b) should support the development of the structures and means necessary for the growth of private sector economies based upon market principles.

SEC. 499B. Development of infrastructure.

(a) Purpose of programs.—The purposes of programs under this section include—

(1) to develop the physical infrastructure necessary for regional cooperation among the countries of the South Caucasus and Central Asia; and  
(2) to encourage closer economic relations and to facilitate the removal of impediments to cross-border commerce among those countries and the United States and other developed nations.

(b) Authorization for programs.—To carry out the purposes of subsection (a), the following types of programs for the countries of the South Caucasus and Central Asia may be used to support the activities described in subsection (c):

(1) Activities by the Export-Import Bank to complete the review process for eligibility for financing under the Export-Import Bank Act of 1945.  
(2) The provision of insurance, reinsurance, financing, or other assistance by the Overseas Private Investment Corporation.  
(3) Assistance under section 661 of this Act (relating to the Trade and Development Agency).

(c) Activities supported.—Activities that may be supported by programs under subsection (b) include promoting actively the par-
participation of United States companies and investors in the planning, financing, and construction of infrastructure for communications, transportation, including air transportation, and energy and trade including highways, railroads, port facilities, shipping, banking, insurance, telecommunications networks, and gas and oil pipelines.

SEC. 499C. BORDER CONTROL ASSISTANCE.

(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section includes the assistance of the countries of the South Caucasus and Central Asia to secure their borders and implement effective controls necessary to prevent the trafficking of illegal narcotics and the proliferation of technology and materials related to weapons of mass destruction (as defined in section 2332a(c)(2) of title 18, United States Code), and to contain and inhibit transnational organized criminal activities.

(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide assistance to the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include assisting those countries of the South Caucasus and Central Asia in developing capabilities to maintain national border guards, coast guard, and customs controls.

SEC. 499D. STRENGTHENING DEMOCRACY, TOLERANCE, AND THE DEVELOPMENT OF CIVIL SOCIETY.

(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section is to promote institutions of democratic government and to create the conditions for the growth of pluralistic societies, including religious tolerance and respect for internationally recognized human rights.

(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide the following types of assistance to the countries of the South Caucasus and Central Asia:

(1) Assistance for democracy building, including programs to strengthen parliamentary institutions and practices.
(2) Assistance for the development of nongovernmental organizations.
(3) Assistance for development of independent media.
(4) Assistance for the development of the rule of law, a strong independent judiciary, and transparency in political practice and commercial transactions.
(5) International exchanges and advanced professional training programs in skill areas central to the development of civil society.
(6) Assistance to promote increased adherence to civil and political rights under section 116(e) of this Act.

(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include activities that are designed to advance progress toward the development of democracy.
SEC. 499E. ADMINISTRATIVE AUTHORITIES.
(a) ASSISTANCE THROUGH GOVERNMENTS AND NONGOVERNMENTAL ORGANIZATIONS.—Assistance under this chapter may be provided to governments or through nongovernmental organizations.
(b) USE OF ECONOMIC SUPPORT FUNDS.—Except as otherwise provided, any funds that have been allocated under chapter 4 of part II for assistance for the independent states of the former Soviet Union may be used in accordance with the provisions of this chapter.
(c) TERMS AND CONDITIONS.—Assistance under this chapter shall be provided on such terms and conditions as the President may determine.
(d) AVAILABLE AUTHORITIES.—The authority in this chapter to provide assistance for the countries of the South Caucasus and Central Asia is in addition to the authority to provide such assistance under the FREEDOM Support Act (22 U.S.C. 5801 et seq.) or any other Act, and the authorities applicable to the provision of assistance under chapter 11 may be used to provide assistance under this chapter.

SEC. 499F. DEFINITIONS.
In this chapter:
(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.
(2) COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA.—The term "countries of the South Caucasus and Central Asia" means Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

PART II

Chapter 1—Policy

Sec. 501. STATEMENT OF POLICY.—The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except for individual or collective self-defense. The Congress hereby finds that the efforts of the United States and other friendly countries to promote peace and security continue to require measures of support based upon the principle of effective self-help and mutual aid. It is the purpose of this part to authorize measures in the common defense against in-
ternal and external aggression, including the furnishing of military assistance, upon request, to friendly countries and international organizations. In furnishing such military assistance, it remains the policy of the United States to continue to exert maximum efforts to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including armed forces, under adequate safeguards to protect complying countries against violation and invasion.

The Congress recognizes that the peace of the world and the security of the United States are endangered so long as hostile countries continue by threat of military action, by the use of economic pressure, and by internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and countries once free but now subject to such domination.

It is the sense of the Congress that an important contribution toward peace would be made by the establishment under the Organization of American States of an international military force.

In enacting this legislation, it is therefore the intention of the Congress to promote the peace of the world and the foreign policy, security, and general welfare of the United States by fostering an improved climate of political independence and individual liberty, improving the ability of friendly countries and international organizations to deter or, if necessary, defeat aggression, facilitating arrangements for individual and collective security, assisting friendly countries to maintain internal security, and creating an environment of security and stability in the developing friendly countries essential to their more rapid social, economic, and political progress. The Congress urges that all other countries able to contribute join in a common undertaking to meet the goals stated in this part.

It is the sense of the Congress that in the administration of this part priority shall be given to the needs of those countries in danger of becoming victims of aggression or in which the internal security is threatened by internal subversion inspired or supported by hostile countries.

Finally, the Congress reaffirms its full support of the progress of the members of the North Atlantic Treaty Organization toward increased cooperation in political, military, and economic affairs. In particular, the Congress welcomes the steps which have been taken to promote multilateral programs of coordinated procurement, research, development, and production of defense articles and urges that such programs be expanded to the fullest extent possible to further the defense of the North Atlantic area.

545 Sec. 705(1)(A) of the FRIENDSHIP Act (Public Law 103-199; 107 Stat. 2317) struck out "international communism and the countries it controls" and inserted in lieu thereof "hostile countries".

546 Sec. 705(1)(B) of the FRIENDSHIP Act (Public Law 103-199; 107 Stat. 2317) struck out "Communist or Communist-supported" from this point.

547 Sec. 705(1)(C) of the FRIENDSHIP Act (Public Law 103-199; 107 Stat. 2317) struck out "active Communist or Communist-supported aggression or those countries in which the internal security is threatened by Communist-inspired or Communist-supported internal subversion." and inserted in lieu thereof "aggression or in which the internal security is threatened by internal subversion inspired or supported by hostile countries.". This paragraph was added originally by sec. 201(a)(2) of the FA Act of 1967.
Sec. 502. **Utilization of Defense Articles and Services.**—Defense articles and defense services to any country shall be furnished solely for internal security, for legitimate self-defense, to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security, or for the purpose of assisting foreign military forces in less developed friendly countries (or the voluntary efforts of personnel of the Armed Forces of the United States in such countries) to construct public works and to engage in other activities helpful to the economic and social development of such friendly countries. It is the sense of Congress that such foreign military forces should not be maintained or established solely for civic action activities and that such civic action activities not significantly detract from the capability of the military forces to perform their military missions and be coordinated with and form part of the total economic and social development effort.

Sec. 502B. **Human Rights.**—(a)(1) The United States shall, in accordance with its international obligations as set forth in the Charter of the United Nations and in keeping with the constitutional heritage and traditions of the United States, promote and encourage increased respect for human rights and fundamental freedoms throughout the world without distinction as to race, sex, language, or religion. Accordingly, a principal goal of the foreign policy of the United States shall be to promote the increased ob-

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548 22 U.S.C. 2302. Former subsec. (a) of sec. 505 was redesignated sec. 502 by sec. 201(d)(1) of the FA Act of 1967.
549 The words to this point were substituted for “Utilization of Assistance.—(a) Military assistance" by sec. 201(d)(2) of the FA Act of 1967.
550 Sec. 201(c)(1) of the FA Act of 1965 struck out a colon and added the remainder of this section from this point.
551 Formerly at 22 U.S.C. 2302. Sec. 104(b)(2)(A) of Public Law 104-164 (110 Stat. 1426) repealed sec. 502A. Originally added by sec. 12(a) of the FA Act of 1973, the section had read as follows:
552 22 U.S.C. 2304. Sec. 502B, which was added by sec. 46 of the FA Act of 1974, was amended by sec. 301(a) of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94-329, 90 Stat. 748), and by the Export Administration Amendments Act of 1985 (Public Law 99-64; 89 Stat. 136.) It formerly read as follows:
553 Sec. 502B. Human Rights.—It is the sense of Congress that except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty, and the security of the person.
554 Par. (1) was amended and restated by sec. 6(a) of the International Security Assistance Act of 1978 (Public Law 95-384; 92 Stat. 731).
servance of internationally recognized human rights by all countries.

(2) Except under circumstances specified in this section, no security assistance may be provided to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights. Security assistance may not be provided to the police, domestic intelligence, or similar law enforcement forces of a country, and licenses may not be issued under the Export Administration Act of 1979 for the export of crime control and detection instruments and equipment to a country, the government of which engages in a consistent pattern of gross violations of internationally recognized human rights unless the President certifies in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Banking, Housing, and Urban Affairs of the Senate (when licenses are to be issued pursuant to the Export Administration Act of 1979), that extraordinary circumstances exist warranting provision of such assistance and issuance of such licenses. Assistance may not be provided under chapter 5 of this part to a country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights unless the President certifies in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate that extraordinary circumstances exist warranting provision of such assistance.

(3) In furtherance of paragraphs (1) and (2), the President is directed to formulate and conduct international security assistance programs of the United States in a manner which will promote and advance human rights and avoid identification of the United States, through such programs, with governments which deny to their people internationally recognized human rights and fundamental freedoms, in violation of international law or in contravention of the policy of the United States as expressed in this section or otherwise.

(4) In determining whether the government of a country engages in a consistent pattern of gross violations of internationally recognized human rights, the President shall give particular consideration to whether the government—

(A) has engaged in or tolerated particularly severe violations of religious freedom, as defined in section 3 of the International Religious Freedom Act of 1998; or

554 The words "It is further the policy of the United States that," which previously appeared at this point, were struck by sec. 6(b) of the International Security Assistance Act of 1978 (Public Law 95–384; 92 Stat. 731).
556 The final two sentences of par. (2) were added by sec. 6 of the International Security Assistance Act of 1978 (Public Law 95–384; 92 Stat. 731, 732).
557 The words "paragraphs (1) and (2)," were inserted in lieu of "the foregoing policy" by sec. 6(e) of the International Security Assistance Act of 1978 (Public Law 95–384; 92 Stat. 732).
(B) has failed to undertake serious and sustained efforts to combat particularly severe violations of religious freedom when such efforts could have been reasonably undertaken.

(b) The Secretary of State shall transmit to the Congress, as part of the presentation materials for security assistance programs proposed for each fiscal year, a full and complete report, prepared with the assistance of the Assistant Secretary of State for Democracy, Human Rights, and Labor and with the assistance of the Ambassador at Large for International Religious Freedom, with respect to practices regarding the observance of and respect for internationally recognized human rights in each country proposed as a recipient of security assistance. Wherever applicable, such report shall include consolidated information regarding the commission of war crimes, crimes against humanity, and evidence of acts that may constitute genocide (as defined in article 2 of the Convention on the Prevention and Punishment of the Crime of Genocide and modified by the United States instrument of ratification to that convention and section 2(a) of the Genocide Convention Implementation Act of 1987). Wherever applicable, such report shall include information on practices regarding coercion in population control, including coerced abortion and involuntary sterilization. Such report shall also include, wherever applicable, information on violations of religious freedom, including particularly severe violations of religious freedom (as defined in section 3 of the International Religious Freedom Act of 1998). Each report under this section shall describe the extent to which each country has extended protection to refugees, including the provision of first asylum and resettlement. Each report under this section shall list the votes of each member of the United Nations Commission on Human Rights on all country-specific and thematic resolutions voted on at the Commission’s annual session during the period covered during the preceding year. In determining whether a government falls within the provisions of subsection (a)(3) and in the preparation of any report or statement required under this section, consideration shall be given to—


560 Sec. 102(d)(2)(A) of the International Religious Freedom Act of 1998 (Public Law 105-292; 112 Stat. 2795) inserted “and with the assistance of the Ambassador at Large for International Religious Freedom” after “Labor”.

561 The sentence beginning “Wherever applicable” referring to war crimes and crimes of genocide was added by sec. 806(b) of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (H.R. 3427, enacted by reference in sec. 1000(a)(7) of Public Law 106-113, 113 Stat. 1536).

562 The sentence beginning “Wherever applicable” referring to coercive population control was added by sec. 122 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100-204; 101 Stat. 1331).

563 Sec. 102(d)(2)(B) of the International Religious Freedom Act of 1998 (Public Law 105-292; 112 Stat. 2795) added the sentence that begins “Such report shall also include”.


565 Sec. 201(b) of Public Law 104-319 (110 Stat. 3864) added the sentence beginning “Each report...”. 
(1) the relevant findings of appropriate international organizations, including nongovernmental organizations, such as the International Committee of the Red Cross; and

(2) the extent of cooperation by such government in permitting an unimpeded investigation by any such organization of alleged violations of internationally recognized human rights.

(c)(1) Upon the request of the Senate or the House of Representatives by resolution of either such House, or upon the request of the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives, the Secretary of State shall, within thirty days after receipt of such request, transmit to both such committees a statement, prepared with the assistance of the Assistant Secretary of State for Democracy, Human Rights, and Labor, with respect to the country designated in such request, setting forth—

(A) all the available information about observance of and respect for human rights and fundamental freedom in that country, and a detailed description of practices by the recipient government with respect thereto;

(B) the steps the United States has taken to—

(i) promote respect for and observance of human rights in that country and discourage any practices which are inimical to internationally recognized human rights, and

(ii) publicly or privately call attention to, and disassociate the United States and any security assistance provided for such country from, such practices;

(C) whether, in the opinion of the Secretary of State, notwithstanding any such practices—

(i) extraordinary circumstances exist which necessitate a continuation of security assistance for such country, and, if so, a description of such circumstances and the extent to which such assistance should be continued (subject to such conditions as Congress may impose under this section), and

(ii) on all the facts it is in the national interest of the United States to provide such assistance; and

(D) such other information as such committee or such House may request.

(2)(A) A resolution of request under paragraph (1) of this subsection shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(B) The term “certification”, as used in section 601 of such Act, means, for the purposes of this subsection, a resolution of request of the Senate under paragraph (1) of this subsection.

(3) In the event a statement with respect to a country is requested pursuant to paragraph (1) of this subsection but is not transmitted in accordance therewith within thirty days after receipt of such request, no security assistance shall be delivered to

559 Sec. 9(a)(6) of the U.S.C. Technical Amendments (Public Law 103-437; 108 Stat. 4588) struck out “International Relations” and inserted in lieu thereof “Foreign Affairs”. 566 Sec. 1(a)(5) of Public Law 104-14 (109 Stat. 186) provided that references to the Committee on Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives. Previously, sec. 9(a)(6) of the
such country except as may thereafter be specifically authorized by law from such country unless and until such statement is transmitted.

(4)(A) In the event a statement with respect to a country is transmitted under paragraph (1) of this subsection, the Congress may at any time thereafter adopt a joint resolution terminating, restricting, or continuing security assistance for such country. In the event such a joint resolution is adopted, such assistance shall be so terminated, so restricted, or so continued, as the case may be.

(B) Any such resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

(C) The term “certification”, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under paragraph (1) of this subsection.

(d) For the purposes of this section—

(1) the term “gross violations of internationally recognized human rights” includes torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges and trial, causing the disappearance of persons by the abduction and clandestine detention of those persons,567 and other flagrant denial of the right to life, liberty, or the security of person; and

(2) the term “security assistance” means—

(A) assistance under chapter 2 (military assistance) or chapter 4 (economic support fund)568 or chapter 5 (military education and training) or chapter 6 (peacekeeping operations) or chapter 8 (antiterrorism assistance) of this part;569

(B) sales of defense articles or services, extensions of credits (including participations in credits),570 and guarantees of loans under the Arms Export Control Act; or

(C) any license in effect with respect to the export of defense articles or defense services to or for the armed forces, police, intelligence, or other internal security forces of a foreign country under section 38 of the Arms Export Control Act.

(e)571 Notwithstanding any other provision of law, funds authorized to be appropriated under part I of this Act may be made avail-
able for the furnishing of assistance to any country with respect to which the President finds that such a significant improvement in its human rights record has occurred as to warrant lifting the prohibition on furnishing such assistance in the national interest of the United States.

(f) In allowing the funds authorized to be appropriated by this Act and the Arms Export Control Act, the President shall take into account significant improvements in the human rights records of recipient countries, except that such allocations may not contravene any other provision of law.

(g) Whenever the provisions of subsection (e) or (f) of this section are applied, the President shall report to the Congress before making any funds available pursuant to those subsections. The report shall specify the country involved, the amount and kinds of assistance to be provided, and the justification for providing the assistance, including a description of the significant improvements which have occurred in the country's human rights record.

Chapter 2—Military Assistance

Sec. 503. General Authority.—(a) The President is authorized to furnish military assistance, on such terms and conditions as he may determine, to any friendly country or international organization, the assisting of which the President finds will strengthen the security of the United States and promote world peace and which is otherwise eligible to receive such assistance, by—

(1) acquiring from any source and providing (by loan or grant) any defense article or defense service;

(b) making financial contributions to multinational programs for the acquisition or construction of facilities for collective defense;

(c) providing financial assistance for expenses incident to participation by the United States Government in regional or collective defense organizations;

(d) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to perform duties of a noncombatant nature, including those related to training or advice.

572 Sec. (f) was added by sec. 4 of the International Security Assistance Act of 1979 (Public Law 96-92; 93 Stat. 702).
573 Sec. (g) was added by sec. 1201 of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 276).
574 22 U.S.C. 2311. Sec. 12(b)(1) of the FA Act of 1973 amended sec. 503, which formerly read as follows:

Sec. 503. General Authority.—The President is authorized to furnish military assistance on such terms and conditions as he may determine, to any friendly country or international organization, the assisting of which the President finds will strengthen the security of the United States and promote world peace and which is otherwise eligible to receive such assistance by—

(a) acquiring from any source and providing (by loan or grant) any defense article or defense service;

(b) making financial contributions to multinational programs for the acquisition or construction of facilities for collective defense;

(c) providing financial assistance for expenses incident to participation by the United States Government in regional or collective defense organizations;

(d) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to perform duties of a noncombatant nature, including those related to training or advice.

575 In 1999, the President determined that the furnishing of defense articles and services to the government of Croatia, and to the Organization for Security and Cooperation in Europe would strengthen the security of the United States and promote world peace (Presidential Determinations 99-21 of April 8, 1999, 64 F.R. 18551; and 99-31 of June 30, 1999, 64 F.R. 37033, respectively).

In 1997, the President determined that the furnishing of defense articles and services to the Governments of Georgia, Kazakhstan, Kyrgyzstan, Moldova, Turkmenistan, Russia, Ukraine, and Uzbekistan, would strengthen the security of the United States and promote world peace (Presidential Determination No. 97-19 of March 11, 1997; 60 F.R. 13532).

In 1995 and 1996, the President made similar determinations for Angola (Presidential Determination No. 95-32 of July 28, 1995; 60 F.R. 40255), Mongolia (Presidential Determination No. 95-38 of August 22, 1995; 60 F.R. 50069), Bosnia and Herzegovina (Presidential Determination No. 96-10 of February 23, 1996; 61 F.R. 8463), Slovenia, and the Former Yugoslav Republic of Macedonia (Presidential Determination No. 96-18 of March 8, 1996; 61 F.R. 11497).
(2) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to perform duties of a non-combatant nature; or

(3) transferring such of the funds appropriated or otherwise made available under this chapter as the President may determine for assistance to a recipient country, to the account in which funds for the procurement of defense articles and defense services under section 21 and section 22 of the Arms Export Control Act have been deposited for such recipient, to be merged with such deposited funds, and to be used solely to meet obligations of the recipient for payment for sales under that Act. Sales which are wholly paid from funds transferred under paragraph (3) or from funds made available on a non-repayable basis under section 23 of the Arms Export Control Act shall be priced to exclude the costs of salaries of members of the Armed Forces of the United States (other than the Coast Guard).

(b) In addition to such other terms and conditions as the President may determine pursuant to subsection (a), defense articles may be loaned thereunder only if—

(1) there is a bona fide reason, other than the shortage of funds, for providing such articles on a loan basis rather than on a grant basis;

(2) there is a reasonable expectation that such articles will be returned to the agency making the loan at the end of the loan period unless the loan is then renewed;

(3) the loan period is of fixed duration not exceeding five years, during which such article may be recalled for any reason by the United States;

(4) the agency making the loan is reimbursed for the loan based on the amount charged to the appropriation for military assistance under subsection (c); and

(5) the loan agreement provides that (A) if the defense article is damaged while on loan, the country or international organization to which it was loaned will reimburse the United States for the cost of restoring or replacing the defense article, and (B) if the defense article is lost or destroyed while on loan,

576 Par. (3) was added by sec. 112(a) of the International Security and Development Cooperation Act of 1980 (Public Law 96-533; 94 Stat. 3138).

577 The word “country” was inserted in lieu of the words “specified in section 504(a)(1) of this Act, within the dollar limitations of that section” by sec. 110(c) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1536).

578 The last sentence of par. (3) was added by sec. 123(a) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 205). The language “or from funds . . . Act” and “other than the Coast Guard” was added by Sec. 586(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100-461; 102 Stat. 2268), to become effective on October 1, 1989.

579 Par. (5) was amended and restated by sec. 109(c) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1536). It formerly read as follows: “(5) arrangements are made with the agency making the loan to be reimbursed in the event such article is lost or destroyed while on loan, such reimbursement being made first out of any funds available to carry out this chapter and based on the depreciated value of the article at the time of loss or destruction.”.
the country or international organization to which it was loaned will pay to the United States an amount equal to the replacement cost (less any depreciation in the value) of the defense article.

(c)(1) In the case of any loan of a defense article or defense service made under this section, there shall be a charge to the appropriation for military assistance for any fiscal year while the article or service is on loan in an amount based on—

(A) the out-of-pocket expenses authorized to be incurred in connection with such loan during such fiscal year; and

(B) the depreciation which occurs during such year while such article is on loan.

(2) The provisions of this subsection shall not apply—

(A) to any particular defense article or defense service which the United States Government agreed, prior to the date of enactment of this subsection, to lend; and

(B) to any defense article or defense service, or portion thereof, acquired with funds appropriated for military assistance under this Act.

Sec. 504. Authorization.—(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter $805,100,000 for the fiscal year 1986 and $805,100,000 for the fiscal year 1987.

(b) Amounts appropriated under this subsection are authorized to remain available until expended.

(b) In order to make sure that a dollar spent on military assistance to foreign countries is as necessary as a dollar spent for the United States military establishment, the President shall establish procedures for programing and budgeting so that programs of military assistance come into direct competition for financial support with other activities and programs of the Department of Defense.

Sec. 505. Conditions of Eligibility.—(a) In addition to such other provisions as the President may require, no defense articles or related training or other defense service shall be furnished to any country on a grant basis unless it shall have agreed that—

(1) it will not, without the consent of the President—

(A) permit any use of such articles or related training or other defense service by anyone not an officer, employee, or agent of that country,
(B) transfer, or permit any officer, employee, or agent of that country to transfer such articles or related training or other defense service by gift, sale, or otherwise, or

(C) use or permit the use of such articles or related training or other defense service for purposes other than those for which furnished;

(2) it will maintain the security of such articles or related training or other defense service and will provide substantially the same degree of security protection afforded to such articles or related training or other defense service by the United States Government;

(3) it will, as the President may require, permit continuous observation and review by, and furnish necessary information to, representatives of the United States Government with regard to the use of such articles or related training or other defense service; and

(4) unless the President consents to other disposition, it will return to the United States Government for such use or disposition as the President considers in the best interests of the United States, such articles or related training or other defense service which are no longer needed for the purposes for which furnished.

(b) No defense articles shall be furnished on a grant basis to any country at a cost in excess of $3,000,000 in any fiscal year unless the President determines—

(1) that such country conforms to the purposes and principles of the Charter of the United Nations;
(2) that such defense articles will be utilized by such country for the maintenance of its own defensive strength, or the defensive strength of the free world;
(3) that such country is taking all reasonable measures, consistent with its political and economic stability, which may be needed to develop its defense capacities; and
(4) that the increased ability of such country to defend itself is important to the security of the United States.

(c) The President shall regularly reduce and, with such deliberate speed as orderly procedure and other relevant considerations, including prior commitments, will permit, shall terminate all further grants of military equipment and supplies to any country having sufficient wealth to enable it, in the judgment of the President, to maintain and equip its own military forces at adequate strength, without undue burden to its economy.

(d) (1) Assistance and deliveries of assistance under this chapter to any country shall be terminated as hereinafter provided, if such country uses defense articles or defense services furnished under this Act, the Mutual Security Act of 1954, or any predecessor foreign assistance Act, in substantial violation of the provisions of this chapter or any agreements entered into pursuant to any of such Acts shall be immediately ineligible for further assistance.

584 Sec. 201(b) of the FA Act of 1971 substituted "or" in lieu of "and".
585 Subsecs. (c) and (d) were added by sec. 201(a) of the FA Act of 1962.
586 Sec. 304(a) of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94-329; 90 Stat. 751) amended subsec. (d) which formerly read as follows:
587 For text, see Legislation on Foreign Relations Through 1999, vol. 1-B.
cessor Foreign Assistance Act, in substantial violation (either in
terms of quantities or in terms of the gravity of the consequences
regardless of the quantities involved) of any agreement entered
into pursuant to any such Act (A) by using such articles or services
for a purpose not authorized under section 502 or, if such agree-
ment provides that such articles or services may only be used for
purposes more limited than those authorized under section 502, for
a purpose not authorized under such agreement; (B) by transfer-
ing such articles or services to, or permitting any use of such arti-
cles or services by, anyone not an officer, employee, or agent of the
recipient country without the consent of the President; or (C) by
failing to maintain the security of such articles or services.

(2)(A) Assistance and deliveries of assistance shall be terminated
pursuant to paragraph (1) of this subsection if the President so de-
determines and so states in writing to the Congress, or if the Con-
gress so finds by joint resolution.

(B) The President shall report to the Congress promptly upon the
receipt of information that a violation described in paragraph (1)
of this subsection may have occurred.

(3) Assistance to a country shall remain terminated in accord-
ance with paragraph (1) of this subsection until such time as—
(A) the President determines that the violation has ceased; and

(B) the country concerned has given assurances satisfactory
to the President that such violation will not recur.

(4) The authority contained in section 614(a) of this Act may not
be used to waive the provisions of this section with respect to fur-
ther assistance under this chapter.

(e) In considering a request for approval of any transfer of any
weapon, weapons system, munitions, aircraft, military boat, mili-
tary vessel, or other implement of war to another country, the
President shall not give his consent under subsection (a)(1) or (a)(4)
to the transfer unless the United States itself would transfer the
defense article under consideration to that country. In addition,
the President shall not give his consent under subsection (a)(1) or
(a)(4) to the transfer of any significant defense articles on the
United States Munitions List unless the foreign country requesting
consent to transfer agrees to demilitarize such defense articles
prior to transfer, or the proposed recipient foreign country provides
a commitment in writing to the United States Government that it
will not transfer such defense articles if not demilitarized, to any
other foreign country or person without first obtaining the consent
of the President.

(f) Effective July 1, 1974, no defense article shall be furnished
to any country on a grant basis unless such country shall have
agreed that the net proceeds of sale received by such country in

588 Former subsec. (e), which related to conditions of eligibility, was repealed by Public Law
92–226. New subsecs. (e) and (f) were added by sec. 12(3) of the FA Act of 1973.
589 Sec. 204(b)(2) of the International Security Assistance and Arms Export Control Act of
1976 (Public Law 94–329; 90 Stat. 735) amended sec. 505(e) by striking out the following words
after “country”, and prior to the date he intends to give his consent to the transfer, the Presi-
dent notifies the Speaker of the House of Representatives and the Committee on Foreign Rela-
tions of the Senate in writing of each intended consent, the justification for giving such consent,
the defense article for which he intends to give his consent to be so transferred, and the foreign
country to which that defense article is to be transferred".
disposing of any weapon, weapons system, munition, aircraft, military boat, military vessel, or other implement of war received under this chapter will be paid to the United States Government and shall be available to pay all official costs of the United States Government payable in the currency of that country, including all costs relating to the financing of international educational and cultural exchange activities in which that country participates under the programs authorized by the Mutual Educational and Cultural Exchange Act of 1961.\footnote{For text, see Legislation on Foreign Relations Through 1999, vol. II, sec. E.} In the case of items which were delivered prior to 1985,\footnote{Title III of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (Public Law 101-513; 104 Stat. 1998), struck out “1975” and inserted in lieu thereof “1985”.} the President may waive the requirement that such net proceeds be paid to the United States Government if he determines that to do so is in the national interest of the United States.\footnote{The last sentence of par. (f) was added by sec. 123(b) of the International Security Cooperation and Development Act of 1985 (Public Law 99-83; 99 Stat. 205).}

\begin{quotation}
\begin{enumerate}
\item It is the policy of the United States that no assistance under this chapter should be furnished to any foreign country, the laws, regulations, official policies, or governmental practices of which prevent any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) from participating in the furnishing of defense articles or defense services under this chapter on the basis of race, religion, national origin, or sex.

\item (A) No agency performing functions under this chapter shall, in employing or assigning personnel to participate in the performance of any such function, whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

(B) Each contract entered into by any such agency for the performance of any function under this chapter shall contain a provision to the effect that no person, partnership, corporation, or other entity performing functions pursuant to such contract, shall, in employing or assigning personnel to participate in the performance of any such function, whether in the United States or abroad, take into account the exclusionary policies or practices of any foreign government where such policies or practices are based upon race, religion, national origin, or sex.

\item The President shall promptly transmit reports to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate concerning any transaction in which any United States person (as defined in section 7701(a)(30) of the Internal Revenue Code of 1954) is prevented by a foreign government on the basis of race, religion, national origin, or sex, from participating in the furnishing of assistance under this chapter, or education and training under chapter 5, to any foreign country. Such reports shall include (A) a description of the facts and circumstances of any such discrimination, (B) the response thereto on the part of the United States or any agency or employee thereof, and (C) the result of such response, if any.
\end{enumerate}
\end{quotation}
(4)(A) Upon the request of the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives, the President shall, within 60 days after receipt of such request, transmit to both such committees a statement, prepared with the assistance of the Assistant Secretary of State for Democracy, Human Rights, and Labor, with respect to the country designated in such request, setting forth—

(i) all the available information about the exclusionary policies or practices of the government of such country when such policies or practices are based upon race, religion, national origin, or sex, and prevent any such person from participating in a transaction involving the furnishing of any assistance under this chapter or any education and training under chapter 5;

(ii) the response of the United States thereto and the results of such response;

(iii) whether, in the opinion of the President, notwithstanding any such policies or practices—

(I) extraordinary circumstances exist which necessitate a continuation of such assistance or education and training transaction, and, if so, a description of such circumstances and the extent to which such assistance or education and training transaction should be continued (subject to such conditions as Congress may impose under this section), and

(II) on all the facts it is in the national interest of the United States to continue such assistance or education and training transaction; and

(iv) such other information as such committee may request.

(B) In the event a statement with respect to an assistance or training transaction is requested pursuant to subparagraph (A) of this paragraph but is not transmitted in accordance therewith within 60 days after receipt of such request, such assistance or training transaction shall be suspended unless and until such statement is transmitted.

(C)(i) In the event a statement with respect to an assistance or training transaction is transmitted under subparagraph (A) of this paragraph, the Congress may at any time thereafter adopt a joint resolution terminating or restricting such assistance or training transaction.

(ii) Any such resolution shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

594 Sec. 1(a)(5) of Public Law 104-14 (109 Stat. 186) provided that references to the Committee on Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives. Previously, sec. 9(a)(6) of the U.S.C. Technical Amendments (Public Law 103-437; 108 Stat. 4588) struck out “International Relations” and inserted in lieu thereof “Foreign Affairs”.

Sec. 506 Special Authority.—(a)(1) If the President determines and reports to the Congress in accordance with section 652 of this Act that—

(A) an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization; and

(B) the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except this section;

he may direct, for the purposes of this part, the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not to exceed $100,000,000 in any fiscal year.

(2) If the President determines and reports to the Congress in accordance with section 652 of this Act that it is

(iii) The term “certification”, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under subparagraph (A) of this paragraph.

Sec. 506. Special Authority.—(a)(1) If the President determines and reports to the Congress in accordance with section 652 of this Act that—

(A) an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization; and

(B) the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except this section;

he may direct, for the purposes of this part, the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not to exceed $100,000,000 in any fiscal year.

(2) If the President determines and reports to the Congress in accordance with section 652 of this Act that it is

(iii) The term “certification”, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under subparagraph (A) of this paragraph.

Sec. 506. Special Authority.—(a)(1) If the President determines and reports to the Congress in accordance with section 652 of this Act that—

(A) an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization; and

(B) the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except this section;

he may direct, for the purposes of this part, the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not to exceed $100,000,000 in any fiscal year.

(2) If the President determines and reports to the Congress in accordance with section 652 of this Act that it is

(iii) The term “certification”, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under subparagraph (A) of this paragraph.

Sec. 506. Special Authority.—(a)(1) If the President determines and reports to the Congress in accordance with section 652 of this Act that—

(A) an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization; and

(B) the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except this section;

he may direct, for the purposes of this part, the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not to exceed $100,000,000 in any fiscal year.

(2) If the President determines and reports to the Congress in accordance with section 652 of this Act that it is

(iii) The term “certification”, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under subparagraph (A) of this paragraph.

Sec. 506. Special Authority.—(a)(1) If the President determines and reports to the Congress in accordance with section 652 of this Act that—

(A) an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization; and

(B) the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except this section;

he may direct, for the purposes of this part, the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not to exceed $100,000,000 in any fiscal year.

(2) If the President determines and reports to the Congress in accordance with section 652 of this Act that it is

(iii) The term “certification”, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under subparagraph (A) of this paragraph.

Sec. 506. Special Authority.—(a)(1) If the President determines and reports to the Congress in accordance with section 652 of this Act that—

(A) an unforeseen emergency exists which requires immediate military assistance to a foreign country or international organization; and

(B) the emergency requirement cannot be met under the authority of the Arms Export Control Act or any other law except this section;

he may direct, for the purposes of this part, the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not to exceed $100,000,000 in any fiscal year.

(2) If the President determines and reports to the Congress in accordance with section 652 of this Act that it is

(iii) The term “certification”, as used in section 601 of such Act, means, for the purposes of this paragraph, a statement transmitted under subparagraph (A) of this paragraph.
in the national interest of the United States to draw down articles and services from the inventory and resources of any agency of the United States Government and military education and training from the Department of Defense, the President may direct the drawdown of such articles, services, and military education and training—

(i) for the purposes and under the authorities of—

(I) chapter 8 of part I (relating to international narcotics control assistance);

(II) chapter 9 of part I (relating to international disaster assistance); or

(III) the Migration and Refugee Assistance Act of 1962; or

(ii) for the purpose of providing such articles, services, and military education and training to Vietnam, Cambodia, and Laos as the President determines are necessary—

(I) to support cooperative efforts to locate and repatriate members of the United States Armed Forces and civilians employed directly or indirectly by the United States Government who remain unaccounted for from the Vietnam War; and

(II) to ensure the safety of United States Government personnel engaged in such cooperative efforts and to support Department of Defense-sponsored humanitarian projects associated with such efforts.

(B) An aggregate value of not to exceed $150,000,000 in any fiscal year of such articles, services, and military education and training may be provided pursuant to subparagraph (A) of this paragraph—

(i) not more than $75,000,000 of which may be provided from the drawdown from the inventory and resources of the Department of Defense;
(ii) not more than $75,000,000,000 of which may be provided pursuant to clause (i)(I) of such subparagraph; and

(iii) not more than $15,000,000 of which may be provided to Vietnam, Cambodia, and Laos pursuant to clause (ii) of such subparagraph.

(b)(1) The authority contained in this section shall be effective for any such emergency only upon prior notification to the Committee on Foreign Affairs of the House of Representatives, the Committee on Foreign Relations of the Senate, and the Committee on Appropriations of each House of Congress. In the case of drawdowns authorized by subclauses (I) and (III) of subsection (a)(2)(A)(i), notifications shall be provided to those committees at least 15 days in advance of the drawdowns in accordance with the procedures applicable to reprogramming notifications under section 634A.

The President shall keep the Congress fully and currently informed of all defense articles, defense services, and military education and training provided under this section, including providing the Congress with a report detailing all defense articles, defense services, and military education and training delivered to the recipient country or international organization upon delivery of such articles or upon completion of such services or education and training. Such report shall also include whether any savings were realized by utilizing commercial transport services rather than acquiring those services from United States Government transport assets.

(c) For the purposes of any provision of law that authorizes the drawdown of defense or other articles or commodities, or...
fense or other services from an agency of the United States Government, such drawdown may include the supply of commercial transportation and related services that are acquired by contract for the purposes of the drawdown in question if the cost to acquire such commercial transportation and related services is less than the cost to the United States Government of providing such services from existing agency assets.

(d) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for defense articles, defense services, and military education and training provided under this section.

**Sec. 507.** Restrictions on Military Aid to Latin America—* * * [Repealed—1973]

**Sec. 508.** Restrictions on Military Aid to Africa—* * * [Repealed—1973]

**Sec. 509.** Certification of Recipient's Capability—* * * [Repealed—1973]

**Sec. 510.** Restrictions on Training Foreign Military Students—* * * [Repealed—1976]

**Sec. 511.** Considerations in Furnishing Military Assistance—Decisions to furnish military assistance made under this part shall take into account whether such assistance will—

(1) contribute to an arms race;

(2) increase the possibility of outbreak or escalation of conflict;

(3) prejudice the development of bilateral or multilateral arms control arrangements.

**Sec. 512.** Military Assistance Advisory Groups and Missions—* * * [Repealed—1973]

**Sec. 513.** Military Assistance Authorizations for Thailand and Laos, and South Vietnam—* * * [Repealed—1981]

**Sec. 514.** Stockpiling of Defense Articles for Foreign Countries—(a) No defense article in the inventory of the Depart-

$1,370,000,000 of the funds appropriated for Israel under this heading in title III shall be disbursed within 30 days of the enactment of this Act.".

Sec. 510 was repealed by sec. 106(b) of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94-329; 90 Stat. 733).

Sec. 1225(b) of the Foreign Affairs Agencies Consolidation Act of 1998 (subdivision A of division G of Public Law 105-277; 112 Stat. 2681) struck out "be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account his opinion as to" and inserted in lieu thereof "take into account". Previously, sec. 136(d) of the Foreign Relations Authorization Act, Fiscal Year 1976 (Public Law 94-141) struck out the words "take into account" and inserted in lieu thereof "be made in coordination with the Director of the United States Arms Control and Disarmament Agency and shall take into account his opinion as to".

Sec. 12(b)(5) of the FA Act of 1973 repealed sec. 512.

Sec. 513, as added by sec. 20(f) of the FA Act of 1971 and amended by sec. 12(b)(8) of the FA Act of 1973, and sec. 12 of the FA Act of 1974, was repealed by sec. 754(a)(1) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1560). Sec. 513 had prohibited military assistance for Thailand (after June 30, 1972), Laos (after June 30, 1974), and South Vietnam (after June 30, 1976) unless the assistance had been authorized under this Act or the Foreign Military Sales Act (now the Arms Export Control Act).

22 U.S.C. 2321h. The original sec. 514, which concerned special foreign country accounts, was added by sec. 20(f) of Public Law 92-226 (86 Stat. 26). This section was repealed by sec. 12(b)(8) of Public Law 95-189 (88 Stat. 722). This new sec. 514, as added by sec. 15 of Public Law 93-559 (88 Stat. 1799), was amended by sec. 103 of the International Security Assistance and Arms Export Control Act of 1976. It formerly read:

(a) Notwithstanding any other provision of law, no funds, other than funds made available under this chapter or section 401(a) of Public Law 89-367 (80 Stat. 37), or any subsequent cor-
responding legislation, may be obligated for the purpose of stockpiling any defense article or war reserve material, including the acquisition, storage, or maintenance of any war reserve equipment, secondary items, or munitions, if such article or material is set aside, reserved, or in any way earmarked or intended for future use by any foreign country under this Act or such section.

(b) The cost of any such article or material set aside, reserved, or in any way earmarked or intended by the Department of Defense for future use by, for, or on behalf of the country referred to in section 401(a)(1) of Public Law 89-367 (80 Stat. 37) shall be charged against the limitation specified in such section or any subsequent corresponding legislation, for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked or intended for future use by, for, or on behalf of any other foreign country shall be charged against funds authorized under this chapter or the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked. No such article or material may be made available to or for use by any foreign country unless such article or material has been charged against the limitation specified in such section, or any subsequent corresponding legislation, or against funds authorized under this chapter, as appropriate."

Section 1303(b) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1669) struck out subsec. (e) to this section. Subsec. (e) formerly read as follows:

"(e) The President shall promptly report to the Congress each new stockpile, or addition to an existing stockpile, described in this section of defense articles valued in excess of $10,000,000 in any fiscal year.".

612 Sec. 531B(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996 (Public Law 104-107; 110 Stat. 732), inserted "or in the implementation of agreements with Israel" after "North Atlantic Treaty Organization".

613 Section 587(b)(1) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167; 103 Stat. 1253), struck out "greater than" and inserted in lieu thereof "that" at this point.


Sec. 584(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, enacted by reference in sec. 1009(a)(2) of Public Law 106-113; 113 Stat. 1535), struck out "$50,000,000 for each of the fiscal years 1996 and 1997, $60,000,000 for fiscal year 1998, and" after "shall not exceed" and inserted at the end of the sentence and "$60,000,000 for fiscal year 2000".

Previously, sec. 571(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (sec. 101(d) of Public Law 105-277; 112 Stat. 2681), struck out "and" after "1997", inserted in lieu thereof a comma, and added ", and $340,000,000 for fiscal year 1999" at the end of the sentence. Sec. 572(b) of that Act added at the end of subpara. (b) the following: "Of the amount specified in subparagraph (A) for fiscal year 1999, not more than $340,000,000 for fiscal year 1999, not more than
$320,000,000 may be made available for stockpiles in the Republic of Korea and not more than $20,000,000 may be made available for stockpiles in Thailand.

Previously, sec. 575(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998 (Public Law 105–118; 111 Stat. 2423), added "and $50,000,000 for fiscal year 1999."


Previously, sec. 535 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1995 (Public Law 104–99; 109 Stat. 147), provided "a total of $200,000,000 for stockpiles in Israel for fiscal years 1994 and 1995, up to $40,000,000,000 may be made available for stockpiles in the Republic of Korea, and up to $10,000,000 may be made available for stockpiles in Thailand for fiscal year 1995."

Previously, sec. 535 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1994 (Public Law 103–87; 107 Stat. 955), decreased the stockpile for Israel to $200,000,000, and made available up to $72,000,000 for stockpiles in Korea, and up to $20,000,000 for stockpiles in Thailand.

Previously, sec. 569 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1993 (Public Law 102–391; 106 Stat. 1681), increased the stockpile limit, included allocations for Israel, and added text pertaining to stockpile allocations for the Republic of Korea.

Previous to that, sec. 573(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (Public Law 101–70; 104 Stat. 2042), increased the stockpile limit and added text pertaining to allocations for Israel. Figures for stockpile limits for recent years include the following: fiscal year 1976—$96,750,000; fiscal year 1977—$125,000,000; fiscal year 1978—$270,000,000; fiscal year 1979—$90,000,000; fiscal year 1980—$95,000,000; fiscal year 1981—$85,000,000; fiscal year 1982—$130,000,000; fiscal year 1983—$125,000,000; fiscal year 1984—$125,000,000; fiscal year 1985—$248,000,000; fiscal year 1986—$360,000,000; fiscal year 1987—$125,000,000; fiscal year 1988—$130,000,000; fiscal year 1989—$90,000,000; fiscal year 1990—$165,000,000; fiscal year 1991—$378,000,000; fiscal year 1992—$378,000,000; fiscal year 1993—$389,000,000; fiscal year 1994—$329,000,000; fiscal year 1995—$250,000,000; fiscal year 1996—$50,000,000; fiscal year 1997—$20,000,000; fiscal year 1998—$340,000,000; fiscal year 2000—$60,000,000.

$320,000,000 may be made available for stockpiles in the Republic of Korea and not more than $20,000,000 may be made available for stockpiles in Thailand.

Previously, sec. 575(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998 (Public Law 105–118; 111 Stat. 2423), added "and $50,000,000 for fiscal year 1999."

Previously, sec. 573(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996 (Public Law 104–107; 110 Stat. 732), amended and restated subsec. (c). It formerly read as follows:

"(c) Except for stockpiles in existence on the date of enactment of the International Security Assistance and Arms Export Control Act of 1976 and for stockpiles located in the Republic of Korea, Thailand, or countries which are members of the North Atlantic Treaty Organization, or major non-NATO allies, no stockpile may be located outside the boundaries of a United States military base used primarily by the United States."

aries of a United States military base or a military base used primarily by the United States.

(2) EXCEPTIONS.—Paragraph (1) shall not apply with respect to stockpiles of defense articles located in the Republic of Korea, Thailand, any country that is a member of the North Atlantic Treaty Organization, any country that is a major non-NATO ally, or any other country the President may designate. At least 15 days before designating a country pursuant to the last clause of the preceding sentence, the President shall notify the congressional committees specified in section 634A(a) in accordance with the procedures applicable to reprogramming notifications under that section.

(d) No defense article transferred from any stockpile which is made available to or for use by any foreign country may be considered an excess defense article for the purpose of determining the value thereof.

Sec. 515. Overseas Management of Assistance and Sales Programs.—(a) In order to carry out his responsibilities for the management of international security assistance programs conducted under this chapter, chapter 5 of this part, and the Arms Export Control Act, the President may assign members of the Armed Forces of the United States to a foreign country to perform one or more of the following functions:

(1) equipment and services case management;
(2) training management;
(3) program monitoring;
(4) evaluation and planning of the host government’s military capabilities and requirements;
(5) administrative support;
(6) promoting rationalization, standardization, interoperability, and other defense cooperation measures; 618 and
(7) liaison functions exclusive of advisory and training assistance.

(b) Advisory and training assistance conducted by military personnel assigned under this section shall be kept to an absolute minimum. It is the sense of the Congress that advising and training assistance in countries to which military personnel are assigned under this section shall be provided primarily by other personnel who are not assigned under this section and who are detailed for limited periods to perform specific tasks.

(c) (1) The number of members of the Armed Forces assigned to a foreign country under this section may not exceed six unless specifically authorized by the Congress. The President may waive this limitation if he determines and reports to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, 30 days prior to the introduction of the additional military personnel, that United States na-
tional interests require that more than six members of the Armed Forces be assigned under this section to carry out international security assistance programs in a country not specified in this paragraph. Pakistan, Tunisia, El Salvador, Honduras, Colombia, Indonesia, the Republic of Korea, the Philippines, Thailand, Egypt, Jordan, Morocco, Saudi Arabia, Greece, Portugal, Spain, and Turkey are authorized to have military personnel strengths larger than six under this section to carry out international security assistance programs.

(2) The total number of members of the Armed Forces assigned under this section to a foreign country in a fiscal year may not exceed the number justified to the Congress for that country in the congressional presentation materials for that fiscal year, unless the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives are notified 30 days in advance of the introduction of the additional military personnel.

(d) Effective October 1, 1989, the entire costs (excluding salaries of the United States military personnel other than the Coast Guard) of overseas management of international security assistance programs under this section shall be charged to or reimbursed from funds made available to carry out this chapter or the Arms Export Control Act, other than any such costs which are either paid directly for such defense services under section 21(a) of the Arms Export Control Act or reimbursed from charges for services collected from foreign governments pursuant to section 21(e) and section 43(b) of that Act.

(e) Members of the Armed Forces assigned to a foreign country under this section shall serve under the direction and supervision of the Chief of the United States Diplomatic Mission to that country.

(f) The President shall continue to instruct United States diplomatic and military personnel in the United States missions abroad that they should not encourage, promote, or influence the purchase by any foreign country of United States-made military equipment, unless they are specifically instructed to do so by an appropriate official of the executive branch.

Sec. 516. AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.

(a) Authority.—The President is authorized to transfer excess defense articles under this section to countries for which re-

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620 Section 9104(a) of Public Law 100–690 (102 Stat. 4273) added “Colombia” after “Honduras.”

621 Section 9104(a) of the Department of Defense Appropriations Act, 1990 (Public Law 101–165; 103 Stat. 1152) struck out “1982” and inserted in lieu thereof “1989”.

622 Title III of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1993 (Public Law 102–95; 106 Stat. 1673), restated parentheses to make provision for the Coast Guard.


The earlier form of sec. 516, relating to the modernization of defense capabilities of countries of NATO’s southern flank, was added by sec. 1101 of Public Law 99–661 (100 Stat. 3960). Prior
cept of such articles was justified pursuant to the annual congressional presentation documents for military assistance programs, or for programs under chapter 8 of part I of this Act, submitted under section 634 of this Act, or for which receipt of such articles was separately justified to the Congress, for the fiscal year in which the transfer is authorized.

(b) LIMITATIONS ON TRANSFERS.—(1) The President may transfer excess defense articles under this section only if—

(A) such articles are drawn from existing stocks of the Department of Defense;

(B) funds available to the Department of Defense for the procurement of defense equipment are not expended in connection with the transfer;

(C) the transfer of such articles will not have an adverse impact on the military readiness of the United States;

(D) with respect to a proposed transfer of such articles on a grant basis, such a transfer is preferable to a transfer on a sales basis, after taking into account the potential proceeds from, and likelihood of, such sales, and the comparative foreign policy benefits that may accrue to the United States as the result of a transfer on either a grant or sales basis;

(E) the President determines that the transfer of such articles will not have an adverse impact on the national technology and industrial base and, particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred; and

(F) the transfer of such articles is consistent with the policy framework for the Eastern Mediterranean established under section 620C of this Act.

(2) Accordingly, for the four-year period beginning on October 1, 1996, and thereafter for the four-year period beginning on October

The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), provided the following:

"NOTIFICATION OF EXCESS DEFENSE EQUIPMENT"

"Sec. 524. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (f) of that section: Provided, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: Provided further, That such Committees shall also be informed of the original acquisition cost of such defense articles:"

The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 (sec. 101(c) of title I of Public Law 104-208; 110 Stat. 3009), provided the following:

"MEDITERRANEAN EXCESS DEFENSE ARTICLES"

"Sec. 535. For the four-year period beginning on October 1, 1996, the President shall ensure that excess defense articles will be made available under section 516 and 519 of the Foreign Assistance Act of 1961 consistent with the manner in which the President made available excess defense articles under those sections during the four-year period that began on October 1, 1992, pursuant to section 573(e) of the Foreign Operations, Export Financing, Related Programs Appropriations Act, 1990:"

"Sec. 516 Foreign Assistance Act of 1961 (P.L. 87-195)"
1, 2000, the President shall ensure that excess defense articles offered to Greece and Turkey under this section will be made available consistent with the manner in which the President made available such excess defense articles during the four-year period that began on October 1, 1992, pursuant to section 573(e) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990.

(c) Terms of Transfers.—

(1) No cost to recipient country.—Excess defense articles may be transferred under this section without cost to the recipient country.

(2) Priority.—Notwithstanding any other provision of law, the delivery of excess defense articles under this section to member countries of the North Atlantic Treaty Organization (NATO) on the southern and southeastern flank of NATO and to major non-NATO allies on such southern and southeastern flank shall be given priority to the maximum extent feasible over the delivery of such excess defense articles to other countries.

(d) Waiver of Requirement for Reimbursement of Department of Defense Expenses.—Section 632(d) shall not apply with respect to transfers of excess defense articles (including transportation and related costs) under this section.

(e) Transportation and Related Costs.—
Sec. 516 Foreign Assistance Act of 1961 (P.L. 87-195)

(1) IN GENERAL.—Except as provided in paragraph (2), funds available to the Department of Defense may not be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of this section.

(2) EXCEPTION.—The President may provide for the transportation of excess defense articles without charge to a country for the costs of such transportation if—

(A) it is determined that it is in the national interest of the United States to do so;

(B) the recipient is a developing country receiving less than $10,000,000 of assistance under chapter 5 of this part of this Act (relating to international military education and training) or section 23 of the Arms Export Control Act (22 U.S.C. 2763; relating to the Foreign Military Financing program) in the fiscal year in which the transportation is provided;

(C) the total weight of the transfer does not exceed 25,000 pounds; and

(D) such transportation is accomplished on a space available basis.

(f) ADVANCE NOTIFICATION TO CONGRESS FOR TRANSFER OF CERTAIN EXCESS DEFENSE ARTICLES.—

(1) IN GENERAL.—The President may not transfer excess defense articles that are significant military equipment (as defined in section 47(9) of the Arms Export Control Act) or excess defense articles valued (in terms of original acquisition cost) at $7,000,000 or more, under this section or under the Arms Export Control Act (22 U.S.C. 2751 et seq.) until 30 days after the date on which the President has provided notice of the proposed transfer to the congressional committees specified in section 634A(a) in accordance with procedures applicable to reprogramming notifications under that section.

(2) CONTENTS.—Such notification shall include—

(A) a statement outlining the purposes for which the article is being provided to the country, including whether such article has been previously provided to such country;

(B) an assessment of the impact of the transfer on the military readiness of the United States;

(C) an assessment of the impact of the transfer on the national technology and industrial base and, particularly, the impact on opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are to be transferred; and

(D) a statement describing the current value of such article and the value of such article at acquisition.

627 Sec. 1212(b) of the Security Assistance Act of 1999 (title XII of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (H.R. 3427, enacted by reference in sec. 1000(a)(7) of Public Law 106-113; 113 Stat. 1536)), provided the following:

"(b) CONTENT OF CONGRESSIONAL NOTIFICATION.—Each notification required to be submitted under section 516(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(f)) with respect to a proposed transfer of a defense article described in subsection (a) shall include an estimate of the amount of funds to be expended under subsection (a) with respect to that transfer."
Sec. 517. Foreign Assistance Act of 1961 (P.L. 87-195)  Sec. 517

(g) Aggregate Annual Limitation.—

(1) IN GENERAL.—The aggregate value of excess defense articles transferred to countries under this section in any fiscal year may not exceed $425,000,000. 629

(2) EFFECTIVE DATE.—The limitation contained in paragraph (1) shall apply only with respect to fiscal years beginning after fiscal year 1996.

(h) Congressional Presentation Documents.—Documents described in subsection (a) justifying the transfer of excess defense articles shall include an explanation of the general purposes of providing excess defense articles as well as a table which provides an aggregate annual total of transfers of excess defense articles in the preceding year by country in terms of offers and actual deliveries and in terms of acquisition cost and current value. Such table shall indicate whether such excess defense articles were provided on a grant or sale basis.

(i) Excess Coast Guard Property.—For purposes of this section, the term “excess defense articles” shall be deemed to include excess property of the Coast Guard, and the term “Department of Defense” shall be deemed, with respect to such excess property, to include the Coast Guard.

Sec. 517. 630 * * * [Repealed—1996]

SEC. 517.631 DESIGNATION OF MAJOR NON-NATO ALLIES.

(a) Notice to Congress.—The President shall notify the Congress 632 in writing at least 30 days before—

(1) designating a country as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.); or

(2) terminating such a designation.

(b) Initial Designations.—Australia, Egypt, Israel, Japan, the Republic of Korea, and New Zealand shall be deemed to have been so designated by the President as of the effective date of this sec-

628 Sec. 1271(a) of the Security Assistance Act of 1999 (title XII of the Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act, Fiscal Years 2000 and 2001 (H.R. 3427, enacted by reference in sec. 1000(a)(7) of Public Law 106-113; 113 Stat. 1536), provided the following:

(a) Inapplicability of Aggregate Annual Limitation on Value of Transferred Excess Defense Articles.—The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided by section 1018(a) of the National Defense Authorization Act for Fiscal Year 2000 shall not be counted for the purposes of section 516(g) of the Foreign Assistance Act of 1961 in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.”


631 On November 12, 1996, the President notified Congress that he designated the Hashemite Kingdom of Jordan as a major non-NATO ally of the United States for purposes of the Foreign Assistance Act and the Arms Export Control Act (Presidential Determination No. 97-4; 63 F.R. 59800).

On January 6, 1998, the President notified Congress that he designated the Republic of Argentina as a major non-NATO ally of the United States for purposes of the Foreign Assistance Act and the Arms Export Control Act (Presidential Determination No. 98-9; 63 F.R. 3635).
tion, and the President is not required to notify the Congress of such designation of those countries.

Sec. 518. * * * [Repealed—1996]
Sec. 519. * * * [Repealed—1996]
Sec. 520. * * * [Repealed—1996]

Chapter 3—Foreign Military Sales

Sec. 521. Administration of Sales Programs Involving Defense Articles and Services.—* * * [Repealed—1968]
Sec. 522. Sales from Stock.—* * * [Repealed—1968]
Sec. 523. Procurement of Sales.—* * * [Repealed—1968]
Sec. 524. Reimbursements.—(a) Whenever funds made available for use under this part have been or are used to furnish military assistance on cash or credit terms, United States dollar repayments, including dollar proceeds derived from the sale of foreign currency repayments to any agency or program of the United States Government, receipts received from the disposition of evidences of indebtedness and charges (including fees and premiums) or interest collected shall be credited to a separate fund account and, shall be available until expended solely for the purposes of financing sales and guaranties, including the overhead costs thereof, and, notwithstanding any provision of law relating to receipts and credits accruing to the United States Government, repayment in foreign currency may be used to carry out this part. Such amounts of the appropriations made available under this part (including unliquidated balances of funds heretofore obligated for financing sales and guarantees) as may be determined by the President shall be transferred to, and merged with the separate fund account.

(b)(1) The special fund account established under subsection (a) of this section shall terminate as of the end of June 30, 1968, or on such earlier date as may be selected by the President.

(2) Upon the termination of such fund account pursuant to paragraph (1), all of the assets of such fund account (including loans

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634 Formerly at 22 U.S.C. 2321m. Sec. 104(b)(2)(B) of Public Law 104-164 (110 Stat. 1427) repealed sec. 519, relating to modernization of military capabilities. The section was originally added by sec. 596 of Public Law 101-513 (104 Stat. 2061).
636 The new chapter heading was added by sec. 201(o)(2) of the FA Act of 1967.
637 Secs. 521, 522, and 523 were repealed by sec. 45(a) of the Foreign Military Sales Act (Public Law 90-629).
639 Subsection designation "(a)" and a new subsec. (b) were added by sec. 201(h)(2) of the FA Act of 1967.
640 The words "have been or" were added by sec. 201(e)(1) of the FA Act of 1965.
641 The words to this point, beginning with "receipts received from:", were added by sec. 201(e)(2) of the FA Act of 1965.
642 Sec. 201(e)(3) of the FA Act of 1965 inserted "a separate fund account" in lieu of "the current applicable appropriation".
643 Sec. 201(e)(1) of the FA Act of 1965 inserted "funding sales and guaranties, including the overhead costs thereof" in lieu of "furnishing further military assistance on cash or credit terms".
644 The last sentence was added by sec. 201(c) of the FA Act of 1966.
and other payments receivable) shall be transferred to a special account in the Treasury, which special account shall be available solely for the purpose of discharging outstanding liabilities and obligations of the United States arising out of credit sales agreements entered into, and guaranties issued, under this part, prior to June 30, 1968. Any moneys in such special account in excess of the aggregate United States dollar amount of such liabilities and obligations shall be transferred from time to time to the general fund of the Treasury.

(3) [Repealed—1968]

Sec. 525. Guaranties.—* * * [Repealed—1968]

Chapter 4—Economic Support Fund

NOTE.—Section 202 of the Foreign Assistance Act of 1971 transferred the former chapter 4 of part I governing supporting assistance to its present location as chapter 4 of part II of the Act. Section 202(b) of the Foreign Assistance Act of 1971 provides as follows:

"Chapter 4 of part I of the Foreign Assistance Act of 1961 is hereby repealed. References to such chapter or any sections thereof shall hereafter be deemed to be references to chapter 4 of part II of the Foreign Assistance Act of 1961, as added by subsection (a) of this section, or to appropriate sections thereof. All references to part I of the Foreign Assistance Act of 1961 shall hereafter be deemed to be references also to chapter 4 of part II, and all references to part II of such Act shall be deemed not to include chapter 4 of such part II."

In changing the title of chapter 4 from Security Supporting Assistance to Economic Support Fund, sec. 10(b)(6) of the International Security Assistance Act of 1978 (92 Stat. 735) stated that, after September 30, 1978, any reference to security supporting assistance shall be deemed to be a reference to assistance provided under chapter 4 of part II of this Act.

Sec. 531. Authority.—(a) The Congress recognizes that, under special economic, political, or security conditions, the na-

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645 Par. (3) of sec. 524, and sec. 525 were repealed by sec. 45(a) of the Foreign Military Sales Act (Public Law 90–629). The subject matter of par. (3), relating to arms sales credits, is now covered in sec. 23 of the Arms Export Control Act.

646 Chapter 4, as added by the FA Act of 1971, was titled “Security Supporting Assistance,” was retitled “Economic Support Fund” and comprehensively amended and restated by sec. 10(a) of the International Security Assistance Act of 1978 (Public Law 95–384; 92 Stat. 733). Sec. 10(b)(6) of the same Act stated that, after September 30, 1978, any reference in any act to security supporting assistance shall be considered to be a reference to this chapter.

Sec. 201 of the International Security and Development Cooperation Act of 1985 (Public Law 99–83; 99 Stat. 210), replaced secs. 531 and 532, amended and redesignated secs. 535 as 533, and repealed all other sections regarding earmarking of funds for specific regions or purposes. See Public Law 99–83 (99 Stat. 210), relating to ESF for the Middle East, Cyprus, Portugal, agricultural commodities under commodity import programs, tied aid credit program, and restriction on use of funds for nuclear facilities.
tional interests of the United States may require economic support for countries in amounts which could not be justified solely under chapter 1 of part I or, in the case of countries in sub-Saharan Africa, chapter 10 of part I. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. To the maximum extent feasible, the President shall provide assistance under this chapter consistent with the policy directions, purposes, and programs of part I of this Act.

(b) The Secretary of State shall be responsible for policy decisions and justifications for economic support programs under this chapter, including determinations of whether there will be an economic support program for a country and the amount of the program for each country. The Secretary shall exercise this responsibility in cooperation with the Administrator of the agency primarily responsible for administering part I of this Act.

(c) As part of the annual presentation materials for foreign assistance submitted to the Congress, the agency primarily responsible for administering this part shall provide a detailed justification for the uses and the purposes of the funds provided under this chapter. Such material shall include, but not be limited to, information concerning the amounts and kinds of cash grant transfers, the amounts and kinds of budgetary and balance-of-payments support provided, and the amounts and kinds of project assistance provided with funds made available under this chapter.

(d) [Repealed—1998]
(e) Amounts appropriated to carry out this chapter shall be available for economic programs and may not be used for military or paramilitary purposes.

Sec. 532. Authorization of Appropriations. (a) There are authorized to be appropriated to the President to carry out the purposes of this chapter—

(1) $2,015,000,000 for the fiscal year 1986 and $2,015,000,000 for the fiscal year 1987 for the following countries signing the Camp David agreement: Israel and Egypt; and

(currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated; and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES. As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities; or

(ii) debt and deficit financing; or

(B) for the administrative requirements of the United States Government.

(3) Programming Accountability. The Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) Termination of Assistance Programs. Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) Reporting Requirement. The Administrator of the Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) Separate Accounts for Cash Transfers. (1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) Applicability of Other Provisions of Law. Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (House Report No. 98-1159).

(3) Notification. At least 15 days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committee on Appropriations for the use of local currencies for the administrative requirements of the United States Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(4) Exemption. Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.\n

652 The authorization under this chapter during recent years included the following: fiscal year 1979—$1,902,000,000; fiscal year 1980—$1,935,000,000 (plus an $80,000,000 supplemental authorization for Central American Assistance); fiscal year 1981—$2,065,500,000; fiscal year 1982—$2,623,500,000; fiscal year 1983—$2,723,500,000; fiscal year 1984—$3,074,000,000; fiscal year 1985—no authorization; fiscal years 1988 through 2000—no authorization.
(2) $1,785,000,000 for the fiscal year 1986 and $1,785,000,000 for the fiscal year 1987 for assistance under this chapter for recipients or purposes other than the countries referred to in paragraph (1).

(b) Amounts appropriated to carry out this chapter are authorized to remain available until expended.

**Sec. 533.** **Emergency Assistance.**—(a) Of the funds appropriated to carry out this chapter up to $75,000,000 for the fiscal year 1986 and up to $75,000,000 for the fiscal year 1987 may be made available for emergency use under this chapter when the national interests of the United States urgently require economic support to promote economic or political stability.

(b) Notwithstanding any provision of this chapter or of an appropriations act (including a joint resolution making continuing appropriations) which earmarks funds available to carry out this chapter for a specific country or purpose, up to 5 percent of each amount so earmarked may be used to carry out this section.

November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1553, waived the requirements for authorization, and title II of that Act provided the following:

**ECONOMIC SUPPORT FUND**

"For necessary expenses to carry out the provisions of chapter 4 of part II, $2,345,500,000, to remain available until September 30, 2001: Provided, That of the funds appropriated under this heading, not less than $960,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within 30 days of the enactment of this Act or by October 31, 1999, whichever is later: Provided further, That not less than $735,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance shall be provided with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years, and of which not less than $200,000,000 shall be provided as Commodity Import Program assistance: Provided further, That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country and that Israel enters into a side letter agreement at least equivalent to the fiscal year 1999 agreement: Provided further, That of the funds appropriated under this heading, not less than $150,000,000 should be made available for assistance for Jordan: Provided further, That of the funds appropriated under this heading, not less than $25,000,000 should be made available for assistance for East Timor: Provided further, That notwithstanding any other provision of law, not to exceed $11,000,000 may be used to support victims of and programs related to the Holocaust: Provided further, That notwithstanding any other provision of law, of the funds appropriated under this heading, $1,000,000 shall be made available to non-governmental organizations located outside of the People's Republic of China to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in that country": See also title II in that Act, paragraph relating to assistance for Eastern Europe and the Baltic states, and title V in that Act, including: sec. 515—Notification Requirements; sec. 521—Definition of Program, Project, and Activity; sec. 526—Democracy in China; sec. 540—Anti-Narcotics Activities; sec. 555—Prohibition of Payment of Certain Expenses; sec. 571—Assistance for the Middle East; sec. 580—Iraq Opposition; and sec. 587—West Bank and Gaza Program.

Title VI of that Act, providing supplemental appropriations for international affairs, also provided the following:

**ECONOMIC SUPPORT FUND**

"For an additional amount for 'Economic Support Fund' for assistance for Jordan and for the West Bank and Gaza, $450,000,000, to remain available until September 30, 2002, of which $100,000,000 of the funds made available for the West Bank and Gaza shall become available for obligation on September 30, 2000: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That the entire amount provided shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress."
Sec. 534. Administration of Justice.—(a) The President may furnish assistance under this chapter to countries and organizations, including national and regional institutions, in order to strengthen the administration of justice in countries in Latin America and the Caribbean.

(b) Assistance under this section may only include—

(1) support for specialized professional training, scholarships, and exchanges for continuing legal education;
(2) programs to enhance prosecutorial and judicial capabilities and protection for participants in judicial cases;
(3) notwithstanding section 660 of this Act—
   (A) programs to enhance professional capabilities to carry out investigative and forensic functions conducted under judicial or prosecutorial control;
   (B) programs to assist in the development of academic instruction and curricula for training law enforcement personnel;
   (C) programs to improve the administrative and management capabilities of law enforcement agencies, especially their capabilities relating to career development, personnel evaluation, and internal discipline procedures; and
   (D) programs, conducted through multilateral or regional institutions, to improve penal institutions and the rehabilitation of offenders;
(4) strengthening professional organizations in order to promote services to members and the role of the bar in judicial selection, enforcement of ethical standards, and legal reform;
(5) increasing the availability of legal materials and publications;
(6) seminars, conferences, and training and educational programs to improve the administration of justice and to strengthen respect for the rule of law and internationally recognized human rights; and

*ANTI-NARCOTICS ACTIVITIES

Sec. 540 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), provided the following:

"Par. (3) was amended by sec. 579 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 (Continuing Appropriations for 1988; Public Law 100-202; 101 Stat. 1329-181). It previously read as follows: "(3) notwithstanding section 660 of this Act, programs to enhance investigative capabilities, conducted under judicial or prosecutorial control."

Functions conferred upon the President in subpars. (A), (B), and (C) were delegated to the Assistant Administrator for Latin America and the Caribbean of the Agency for International Development in Department of State Delegation No. 189 of April 4, 1991 (56 F.R. 15127; April 15, 1991). The same delegation of authority further provided that activities covered by the subparagraphs shall be implemented in coordination with the International Criminal Investigative Training Assistance Program of the U.S. Department of Justice. Funds made available in any fiscal year for such assistance shall not exceed $500,000."
Sec. 541 Foreign Assistance Act of 1961 (P.L. 87-195) 225

(7) revision and modernization of legal codes and procedures.

(c) Not more than $20,000,000 of the funds made available to carry out this chapter for any fiscal year shall be available to carry out this section, in addition to amounts otherwise available for such purposes.

(d) Funds may not be obligated for assistance under this section unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified of the amount and nature of the proposed assistance at least 15 days in advance in accordance with the procedures applicable to reprogramming pursuant to section 634A of this Act.

(e) Personnel of the Department of Defense and members of the United States Armed Forces may not participate in the provision of training under this section. Of the funds made available to carry out this section, not more than $10,000,000 may be made available in fiscal year 1991 to carry out the provisions of subsection (b)(3) of this section. The authority of this section shall expire on September 30, 1991.

Sec. 535. Economic Support for Disadvantaged South Africans.—* * * [Repealed—1993]

Chapter 5—International Military Education and Training 661

Sec. 541. General Authority.—The President is authorized to furnish, on such terms and conditions consistent with this Act as the President may determine (but whenever feasible on a reimbursable basis), military education and training to military and related civilian personnel of foreign countries. Such civilian personnel shall include foreign governmental personnel of ministries other than military and those responsible for national security programs.
than ministries of defense, and may also include legislators\textsuperscript{663} and individuals who are not members of the government.\textsuperscript{664} If the military education and training would (i) contribute to responsible defense resource management, (ii) foster greater respect for and understanding of the principle of civilian control of the military, (iii) contribute to cooperation between military and law enforcement personnel with respect to counternarcotics law enforcement efforts, or (iv)\textsuperscript{665} improve military justice systems and procedures in accordance with internationally recognized human rights.\textsuperscript{666} Such training and education may be provided through—

(1) attendance at military educational and training facilities in the United States (other than Service academies) and abroad;

(2) attendance in special courses of instruction at schools and institutions of learning or research in the United States and abroad; and

(3) observation and orientation visits to military facilities and related activities in the United States and abroad.

\textbf{Sec. 542. Authorization.}—There are authorized to be appropriated to the President to carry out the purposes of this chapter $56,221,000 for the fiscal year 1986 and $56,221,000 for the fiscal year 1987.\textsuperscript{667}

\textsuperscript{663}Sec. 10(1) of the International Narcotics Control Act of 1992 (Public Law 102–583; 106 Stat. 4934) inserted "and may also include legislators," after "ministries of defense".

\textsuperscript{664}Sec. 112(a) of Public Law 104–164 (110 Stat. 1427) added "and individuals who are not members of the government" after "legislators".

\textsuperscript{665}Sec. 10(2) of the International Narcotics Control Act of 1992 (Public Law 102–583; 106 Stat. 4934) redesignated clause (iii) as (iv) and inserted clause (iii).


\textsuperscript{667}Sec. 111 of Public Law 104–164 (110 Stat. 1427) provided the following:

\textquote{SEC. 111. ASSISTANCE FOR INDONESIA.

"Funds made available for fiscal years 1996 and 1997 to carry out the provisions of section 541 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) may be obligated for Indonesia only for expanded military and education training that meets the requirements of clauses (i) through (iv) of the second sentence of section 541 of such Act (22 U.S.C. 2347)."}.

\textsuperscript{668}22 U.S.C. 2347a.

\textsuperscript{669}The authorization figures for fiscal years 1986 and 1987 were added by sec. 104 of the International Security and Development Cooperation Act of 1985 (Public Law 99–83; 99 Stat. 195). Authorizations under sec. 342 during recent years included the following: fiscal year 1976—$27,000,000; fiscal year 1977—$30,200,000; fiscal year 1978—$31,000,000; fiscal year 1979—$31,800,000; fiscal year 1980—$31,800,000; fiscal year 1981—$34,000,000; fiscal year 1982—$42,000,000; fiscal year 1983—$42,000,000; fiscal year 1984—$56,452,000; fiscal year 1985—no authorization; fiscal years 1988 through 2000—no authorization.

Congress did not enact an authorization for fiscal year 2000. Instead, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 113 Stat. 1535), waived the requirements for authorization, and title III of that Act provided the following:

\textquotec{INTERNATIONAL MILITARY EDUCATION AND TRAINING

"For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $56,221,000, of which up to $1,000,000 may remain available until expended: Provided, That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights: Provided further, That funds appropriated under this heading for grant financed military education and training for Indonesia and Guatemala may only be available for expanded international military education and training and funds made available for Guatemala may only be provided through the regular notification procedures of the Committees on Appropriations: Provided further, That none of the funds appropriated under this heading may be made available to support grant financed military education and training at the School of the Americas unless the Secretary of Defense certifies that the instruction and training provided by the School of the Americas is fully consistent with training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to
Sec. 543. Purposes.—Education and training activities conducted under this chapter shall be designed—

(1) to encourage effective and mutually beneficial relations and increased understanding between the United States and foreign countries in furtherance of the goals of international peace and security;

(2) to improve the ability of participating foreign countries to utilize their resources, including defense articles and defense services obtained by them from the United States, with maximum effectiveness, thereby contributing to greater self-reliance by such countries; and

(3) to increase the awareness of nationals of foreign countries participating in such activities of basic issues involving internationally recognized human rights.

Sec. 544. Exchange Training.—(a) In carrying out this chapter, the President is authorized to provide for attendance of foreign military personnel at professional military education institutions in the United States (other than service academies) without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one, reciprocal basis each fiscal year between those United States professional military education institutions and comparable institutions of foreign countries and international organizations.

(b) The President may provide for the attendance of foreign military and civilian defense personnel at flight training schools and programs (including test pilot schools) in the United States without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one basis each fiscal year between those United States flight training schools and programs (including test pilot schools) and comparable flight training schools and programs of foreign countries.
Sec. 545. Training in Maritime Skills.—The President is encouraged to allocate a portion of the funds made available each fiscal year to carry out this chapter for use in providing education and training in maritime search and rescue, operation and maintenance of aids to navigation, port security, at-sea law enforcement, international maritime law, and general maritime skills.

Sec. 546. Prohibition on Grant Assistance for Certain High Income Foreign Countries.

(a) In General.—None of the funds made available for a fiscal year for assistance under this chapter may be made available for assistance on a grant basis for any of the high-income foreign countries described in subsection (b) for military education and training of military and related civilian personnel of such country.

(b) High-Income Foreign Countries Described.—The high-income foreign countries described in this subsection are Austria, Finland, the Republic of Korea, Singapore, and Spain.

Chapter 6—Peacekeeping Operations

Sec. 551. General Authority.—The President is authorized to furnish assistance to friendly countries and international organizations, on such terms and conditions as he may determine, for peacekeeping operations and other programs carried out in furtherance of the national security interests of the United States. Such assistance may include reimbursement to the Department of Defense for expenses incurred pursuant to section 7 of the United Nations Participation Act of 1945, except that such reimbursements may not exceed $5,000,000 in any fiscal year unless a greater amount is specifically authorized by this section.

Sec. 552. Authorization of Appropriations.—(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, $37,000,000 for the fiscal year 1986 and $37,000,000 for the fiscal year 1987.
(b) Amounts appropriated under this section are authorized to remain available until expended.

(c) If the President determines that, as the result of an unforeseen emergency, the provision of assistance under this chapter in amounts in excess of funds otherwise available for such assistance is important to the national interests of the United States, the President may (1) exercise the authority of section 610(a) of this Act to transfer funds available to carry out chapter 4 of this part

"PEACEKEEPING OPERATIONS"

"For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, $25,000,000: Provided, That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations."

See also in that Act: sec. 515—Notification Requirements; and sec. 571—Assistance for the Middle East.

Sec. 4(b)(1) of Public Law 97–132 (95 Stat. 1694) authorized an additional $125,000,000 to carry out this chapter during fiscal year 1982 for use in paying the U.S. contribution to the budget of the Multinational Force and Observers in Sinai. See Legislation on Foreign Relations Through 1999, vol. II, sec. G.

Subsec. (c) was added by sec. 10(c) of the International Security Assistance Act of 1979 (Public Law 96–92; 93 Stat. 705).

Sec. 552 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 113 Stat. 1535), provided the following:

"WAR CRIMES TRIBUNALS DRAWDOWN"

"Sec. 552. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to $30,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: Provided, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): Provided further, That 60 days after the date of the enactment of this Act, and every 180 days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia: Provided further, That the drawdown made under this section for any tribunal shall not be construed as an endorsement or precedent for the establishment of any standing or permanent international criminal tribunal or court: Provided further, That funds made available for tribunals other than Yugoslavia or Rwanda shall be made available subject to the regular notification procedures of the Committees on Appropriations."

Pursuant to sec. 552(c)(2), on March 31, 1999, the President determined that: "as a result of an unforeseen emergency, the provision of assistance under Chapter 6 of Part II of the Foreign Assistance Act in amounts in excess of funds otherwise available for such assistance is important to the national interests of the United States; and such unforeseen emergency requires the immediate provision of assistance under Chapter 6 of Part II of the Act."

"I therefore direct the drawdown of up to $25 million in commodities and services from the inventory and resources of the Department of Defense to support international relief efforts for Kosovar refugees." (Presidential Determination No. 99–20; March 31, 1999; 64 F.R. 17083).

Pursuant to sec. 552(c)(2), on August 17, 1999, the President determined that: "a drawdown of up to $5 million of commodities and services from the inventory and resources of the Department of Defense will contribute to a just resolution of charges regarding genocide and other violations of international humanitarian law; and

"1) directed the drawdown, pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to $5 million in commodities, in accordance with the inventory and resources of the Department of Defense for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council, without regard to the ceiling limitation contained in section 552(c)(2) of the Act." (Presidential Determination No. 99–35; August 17, 1999; 64 F.R. 47347).

Pursuant to sec. 552(c)(2), on September 21, 1999, the President determined that: "as a result of an unforeseen emergency, the provision of assistance under Chapter 6 of Part II of the Foreign Assistance Act in amounts in excess of funds otherwise available for such assistance is important to the national interests of the United States; and such unforeseen emergency requires the immediate provision of assistance under Chapter 6 of Part II of the Act."

"Therefore, I direct the drawdown of up to $5 million in commodities and services from the inventory and resources of the Department of Defense for the United Nations Interim Administration Mission in Kosovo." (Presidential Determination No. 99–40; September 21, 1999; 64 F.R. 53577)."
for use under this chapter without regard to the 20-percent increase limitation contained in such section, except that the total amount so transferred in any fiscal year may not exceed $15,000,000; and  

Sec. 553 Middle East Special Requirements Fund. —

* * *(Repealed—1980)

Sec. 553 Administrative Authorities.—Except where expressly provided to the contrary, any reference in any law to part I of this Act shall be deemed to include reference to this chapter and any reference in any law to part II of this Act shall be deemed to exclude reference to this chapter.

SEC. 554 DATA ON COSTS INCURRED IN SUPPORT OF UNITED NATIONS PEACEKEEPING OPERATIONS.

(a) UNITED STATES COSTS.—The President shall annually provide to the Secretary General of the United Nations data regarding all costs incurred by the United States Department of Defense during the preceding year in support of all United Nations Security Council resolutions as reported to the Congress pursuant to section 8079 of the Department of Defense Appropriations Act, 1998.

(b) UNITED NATIONS MEMBER COSTS.—The President shall request that the United Nations compile and publish information concerning costs incurred by United Nations members in support of such resolutions.

Chapter 7—Air Base Construction in Israel

Sec. 561 General Authority.—The President is authorized—

(1) to construct such air bases in Israel for the Government of Israel as may be agreed upon between the Government of Israel and the Government of the United States to replace the

684 Sec. 114(b) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1528) increased the amount which may be transferred in any fiscal year from $10,000,000 to $15,000,000 and deleted language prohibiting earmarked funds from being transferred.

685 Subsec. (c), par. (2), and subsec. (d) were added by sec. 105(b) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 195).

686 The Middle East Special Requirements Fund was originally added as sec. 903 of this Act by the FA Act of 1974 and moved to sec. 553 by the International Security Assistance Act of 1978 (Public Law 95-384; 92 Stat. 737). Sec. 553 was repealed by sec. 116(b) of the International Security and Development Cooperation Act of 1980 (Public Law 96-533; 94 Stat. 3140).


688 Ch. 7 was added by sec. 3 of the Special International Security Assistance Act of 1979 (Public Law 96-35; 93 Stat. 89).

689 22 U.S.C. 2349.
Sec. 563 Foreign Assistance Act of 1961 (P.L. 87-195) 231

Israeli airbases located at Etzion and Etam on the Sinai peninsula that are to be evacuated by the Government of Israel; and
(2) for purposes of such construction, to furnish as a grant to the Government of Israel, on such terms and conditions as the President may determine, defense articles and defense services, which he may acquire from any source, of a value not to exceed the amount appropriated pursuant to section 562(a).

Sec. 562. 691 Authorization and Utilization of Funds.—(a) There is authorized to be appropriated to the President to carry out this chapter not to exceed $800,000,000, which may be made available until expended.692

(b) Upon agreement by the Government of Israel to provide to the Government of the United States funds equal to the difference between the amount required to complete the agreed construction work and the amount appropriated pursuant to subsection (a) of this section, and to make those funds available, in advance of the time when payments are due, in such amounts and at such times as may be required by the Government of the United States to meet those additional costs of construction, the President may incur obligations and enter into contracts to the extent necessary to complete the agreed construction work, except that this authority shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

(c) Funds made available by the Government of Israel pursuant to subsection (b) of this section may be credited to the appropriation account established to carry out the purposes of this section for the payment of obligations incurred and for refund to the Government of Israel if they are unnecessary for that purpose, as determined by the President. Credits and the proceeds of guaranteed loans made available to the Government of Israel pursuant to the Arms Export Control Act, as well as any other source of financing available to it, may be used by Israel to carry out its undertaking to provide such additional funds.

Sec. 563. 693 Waiver Authorities.—(a) It is the sense of the Congress that the President should take all necessary measures consistent with law to insure the efficient and timely completion of the construction authorized by this chapter, including the exercise of authority vested in him by section 633(a) of this Act.

(b) The provisions of paragraph (3) of section 636(a) of this Act shall be applicable to the use of funds available to carry out this chapter, except that no more than sixty persons may be engaged at any one time under that paragraph for purposes of this chapter.
Chapter 8—Antiterrorism Assistance

Sec. 571. General Authority.—Notwithstanding any other provision of law that restricts assistance to foreign countries (other than sections 502B and 620A of this Act), the President is authorized to furnish, on such terms and conditions as the President may determine, assistance to foreign countries in order to enhance the ability of their law enforcement personnel to deter terrorists and terrorist groups from engaging in international terrorist acts such as bombing, kidnapping, assassination, hostage taking, and hijacking. Such assistance may include training services and the provision of equipment and other commodities related to bomb detection and disposal, management of hostage situations, physical security, and other matters relating to the detection, deterrence, and prevention of acts of terrorism, the resolution of terrorist incidents, and the apprehension of those involved in such acts.

Sec. 572. Purposes.—Activities conducted under this chapter shall be designed—

(1) to enhance the antiterrorism skills of friendly countries by providing training and equipment to deter and counter terrorism;
(2) to strengthen the bilateral ties of the United States with friendly governments by offering concrete assistance in this area of great mutual concern; and
(3) to increase respect for human rights by sharing with foreign civil authorities modern, humane, and effective antiterrorism techniques.

Sec. 573. Limitations.—(a) Whenever the President determines it to be consistent with and in furtherance of the purposes of this chapter, and on such terms and conditions consistent with this Act as he may determine, any agency of the United States Government is authorized to furnish services and commodities, without charge to funds available to carry out this chapter, to an...
eligible foreign country, subject to payment in advance of the value thereof (within the meaning of section 644(m)) in United States dollars by the foreign country. Credits and the proceeds of guaranteed loans made available to such countries pursuant to the Arms Export Control Act shall not be used for such payments. Collections under this chapter shall be credited to the currently applicable appropriation, account, or fund of the agency providing such services and commodities and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used.

(b) The Assistant Secretary of State for Democracy, Human Rights, and Labor shall be consulted in the determinations of the foreign countries that will be furnished assistance under this chapter and determinations of the nature of assistance to be furnished to each such country.

(c) Arms and ammunition may be provided under this chapter only if they are directly related to antiterrorism assistance.

(2) The value (in terms of original acquisition cost) of all equipment and commodities provided under this chapter in any fiscal year shall not exceed 30 percent of the funds made available to carry out this chapter for that fiscal year.

(d) This chapter does not apply to information exchange activities conducted by agencies of the United States Government under other authority for such purposes.

(f) [Repealed—1996]

Sec. 574. *[Repealed—1996]
Sec. 574. **Authorizations of Appropriations.**—(a) There are authorized to be appropriated to the President to carry out this chapter $9,840,000 for the fiscal year 1986 and $14,680,000 for the fiscal year 1987.

(b) Amounts appropriated under this section are authorized to remain available until expended.

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704 22 U.S.C. 2349aa-4. Redesignated from sec. 575 to sec. 574 by sec. 121(d) of Public Law 104-164 (110 Stat. 1428). The authorization for fiscal year 1986 was enacted by sec. 501(a) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 219). The authorization for fiscal year 1987 of $14,680,000 was inserted in lieu of the amount of $9,840,000 (originally enacted by Public Law 99-83) by sec. 401 of Public Law 99-399 (100 Stat. 862). Previous authorizations include: fiscal year 1984—$5,000,000; fiscal year 1985—no authorization; fiscal years 1988 through 2000—no authorization.

Congress did not enact an authorization for fiscal year 2000. Instead, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), waived the requirements for authorization, and title II of that Act provided the following:

"**NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS**

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, $216,600,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining activities, the clearance of unexploded ordnance, and related activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO), and for a United States contribution to the Comprehensive Nuclear Test Ban Treaty Preparatory Commission; Provided, That the Secretary of State shall inform the Committees on Appropriations at least 20 days prior to the obligation of funds for the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: Provided further, That of this amount not to exceed $15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: Provided further, That such funds may also be used for such countries other than the Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: Provided further, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if 1. the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: Provided further, That of the funds appropriated under this heading, $40,000,000 should be made available for demining, clearance of unexploded ordnance, and related activities: Provided further, That funds made available for demining and related activities, not to exceed $500,000, in addition to funds otherwise available for such purposes, may be used for administrative expenses related to the operation and management of the demining program."

See also in that Act: sec. 506—Prohibition on Financing Nuclear Goods; sec. 515—Notification Requirements; sec. 571—Assistance for the Middle East; and sec. 576—Korean Peninsula Energy Development Organization.

Sec. 328(b) of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104-132; 110 Stat. 1257) provided the following:

"(b) **ASSISTANCE TO FOREIGN COUNTRIES TO PROCURE EXPLOSIVES DETECTION DEVICES AND OTHER COUNTERTERRORISM TECHNOLOGY.**—(1) Subject to section 575(b), up to $3,000,000 in any fiscal year may be made available—

"(A) to procure explosives detection devices and other counterterrorism technology; and

"(B) for joint counterterrorism research and development projects on such technology conducted with NATO and major non-NATO allies under the auspices of the Technical Support Working Group of the Department of State.

(2) As used in this subsection, the term `major non-NATO allies' means those countries designated as major non-NATO allies for purposes of section 2350a(d)(3) of title 10, United States Code.

(c) **ASSISTANCE TO FOREIGN COUNTRIES.**—Notwithstanding any other provision of law (except section 620A of the Foreign Assistance Act of 1961) up to $1,000,000 in assistance may be provided to a foreign country for counterterrorism efforts in any fiscal year if—

"(1) such assistance is provided for the purpose of protecting the property of the United States Government or the life and property of any United States citizen, or furthering the apprehension of any individual involved in any act of terrorism against such property or persons; and

"(2) the appropriate committees of Congress are notified not later than 15 days prior to the provision of such assistance."
Sec. 575. Administrative Authorities.—Except where expressly provided to the contrary, any reference in any law to part I of this Act shall be deemed to include reference to this chapter and any reference in any law to part II of this Act shall be deemed to exclude reference to this chapter.

Sec. 577. [Repealed—1985]

PART III

Chapter 1—General Provisions

Sec. 601. Encouragement of Free Enterprise and Private Participation.—(a) The Congress of the United States recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to economic progress and development. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other countries to increase the flow of international trade, to foster private initiative and competition, to encourage the development and use of cooperatives, credit unions, and savings and loan associations, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture, and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward economic strength of less developed friendly countries, through private trade and investment abroad, private participation in programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this subsection.

(b) In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President shall—

(1) make arrangements to find, and draw the attention of private enterprise to opportunities for investment and development in less developed countries and areas;

(2) establish an effective system for obtaining adequate information with respect to the activities of, and opportunities for, nongovernmental participation in the development process, and for utilizing such information in the planning, direction, and execution of programs carried out under this Act, and in the coordination of such programs with the ever-increasing developmental activities of nongovernmental United States institutions;

(3) accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provisions to encourage and facilitate the flow of private in-
vestment to, and its equitable treatment in, friendly countries and areas participating in programs under this Act;

(4) seek, consistent with the national interest, compliance by other countries or areas with all treaties for commerce and trade and taxes, and take all reasonable measures under this Act or other authority to secure compliance therewith and to assist United States citizens in obtaining just compensation for losses sustained by them or payments exacted from them as a result of measures taken or imposed by any country or area thereof in violation of any such treaty;

(5) to the maximum extent practicable carry out programs of assistance through private channels and to the extent practicable in conjunction with local private or governmental participation, including loans under the authority of section 122 to any individual, corporation, or other body of persons;

(6) take appropriate steps to discourage nationalization, expropriation, confiscation, seizure of ownership or control of private investment and discriminatory or other actions, having the effect thereof, undertaken by countries receiving assistance under this Act, which divert available resources essential to create new wealth, employment, and productivity in those countries and otherwise impair the climate for new private investment essential to the stable economic growth and development of those countries;

(7) utilize wherever practicable the services of United States private enterprise (including, but not limited to, the services of experts and consultants in technical fields such as engineering);

(8) utilize wherever practicable the services of United States private enterprise on a cost-plus incentive fee contract basis to provide the necessary skills to develop and operate a specific project or program of assistance in a less developed friendly country or area in any case in which direct private investment is not readily encouraged, and provide where appropriate for the transfer of equity ownership in such project or program to private investors at the earliest feasible time.

(c) (1) There is hereby established an International Private Investment Advisory Council on Foreign Aid to be composed of such
number of leading American business specialists as may be selected, from time to time, by the Administrator of the Agency for International Development for the purpose of carrying out the provisions of this subsection. The members of the Council shall serve at the pleasure of the Administrator, who shall designate one member to serve as Chairman.

(2) It shall be the duty of the Council, at the request of the Administrator, to make recommendations to the Administrator with respect to particular aspects of programs and activities under this Act where private enterprise can play a contributing role and to act as liaison for the Administrator to involve specific private enterprises in such programs and activities.

(3) The members of the Advisory Council shall receive no compensation for their services but shall be entitled to reimbursement in accordance with section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b2) for travel and other expenses incurred by them in the performance of their functions under this subsection.

(4) The expenses of the Advisory Council shall be paid by the Administrator from funds otherwise available under this Act.

(d) It is the sense of Congress that the Agency for International Development should continue to encourage, to the maximum extent consistent with the national interest, the utilization of engineering and professional services of United States firms (including, but not limited to, any corporation, company, partnership, or other association) or by an affiliate of such United States firms in connection with capital projects financed by funds authorized under this Act.

(e) (1) The Congress finds that significantly greater effort must be made in carrying out programs under part I of this Act to award contracts on the basis of competitive selection procedures. All such contracts should be let on the basis of competitive selection procedures, except in those limited cases in which the procurement regulations governing the agency primarily responsible for administering part I of this Act allow noncompetitive procedures to be used.
Sec. 602 Small Business.—(a) Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to participate equitably in the furnishing of commodities, defense articles, and services (including defense services) financed with funds made available under this Act—

(1) by causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds;

(2) by causing to be made available to prospective purchasers in the countries and areas receiving assistance under this Act information as to such commodities, articles, and services produced by small independent enterprises in the United States; and

(3) by providing for additional services to give small business better opportunities to participate in the furnishing of such commodities, articles, and services financed with such funds.

(b) There shall be an Office of Small Business, headed by a Special Assistant for Small Business, in such agency of the United States Government as the President may direct, to assist in carrying out the provisions of subsection (a) of this section.

(c) The Secretary of Defense shall assure that there is made available to suppliers in the United States, and particularly to small independent enterprises, information with respect to purchases made by the Department of Defense pursuant to part II, such information to be furnished as far in advance as possible.

Sec. 603 Shipping on United States Vessels.—The ocean transportation between foreign countries of commodities and defense articles purchased with foreign currencies made available or derived from funds made available under this Act or the Agricultural Trade Development and Assistance Act of 1954 as amended (7 U.S.C. 1691 et seq.), and transfers of fresh fruit and products thereof under this Act shall not be governed by the provisions of section 901(b) of the Merchant Marine Act of 1936, as amended (46 U.S.C. 1241), or any other law relating to the ocean transportation of commodities on United States flag vessels.

Sec. 604 Procurement.—(a)(1) LIMITATIONS ON PROCUREMENT OUTSIDE THE UNITED STATES.—Funds made available for as-
Sec. 604

Foreign Assistance Act of 1961 (P.L. 87-195)

Assistance under this Act may be used by the President for procurement—

(A) only in the United States, the recipient country, or developing countries; or

(B) in any other country but only if—

(i) the provision of such assistance requires commodities or services of a type that are not produced in and available for purchase in any country specified in subparagraph (A); or

(ii) the President determines, on a case-by-case basis, that procurement in such other country is necessary—

(I) to meet unforeseen circumstances, such as emergency situations, where it is important to permit procurement in a country not specified in subparagraph (A); or

(II) to promote efficiency in the use of United States foreign assistance resources, including to avoid impairment of foreign assistance objectives.

(2) For purposes of this subsection, the term “developing countries” shall not include advanced developing countries.

(b) No funds made available under this Act shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

(c) In providing for the procurement of any agricultural commodity or product thereof available for disposition under the Agricultural Trade Development and Assistance Act of 1954 as amended, for transfer by grant under this Act to any recipient country in accordance with its requirements, the President shall, insofar as practicable and when in furtherance of the purposes of this Act, authorize the procurement of such agricultural commodity only within the United States except to the extent that such agricultural commodity is not available in the United States in sufficient quantities to supply emergency requirements of recipients under this Act.

(d) In providing assistance in the procurement of commodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II: Provided, That in the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities purchased with funds provided hereunder and destined for such country shall be insured in the United States against

United States at the time of procurement, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

See also in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000, sec. 545—Purchase of American-Made Equipment and Products.

Sec. 301(b)(1) of the FA Act of 1966 struck out the word “surplus” which appeared before the word “agricultural” in three places in this subsec. and inserted “or product thereof available for disposition under the Agricultural Trade Development and Assistance Act of 1954, as amended.” For text of the Agricultural Trade Development and Assistance Act, see Legislation on Foreign Relations Through 1999, vol. I-B.
marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

(e) No funds made available under this Act shall be used for the procurement of any agricultural commodity or product thereof outside the United States when the domestic price of such commodity is less than parity, unless the commodity to be financed could not reasonably be produced in the United States in fulfillment of the objectives of a particular assistance program under which such commodity procurement is to be financed.

(f) No funds authorized to be made available to carry out part I of this Act shall be used under any commodity import program to make any payment to a supplier unless the supplier has certified to the agency primarily responsible for administering such part I, such information as such agency shall by regulation prescribe, including but not limited to, a description of the commodity supplied by him and its condition, and on the basis of such information such agency shall have approved such commodity as eligible and suitable for financing under this Act.

(g) (1) None of the funds authorized to be appropriated or made available for obligation or expenditure under this Act may be made available for the procurement of construction or engineering services from advanced developing countries, eligible under the Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services.

(2) Paragraph (1) does not apply with respect to an advanced developing country which—

(A) is receiving direct economic assistance under chapter 1 of part I or chapter 4 of part II of this Act, and

(B) if the country has its own foreign assistance programs which finance the procurement of construction or engineering services, permits United States firms to compete for those services.

Sec. 605. Retention and Use of Certain Items and Funds.—(a) Any commodities and defense articles procured to carry out this Act shall be retained by, or upon reimbursement, transferred to, and for the use of, such agency of the United States Government as the President may determine in lieu of being disposed of to a foreign country or international organization, whenever in the judgment of the President the best interests of the United States will be served thereby or whenever such retention is called for by concurrent resolution. Any commodities or defense articles so retained may be disposed of without regard to provisions of law relating to the disposal of property owned by the United States Government, when necessary to prevent spoilage or wastage.
of such commodities or defense articles or to conserve the usefulness thereof. Funds realized from any disposal or transfer shall revert to the respective appropriation, fund, or account used to procure such commodities or defense articles or to the appropriation, fund, or account currently available for the same general purpose.

(b) Whenever commodities are transferred to the United States Government as repayment of assistance under this Act, such commodities may be used in furtherance of the purposes and within the limitations of this Act.

(c) Funds realized as a result of any failure of a transaction financed under authority of part I of this Act to conform to the requirements of this Act, or to applicable rules and regulations of the United States Government, or to the terms of any agreement or contract entered into under authority of part I of this Act, shall revert to the respective appropriation, fund, or account used to finance such transaction or to the appropriation, fund, or account currently available for the same general purpose.

(d) Funds realized by the United States Government from the sale, transfer, or disposal of defense articles returned to the United States Government by a recipient country or international organization as no longer needed for the purpose for which furnished shall be credited to the respective appropriation, fund, or account used to procure such defense articles or to the appropriation, fund, or account currently available for the same general purpose.

Sec. 606. Patents and Technical Information.—(a) Whenever, in connection with the furnishing of assistance under this Act—

(1) an invention or discovery covered by a patent issued by the United States Government is practiced within the United States without the authorization of the owner, or

(2) information, which is (A) protected by law, and (B) held by the United States Government subject to restrictions imposed by the owner, is disclosed by the United States Government or any of its officers, employees, or agents in violation of such restrictions,

the exclusive remedy of the owner, except as provided in subsection (b) of this section, is to sue the United States Government for reasonable and entire compensation for such practice or disclosure in the district court of the United States for the district in which such owner is a resident, or in the United States Court of Federal Claims within six years after the cause of action arises. Any period during which the United States Government is in possession of a written claim under subsection (b) of this section before mailing a notice of denial of that claim does not count in computing the six years. In any such suit, the United States Government may plead any defense that may be pleaded by a private person in such an action. The last paragraph of section 1498(a) of title 28 of the

729 Subsecs. (c) and (d) were added by sec. 301(a)(2) of the FA Act of 1965.
731 Reference to the United States Claims Court was inserted in lieu of a reference to the Court of Claims by sec. 160(a)(6) of the Federal Courts Improvement Act (Public Law 97-164; 96 Stat. 480). Subsequently, sec. 902(b) of Public Law 102-572 (106 Stat. 4516) provided that any reference, in law or in Federal documents, to the United States Claim Court should be deemed to be a reference to the United States Court of Federal Claims.
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United States Code shall apply to inventions and information covered by this section.

(b) Before suit against the United States Government has been instituted, the head of the agency of the United States Government concerned may settle and pay any claim arising under the circumstances described in subsection (a) of this section. No claim may be paid under this subsection unless the amount tendered is accepted by the claimant in full satisfaction.

(c) Funds appropriated pursuant to this Act shall not be expended by the United States Government for the acquisition of any drug product or pharmaceutical product manufactured outside the United States if the manufacture of such drug product or pharmaceutical product in the United States would involve the use of, or be covered by, an unexpired patent of the United States which has not previously been held invalid by an unappealed or unappealable judgment or decree of a court of competent jurisdiction, unless such manufacture is expressly authorized by the owner of such patent.

Sec. 607. Furnishing of Services and Commodities.—(a) Whenever the President determines it to be consistent with and in furtherance of the purposes of part I and within the limitations of this Act, any agency of the United States Government is authorized to furnish services and commodities on an advance-of-funds or reimbursement basis to friendly countries, international organizations, the American Red Cross, and voluntary nonprofit relief agencies registered with and approved by the Agency for International Development (including foreign voluntary nonprofit relief agencies so registered and approved when no United States voluntary nonprofit relief agency is available). Such advances or reimbursements may be credited to the currently applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used, under the following circumstances:

1. Advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered.

2. Advances or reimbursements received pursuant to agreements executed under this section in which reimbursement will not be completed within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered: Provided, That such agreements require the payment of interest at the current rate established pursuant to section 2(b)(1)(B) of the Export-Import Bank Act of 1945 (59 Stat. 526), and repayment of such principal and interest does

732 22 U.S.C. 2357. Subsection designation "(a)" was added by sec. 301(b) of the FA Act of 1968. Presidential authority in sec. 607 was delegated to the Secretary of State and to the Administrator of the Agency for International Development, respectively, for matters within their respective areas of responsibility, pursuant to a Presidential memorandum of February 16, 1995 (60 F.R. 10793).

733 The reference to the Agency for International Development was substituted in lieu of a reference to the Advisory Committee on Voluntary Foreign Aid by sec. 121 of the International Development Cooperation Act of 1979 (Public Law 96-53; 93 Stat. 366).

734 The parenthetical phrase was added by sec. 122(a) of the International Development and Food Assistance Act of 1977 (Public Law 95-88; 91 Stat. 541). Subsec. (b) of sec. 122 further instructed the President to issue regulations "governing registration with and approval by the Advisory Committee on Voluntary Foreign Aid of foreign nonprofit agencies.".
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not exceed a period of three years from the date of signing of
the agreement to provide the service. Provided further, That
funds available for this paragraph in any fiscal year shall not
exceed $1,000,000 of the total funds authorized for use in such
fiscal year by chapter 1 of part I of this Act, and shall be avail-
able only to the extent provided in appropriation Acts. Interest
shall accrue as of the date of disbursement to the agency or or-
ganization providing such services.\footnote{735 Sec. 315 of Public
Law 94-161 (89 Stat. 849) inserted the words to this point
commencing with "Such advances or reimbursements may be
credited * * *" in lieu of "Such advances or reimbursements
which are received under this section within one hundred and
eighty days after the close of the fiscal year in which such services
and commodities are delivered, may be credited to the current
applicable appropriation, account, or fund of the agency con-
cerned and shall be available for the purposes for which such
appropriation, account, or fund is authorized to be used."}

(b)\footnote{736 Sec. 522 of the International Development and Food
Assistance Act of 1978 (Public Law 95-424; 92 Stat. 959) redesignated
subsec. (b) (as added by FA Act of 1968) as subsec. (c) and
added a new subsec. (b).} When any agency of the United States
Government provides services on an advance-of-funds or reim-
burseable basis under this section, such agency may contract
with individuals for personal service abroad or in the United States
to perform such services or to replace officers or employees of the
United States Government who are assigned by the agency to
provide such services. Such individuals shall not be regarded
as employees of the United States Government for the purpose
of any law administered by the Civil Service Commission.\footnote{737
Sec. 102 of the Reorganization Plan No. 2 of 1978 (43 F.R. 36037;
92 Stat. 3783) transferred all functions vested by statute in the
Civil Service Commission to the Director of the Office of Per-
sonnel Management.}

(c)\footnote{738 The words "except as provided in subsection (d)," were
added by sec. 129(1)(B) of the Foreign Relations Authorization
Act, Fiscal Years 1986 and 1987 (Public Law 99-93; 99 Stat. 419).} (1)
Except as provided in subsection (d),\footnote{739 Sec. 129(2) of the
Foreign Relations Authorization Act, Fiscal Years 1986 and
1987 (Public Law 99-93; 99 Stat. 419).} no Government-
owned excess property shall be made available under this section,
section 608, or otherwise in furtherance of the purposes of part I
of this Act, unless, before the shipment of such property for use
in a specified country (or transfer, if the property is already in
such country), the agency administering such part I has approved
such shipment (or transfer) and made a written determination—

(A)\footnote{738 Sec. 522 of the International Development and Food
Assistance Act of 1978 (Public Law 95-424; 92 Stat. 959) redesignated
subsec. (b) (as added by FA Act of 1968) as subsec. (c) and
added a new subsec. (b).} that there is a need for such property in
the quantity requested and that such property is suitable for the
purpose requested;

(B)\footnote{738 Sec. 522 of the International Development and Food
Assistance Act of 1978 (Public Law 95-424; 92 Stat. 959) redesignated
subsec. (b) (as added by FA Act of 1968) as subsec. (c) and
added a new subsec. (b).} as to the status and responsibility of the
designated end-user and his ability effectively to use and maintain
such property; and

(C)\footnote{738 Sec. 522 of the International Development and Food
Assistance Act of 1978 (Public Law 95-424; 92 Stat. 959) redesignated
subsec. (b) (as added by FA Act of 1968) as subsec. (c) and
added a new subsec. (b).} that the residual value, serviceability,
and appearance of such property would not reflect unfavorably
on the image of the United States and would justify the costs of
packing, crating, handling, transportation, and other accessorial
costs, and that the residual value at least equals the total of these
costs.

(d)\footnote{738 Sec. 522 of the International Development and Food
Assistance Act of 1978 (Public Law 95-424; 92 Stat. 959) redesignated
subsec. (b) (as added by FA Act of 1968) as subsec. (c) and
added a new subsec. (b).} The Secretary of State, acting through the Assistant
Secretary of State for Oceans and International Environmental and
Scientific Affairs, is authorized to transfer to any friendly country,
in international organization, the American Red Cross, or other vol-
untary nonprofit relief agency described in subsection (a), Govern-
ment-owned excess property made available under this section or section 608 in order to support activities carried out under part I of this Act which are designed to enhance environmental protection in foreign countries if the Secretary of State makes a written determination—

(1) that there is a need for such property in the quantity requested and that such property is suitable for the purpose requested;

(2) as to the status and responsibility of the designated end-user and his ability effectively to use and maintain such property; and

(3) that the residual value, serviceability, and appearance of such property would not reflect unfavorably on the image of the United States and would justify the costs of packing, crating, handling, transportation, and other accessorial costs, and that the residual value at least equals the total of these costs.

Sec. 608.  Advance Acquisition of Property.—(a) It is the sense of the Congress that in furnishing assistance under part I excess personal property, or (if a substantial savings would occur) other property already owned by an agency of the United States Government, should be utilized wherever practicable in lieu of or supplementary to the procurement of new items for United States-assisted projects and programs. The President is authorized to maintain in a separate account, which shall, notwithstanding section 1210 of the General Appropriation Act, 1951 (64 Stat. 765), be free from fiscal year limitations, $5,000,000 of funds made available under chapter 1 of part I, which may be used to pay costs (including personnel costs) of acquisition, storage, renovation and rehabilitation, packing, crating, handling transportation, and related costs of property classified as domestic or foreign excess property pursuant to the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), any property available from an agency of the United States Government or other property, in advance of known requirements therefor for use in furtherance of the purposes of part I: Provided, That the

740 22 U.S.C. 2358. Title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), provided the following:

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"For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, $261,000,000: * * * Provided further. That during fiscal year 2000, the Department of State may also use the authority of section 608 of the Foreign Assistance Act of 1961, without regard to its restrictions, to receive excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations."

This sentence was added by sec. 301(b) of the FA Act of 1967. The phrases within the sentence of "or (if substantial savings would occur) other property already owned by an agency of the United States Government," and "or supplementary to" were added by sec. 701(1) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1544).

742 The words "chapter 1 of part I" were inserted in lieu of "section 212" by sec. 102(g)(2)(C) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 942).

743 The words "(including personnel costs)," were added by sec. 301(c) of the FA Act of 1966.

744 The words "any property available from an agency of the United States Government," were added by sec. 701(2) of the International Security and Development Cooperation Act of 1981 (Public Law 97-113; 95 Stat. 1544).
amount of property classified as domestic excess property pursuant to the Federal Property and Administrative Services Act of 1949, as amended, held at any one time pursuant to this section shall not exceed $15,000,000 in total original acquisition cost. Property acquired pursuant to the preceding sentence may be furnished (1) pursuant to any provision of part I for which funds are authorized for the furnishing of assistance, in which case the separate account established pursuant to this section shall be repaid from funds made available for such provision for all costs incurred, or (2) pursuant to section 607, in which case such separate account shall be repaid in accordance with the provisions of that section for all costs incurred.

(b) Property classified as domestic excess property under the Federal Property and Administrative Services Act of 1949, as amended, shall not be transferred to the agency primarily responsible for administering part I for use pursuant to the provisions of part I or section 607 unless (1) such property is transferred for use exclusively by an agency of the United States Government, or (2) it has been determined in the same manner as provided for surplus property in section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, that such property is not needed for donation pursuant to that subsection. The foregoing restrictions shall not apply to the transfer in any fiscal year for use pursuant to the provisions of part I of amounts of such property with a total original acquisition cost to the United States Government not exceeding $45,000,000.

Sec. 609.745 * * * [Repealed—1998]

Sec. 610.746 Transfer Between Accounts.—(a) Whenever the President determines it to be necessary for the purposes of this Act,
not to exceed 10 per centum of the funds made available for any provision of this Act (except funds made available pursuant to title IV of chapter 2 of part I or for section 23 of the Arms Export Control Act) may be transferred to, and consolidated with, the funds made available for any provision of this Act (except funds made available under chapter 2 of part II of this Act) and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount of funds made available for such provision.

(b) The authority contained in this section and in sections 451, 506, and 614 shall not be used to augment appropriations made available pursuant to sections 636(g)(1) and 637 or otherwise to finance activities which normally would be financed from appropriations for administrative expenses.

(c) Any funds which the President has notified Congress pursuant to section 653 that he intends to provide in military assistance to any country may be transferred to, and consolidated with, any other funds he has notified Congress pursuant to such section that he intends to provide to that country for development assistance purposes.

Sec. 611. Completion of Plans and Cost Estimates.—(a) No agreement or grant which constitutes an obligation of the United States Government in excess of $500,000 under section 1501 of title 31, United States Code, shall be made for any assistance authorized under chapter I of part I, title II of chapter 2 of part I, or chapter 4 of part II—

(1) if such agreement or grant requires substantive technical or financial planning, until engineering, financial, and other

"TRANSFERS BETWEEN ACCOUNTS"

"Sec. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate."

747 The parenthetical phrase was added by sec. 301 of the FA Act of 1969. Sec. 10(a) of the International Narcotics Control Act of 1990 (Public Law 101-623; 104 Stat. 3356) inserted reference to sec. 23 of the Arms Export Control Act, but, in an enrolling error, this text was inserted inside the parenthesis. Should probably read "* * * for any provision of this Act (except funds made available pursuant to title IV of chapter 2 of part I) or for section 23 of the Arms Export Control Act may be transferred to * * *". Sec. 10 also struck out "other" at the place noted and provided that "(b) The amendments made by subsection (a) apply with respect to funds made available for fiscal year 1991 or any fiscal year thereafter."

748 The parenthetical phrase was added by sec. 19(a)(1) of the FA Act of 1974.

749 Sec. 301(c) of the FA Act of 1967 inserted "506" for "510".

750 The final sentence of subsec. (b), which had been amended by the FA Act of 1966, was repealed by sec. 10(b)(2) of the International Security Assistance Act of 1978 (Public Law 95-424; 92 Stat. 735). It formerly read as follows:

"Not to exceed $9,000,000 of the funds appropriated under section 402 of this Act for any fiscal year may be transferred to and consolidated with appropriations made under section 637(a) of this Act for the same fiscal year, subject to the further limitation that funds so transferred shall be available solely for additional administrative expenses incurred in connection with programs in Vietnam."

751 Subsec. (c) was added by sec. 19(a)(2) of the FA Act of 1974.


753 Sec. 1208 of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 278), raised this amount from $100,000.


755 The words "chapter 1 of part I, title II of chapter 2 of part I, or chapter 4 of part II" were inserted in lieu of "titles I, II, and VI of chapter 2 and chapter 4 of part I" by sec. 102(g)(2)(D) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 943).
planned necessary to carry out such assistance, and a reasonably
firm estimate of the cost to the United States Government of
providing such assistance, have been completed; and

(2) if such agreement or grant requires legislative action
within the recipient country, unless such legislative action may
reasonably be anticipated to be completed in time to permit the
orderly accomplishment of the purposes of such agreement or
grant.

(b) Plans required under subsection (a) of this section for any
water or related land resource construction project or program
shall include a computation of benefits and costs made insofar as
practicable in accordance with the principles, standards, and pro-
ductures established pursuant to the Water Resources Planning Act,
(42 U.S.C. 1962, et seq.) or acts amending or supplementary thereto.

(c) To the maximum extent practicable, all contracts for con-
struction outside the United States made in connection with any agree-
ment or grant subject to subsection (a) of this section shall be made on
a competitive basis.

(d) Subsection (a) of this section shall not apply to any assistance
furnished for the sole purpose of preparation of engineering, financial,
and other plans.

(e) In addition to any other requirements of this section, no
assistance authorized under chapter 1 of part I, title II of chapter
2 of part I, or chapter 4 of part II shall be furnished with respect to
any capital assistance project estimated to cost in excess of $1,000,000 until the head of the agency primarily responsible for
administering part I of the Act has received and taken into consid-
eration a certification from the principal officer of such agency in
the country in which the project is located as to the capability of
the country (both financial and human resources) to effectively
maintain and utilize the project taking into account among other
things the maintenance and utilization of projects in such country
previously financed or assisted by the United States.

Sec. 612. Use of Foreign Currencies.—(a) Except as otherwise provided in this Act or other Acts, foreign currencies received
either (1) as a result of the furnishing of nonmilitary assistance
under the Mutual Security Act of 1954, as amended, or any Act re-
pealed thereby and unobligated on the date prior to the effective
date of this Act, or (2) on or after the effective date of this Act, as
a result of the furnishing of nonmilitary assistance under the Mu-
tual Security Act of 1954, as amended, or any Act repealed thereby,
or (3) as a result of the furnishing of assistance under part I, which are in excess of the amounts reserved under authority of section 105(d) of the Mutual Educational and Cultural Exchange Act of 1961 or any other Act relating to educational and cultural exchanges, may be sold by the Secretary of the Treasury to agencies of the United States Government for payment of their obligations outside the United States, and the United States dollars received as reimbursement shall be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the amounts so reserved and of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, shall be available for the authorized purposes of part I in such amounts as may be specified from time to time in appropriation Acts.

(b) Any Act of Congress making appropriations to carry out programs under this or any other Act for United States operations abroad is hereby authorized to provide for the utilization of United States-owned excess foreign currencies to carry out any such operations authorized by law.

As used in this subsection, the term “excess foreign currencies” means foreign currencies or credits owned by or owed to the United States which are, under applicable agreements with the foreign country concerned, available for the use of the United States Government and are determined by the President to be excess to the normal requirements of departments and agencies of the United States for such currencies or credits and are not prohibited from use under this subsection by an agreement entered into with the foreign country concerned.

The President shall take all appropriate steps to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars. Dollar funds made available pursuant to this Act shall not be expended for goods and services when United States-owned foreign currencies are available for such purposes unless the administrative official approving the voucher certifies as to the reason for the use of dollars in each case.

(c) In addition to funds otherwise available, excess foreign currencies, as defined in subsection (b), may be made available to friendly foreign governments and to private, nonprofit United States organizations to carry out voluntary family planning programs in countries which request such assistance. No such program shall be assisted unless the President has received assurances that in the administration of such program the recipient will take reasonable precautions to insure that no person receives any family planning assistance or supplies unless he desires such services. The excess foreign currencies made available under this sub-

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760 Subsec. (b) was added by sec. 301(c) of the FA Act of 1964. Originally added as subsec. (c), it was redesignated by sec. 301(c) of the FA Act of 1964 and former subsec. (b) was redesignated as sec. 104(t) of Public Law 480 (the latter has subsequently been transferred in part to sec. 103(m) of Public Law 480).

761 The first sentence of this paragraph was struck out by sec. 301(b) of the FA Act of 1965. It read as follows: “The President shall take all appropriate steps to assure that, to the maximum extent possible, United States-owned excess foreign currencies are utilized in lieu of dollars.”

762 This paragraph was added by sec. 301(b) of the FA Act of 1965.

763 Subsec. (c) was added by sec. 301(e) of the FA Act of 1966.
section shall not, in any one year, exceed 5 per centum of the aggregate of all excess foreign currencies. As used in this subsection, the term “voluntary family planning program” includes, but is not limited to, demographic studies, medical and psychological research, personnel training, the construction and staffing of clinics and rural health centers, specialized training of doctors and paramedical personnel, the manufacture of medical supplies, and the dissemination of family planning information, medical assistance, and supplies to individuals who desire such assistance.

(d) In furnishing assistance under this Act to the government of any country in which the United States owns excess foreign currencies as defined in subsection (b) of this section, except those currencies generated under the Agricultural Trade Development and Assistance Act of 1954, as amended, the President shall endeavor to obtain from the recipient country an agreement for the release, on such terms and conditions as the President shall determine, of an amount of such currencies up to the equivalent of the dollar value of assistance furnished by the United States for programs as may be mutually agreed upon by the recipient country and the United States to carry out the purposes for which new funds authorized by this Act would themselves be available.

Sec. 613. Accounting, Valuation, Reporting, and Administration of Foreign Currencies.

(a) Under the direction of the President, the Secretary of the Treasury shall have responsibility for valuation and central accounting with respect to foreign credits (including currencies) owed to or owned by the United States. In order to carry out such responsibility the Secretary shall issue regulations binding upon all agencies of the Government.

(b) The Secretary of the Treasury shall have sole authority to establish for all foreign currencies or credits the exchange rates at which such currencies are to be reported by all agencies of the Government.

(c) [Repealed—1981]

(d) In cases where assistance is to be furnished to any recipient country in furtherance of the purposes of this or any other Act on a basis which will result in the accrual of foreign currency proceeds to the United States, the Secretary of the Treasury shall issue regulations requiring that agreements, in respect of such assistance, include provisions for the receipt of interest income on the foreign currency proceeds deposited in authorized depositories: Provided, That whenever the Secretary of State determines it not to be in the national interest to conclude arrangements for the receipt of interest income he may waive the requirement thereof: Provided further, That the Secretary of State, or his delegate, shall promptly...
make a complete report to the Congress on each such determination and the reasons therefor.

Sec. 614. Special Authorities. (a) The President may authorize the furnishing of assistance under this Act without regard to any provision of this Act, the Arms Export Control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under this Act, in furtherance of any of the purposes of this Act, when the President determines, and so notifies in writing the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that to do so is important to the security interests of the United States.

(b) The President may make sales, extend credit, and issue guarantees under the Arms Export Control Act, without regard to any provision of this Act, the Arms Export Control Act, any law relating to receipts and credits accruing to the United States, and any Act authorizing or appropriating funds for use under the Arms Export Control Act, in furtherance of any of the purposes of such Act, when the President determines, and so notifies in writing the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, that to do so is vital to the national security interests of the United States.

(c) Before exercising the authority granted in this subsection, the President shall consult with, and shall provide a written policy justification to, the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.


773 Subsec. (a), as amended by the FA Act of 1966 and the FA Act of 1967, was further amended and restated by sec. 117(a) of the International Security and Development Cooperation Act of 1980 (Public Law 96±533; 94 Stat. 3140), and by sec. 128 of the International Security and Development Cooperation Act of 1985 (Public Law 99±83; 99 Stat. 209). It formerly read as follows:

"(a) The President may authorize in each fiscal year the use of funds made available for use under this Act and the furnishing of assistance under section 506 in a total amount not to exceed $250,000,000 and the use of not to exceed $100,000,000 of foreign currencies accruing under this Act or any other law without regard to the requirements of this Act, any law relating to receipts and credits accruing to the United States, any Act appropriating funds for use under this Act, or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), in furtherance of any of the purposes of such Acts, when the President determines that such authorization is important to the security of the United States. Not more than $50,000,000 of the funds available under this subsection may be allocated to any one country in any fiscal year. The limitation contained in the preceding sentence shall not apply to any country which is a victim of active Communist or Communist-supported aggression. The authority of this section shall not be used to waive the limitations on transfers contained in section 610(a) of this Act.".

In a memorandum of September 29, 1999, for the Secretary of State, the President determined "that it is important to the security interests of the United States to furnish up to $18.1 million in funds made available under the heading "Nonproliferation, Anti-Terrorism, Demining and Related Programs" in title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999, as enacted in Public Law 105±277, for assistance for KEDO without regard to any provision of law within the scope of section 614(a)(1). I hereby authorize the furnishing of such assistance." (Presidential Determination No. 99±42; 64 F.R. 54499).

723 Sec. 1(a)(5) of Public Law 104±14 (109 Stat. 186) provided that references to the Committee on Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives.
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(4)774 (A) The authority of this subsection may not be used in any fiscal year to authorize—

(i) more than $750,000,000 in sales to be made under the Arms Export Control Act;

(ii) the use of more than $250,000,000 of funds made available for use under this Act or the Arms Export Control Act; and

(iii) the use of more than $100,000,000 of foreign currencies accruing under this Act or any other law.

(B) If the authority of this subsection is used both to authorize a sale under the Arms Export Control Act and to authorize funds to be used under the Arms Export Control Act or under this Act with respect to the financing of that sale, then the use of the funds shall be counted against the limitation in subparagraph (A)(ii) and the portion, if any, of the sale which is not so financed shall be counted against the limitation in subparagraph (A)(i).

(C) Not more than $50,000,000 of the $250,000,000 limitation provided in subparagraph (A)(ii) may be allocated to any one country in any fiscal year unless that country is a victim of active aggression, and not more than $500,000,000 of the aggregate limitation of $1,000,000,000 provided in subparagraphs (A)(i) and (A)(ii) may be allocated to any one country in any fiscal year.

(5) The authority of this section may not be used to waive the limitations on transfers contained in section 610(a) of this Act.

(b) Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin, and without regard to such provisions of law as he determines should be disregarded to achieve this purpose.

(c) The President is authorized to use amounts not to exceed $50,000,000 of the funds made available under this Act pursuant to his certification that it is inadvisable to specify the nature of the use of such funds, which certification shall be deemed to be a sufficient voucher for such amounts.776 The President shall fully inform the chairman and ranking minority member of the Committee on Foreign Affairs773 of the House of Representatives and the chairman and ranking minority member of the Committee on Foreign Relations of the Senate of each use of funds under this subsection prior to the use of such funds.777
Sec. 615. Contract Authority.—Provisions of this Act authorizing the appropriation of funds shall be construed to authorize the granting in any appropriation Act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations.

Sec. 616. Availability of Funds.—Except as otherwise provided in this Act, funds shall be available to carry out the provisions of this Act as authorized and appropriated to the President each fiscal year.

Sec. 617. Termination of Assistance.—Assistance under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for a period not to exceed eight months from the date of termination of assistance under this Act for the necessary expenses of winding up programs related thereto. In order to ensure the effectiveness of assistance under this Act, such expenses for orderly termination of programs may include the obligation and expenditure of funds to complete the training or studies outside the countries of origin of students whose course of study or training program began before assistance was terminated. Such expenses for orderly termination of programs under the Arms Export Control Act may include the obligation and expenditure of funds to complete the training or studies outside the countries of origin of students whose course of study or training program began before assistance was terminated, as long as the origin country's termination was not a result of activities beyond default of financial responsibilities.

Sec. 618. Use of Settlement Receipts.—* * * [Repealed—1978]

Sec. 619. Assistance to Newly Independent Countries.—* * * [Repealed—1978]

Sec. 620. Prohibitions Against Furnishing Assistance—

781 Sec. 14 of the FA Act of 1973 inserted “eight” in lieu of “twelve”.
782 This sentence was added by sec. 310 of the International Security and Development Cooperation Act of 1980 (Public Law 96–533; 94 Stat. 3148).
784 Secs. 618 and 619 were repealed by sec. 604 of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 961).
785 22 U.S.C. 2370. Sec. 204 of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (Public Law 104–114; 110 Stat. 810; 22 U.S.C. 6064) provided the following:

[a] Presidential Actions.—Upon submitting a determination to the appropriate congressional committees under section 203(c)(1) that a transition government in Cuba is in power, the President, after consultation with the Congress, is authorized to take steps to suspend the economic embargo of Cuba and to suspend the right of action created in section 302 with respect to actions thereafter filed against the Cuban Government, to the extent that such steps contribute to a stable foundation for a democratically elected government in Cuba.

[b] Suspension of Certain Provisions of Law.—In carrying out subsection (a), the President may suspend the enforcement of—

[1] section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a));
[3] sections 1704, 1705(d), and 1706 of the Cuban Democracy Act of 1992 (22 U.S.C. 6003, 6004(d), and 6005); and
[4] section 902(c) of the Food Security Act of 1985; and
development and food assistance act of 1977 (public law 95-88; 91 stat. 541).

stricting shipments to cuba, was subsequently repealed by sec. 123(a)(2) of the international
development and food assistance act of 1977 (public law 95-88; 91 stat. 541).

was struck out by sec. 123(a)(1) of the international development and food assistance act of
1977 (public law 95-88; 91 stat. 541).

ance is in the national interest of the united states'', which formerly appeared at this point,
assistance to the present government of cuba unless the president determines that such assist-
ance.Ð''.

tries.Ð'' for ``prohibitions against furnishing assistance to cuba and certain other coun-
tries.Ñ''.

ance.Ð'' for ``total embargo upon all trade between the united states and cuba.

sentence, the president is authorized to establish and maintain a
total embargo upon all trade between the united states and cuba.

prohibitions on transactions described in part 515 of title 31, code of federal reg-
ulations.

additional presidential actions.—upon submitting a determination to the appropriate
congressional committees under section 203(c)(3) that a democratically elected government in
cuba is in power, the president shall take steps to terminate the economic embargo of cuba,
including the restrictions under part 515 of title 31, code of federal regulations.

conforming amendments.—on the date on which the president submits a determina-
tion under section 203(c)(3)—

``(1) section 620(a) of the foreign assistance act of 1961 (22 u.s.c. 2370(a)) is repealed;
``(2) section 620(f) of the foreign assistance act of 1961 (22 u.s.c. 2370(f)) is amended
by striking ``republic of cuba'';
``(3) sections 1704, 1705(d), and 1706 of the cuban democracy act of 1992 (22 u.s.c.
6003, 6004(d), and 6005) are repealed; and
``(4) section 902(c) of the food security act of 1985 is repealed.
``(e) review of suspension of economic embargo.—

``(1) review.—if the president takes action under subsection (a) to suspend the economic
embargo of cuba, the president shall immediately so notify the congress. the president
shall report to the congress no less frequently than every 6 months thereafter, until he sub-
mits a determination under section 203(c)(3) that a democratically elected government in
cuba is in power, on the progress being made by cuba toward the establishment of such
a democratically elected government. the action of the president under subsection (a) shall
cease to be effective upon the enactment of a joint resolution described in paragraph (2).
``(2) joint resolutions.—for purposes of this subsection, the term `joint resolution'
means only a joint resolution of the 2 houses of congress, the matter after the resolving
clause of which is as follows: `that the congress disapproves the action of the president
under section 203(a) of the cuban liberty and democratic solidarity (libertad) act of
1996 to suspend the economic embargo of cuba, notice of which was submitted to the con-
gress on .', with the blank space being filled with the appropriate date.
``(3) referral to committees.—joint resolutions introduced in the house of representa-
tives shall be referred to the committee on international relations and joint resolutions in-
troduced in the senate shall be referred to the committee on foreign relations.

``(4) procedures.—(a) any joint resolution shall be considered in the senate in accord-
ance with the provisions of section 601(b) of the international security assistance and arms
export control act of 1976.

(b) for the purpose of expediting the consideration and enactment of joint resolutions,
a motion to proceed to the consideration of any joint resolution after it has been reported
by the appropriate committee shall be treated as highly privileged in the house of rep-
resentatives.

``(c) not more than 1 joint resolution may be considered in the house of representatives
and the senate in the 6-month period beginning on the date on which the president notifies
the congress under paragraph (1) of the action taken under subsection (a), and in each 6-
month period thereafter. . . .

``(d) additional conforming amendments.—

``(1) the prohibitions on transactions described in part 515 of title 31, code of federal reg-
ulations.
``(2) sections 1704, 1705(d), and 1706 of the cuban democracy act of 1992 (22 u.s.c.
6003, 6004(d), and 6005) are repealed; and
``(4) sections 902(c) of the food security act of 1985 is repealed.
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``(1) review.—if the president takes action under subsection (a) to suspend the economic
embargo of cuba, the president shall immediately so notify the congress. the president
shall report to the congress no less frequently than every 6 months thereafter, until he sub-
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and the senate in the 6-month period beginning on the date on which the president notifies
the congress under paragraph (1) of the action taken under subsection (a), and in each 6-
month period thereafter. . . .

``(5) the prohibitions on transactions described in part 515 of title 31, code of federal reg-
ulations.
``(6) additional conforming amendments.—

``(1) section 620(a) of the foreign assistance act of 1961 (22 u.s.c. 2370(a)) is repealed;
``(2) section 620(f) of the foreign assistance act of 1961 (22 u.s.c. 2370(f)) is amended
by striking `republic of cuba';
``(3) sections 1704, 1705(d), and 1706 of the cuban democracy act of 1992 (22 u.s.c.
6003, 6004(d), and 6005) are repealed; and
``(4) section 902(c) of the food security act of 1985 is repealed.
``(e) review of suspension of economic embargo.—

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embargo of cuba, the president shall immediately so notify the congress. the president
shall report to the congress no less frequently than every 6 months thereafter, until he sub-
mits a determination under section 203(c)(3) that a democratically elected government in
cuba is in power, on the progress being made by cuba toward the establishment of such
a democratically elected government. the action of the president under subsection (a) shall
cease to be effective upon the enactment of a joint resolution described in paragraph (2).
``(2) joint resolutions.—for purposes of this subsection, the term `joint resolution'
means only a joint resolution of the 2 houses of congress, the matter after the resolving
clause of which is as follows: `that the congress disapproves the action of the president
under section 203(a) of the cuban liberty and democratic solidarity (libertad) act of
1996 to suspend the economic embargo of cuba, notice of which was submitted to the con-
gress on .', with the blank space being filled with the appropriate date.
``(3) referral to committees.—joint resolutions introduced in the house of representa-
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``(4) procedures.—(a) any joint resolution shall be considered in the senate in accord-
ance with the provisions of section 601(b) of the international security assistance and arms
export control act of 1976.

(b) for the purpose of expediting the consideration and enactment of joint resolutions,
a motion to proceed to the consideration of any joint resolution after it has been reported
by the appropriate committee shall be treated as highly privileged in the house of rep-
resentatives.

``(c) not more than 1 joint resolution may be considered in the house of representatives
and the senate in the 6-month period beginning on the date on which the president notifies
the congress under paragraph (1) of the action taken under subsection (a), and in each 6-
month period thereafter. . . .

``(5) the prohibitions on transactions described in part 515 of title 31, code of federal reg-
ulations.
zens and entities for property taken from such citizens and entities on or after January 1, 1959, by the Government of Cuba.

(b) 790 * * * [Repealed—1981]

(c) 791 No assistance shall be provided under this Act to the government of any country which is indebted to any United States citizen or person for goods or services furnished or ordered where (i) such citizen or person has exhausted available legal remedies, which shall include arbitration, or (ii) the debt is not denied or contested by such government, or (iii) such indebtedness arises under an unconditional guaranty of payment given by such government, or any predecessor government, directly or indirectly, through any controlled entity. Provided, That the President does not find such action contrary to the national security.

(d) No assistance shall be furnished on a loan basis under chapter 1 of part I 792 of this Act for construction or operation of any productive enterprise in any country where such enterprise will compete with United States enterprise unless such country has agreed that it will establish appropriate procedures to prevent the exportation for use or consumption in the United States of more than 20 per centum of the annual production of such facility during the life of the loan. In case of failure to implement such agreement by the other contracting party, the President is authorized to establish necessary import controls to effectuate the agreement. The restrictions imposed by or pursuant to this subsection may be waived by the President where he determines that such waiver is in the national security interest.

(e) 793 (1) 794 The President shall suspend assistance to the government of any country to which assistance is provided under this or any other Act when the government of such country or any government agency or subdivision within such country on or after January 1, 1962—

(A) 795 has nationalized or expropriated or seized ownership or control of property owned by any United States citizen or by any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or

(B) 795 has taken steps to repudiate or nullify existing contracts or agreements with any United States citizen or any cor-

790 Subsec. (b) was repealed by sec. 724(a)(1) of the International Security and Development Cooperation Act of 1981 (Public Law 97–113; 95 Stat. 1560). It previously read as follows:

"(B) No assistance shall be furnished under this Act to the government of any country unless the President determines that such country is not dominated or controlled by the international Communist movement."

791 Subsec. (c) was amended by sec. 301(d)(2) of the FA Act of 1962. It formerly read as follows:

"(c) No assistance shall be provided under this Act to the government of any country which is indebted to any United States citizen for goods or services furnished, where such citizen has exhausted available legal remedies and the debt is not denied or contested by such government."

792 The words "on a loan basis under chapter 1 of part I" were inserted in lieu of "under section 201" by sec. 102(g)(2)(F) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 943).

793 Subsec. (e)(1) was added by sec. 301(d)(3) of the FA Act of 1962 and was amended by sec. 301(d)(2) of the FA Act of 1963 and by secs. 301(d)(1) and (2) of the FA Act of 1964.

794 Subsec. (e)(1) is popularly referred to as the Hickenlooper amendment. Paragraph designation "(1)" was added by sec. 301(d)(1) of the FA Act of 1964.

795 Subsec. (e)(1) was added by sec. 301(d)(2) of the FA Act of 1964 redesignated subpars. (1), (2), and (3) as subpars. (A), (B), and (C), respectively.
poration, partnership, or association not less than 50 per centum beneficially owned by United States citizens, or
(C) has imposed or enforced discriminatory taxes or other exactions, or restrictive maintenance or operational conditions, or has taken other actions, which have the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property so owned,
and such country, government agency, or government subdivision fails within a reasonable time (not more than six months after such action, or, in the event of a referral to the Foreign Claims Settlement Commission of the United States within such period as provided herein, not more than twenty days after the report of the Commission is received) to take appropriate steps, which may include arbitration, to discharge its obligations under international law toward such citizen or entity, including speedy compensation for such property in convertible foreign exchange, equivalent to the full value thereof, as required by international law, or fails to take steps designed to provide relief from such taxes, exactions, or conditions, as the case may be; and such suspension shall continue until the President is satisfied that appropriate steps are being taken, and the provisions of this subsection shall not be waived with respect to any country unless the President determines and certifies that such a waiver is important to the national interests of the United States. Such certification shall be reported immediately to Congress.

Upon request of the President (within seventy days after such action referred to in subparagraphs (A), (B), or (C) of paragraph (1) of this section), the Foreign Claims Settlement Commission of the United States (established pursuant to Reorganization Plan No. 1 of 1954, 68 Stat. 1279) is hereby authorized to evaluate expropriated property, determining the full value of any property nationalized, expropriated, or seized, or subject to discriminatory or other actions as aforesaid, for purposes of this subsection and to render an advisory report to the President within ninety days after such request. Unless authorized by the President, the Commission shall not publish its advisory report except to the citizen or entity owning such property. There is hereby authorized to be appropriated such amount, to remain available until expended, as may be necessary from time to time to enable the Commission to carry out expeditiously its functions under this subsection.

(2) Notwithstanding any other provision of law, no court in the United States shall decline on the ground of the federal act of state doctrine to make a determination on the merits giving effect to the principles of international law in a case in which claim of title or other right to property is asserted by any party including a foreign state (or a party claiming through such state) based upon (or traced through) a confiscation or other taking after January 1, 1959, by an act of that state in violation of the principles

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796 The words to this point, beginning with "the provisions of this subsection * * *" were inserted in lieu of "no other provision of this Act shall be construed to authorize the President to waive the provisions of this subsection," by sec. 15 of the FA Act of 1973.
797 Sec. 301(d)(3) of the FA Act of 1964 inserted "subparagraphs (A), (B), or (C) of paragraph (1) in lieu of "paragraphs (1), (2), or (3)."
798 Par. (2) was added by sec. 301(d)(4) of the FA Act of 1964.
799 Sec. 301(d)(2) of the FA Act of 1965 inserted the words "to property."
of international law, including the principles of compensation and the other standards set out in this subsection: Provided, That this subparagraph shall not be applicable (1) in any case in which an act of a foreign state is not contrary to international law or with respect to a claim of title or other right to property acquired pursuant to an irrevocable letter of credit of not more than 180 days duration issued in good faith prior to the time of the confiscation or other taking, or (2) in any case with respect to which the President determines that application of the act of state doctrine is required in that particular case by the foreign policy interests of the United States and a suggestion to this effect is filed on his behalf in that case with the court.

Sec. 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236; 22 U.S.C. 2370a), however, provided the following:

"SEC. 527. EXPROPRIATION OF UNITED STATES PROPERTY.

(a) PROHIBITION.—None of the funds made available to carry out this Act, the Foreign Assistance Act of 1961, or the Arms Export Control Act may be provided to a government or any agency or instrumentality thereof, if the government of such country (other than a country described if subsection (d))—

"(1) has on or after January 1, 1956—

"(A) nationalized or expropriated the property of any United States person,

"(B) repudiated or nullified any contract with any United States person, or

"(C) taken any other action (such as the imposition of discriminatory taxes or other exactions) which has the effect of seizing ownership or control of the property of any United States person, and

"(2) has not, within the period specified in subsection (c), either—

"(A) returned the property,

"(B) provided adequate and effective compensation for such property in convertible foreign exchange or other mutually acceptable compensation equivalent to the full value thereof, as required by international law,

"(C) offered a domestic procedure providing prompt, adequate and effective compensation in accordance with international law, or

"(D) submitted the dispute to arbitration under the rules of the Convention for the Settlement of Investment Disputes or other mutually agreeable binding international arbitration procedure.

(b) OTHER ACTIONS.—The President shall instruct the United States Executive Directors of each multilateral development bank and international financial institution to vote against any loan or other utilization of the funds of such bank or institution for the benefit of any country to which assistance is prohibited under subsection (a), unless such assistance is directed specifically to programs which serve the basic human needs of the citizens of that country.

(c) PERIOD FOR SETTLEMENT OF CLAIMS.—The period of time described in subsection (a)(2) is the latest of the following—

"(1) 3 years after the date on which a claim was filed,

"(2) in the case of a country that has a totalitarian or authoritarian government at the time of the action described in subsection (a)(1), 3 years after the date of installation of a democratically elected government, or

"(3) 90 days after the date of enactment of this Act.

(d) EXCEPTIONS.—This section shall not apply to any country established by international mandate through the United Nations or to any territory recognized by the United States Government to be in dispute.

(e) RESUMPTION OF ASSISTANCE.—A prohibition or termination of assistance under subsection (a) and an instruction to vote against loans under subsection (b) shall cease to be effective when the President certifies in writing to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate that such government has taken one of the steps described in subsection (a)(2).

(f) REPORTING REQUIREMENT.—Not later than 90 days after the date of enactment of this Act and at the beginning of each fiscal year thereafter, the Secretary of State shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate, a report containing the following:

"(1) A list of every country in which the United States Government is aware that a United States person has an outstanding expropriation claim.

"(2) The total number of such outstanding expropriation claims made by United States persons against each such country.

"(3) The period of time in which each such claim has been outstanding.

"(4) The status of each case and efforts made by the United States Government and the government of the country in which such claim has been made, to take one or more of the steps described in subsection (a)(2).

"(5) Each project a United States Executive Director voted against as a result of the action described in subsection (b).
Sec. 620 Foreign Assistance Act of 1961 (P.L. 87-195) 257

(f) (1) No assistance shall be furnished under this Act, as amended (except section 214(b)), to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that: (A) such assistance is vital to the security of the United States; (B) the recipient country is not controlled by the international Communist conspiracy; and (C) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase "Communist country" includes specifically, but is not limited to, the following countries:

Democratic People's Republic of Korea.
People's Republic of China.
Republic of Cuba.
Socialist Republic of Vietnam.
Tibet.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, the President may remove a country, for such period as the President determines, from the application of this subsection, and other provisions which reference this subsection, if the President determines and reports to the Congress that such action is important to the national interest of the United States. It is the sense of the Congress that when consideration is given to authorizing assistance to a country removed from the application of this subsection, one of the factors to be weighed, among others, is whether the country in question is giving evidence of fostering the establish...
ment of a genuinely democratic system, with respect for internationally recognized human rights.

(g) Notwithstanding any other provision of law, no monetary assistance shall be made available under this Act to any government or political subdivision or agency of such government which will be used to compensate owners for expropriated or nationalized property and, upon finding by the President that such assistance has been used by any government for such purpose, no further assistance under this Act shall be furnished to such government until appropriate reimbursement is made to the United States for sums so diverted. This prohibition shall not apply to monetary assistance made available for use by a government (or a political subdivision or agency of a government) to compensate nationals of that country in accordance with a land reform program, if the President determines that monetary assistance for such land reform program will further the national interests of the United States.

(h) The President shall adopt regulations and establish procedures to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of any country that is a Communist country for purposes of subsection (f).

(i) The President shall consider terminating assistance under this Act or any other Act to any country which permits, or fails to take adequate measures to prevent, the damage or destruction by mob action of United States property within such country, and fails to take appropriate measures to prevent a recurrence thereof and to provide adequate compensation for such damage or destruction.

(k) Without the express approval of Congress, no assistance shall be furnished under this Act to any country for construction of any productive enterprise with respect to which the aggregate value of assistance to be furnished by the United States will exceed...
$100,000,000, except that this sentence does not apply with respect to assistance for construction of any productive enterprise in Egypt which is described in the presentation materials to Congress.\textsuperscript{810} Except as otherwise provided in section 506,\textsuperscript{811} no military assistance to be furnished beginning July 1, 1966, by the United States will exceed $100,000,000 unless such program has been included in the presentation to the Congress during its consideration of authorizations for appropriations under this Act or of appropriations pursuant to authorizations contained in this Act. No provision of this or any other Act shall be construed to authorize the President to waive the provisions of this subsection.

(l)\textsuperscript{812} The President shall consider denying assistance under this Act to the government of any less developed country which, after December 31, 1966, has failed to enter into an agreement with the President to institute the investment guaranty program under section 234(a)(1) of this Act, providing protection against the specific risks of inconvertibility under subparagraph (A), and expropriation or confiscation under subparagraph (B), of such section 234(a)(1).

(m)\textsuperscript{813} * * * [Repealed—1981]

(n)\textsuperscript{814} * * * [Repealed—1977]

(o)\textsuperscript{815} In determining whether or not to furnish assistance under this Act, consideration shall be given to excluding from such assistance any country which hereafter seizes, or imposes any penalty or sanction against, any United States fishing vessel on account of its fishing activities in international waters. The provisions of this subsection shall not be applicable in any case governed by international agreement to which the United States is a party.

(p)\textsuperscript{816} * * * [Repealed—1974]
(q) 817 No assistance shall be furnished under this Act to any country which is in default, during a period in excess of six calendar months, in payment to the United States of principal or interest on any loan made to such country under this Act, unless such country meets its obligations under the loan or unless the President determines that assistance to such country is in the national interest and notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of such determination.

(r) 817 No recipient of a loan made under the authority of this Act, any part of which is outstanding on or after the date of enactment of this subsection, shall be relieved of liability for the repayment of any part of the principal or interest on such loan.

(s) 818 (1) In order to restrain arms races and proliferation of sophisticated weapons, and to ensure that resources intended for economic development are not diverted to military purposes, the President shall take into account before furnishing development loans, Alliance loans or supporting assistance to any country under this Act, and before making sales under the Agricultural Trade Development and Assistance Act of 1954, as amended; 819

(A) the percentage of the recipient or purchasing country's budget which is devoted to military purposes; and

(B) the degree to which the recipient or purchasing country is using its foreign exchange or other 820 resources to acquire military equipment.

(2) 821 The President shall report annually to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate his actions in carrying out this provision.

(t) 822 No assistance shall be furnished under this or any other Act and no sales shall be made under the Agricultural Trade De-
Sec. 620 Foreign Assistance Act of 1961 (P.L. 87-195)

dvelopment and Assistance Act of 1954, in or to any country which has
severed or hereafter severs diplomatic relations with the
United States or with which the United States has severed or here-
after severs diplomatic relations, unless (1) diplomatic relations
have been resumed with such country and (2) agreements for the
furnishing of such assistance or the making of such sales, as the
case may be, have been negotiated and entered into after the re-
sumption of diplomatic relations with such country.

(u) In any decision to provide or continue to provide any pro-
gram of assistance to any country under the Foreign Assistance Act
of 1961, as amended, there shall be taken into account the status
of the country with respect to its dues, assessments, and other obli-
gations to the United Nations; and where such country is delin-
quent with respect to any such obligations for the purposes of the
first sentence of Article 19 of the United Nations Charter, the
President shall furnish the Committee on Foreign Relations of the
Senate and the Speaker of the House of Representatives a report
setting forth the assurance given by the government of the country
concerned of paying all of its arrearages and of placing its pay-
ments of such obligations on a current basis, or a full explanation
of the unusual or exceptional circumstances which render it eco-
nomically incapable of giving such assurance.

(v) [Repealed—1974]

(w) [Repealed—1978]

(x) (1) All military assistance, all sales of defense articles and
services (whether for cash or by credit, guaranty, or any other
means), and all licenses with respect to the transportation of arms,
ammunitions, and implements of war (including technical data re-
ating thereto) to the Government of Turkey, shall be suspended on
the date of enactment of this subsection unless and until the Presi-
dent determines and certifies to the Congress that the Government
of Turkey is in compliance with the Foreign Assistance Act of 1961,
the Foreign Military Sales Act,826 and any agreement entered into
under such Acts, and that substantial progress toward agreement
has been made regarding military forces in Cyprus: Provided, That

Sec. 537 of the Foreign Operations, Export Financing, and Related Programs Appropriations
1535), provided the following:

“FUNDING PROHIBITION FOR SERBIA

Sec. 537. None of the funds appropriated by this Act may be made available for assistance
for the Republic of Serbia: Provided, That this restriction shall not apply to assistance for
Kosovo or Montenegro, or to assistance to promote democratization: Provided further, That sec-
tion 620(t) of the Foreign Assistance Act of 1961, as amended, shall not apply to Kosova or Mon-
tenegro.”

823 Subsec. (v) as added by sec. 301 of the FA Act of 1971 was repealed by sec. 24 of the FA

824 Subsec. (w), as added by the FA Act of 1971, concerning suspension of aid to Pakistan,
was repealed by sec. 902(d)(1) of the International Development and Food Assistance Act of 1978
(Public Law 95-424; 92 Stat. 959).

825 Subsec. (x) was added by sec. 22 of the FA Act of 1974, Sec. 13(a) of the International Secu-
rity Assistance Act of 1978 (Public Law 95-384; 92 Stat. 737) specified that subsec. (x) would
be of no further force and effect once the President had determined and certified to the Congress
that resumption of aid to Turkey was in the national interest as well as in the interest of NATO
and that Turkey was acting in good faith toward achieving a peaceful settlement of the Cyprus
problem. The President made such a determination, dated September 26, 1978.

826 Renamed the Arms Export Control Act.
for the fiscal year 1978 the President may suspend the provisions of this subsection and of section 3(c) of the Arms Export Control Act with respect to cash sales and extensions of credits and guaranties under such Act for the procurement of such defense articles and defense services as the President determines are necessary to enable Turkey to fulfill her defense responsibilities as a member of the North Atlantic Treaty Organization, except that during the fiscal year 1978 the total value of defense articles and defense services sold to Turkey under such Act, either for cash or financed by credits and guaranties, shall not exceed $175,000,000. Any such suspension shall be effective only so long as Turkey observes the cease-fire on Cyprus, does not increase its military forces or its civilian population on Cyprus, and does not transfer to Cyprus any United States supplied arms, ammunition, or implements of war. The determination required by the proviso in the first sentence of this paragraph shall be made, on a case-by-case basis, with respect to each cash sale, each approval for use of credits, and each approval for use of a guaranty for Turkey. Each such determination shall be reported to the Congress and shall be accompanied by a full and complete statement of the reasons supporting the President’s determination and a statement containing the information specified in clauses (A) through (D) of section 2(c)(4) of the Act of October 6, 1975 (Public Law 94–104). In any case involving the sale of significant combat equipment on the United States Munitions List in which the congressional review provisions of section 36(b) of the Arms Export Control Act do not apply, the President may not issue the letter of offer or approve the use of the credits or guaranty, as the case may be, until the end of the thirty-day period beginning on the date on which the report required by the preceding sentence is submitted to the Congress.

(2) The President shall submit to the Congress within 60 days after the enactment of this paragraph and at the end of such succeeding sixty-day period, a report on progress made during such
period toward the conclusion of a negotiated solution of the Cyprus conflict.

(y) 834 (1) Except as provided in paragraph (2), the President shall withhold from amounts made available under this Act or any other Act and allocated for a country for a fiscal year an amount equal to the aggregate value of nuclear fuel and related assistance and credits provided by that country, or any entity of that country, to Cuba during the preceding fiscal year.

(2) The requirement to withhold assistance for a country for a fiscal year under paragraph (1) shall not apply if Cuba—

(A) has ratified the Treaty on the Non-Proliferation of Nuclear Weapons (21 UST 483) or the Treaty of Tlatelolco, and Cuba is in compliance with the requirements of either such Treaty;

(B) has negotiated and is in compliance with full-scope safeguards of the International Atomic Energy Agency not later than two years after ratification by Cuba of such Treaty; and

(C) incorporates and is in compliance with internationally accepted nuclear safety standards.

(3) The Secretary of State shall prepare and submit to the Congress each year a report containing a description of the amount of nuclear fuel and related assistance and credits provided by any country, or any entity of a country, to Cuba during the preceding year, including the terms of each transfer of such fuel, assistance, or credits.

Sec. 620A, 835, 836 Prohibition on Assistance to Governments Supporting International Terrorism.

834 Sec. 2810(a) of the Foreign Relations Authorization Act, Fiscal Years 1998 and 1999 (subdivision B of division G of Public Law 105±277; 112 Stat. 2861), added subsec. (y). Subsec. (b) of that section provided that the amendment "* * * shall apply with respect to assistance provided in fiscal years beginning on or after the date of the enactment of this Act.".

835 22 U.S.C. 2371. Sec. 6(j) of the Export Administration Act (Public Law 96±72; 50 U.S.C. app. 2405(j)) similarly requires the Secretary of State to determine whenever a country is found to support acts of international terrorism. Most recently, in Department of State Public Notice 1878 of August 12, 1993, (58 F.R. 52523), the Secretary of State stated: "In accordance with section 6(j) of the Export Administration Act (50 U.S.C. App. 2405(j)), I hereby determine that Sudan is a country which has repeatedly provided support for acts of international terrorism. The list of 6(j) countries as of this time therefore includes Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria.".

Sec. 40A of the Arms Export Control Act (Public Law 90±629; 22 U.S.C. 2781) similarly requires the President to determine whenever a country is not cooperating fully with United States antiterrorism efforts. Pursuant to that requirement, on May 6, 1999, the Acting Secretary of State determined and certified, "that the following countries are not cooperating fully with United States antiterrorism efforts: Afghanistan; Cuba; Iran; Iraq; Libya; North Korea; Sudan; and Syria." (Department of State Public Notice No. 3054; 64 F.R. 26474).

836 Section 620A was added by sec. 303 of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94±629; 90 Stat. 753). It was amended and restated by sec. 503(a) of the International Security and Development Cooperation Act of 1985 (Public Law 99±83; 99 Stat. 220). It was further amended and restated by sec. 5 of the Anti-Terrorism and Arms Export Amendments Act of 1989 (Public Law 101±222; 103 Stat. 1897).

Section 10 of the Anti-Terrorism and Arms Export Amendments Act of 1989 (Public Law 101±222; 103 Stat. 1900) provided the following in relation to the amendment of sec. 620A:

"Sec. 10. SELF-DEFENSE IN ACCORDANCE WITH INTERNATIONAL LAW.

The use by any government of armed force in the exercise of individual or collective self-defense in accordance with applicable international agreements and customary international law shall not be considered an act of international terrorism for purposes of the amendments made by this Act.".

The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (Pub. L. 106±113; 113 Stat. 1535), provided the following:

Continued
PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

"Sec. 527. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to the enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism; or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least 15 days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

ELIGIBILITY FOR ASSISTANCE

"Sec. 541. (a) Assistance Through Nongovernmental Organizations.—

Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, and 11 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading 'Assistance for Eastern Europe and the Baltic States': Provided, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: Provided further, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: Provided further, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(c) Exception.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

"Sec. 549. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after October 1, 1997.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

IMMUNITY OF FEDERAL REPUBLIC OF YUGOSLAVIA

"Sec. 591. (a) Subject to subsection (b), the Federal Republic of Yugoslavia shall be deemed to be a state sponsor of terrorism for the purposes of 28 U.S.C. 1605(a)(7).

(b) This section shall not apply to Montenegro or Kosova.

(c) This section shall become null and void when the President certifies in writing to the Congress that the Federal Republic of Yugoslavia (other than Montenegro and Kosova) has completed a democratic reform process that results in a newly elected government that respects the
(a) [837] PROHIBITION.—The United States shall not provide any assistance under this Act, the Agricultural Trade Development and Assistance Act of 1954, the Peace Corps Act, or the Export-Import Bank Act of 1945 to any country if the Secretary of State determines that the government of that country has repeatedly provided support for acts of international terrorism.

(b) PUBLICATION OF DETERMINATIONS.—Each determination of the Secretary of State under subsection (a), including each determination in effect on the date of the enactment of the Antiterrorism and Arms Export Amendments Act of 1989, shall be published in the Federal Register.

(c) RESCISSION.—A determination made by the Secretary of State under subsection (a) may not be rescinded unless the President submits to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate—

(1) before the proposed rescission would take effect, a report certifying that—

(A) there has been a fundamental change in the leadership and policies of the government of the country concerned;

(B) that government is not supporting acts of international terrorism;

(C) that government has provided assurances that it will not support acts of international terrorism in the future; or

(2) at least 45 days before the proposed rescission would take effect, a report justifying the rescission and certifying that—

(A) the government concerned has not provided any support for international terrorism during the preceding 6-month period; and

(B) the government concerned has provided assurances that it will not support acts of international terrorism in the future.

(d) WAIVER.—Assistance prohibited by subsection (a) may be provided to a country described in that subsection if—

(1) the President determines that national security interests or humanitarian reasons justify a waiver of subsection (a), except that humanitarian reasons may not be used to justify assistance under part II of this Act (including chapter 4, chapter 6, and chapter 8), or the Export-Import Bank Act of 1945; and

(2) at least 15 days before the waiver takes effect, the President consults with the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations.
tions of the Senate regarding the proposed waiver and submits a report to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate containing—

(A) the name of the recipient country;
(B) a description of the national security interests or humanitarian reasons which require the waiver;
(C) the type and amount of and the justification for the assistance to be provided pursuant to the waiver; and
(D) the period of time during which such waiver will be effective.

The waiver authority granted in this subsection may not be used to provide any assistance under the Foreign Assistance Act of 1961 which is also prohibited by section 40 of the Arms Export Control Act.

**Sec. 620B.** Prohibition Against Assistance and Sales to Argentina.—*
* * * [Repealed—1981]

**Sec. 620C.** United States Policy Regarding the Eastern Mediterranean.—(a) The Congress declares that the achievement of a just and lasting Cyprus settlement is and will remain a central objective of United States foreign policy. The Congress further declares that any action of the United States with respect to section 620(x) of this Act shall not signify a lessening of the United States commitment to a just solution to the conflict on Cyprus but is authorized in the expectation that this action will be conducive to achievement of a Cyprus solution and a general improvement in relations among Greece, Turkey, and Cyprus and between those countries and the United States. The Congress finds that—

(1) a just settlement on Cyprus must involve the establishment of a free and independent government on Cyprus and must guarantee that the human rights of all of the people of Cyprus are fully protected;
(2) a just settlement on Cyprus must include the withdrawal of Turkish military forces from Cyprus;
(3) the guidelines for inter-communal talks agreed to in Nicosia in February 1977 and the United Nations resolutions regarding Cyprus provide a sound basis for negotiation of a just settlement on Cyprus;

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839 Sec. 620B, as added by sec. 11 of Public Law 95–92 (91 Stat. 619) and amended by sec. 12(c)(1) of Public Law 95–384 (92 Stat. 737), was repealed by sec. 725(a) of the International Security and Development Cooperation Act of 1981 (Public Law 97–113; 95 Stat. 1553). Sec. 620B had prohibited the furnishing of MAP, ESF, IMET, and Peacekeeping assistance under this Act, and the extension of credits, sales, or export licenses under the Arms Export Control Act for Argentina after September 30, 1978. Sec. 725(b) of Public Law 97–113, conditions on U.S. assistance and sales to Argentina, was repealed in 1989.


Title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 113 Stat. 1535), provided the following:

"**CYPRUS**

"Of the funds appropriated under the headings 'Development Assistance' and 'Economic Support Fund', not less than $15,000,000 shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicultural projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.".
(4) serious negotiations, under United Nations auspices, will be necessary to achieve agreement in, and implementation of, constitutional and territorial terms within such guidelines; and

(5) the recent proposals by both Cypriot communities regarding the return of the refugees to the city of New Famagusta (Varosha) constitute a positive step and the United States should actively support the efforts of the Secretary General of the United Nations with respect to this issue.

(b) United States policy regarding Cyprus, Greece, and Turkey shall be directed toward the restoration of a stable and peaceful atmosphere in the Eastern Mediterranean region and shall therefore be governed by the following principles:

(1) The United States shall actively support the resolution of differences through negotiations and internationally established peaceful procedures, shall encourage all parties to avoid provocative actions, and shall strongly oppose any attempt to resolve disputes through force or threat of force.

(2) The United States will accord full support and high priority to efforts, particularly those of the United Nations, to bring about a prompt, peaceful settlement on Cyprus.

(3) All defense articles furnished by the United States to countries in the Eastern Mediterranean region will be used only in accordance with the requirements of this Act, the Arms Export Control Act, and the agreements under which those defense articles were furnished.

(4) The United States will furnish security assistance for Greece and Turkey only when furnishing that assistance is intended solely for defensive purposes, including when necessary to enable the recipient country to fulfill its responsibilities as a member of the North Atlantic Treaty Organization, and shall be designed to ensure that the present balance of military strength among countries of the region, including between Greece and Turkey, is preserved. Nothing in this paragraph shall be construed to prohibit the transfer of defense articles to Greece or Turkey for legitimate self defense or to enable Greece or Turkey to fulfill their North Atlantic Treaty Organization obligations.

(5) The United States shall use its influence to ensure the continuation of the ceasefire on Cyprus until an equitable negotiated settlement is reached.

(6) The United States shall use its influence to achieve the withdrawal of Turkish military forces from Cyprus in the context of a solution to the Cyprus problem.

(c) Because progress toward a Cyprus settlement is a high priority of United States policy in the Eastern Mediterranean, the President and the Congress shall continually review that progress.
and shall determine United States policy in the region accordingly. To facilitate such a review the President shall, within 60 days after the date of enactment of this section and at the end of each succeeding 60-day period, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report on progress made toward the conclusion of a negotiated solution of the Cyprus problem. Such transmissions shall include any relevant reports prepared by the Secretary General of the United Nations for the Security Council.

(d) In order to ensure that United States assistance is furnished consistent with the policies established in this section, the President shall, whenever requesting any funds for security assistance under this Act or the Arms Export Control Act for Greece and Turkey, transmit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate his certification, with a full explanation thereof, that the furnishing of such assistance will be consistent with the principles set forth in subsection (b). The President shall also submit such a certification with any notification to the Congress, pursuant to section 36(b) of the Arms Export Control Act, of a proposed sale of defense articles or services to Greece or Turkey.

(e) (1) Any agreement for the sale or provision of any article on the United States Munitions List (established pursuant to section 38 of the Arms Export Control Act) entered into by the United States after the enactment of this provision shall expressly state that the article is being provided by the United States only with the understanding that it will not be transferred to Cyprus or otherwise used to further the severance or division of Cyprus.

(2) The President shall report to Congress any substantial evidence that equipment provided under any such agreement has been used in a manner inconsistent with the purposes of this subsection.

Sec. 620D. Prohibition on Assistance to Afghanistan.—

(a) None of the funds authorized to be appropriated under this Act may be used to furnish assistance to Afghanistan nor may funds authorized to be appropriated under this Act before October 1, 1979, be expended for assistance to Afghanistan until the President certifies to the Congress that—

(1) the Government of Afghanistan has apologized officially and assumes responsibility for the death of Ambassador Adolph Dubs; and

(2) the Government of Afghanistan agrees to provide adequate protection for all personnel of the United States Government in Afghanistan.

(b) The provisions of subsection (a) shall not apply if the President determines that such assistance is in the national interest of the United States because of substantially changed circumstances in Afghanistan.

842 Subsec. (e) was added by sec. 562 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 (Continuing Appropriations for 1988; Public Law 100-202; 101 Stat. 1329-171).


844 In a determination of October 7, 1992, directed to the Secretary of State, the President stated:
Sec. 620E. 845 Assistance to Pakistan.—(a) The Congress recognizes that Soviet forces occupying Afghanistan pose a security threat to Pakistan. The Congress also recognizes that an independent and democratic Pakistan with continued friendly ties with the United States is in the interest of both nations. The Congress finds that United States assistance will help Pakistan maintain its independence. Assistance to Pakistan is intended to benefit the people of Pakistan by helping them meet the burdens imposed by the presence of Soviet forces in Afghanistan and by promoting economic development. In authorizing assistance to Pakistan, it is the intent of Congress to promote the expeditious restoration of full civil liberties and representative government in Pakistan. The Congress further recognizes that it is in the mutual interest of Pakistan and the United States to avoid the profoundly destabilizing effects of the proliferation of nuclear explosive devices or the capacity to manufacture or otherwise acquire nuclear devices.

(b) The United States reaffirms the commitment made in its 1959 bilateral agreement with Pakistan relating to aggression from a Communist or Communist-dominated state.

(c) Security assistance for Pakistan shall be made available in order to assist Pakistan in dealing with the threat to its security posed by the Soviet presence in Afghanistan. The United States will take appropriate steps to ensure that defense articles provided by the United States to Pakistan are used for defensive purposes.

(d) 846 The President may waive the prohibitions of section 101 of the Arms Export Control Act with respect to any grounds for the prohibition of assistance under that section arising before the effective date of part B of the Nuclear Proliferation Prevention Act of 1994 to provide assistance to Pakistan if he determines that to do so is in the national interest of the United States.

(e) 847 (1) 848 No military assistance 849 shall be furnished to Pakistan and no military equipment or technology shall be sold or
ance would reduce significantly the risk that Pakistan will possess a nuclear explosive device. The President has not certified for fiscal years 1991-1997.

On May 28 and 30, 1998, Pakistan tested nuclear explosive devices. On May 30, 1998, the President determined that such tests had transpired, and imposed a range of sanctions required pursuant to sec. 102(b) of the Arms Export Control Act (Presidential Determination No. 98-25; 63 F.R. 31881).

The India-Pakistan Relief Act, enacted as title IX of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (division A, sec. 101(a) of Public Law 105-277; 112 Stat. 2681), however, authorized the President to waive the application of sanctions against India and Pakistan for one year. The President issued such a determination as referred to in sec. 902 of the India-Pakistan Relief Act on December 1, 1998, that provided: "I hereby waive until October 21, 1999, the sanctions and prohibitions contained in section 101 and 102 of the Arms Export Control Act, section 620E(e) of the Foreign Assistance Act of 1961, and section 2(b)(4) of the Export-Import Bank Act of 1945, insofar as such sanctions and prohibitions would otherwise apply to activities of the Export-Import Bank, the Overseas Private Investment Corporation, and the Trade and Development Agency with respect to Pakistan and India; assistance to Pakistan and India under the 'International Military Education and Training' program; the making of any loan or financial or technical assistance to Pakistan by any international financial institution in support of the assistance program that Pakistan is negotiating with the International Monetary Fund." (Presidential Determination No. 99-7; 63 F.R. 31881).

The President extended the waiver on September 30, 1999 (Presidential Determination No. 99-44; 64 F.R. 54503).

Title IX of the Department of Defense Appropriations Act, 2000 (Public Law 106-79; 113 Stat. 1283) repealed the India-Pakistan Relief Act, effective October 21, 1999. In its place, title IX of that Act provided the following:

"TITLE IX

WAIVER OF CERTAIN SANCTIONS AGAINST INDIA AND PAKISTAN

"Sec. 9001. (a) WAIVER AUTHORITY.—Except as provided in subsections (b) and (c) of this section, the President may waive, with respect to India and Pakistan, the application of any sanction contained in section 101, 102 or 106 of the Arms Export Control Act (22 U.S.C. 2799a or 22 U.S.C. 2799aa-1), section 2(b)(4) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(4)), or section 620E(e) of the Foreign Assistance Act of 1961, as amended, (22 U.S.C. 2375(e)).

(b) EXCEPTION.—The authority to waive the application of a sanction or prohibition (or portion thereof) under subsection (a) shall not apply with respect to a sanction or prohibition contained in subparagraph (B), (C), or (G) of section 102(b)(2) of the Arms Export Control Act, unless the President determines, and so certifies to the Congress, that the application of the restriction would not be in the national security interests of the United States.

(c) TERMINATION OF WAIVER.—The President may not exercise the authority of subsection (a), and any waiver previously issued under subsection (a) shall cease to apply, with respect to India or Pakistan, if that country detonates a nuclear explosive device after the date of the enactment of this Act or otherwise takes such action which would cause the President to report pursuant to section 102(b)(1) of the Arms Export Control Act.

(d) TARGETED SANCTIONS.

(1) SENSE OF THE CONGRESS.—

(A) it is the sense of the Congress that the broad application of export controls to nearly 300 Indian and Pakistani entities is inconsistent with the specific national security interests of the United States and that this control list requires refinement; and

(B) export controls should be applied only to those Indian and Pakistani entities that make direct and material contributions to weapons of mass destruction and missile programs and only to those items that can contribute to such programs.

(2) REPORTING REQUIREMENT.—Not later than 60 days after the date of the enactment of this Act, the President shall submit both a classified and unclassified report to the appropriate congressional committees listing those Indian and Pakistani entities whose activities contribute to missile programs or weapons of mass destruction programs.

(3) CONGRESSIONAL NOTIFICATION.—The issuance of a license for export of a defense article, defense services, or technology under the authority of this section shall be subject to the same requirements as are applicable to the export of items described in section 36(c) of the Arms Export Control Act (22 U.S.C. 2776(c)), including the transmittal of information and the application of congressional review procedures.

(f) REPEAL.—The India-Pakistan Relief Act (title IX of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, as contained in section 101(a) of Public Law 105-277) is repealed effective October 21, 1999."

The President waived the application of sanctions under the new law on October 27, 1999 (Presidential Determination No. 2000-4; 64 F.R. 60649), to the following extent:

(1) with respect to India, insofar as such sanctions would otherwise apply to activities of the Export-Import Bank, the Overseas Private Investment Corporation, and the Trade and Development Agency; assistance under the International Military Education and Training program; the making of any loan or the providing of any credit to the Government of India by any U.S. bank; assistance to the Asian elephant Conservation Fund, the Asian Elephant and Rhinoceros Conservation Fund, and the Indo-American Environmental Leadership program; and any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture to support the purchase of food or other agricultural commodity; and

(2) with respect to Pakistan, insofar as such sanctions would otherwise apply to any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture to sup-
transferred to Pakistan, pursuant to the authorities contained in this Act or any other Act, unless the President shall have certified in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate, during the fiscal year in which military assistance is to be furnished or military equipment or technology is to be sold or transferred, that Pakistan does not possess a nuclear explosive device and that the proposed United States military assistance program will reduce significantly the risk that Pakistan will possess a nuclear explosive device.

(2) The prohibitions in this section do not apply to any assistance or transfer provided for the purposes of:

(A) International narcotics control (including chapter 8 of part I of this Act) or any provision of law available for providing assistance for counternarcotics purposes.

(B) Facilitating military-to-military contact, training (including chapter 5 of part II of this Act) and humanitarian and civic assistance projects.

(C) Peacekeeping and other multilateral operations (including chapter 6 of part II of this Act relating to peacekeeping) or any provision of law available for providing assistance for peacekeeping purposes, except that lethal military equipment provided under this subparagraph shall be provided on a lease or loan basis only and shall be returned upon completion of the operation for which it was provided.

(D) Antiterrorism assistance (including chapter 8 of part II of this Act relating to antiterrorism assistance) or any provision of law available for antiterrorism assistance purposes.

(3) The restrictions of this subsection shall continue to apply to contracts for the delivery of F–16 aircraft to Pakistan.

(4) Notwithstanding the restrictions contained in this subsection, military equipment, technology, or defense services, other

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"SPECIAL NOTIFICATION REQUIREMENTS"

"Sec. 520. None of the funds appropriated by this Act shall be obligated or expended for Colombia, Haiti, Liberia, Pakistan, Panama, Serbia, Sudan, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committees on Appropriations."

Sec. 559(a)(1)(D) and (E) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996 (Public Law 104–107; 110 Stat. 743) struck out "No assistance", and inserted in lieu thereof "No military assistance".

Sec. 559(a)(1)(B) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996 (Public Law 104–107; 110 Stat. 743), struck out "in which assistance is to be furnished or military equipment or technology" and inserted in lieu thereof "in which military assistance is to be furnished or military equipment or technology".

Sec. 559(a)(1)(C) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996 (Public Law 104–107; 110 Stat. 743), struck out "the proposed United States assistance" and inserted in lieu thereof "the proposed United States military assistance".

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848 Sec. 559(a)(1)(A) and (E) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996 (Public Law 104–107; 110 Stat. 743) added para. designation "(1)", and added new paras. (2) through (4). This amendments is popularly referred to as the "Brownback amendment."

849 Popularly referred to as the Brown amendment. Sec. 559(a)(1)(A) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996 (Public Law 104–107; 110 Stat. 743), struck out "No assistance", and inserted in lieu thereof "No military assistance".

850 Sec. 559(a)(1)(B) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996 (Public Law 104–107; 110 Stat. 743), struck out "in which assistance is to be furnished or military equipment or technology" and inserted in lieu thereof "in which military assistance is to be furnished or military equipment or technology".
than F-16 aircraft, may be transferred to Pakistan pursuant to contracts or cases entered into before October 1, 1990.

(f) Storage Costs.—The President may release the Government of Pakistan of its contractual obligation to pay the United States Government for the storage costs of items purchased prior to October 1, 1990, but not delivered by the United States Government pursuant to subsection (e) and may reimburse the Government of Pakistan for any such amount paid, on such terms and conditions as the President may prescribe: Provided, That such payments have no budgetary impact.

(g) Inapplicability of Restrictions to Previously Owned Items.—Section 620E(e) does not apply to broken, worn or unupgraded items or their equivalent which Pakistan paid for and took possession of prior to October 1, 1990 and which the Government of Pakistan sent to the United States for repair or upgrade. Such equipment or its equivalent may be returned to the Government of Pakistan: Provided, That the President determines and so certifies to the appropriate congressional committees that such equipment or equivalent neither constitutes nor has received any significant qualitative upgrade since being transferred to the United States and that its total value does not exceed $25,000,000.

(h) Ballistic Missile Sanctions Not Affected.—Nothing contained herein shall affect sanctions for transfers of missile equipment or technology required under section 11B of the Export Administration Act of 1979 or section 73 of the Arms Export Control Act.

SEC. 620F. Nuclear Non-Proliferation Policy in South Asia.

(a) Findings.—The Congress finds that—

1. the proliferation of weapons of mass destruction remains one of the most serious threats to international peace and stability;
2. South Asia, in particular, is an area where the threat of a regional nuclear exchange remains high due to continued Indo-Pakistani tensions over issues such as Kashmir;
3. to date, United States efforts to halt proliferation in South Asia have failed;
4. although global disarmament is a desirable goal which should be vigorously pursued, both regional and sub-regional
security arrangements can serve to decrease tensions and promote non-proliferation in certain areas;

(5) thus far, there has been some success on a regional basis, such as the South Pacific Nuclear Weapons Free Zone and the Treaty of Tlatelolco in Latin America;

(6) in particular, in Latin America, the Treaty of Tlatelolco has been signed by all the nuclear powers;

(7) a critical part of this treaty is Protocol II which prohibits nuclear attacks by nuclear weapons states on signatories to the treaty;

(8) in 1991, a proposal was made for a regional conference on non-proliferation in South Asia which would include Pakistan, India, the People's Republic of China, the Soviet Union, and the United States; and

(9) thus far, Pakistan, China, Russia, and the United States have expressed interest in attending such a conference, whereas India has refused to attend.

(b) POLICY.—It is the sense of the Congress that the President should pursue a policy which seeks a regional negotiated solution to the issue of nuclear non-proliferation in South Asia at the earliest possible time, including a protocol to be signed by all nuclear weapons states, prohibiting nuclear attacks by nuclear weapons states on countries in the region. Such a policy should have as its ultimate goal concurrent accession by Pakistan and India to the Nuclear Non-Proliferation Treaty, and should also include as needed a phased approach to that goal through a series of agreements among the parties on nuclear issues, such as the agreement reached by Pakistan and India not to attack one another's nuclear facilities.

(c) REPORT ON PROGRESS TOWARD REGIONAL NON-PROLIFERATION.—Not later than April 1 of each year, the President shall submit a report to the Committees on Appropriations, the Speaker of the House of Representatives, and the chairman of the Committee on Foreign Relations of the Senate, on nuclear proliferation in South Asia, including efforts taken by the United States to achieve a regional agreement on nuclear non-proliferation, and including a comprehensive list of the obstacles to concluding such a regional agreement.

SEC. 620G. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT AID TERRORIST STATES.

(a) WITHHOLDING OF ASSISTANCE.—The President shall withhold assistance under this Act to the government of any country that...
provides assistance to the government of any other country for which the Secretary of State has made a determination under section 620A.

(b) WAIVER.—Assistance prohibited by this section may be furnished to a foreign government described in subsection (a) if the President determines that furnishing such assistance is important to the national interests of the United States and, not later than 15 days before obligating such assistance, furnishes a report to the appropriate committees of Congress including—

(1) a statement of the determination;
(2) a detailed explanation of the assistance to be provided;
(3) the estimated dollar amount of the assistance; and
(4) an explanation of how the assistance furthers United States national interests.

SEC. 620G. DEPLETED URANIUM AMMUNITION.

(a) PROHIBITION.—Except as provided in subsection (b), none of the funds made available to carry out this Act or any other Act may be made available to facilitate in any way the sale of M-833 antitank shells or any comparable antitank shells containing a depleted uranium penetrating component to any country other than—

(1) a country that is a member of the North Atlantic Treaty Organization;
(2) a country that has been designated as a major non-NATO ally (as defined in section 644(q)); or
(3) Taiwan.

(b) EXCEPTION.—The prohibition contained in subsection (a) shall not apply with respect to the use of funds to facilitate the sale of antitank shells to a country if the President determines that to do so is in the national security interest of the United States.

SEC. 620H. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT PROVIDE MILITARY EQUIPMENT TO TERRORIST STATES.

(a) PROHIBITION.—

(1) IN GENERAL.—The President shall withhold assistance under this Act to the government of any country that provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for the purposes of section 6(j) of the Export Adminis-

"(2) the term ‘assistance’ does not include assistance of the type authorized under chapter 9 of part 1 of the Foreign Assistance Act of 1961 (relating to international disaster assistance).".

Sec. 149 of Public Law 104-164 (110 Stat. 1436) also added a new sec. 620G, relating to depleted uranium ammunition.

857 22 U.S.C. 2378a. Sec. 149 of Public Law 104-164 (110 Stat. 1436) added this new sec. 620G.


On September 27, 1999, the State Department issued a determination that "the Acting Secretary of State has made a determination pursuant to section 620H of the Foreign Assistance Act, section 551 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (Pub. L. 105-277) and the analogous provisions in prior year foreign operations, export financing, and related programs appropriations act. The Acting Secretary has concluded that publication of the determination would be harmful to the national security of the United States." (Department of State Public Notice 3129; 64 F.R. 53434).
Sec. 620I. Foreign Assistance Act of 1961 (P.L. 87-195)

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(2) APPLICABILITY.—The prohibition under this section with respect to a foreign government shall terminate 1 year after that government ceases to provide lethal military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after the date of enactment of this Act.859

(b) WAIVER.—Notwithstanding any other provision of law, assistance may be furnished to a foreign government described in subsection (a) if the President determines that furnishing such assistance is important to the national interests of the United States and, not later than 15 days before obligating such assistance, furnishes a report to the appropriate committees of Congress including—

(1) a statement of the determination;

(2) a detailed explanation of the assistance to be provided;

(3) the estimated dollar amount of the assistance; and

(4) an explanation of how the assistance furthers United States national interests.

Sec. 620I.860, 861 Prohibition on Assistance to Countries That Restrict United States Humanitarian Assistance.—

(a) IN GENERAL.—No assistance shall be furnished under this Act or the Arms Export Control Act to any country when it is made known to the President that the government of such country prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance.

(b) EXCEPTION.—Assistance may be furnished without regard to the restriction in subsection (a) if the President determines that to do so is in the national security interest of the United States.

(c) NOTICE.—Prior to making any determination under subsection (b), the President shall notify the Committee on International Relations, the Committee on Foreign Relations, and the Committees on Appropriations of the Senate and House of Representatives of his intention to make such a determination, the effective date of the determination, and the reasons for making the determination.

859 "[D]ate of enactment of this Act" probably refers to enactment of the amendment, April 24, 1996.


861 In a memorandum of May 23, 1997, for the Secretary of State, the President determined "that it is in the national security interest of the United States that assistance be furnished to Turkey without regard to the restriction in subsection (a) of section 620I." (Presidential Determination No. 97-24; 62 F.R. 30737).

On December 9, 1999, the State Department found "that the Government of Kazakhstan has provided lethal military equipment to a country determined by the Secretary of State to be a state sponsor of terrorism. Also on November 17, 1999 * * * the United States Government determined furnishing assistance restricted by [cited provisions of law] to the Government of Kazakhstan, with the exceptions [of named entities] is important to the national interest of the United States * * *." (Department of State Public Notice 3175; 64 F.R. 70103).
Chapter 2—Administrative Provisions

Sec. 621. Exercise of Functions.—(a) The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions to any of his subordinates. In providing technical assistance under this Act, the head of any such agency or such officer shall utilize, to the fullest extent practicable, goods and professional and other services from private enterprise on a contract basis. In such fields as education, health, housing, or agriculture, the facilities and resources of other Federal agencies shall be utilized when such facilities are particularly or uniquely suitable for technical assistance, are not competitive with

Sec. 621.862 Exercise of Functions.863

Sec. 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, enacted by reference in sec. 1000(a)(2) of Public Law 106±113; 113 Stat. 1535), provided the following:

"AGENCY FOR INTERNATIONAL DEVELOPMENT BUDGET SUBMISSION

"Sec. 581. Beginning with the fiscal year 2001 budget, the Agency for International Development shall submit to the Committees on Appropriations a detailed budget for each fiscal year. The Agency shall submit to the Committees on Appropriations a proposed budget format no later than October 31, 1999, or 30 days after the enactment of this Act, whichever occurs later. The proposed format shall include how the Agency's budget submission will address: (1) estimated levels of obligations for the current fiscal year and actual levels for the two previous fiscal years; (2) the President's request for new budget authority and estimated carryover obligational authority for the budget year; (3) the disaggregation of budget data by program and activity for each bureau, field mission, and central office; and (4) staff levels identified by program."

Sec. 587 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (division A, sec. 101(d) of Public Law 105±277; 112 Stat. 2681; 22 U.S.C. 2381 note), provided the following:

"AID OFFICE OF SECURITY

"Sec. 587. (a) Establishment of Office.ÐThere shall be established within the Office of the Administrator of the Agency for International Development, an Office of Security. Such Office of Security shall, notwithstanding any other provision of law except section 207 of the Foreign Service Act of 1980 and section 103 of Public Law 199±339, have the responsibility for the supervision, direction, and control of all security activities relating to the programs and operations of that Agency.

"(b) Transfer and Allocation of Appropriations and Personnel.ÐThere are transferred to the Office of Security all security functions exercised by the Office of Inspector General of the Agency for International Development exercised before the date of enactment of this Act. The Administrator shall transfer from the Office of the Inspector General of such Agency to the Office of Security established by subsection (a), the personnel (including the Senior Executive Service position designated for the Assistant Inspector General for Security), assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, and other funds held, used, available to, or to be made available in connection with such functions. Unexpended balances of appropriations, and other funds made available or to be made available in connection with such functions, shall be transferred to and merged with funds appropriated by this Act under the heading `Operating Expenses of the Agency for International Development'.

"(c) Transfer of Employees.ÐAny employee in the career service who is transferred pursuant to this section shall be placed in a position in the Office of Security established by subsection (a) which is comparable to the position the employee held in the Office of the Inspector General of the Agency for International Development."

Sec. 599E of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1993 (Public Law 102±391; 106 Stat. 1698), provided the following:

"The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Agency for International Development."

Sec. 302(a) of the FA Act of 1962 struck out subsection designation "(a)" and repealed subs. (b), (c), (d), and (e). Subsequently, new subs. designation "(a)" and subs. (b) were added by the sec. 302(a) of the FA Act of 1968.
Sec. 622 Foreign Assistance Act of 1961 (P.L. 87-195)

private enterprise, and can be made available without interfering unduly with domestic programs.  

(b) The President shall issue and enforce regulations determining the eligibility of any person to receive funds made available under this Act. A person may be suspended under such regulations for a temporary period pending the completion of an investigation and any resulting judicial or debarment proceedings, upon cause for belief that such person or an affiliate thereof probably has undertaken conduct which constitutes a cause for debarment; and, after an opportunity has been afforded to such person for a hearing, he may be debarred for an additional period, not to exceed three years. Among the causes for debarment shall be: (1) offering or accepting a bribe or other illegal payment or credit in connection with any transaction financed with funds made available under this Act; or (2) committing a fraud in the procurement or performance of any contract financed with funds made available under this Act; or (3) acting in any other manner which shows a lack of integrity or honesty in connection with any transaction financed with funds made available under this Act. Reinstatement of eligibility in each particular case shall be subject to such conditions as the President shall direct. Each person whose eligibility is denied or suspended under this subsection shall, upon request, be entitled to a review of his eligibility not less often than once every two years.

Sec. 621A. Strengthened Management Practices.—(a) The Congress believes that United States foreign aid funds could be utilized more effectively by the application of advanced management decisionmaking, information and analysis techniques such as systems analysis, automatic data processing, benefit-cost studies, and information retrieval.

(b) To meet this need, the President shall establish a management system that includes: the definition of objectives and programs for United States foreign assistance; the development of quantitative indicators of progress toward these objectives; the orderly consideration of alternative means for accomplishing such objectives; and the adoption of methods for comparing actual results of programs and projects with those anticipated when they were undertaken. The system should provide information to the agency and to Congress that relates agency resources, expenditures, and budget projections to such objectives and results in order to assist in the evaluation of program performance, the review of budgetary requests, and the setting of program priorities.

(c) [Repealed—1978]

Sec. 622. Coordination With Foreign Policy.—(a) Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

(b) The President shall prescribe appropriate procedures to assure coordination among representatives of the United States Gov-
ernment in each country, under the leadership of the Chief of the
United States Diplomatic Mission. The Chief of the Diplomatic Mis-
sion shall make sure that recommendations of such representatives
pertaining to military assistance (including civic action) and mili-
tary education and training programs\textsuperscript{868} are coordinated with po-
litical and economic considerations, and his comments shall accom-
pany such recommendations if he so desires.

\textsuperscript{(c)}\textsuperscript{869} Under the direction of the President, the Secretary of State
shall be responsible for the continuous supervision and general di-
rection of economic assistance, military assistance, and military
education and training programs, including but not limited to de-
termining whether there shall be a military assistance (including
civic action) or a military education and training program for a
country and the value thereof, to the end that such programs are
effectively integrated both at home and abroad and the foreign pol-
icy of the United States is best served thereby.

**Sec. 623.**\textsuperscript{870} The Secretary of Defense.—(a) In the case of as-
sistance under part II of this Act, the Secretary of Defense shall
have primary responsibility for—

1. the determination of military end-item requirements;
2. the procurement of military equipment in a manner
   which permits its integration with service programs;
3. the supervision of end-item use by the recipient countries;
4. the supervision of the training of foreign military and re-
   lated civilian\textsuperscript{871} personnel;
5. the movement and delivery of military end-items; and
6. within the Department of Defense, the performance of
   any other functions with respect to the furnishing of military
   assistance, education and training\textsuperscript{872}.

(b) The establishment of priorities in the procurement, delivery,
and allocation of military equipment shall be determined by the
Secretary of Defense.

**Sec. 624.**\textsuperscript{873} Statutory Officers.—(a) The President may ap-
point, by and with the advice and consent of the Senate, twelve offi-
cers\textsuperscript{874} in the agency primarily responsible for administering part
I, * * * [Repealed—1964]

1. * * * [Repealed—1964]
2. * * * [Repealed—1964]
Sec. 625. Employment of Personnel. — (a) Any agency or officer of the United States Government carrying out functions under this Act is authorized to employ such personnel as the President may designate for purposes not inconsistent with the Act and the regulations prescribed by the President under this Act. (b) The President may establish such personnel standards as may be necessary in order to carry out the provisions of this section, and may make such personnel appointments as may be necessary to carry out the provisions of this section.

(3) * * * [Repealed—1964] and in the selection of one of such persons due consideration shall be given to persons qualified as professional engineers.

(b) Within the limitations established by subsection (a) of this section, the President may fix the rate of compensation, and may designate the title of, any officer appointed pursuant to the authority contained in that subsection. The President may also fix the order of succession among the officers provided for in subsection (a) of this section in the event of the absence, death, resignation, or disability of one or more of said officers.

(c) Any person who was appointed by and with the advice and consent of the Senate, to any statutory position authorized by any provision of law repealed by section 642(a) and who is serving in one of such positions at the time of transfer of functions pursuant to subsections (c) and (d) of section 621, may be appointed by the President to a comparable position authorized by subsection (a) of this section on the date of the establishment of the agency primarily responsible for administering part I, without further action by the Senate.

(d) * * * [Repealed—1978]

(e) * * * [Repealed—1978]

(f) * * * [Repealed—1994]

(g) * * * [Repealed—1981]
deems necessary to carry out the provisions and purposes of this Act.

(b) Of the personnel employed in the United States to carry out part I or coordinate part I and part II, not to exceed one hundred and ten may be appointed, compensated or removed without regard to the provisions of any law, of whom not to exceed fifty-one may be compensated at rates higher than those provided for grade 15 of the general schedule established by section 5332 of title 5 of the United States Code, but not in excess of the highest rate of grade 18 of such general schedule.

Provided, That, under such regulations as the President shall prescribe, officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 5108 of title 5 of the United States Code.

(c) Of the personnel employed in the United States to carry out part II, or any Act superseding part II in whole or in part, not to exceed eight may be compensated at rates higher than those provided for grade 15 of the general schedule established by section 5332 of title 5 of the United States Code, but not in excess of the highest rate of grade 18 of such general schedule. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 5108 of title 5 of the United States Code.

(d) For the purpose of performing functions under this Act outside the United States, the President may employ or assign individuals, or may authorize the employment or assignment of officers or employees by agencies of the United States Government which are not authorized to utilize the Foreign Service personnel system, who shall receive compensation at any of the rates provided for under section 402 or section 403 of the Foreign Service Act of 1980, or under chapter 53 of title 5, United States Code, or

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882 Sec. 301(c)(1) of the FA Act of 1962 inserted “one hundred and ten” in lieu of “seventy-six.”
883 Sec. 302(b)(1) of the FA Act of 1967 inserted “Section 5332 of title 5 of the United States Code” in lieu of “the Classification Act of 1949, as amended (5 U.S.C. 1071 et seq.).”
884 Sec. 1001(k)(1) of the Postal Service and Federal Employees Salary Act of 1962 (Public Law 87–793) inserted “but not in excess of the highest rate of grade 18 of such general schedule” in lieu of “and if these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year.”
886 The words “or any Act superseding part II in whole or in part,” were added by sec. 302(c) of the FA Act of 1968.
887 Sec. 302(c)(1) of the FA Act of 1967 inserted “section 5332 of title 5 of the United States Code” in lieu of “the Classification Act of 1949, as amended”.
888 Sec. 1001(k)(2) of the Postal Service and Federal Employees Salary Act of 1962 (Public Law 87–793) substituted the words “but not in excess of the highest rate of grade 18 of such general schedule” in lieu of “and if these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year.”
889 Sec. 302(c)(2) of the FA Act of 1967 inserted “5108 of title 5 of the United States Code” in lieu of “505 of the Classification Act of 1949, as amended”.
890 Subsec. (d) was amended and restated by sec. 2203(a) of the Foreign Service Act of 1980 (Public Law 96–465; 94 Stat. 2158). Subsec. (d) had previously been amended by the FA Act of 1962, the FA Act of 1964, the FA Act of 1967, and by the International Development and Food Assistance Act of 1977.
Experts, Consultants, and Retired Officers.—(a) Experts and consultants or organizations thereof may, as authorized by section 3109 of title 5 of the United States Code, be employed for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of the daily equivalent of the highest rate which may be paid to an employee under the General Schedule established by section 5332 of title 5, United States Code.

(b) Funds provided for in agreements with foreign countries for the furnishing of services under this Act with respect to specific projects shall be deemed to be obligated for the services of personnel employed by agencies of the United States Government (other than the agencies primarily responsible for administering part I or part II of this Act) as well as personnel not employed by the United States Government.

(c) Notwithstanding any other provision of law, officers and employees of the United States Government performing functions under this Act shall not accept from any foreign country any compensation or other benefits. Arrangements may be made by the President with such countries for reimbursement to the United States Government or other sharing of the cost of performing such functions.

(d) To the maximum extent practicable officers and employees performing functions under this Act abroad shall be assigned to countries and positions for which they have special competence, such as appropriate language and practical experience.
title 5, United States Code, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, as amended from time to time. Contracts for such employment with such organizations, employment of personnel as experts and consultants, not to exceed ten in number, contracts for such employment of retired military personnel with specialized research and development experience, not to exceed ten in number, and contracts for such employment of retired military personnel with specialized experience of a broad politico-military nature, not to exceed five in number, may be renewed annually.

(b) Service of an individual as an expert or consultant under subsection (a) of this section shall not be considered as employment or holding of office or position bringing such individual within the provisions of section 3323(a) of title 5 of the United States Code.

(c) Persons of outstanding experience and ability may be employed without compensation by any agency of the United States Government for the performance of functions under this Act in accordance with the provisions of section 710(b) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2160(b)), and regulations issued thereunder.

Sec. 627. Detail of Personnel to Foreign Governments.—Whenever the President determines it to be in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail or assign any officer or employee of his agency to any office or position with any foreign government or foreign government agency, where acceptance of such office or position does not involve the taking of an oath of allegiance to another government or the acceptance of compensation or other benefits from any foreign country by such officer or employee.

Sec. 628. Detail of Personnel to International Organizations.—Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail, assign, or otherwise make available to any international organization, any officer or employee of his agency to serve with, or as a member of, the international staff of such organization, or to render any

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898 The words to this point beginning with “the daily equivalent of the highest rate” were inserted in lieu of “$100 per diem” by sec. 603 of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94–329; 90 Stat. 766).
899 Sec. 302(c)(1) of the FA Act of 1963 struck out the first sentence of this section, relating to employment compensation, since the subject matter was superseded by Public Law 87–849, approved Oct. 23, 1962.
900 The words “Service of an individual as an expert or consultant under subsection (a) of this section shall not” were inserted in lieu of “Nor shall such service” by sec. 302(c)(2) of the FA Act of 1963.
901 Sec. 126 of the International Development and Food Assistance Act of 1977 (Public Law 55–88; 91 Stat. 542) added the words “section 3323(a)” and struck out reference to secs. 3323(a) and 8344 of 5 USC, and sec. 872 of the Foreign Service Act of 1946.
902 Sec. 302(a) of the FA Act of 1965 redesignated subsec. (d) as subsec. (c). Former subsec. (c), which related to employment of retired officers, was repealed by the Dual Compensation Act (Public Law 88–448).
technical, scientific, or professional advice or service to, or in cooperation with, such organization.

Sec. 629. Status of Personnel Detailed.—(a) Any officer or employee, while assigned or detailed under section 627 or 628 of this Act, shall be considered, for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits as such, an officer or employee of the United States Government and of the agency of the United States Government from which detailed or assigned, and he shall continue to receive compensation, allowances, and benefits from funds appropriated to that agency or made available to that agency under this Act.

(b) Any officer or employee assigned, detailed, or appointed under section 627, 628, 631, or 624(d) of this Act is authorized to receive under such regulations as the President may prescribe, representation allowances similar to those allowed under section 905 of the Foreign Service Act of 1980. The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 5536 of title 5 of the United States Code.

Sec. 630. Terms of Detail or Assignment.—Details or assignments may be made under section 627 or 628 of this Act or section 408 of the Mutual Security Act of 1954, as amended:—

(1) without reimbursement to the United States Government by the foreign government or international organization;

(2) upon agreement by the foreign government or international organization, to reimburse the United States Government for compensation, travel expenses, benefits, and allowances, or any part thereof, payable to the officer or employee concerned during the period of assignment or detail; and such reimbursements (including foreign currencies) shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, benefits, or allowances, or to the appropriation, fund, or account currently available for such purposes;

(3) upon an advance of funds, property, or services by the foreign government or international organization to the United States Government accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate fund in the Treasury of the United States Government, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act; any unexpended balance of such account to be returned to the foreign government or international organization; or

906 Sec. 302(d) of the FA Act of 1962 substituted "624(d)" for "624(e)."
907 The reference to sec. 905 of the Foreign Service Act of 1980 was inserted in lieu of a reference to sec. 901 of the Foreign Service Act of 1946 by sec. 2203(b) of the Foreign Service Act of 1980 (Public Law 96-465; 94 Stat. 2158).
908 Sec. 302(f) of the FA Act of 1967 inserted "5536 of title 5 of the United States Code" in lieu of "1765 of the Revised Statutes (5 U.S.C. 70)."
910 For text, see Legislation on Foreign Relations Through 1999, vol. I-B.
911 The word "benefits" was added by sec. 302(e) of the FA Act of 1965.
Sec. 631 Missions and Staffs Abroad.—(a) The President may maintain special missions or staffs outside the United States in such countries and for such periods of time as may be necessary to carry out the purposes of this Act. Each such special mission or staff shall be under the direction of a chief.

(b) The chief and his deputy of each special mission or staff carrying out the purposes of part I shall be appointed by the President, and may, notwithstanding any other law, be removed by the President at his discretion. Such chief shall be entitled to receive such compensation and allowances as are authorized by the Foreign Service Act of 1980, not to exceed those authorized for a chief of mission (as defined in section 102(a)(3) of that Act), as the President shall determine to be appropriate.

(c) The President may appoint any United States citizen who is not an employee of the United States Government or may assign any United States citizen who is a United States Government employee to serve as Chairman of the Development Assistance Committee or any successor committee thereto of the Organization for Economic Cooperation and Development upon election thereto by members of said Committee, and, in his discretion, may terminate such appointment or assignment, notwithstanding any other provision of law. Such person may receive such compensation and allowances as are authorized by the Foreign Service Act of 1980, not to exceed those authorized for a chief of mission (as defined in section 102(a)(3) of that Act), as the President shall determine to be appropriate.

(d) Wherever practicable, especially in the case of the smaller programs, assistance under part I of this Act shall be adminis-
Sec. 632. Allocation and Reimbursement Among Agencies.—(a) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this Act, including any advance to the United States Government by any country or international organization for the procurement of commodities, defense articles, military education and training, or services (including defense services). Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.

(b) Any officer of the United States Government carrying out functions under this Act may utilize the services (including defense services) and facilities of, or procure commodities, defense articles, or military education and training, from any agency of the United States Government as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

(c) In the case of any commodity, service, or facility procured from any agency of the United States Government to carry out part I, reimbursement or repayment shall be made to such agency from funds available to carry out such part. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or, in the case of services procured from the Department of Defense to carry out chapter 8 of part I, the amount of the additional costs incurred by the Department of Defense in providing such services, or at any other price authorized by law and agreed to by the owning or disposing agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts, from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning or disposing agency determines that such replacement is not necessary, any funds received in payment therefor shall be deposited into the Treasury as miscellaneous receipts.

(d) Except as otherwise provided in section 506, reimbursement shall be made to any United States Government agency, from funds available for use under part II, for any assistance furnished under the direction of the Chief of the United States Diplomatic Mission by the principal economic officer of the mission.

918 The words "in the case of assistance under part I, and by the senior military officer of the mission", which had previously appeared at this point, were struck out by sec. 7(b)(2) of the International Security Assistance Act of 1977 (Public Law 95-92; 91 Stat. 617).


920 The words ``, military education and training'' were added by sec. 106(b) of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94-329; 90 Stat. 733).

921 The words ``, defense articles, or military education and training'' were inserted in lieu of ``and defense articles'' by sec. 106(b) of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94-329; 90 Stat. 733).

922 Sec. 4506 of Public Law 100-690 (102 Stat. 4286) added "or, in the case of * * *,".

923 Sec. 45(b)(3) of the Foreign Military Sales Act (Public Law 90-629) inserted "section 506" in lieu of secs. "506, 522, and 523."

924 The words "in the case of assistance under part I, and by the senior military officer of the mission in the case of assistance under part II", which had previously appeared at this point, were struck out by sec. 7(b)(2) of the International Security Assistance Act of 1977 (Public Law 95-92; 91 Stat. 617).
under part II from, by, or through such agency. Such reimbursement shall be in an amount equal to the value (as defined in section 644(m)) of the defense articles or of the defense services (other than salaries of members of the Armed Forces of the United States), or other assistance furnished, plus expenses arising from or incident to operations under part II (other than salaries of the Armed Forces of the United States and unfunded estimated costs of civilian retirement and other benefits). The amount of such reimbursement shall be credited to the current applicable appropriations, funds, or accounts of such agency.

(e) In furnishing assistance under this Act, accounts may be established on the books of any agency of the United States Government or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States, (1) against which letters of commitment may be issued which shall constitute recordable obligations of the United States Government, and moneys due or to become due under such letters of commitment shall be assignable under the Assignment of Claims Act of 1940, as amended (second and third paragraphs of 31 U.S.C. 203 and 41 U.S.C. 15), and (2) from which disbursements may be made to, or withdrawals may be made by, recipient countries or agencies, organizations, or persons upon presentation of contracts, invoices, or other appropriate documentation. Expenditure of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditure of funds of the United States Government: Provided, That such expenditures for commodities, defense articles, military education and training services (including defense services), or facilities procured outside the United States may be accounted for exclusively on such certification as may be prescribed in regulations approved by the Comptroller General of the United States.

(f) Credits made by the Export-Import Bank of Washington with funds allocated thereto under subsection (a) of this section or under section 522(a) of the Mutual Security Act of 1954, as amended, shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635e).

(g) Any appropriation or account available to carry out provisions of part I may initially be charged in any fiscal year, within the limit of available funds, to finance expenses for which funds are available in other appropriations or accounts under part I: Provided, That as of the end of such fiscal year such expenses shall be finally charged to applicable appropriations or accounts with proper credit to the appropriations or accounts initially utilized for financing purposes: Provided further, That such final charge to applicable appropriations or accounts shall not be required in the case of expenses (other than those provided for under section 637(a)) incurred in furnishing assistance by the agency primarily responsible for administering part I where it is determined that the accounting costs of identifying the applicable appropriation or account to which

924 Section 9104(b)(2) of the Department of Defense Appropriations Act, 1990 (Public Law 101-165; 103 Stat. 1152) inserted parenthetical language at end of sentence.
925 For text, see Legislation on Foreign Relations Through 1999, vol. III.
such expenses should be charged would be disproportionate to the advantage to be gained.

Sec. 633. *Waivers of Certain Laws.*—(a) Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951, as amended (50 U.S.C. App. 1211 et seq.)), regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

(b) The functions authorized under part II may be performed without regard to such provisions as the President may specify of the joint resolution of November 4, 1939 (54 Stat. 4), as amended.

(c) Notwithstanding the provisions of sections 3544(b) and 8544(b) of title 10 of the United States Code, personnel of the Department of Defense may be assigned or detailed to any civil office to carry out this Act.

Sec. 633A. *Furnishing Information.*—None of the funds made available pursuant to the provisions of this Act shall be used to carry out any provision of this Act in any country or with respect to any project or activity, after the expiration of the thirty-five-day period which begins on the date the General Accounting Office or any committee of the Congress charged with considering legislation, appropriations or expenditures under this Act, has delivered to the office of the head of any agency carrying out such provision, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested, or (2) a certification by the President that has forbidden the furnishing thereof pursuant to request and his reason for so doing.

Sec. 634. *Annual Report.*—(a) In order that the Congress and the American people may be better and more currently informed regarding American foreign policy and the effectiveness of

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*Sec. 633.*
Sec. 1405 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1675) amended subchapter IV of chapter 15 of title 31, U.S.C., to limit the availability of funds beyond the year in which such funds were appropriated, unless otherwise expressly stated, and canceled unobligated funds and pending obligated funds (see 31 U.S.C. 1551-1557, and related notes).

*Sec. 633A.*
See Executive Order 11223 (30 F.R. 6635, signed May 12, 1965); amended by Executive Order 12163 (44 F.R. 56673, signed September 29, 1979); amended by Executive Order 12178 (44 F.R. 71807, signed December 10, 1979), in Legislation on Foreign Relations Through 1999, vol. I-B.

*Sec. 634.*

*Sec. 633.*
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*Sec. 634.*

*Sec. 633.*
22 U.S.C. 2394. Sec. 634 was amended and restated by sec. 502(a)(2) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 957). Sec. 305(b) of Public Law 99-163 (99 Stat. 215) (concerning the promotion of immunization and oral rehydration) provided as follows:

"Each annual report required by section 634 of the Foreign Assistance Act of 1961 shall describe the progress achieved during the preceding fiscal year in carrying out section 104(c)(3) of such Act."
assistance provided by the United States Government to other countries and to international organizations, the Chairman of the Development Coordination Committee shall prepare and transmit to the Congress, no later than February 1 of each year, as a part of the annual presentation materials for foreign assistance, a report as described in this subsection. This report shall include—

(1)(A) a comprehensive and coordinated review of all United States policies and programs having a major impact on the development of developing countries, including but not limited to bilateral and multilateral assistance, trade, debt, employment, food, energy, technology, population, oceans, environment, human settlements, natural resources, and participation in international agencies concerned with development;

(B) an assessment of the impact of such policies and programs on the well-being of the poor majority in developing countries in accordance with the policy objectives of chapter 1 of part I, including increasing life expectancy and literacy, lowering infant mortality and birth rates, and increasing food production and employment, such assessment to include an evaluation of the extent to which programs under chapter 1 of part I directly benefit the poor majority; and

(C) an assessment of the impact of such policies and programs on economic conditions in the United States, including but not limited to employment, wages, and working conditions;

(2) the dollar value of all foreign assistance and guaranties by category and by country provided or made by the United States Government by any means to all foreign countries and international organizations—

(A) from 1946 to the fiscal year immediately preceding the fiscal year for which the report is required;

(B) as presented to Congress for the immediate preceding fiscal year;

(C) as obligated during the immediately preceding fiscal year;

(D) as planned for the fiscal year in which the report is presented;

(E) as proposed for the fiscal year following the year in which the report is presented; and

(F) of any contract in excess of $100,000 administered by the Agency for International Development which was entered into in the preceding fiscal year without competitive selection procedures, and the reasons for doing so;

(3) a summary of repayments, by country, to the United States from previous foreign assistance loans;

931 Sec. 733(1) of the International Security and Development Cooperation Act of 1981 (Public Law 97–113; 95 Stat. 1559) amended and restated subsec. (a) to this point.

932 The words “the progressive developing countries are making toward achieving those objectives which are indicative of improved well-being of the poor majority, which objectives shall include but not be limited to” which previously appeared at this point, were struck out by sec. 733(2) of the International Security and Development Cooperation Act of 1981 (Public Law 97–113; 95 Stat. 1559).

933 The language beginning with “such assessment to include” and ending with “the poor majority” was added by sec. 312(b) of the International Security and Development Cooperation Act of 1985 (Public Law 99–43; 99 Stat. 216).

934 Subpar. (F) was added by sec. 733(3) of the International Security and Development Cooperation Act of 1981 (Public Law 97–113; 95 Stat. 1559).
(4) the status of each sale of agricultural commodities on credit terms theretofore made under the Agricultural Trade Development and Assistance Act of 1954 with respect to which there remains outstanding any unpaid obligation; and the status of each transaction with respect to which a loan, contract or guarantee of insurance, or extension of credit (or participation therein) was theretofore made under the Export-Import Bank Act of 1945 with respect to which there remains outstanding any unpaid obligation or potential liability; except that such report shall include individually only any loan, contract, sale, extension of credit, or other transactions listed in this paragraph which is in excess of $1,000,000;

(5)(A) the status of the debt servicing capacity of each country receiving assistance under this Act;

(B) all forms of debt relief granted by the United States with respect to such countries, together with a detailed statement of the specific debt relief granted with respect to each such country and the purpose for which it was granted; and

(C) a summary of the net aid flow from the United States to such countries, taking into consideration the debt relief granted by the United States;

(6) the dollar value of all official development assistance, security assistance, international disaster assistance, refugee assistance, and international narcotic control assistance provided by each government of a country which is a member of the Organization for Economic Cooperation and Development or of the Organization of Petroleum Exporting Countries;

(7) the percentage which each type of assistance described in paragraph (6) represents of (A) the gross national product of each country referred to in paragraph (6), and (B) the budget of the government of such country, as well as the per capita contribution for each country for each type of assistance described in paragraph (6);

(8) the amount of all foreign currencies acquired without payment of dollars on hand of each foreign country as of September 30 of the preceding fiscal year;

(9) the Development Coordination Committee's operations pursuant to section 640B(f) of this Act;

(10) the aggregate dollar value and quantity of grant military assistance, military education and training, and any other defense articles and services furnished under this Act by the United States to each foreign country and international organization for the preceding fiscal year;

Par. (4) was amended and restated by sec. 733(4) of the International Security and Development Cooperation Act of 1981 (Public Law 97–113; 95 Stat. 1559). Previously, par. (4) also required information on loans and contracts concerning security assistance under this Act and credits for the procurement of defense articles under the Arms Export Control Act. This information is now required by sec. 25(a)(11) of the Arms Export Control Act.

Sec. 707 of the International Security and Development Cooperation Act of 1980 (Public Law 96–533; 94 Stat. 3159) redesignated existing par. (6) as par. (8) and added new pars. (6) and (7). Sec. 733(b) of the International Security and Development Cooperation Act of 1981 (Public Law 97–113; 95 Stat. 1559) struck out par. (8) (as redesignated) and inserted new pars. (8) through (12). Similar information required in each of the new pars. (8) through (12) had been previously required under other provisions as follows: par. (8)—sec. 613(c) of this Act (semianually); par. (9)—sec. 640B(g) of this Act; par. (10)—sec. 657 of this Act; par. (11)—sec. 133(c)(6) of Public Law 95–88; and par. (12)—former par. (8) of this subsection.
Sec. 634A. Notification of Program Changes.—(a) None of the funds appropriated to carry out the purposes of this Act (except for programs under title III or title IV of chapter 2 of part I, chapter 5 of part I, and programs of disaster relief and rehabilitation) or the Arms Export Control Act may be obligated for any activities, programs, projects, types of material assistance, countries, or other operations not justified, or in excess of the amount justified, to the Congress for obligation under this Act or the Arms Export Control Act for any fiscal year unless the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committee on Appropriations of each House of the Congress are notified fifteen days in advance of such obligation. Whenever a proposed reprogramming exceeds $1,000,000 and the total amount proposed for obligation for a country under this Act in a fiscal year exceeds by more than $5,000,000 the amount specified for that country in the report required by section 653(a) of this Act, notifications of such proposed reprogramming shall specify—

(1) the nature and purpose of such proposed obligation, and
(2) to the extent possible at the time of the proposed obligation, the country for which such funds would otherwise have been obligated.

(b) The notification requirement of this section does not apply to the reprogramming—

(1) of funds to be used for an activity, program, or project under chapter 1 of part I if the amounts to be obligated for...
that activity, program, or project for that fiscal year do not exceed by more than 10 percent the amount justified to the Congress for that activity, program, or project for that fiscal year; or

(2) of less than $25,000 to be used under chapter 8 of part I, or under chapter 5 of part II, for a country for which a program under that chapter for that fiscal year was justified to the Congress.

(c) The President shall notify the chairman of the Committee on Foreign Relations of the Senate and the chairman of the Committee on Foreign Affairs of the House of Representatives of the President's decisions concerning any reprogramming of funds in the International Affairs Budget Function, the authorizations of appropriations for which are in their respective jurisdictions, to the same degree and with the same conditions as the President notifies the Committees on Appropriations. The requirements of this subsection are in addition to, and not in lieu of, other notification requirements.

Sec. 634B. Classification of Reports.—All information contained in any report transmitted under this Act shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplemental report shall be transmitted to the Congress at the time the report is transmitted.

Sec. 635. General Authorities.—(a) Except as otherwise specifically provided in this Act, assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or other terms of repayment (including repayment in foreign currencies or by transfer to the United States Government of commodities) as may be determined to be best suited to the achievement of the purposes of this Act, and shall emphasize loans rather than grants wherever possible.

(b) The President may make loans, advances, and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, friendly government or government agency, whether within or without the United States and international organizations in furtherance of the purposes and within the limitations of this Act.

(c) It is the sense of Congress that the President, in furthering the purposes of this Act, shall use to the maximum extent practicable the services and facilities of voluntary, nonprofit organizations registered with, and approved by, the Agency for International Development.
(d) The President may accept and use in furtherance of the purposes of this Act, money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purpose.

(e)(1) Any agency of the United States Government is authorized to pay the cost of health and accident insurance for foreign participants in any program of furnishing technical information and assistance administered by such agency while such participants are absent from their homes for the purpose of participation in such program.

(2) Any agency of the United States Government is authorized to pay the cost of health and accident insurance for foreign employees of that agency while those employees are absent from their places of employment abroad for purposes of training or other official duties.

(f) Alien participants in any program of furnishing technical information and assistance under this Act may be admitted to the United States if otherwise qualified as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101(a)(15)), for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

(g) In making loans under this Act, the President—

(1) may issue letters of credit and letters of commitment;

(2) may collect or compromise any obligations assigned to, or held by, and any legal or equitable rights accruing to him, and, as he may determine, refer any such obligations or rights to the Attorney General for suit or collection;

(3) may acquire and dispose of, upon such terms and conditions as he may determine, any property, including any instrument evidencing indebtedness or ownership (provided that equity securities may not be directly purchased although such securities may be acquired by other means such as by exercise of conversion rights or through enforcement of liens or pledges or otherwise to satisfy a previously incurred indebtedness), and guarantee payment against any such instrument;

(4) may determine the character of, and necessity for, obligations and expenditures of funds used in making such loans and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to corporations of the United States Government; and

(5) shall cause to be maintained an integral set of accounts which shall be audited by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions as provided by the Government Corporation Control Act, as amended (31 U.S.C. 841 et seq.).

946 Sec. 302(i)(1) of the FA Act of 1967 added paragraph designation "(1)" and par. (2).

947 The words "and sales", which appeared at this point, were added by sec. 302(g) of the FA Act of 1965, then deleted by sec. 302(i)(2) of the FA Act of 1967, effective June 30, 1968.
(h) A contract or agreement which entails commitments for the expenditure of funds available under chapter 1 (except development loans) and title II of chapter 2 of part I and under part II may, subject to any future action of the Congress, extend at any time for not more than five years.

(i) Claims arising as a result of investment guaranty operations may be settled, and disputes arising as the result thereof may be arbitrated with the consent of the parties, on such terms and conditions as the President may direct. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

(j) The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for, or participating in, any operation or transaction arising under this Act, or from acquiring any obligation issued in connection with any operation or transaction arising under this Act.

(k) Any cost-type contract or agreement (including grants) entered into with a university, college, or other educational institution for the purpose of carrying out programs authorized by part I may provide for the payment of the reimbursable indirect costs of said university, college, or other educational institution on the basis of predetermined fixed-percentage rates applied to the total or an element thereof, of the reimbursable direct costs incurred.

Section 636. Provisions on Uses of Funds.—(a) Appropriations for the purposes of or pursuant to this Act (except for Part II), allocations to any agency of the United States Government, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to the agency primarily responsible for administering part I, shall be available for:

1. rent of buildings and space in buildings in the United States, and for repair, alteration, and improvements of such leased properties;
2. expenses of attendance at meetings concerned with the purposes of such appropriations of this Act, including (notwithstanding the provisions of section 9 of Public Law 60328 (31 U.S.C. 673)) expenses in connection with meetings and persons whose employment is authorized by section 626;
3. contracting with individuals for personal service abroad: Provided, That such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Civil Service Commission;
4. purchase, maintenance, operation, and hire of aircraft: Provided, That aircraft for administrative purposes may be purchased only as specifically provided for in an appropriation or other Act;

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948 Sec. 302(g) of the FA Act of 1962 deleted the word "made" which appeared after the word "funds".
949 Reference to chapter 1 was inserted in lieu of reference to titles V and VI by sec. 102(d)(2)(G) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 943).
950 The words "(except development loans)" were added by sec. 302(d) of the FA Act of 1966.
951 Sec. 302(e) of the FA Act of 1963.
(5) purchase and hire of passenger motor vehicles: Provided, That, except as may otherwise be provided in an appropriation or other Act, passenger motor vehicles for administrative purposes outside the United States may be purchased for replacement only, and such vehicles may be exchanged or sold and replaced by an equal number of such vehicles and the cost, including exchange allowance, of each such replacement shall not exceed the current market price in the United States of a mid-sized sedan or station wagon meeting the requirements established by the General Services Administration for a Class III vehicle of United States manufacture (or, if the replacement vehicle is a right-hand drive vehicle, 120 percent of that price) in the case of an automobile for the chief of any special mission or staff outside the United States established under section 631: Provided further, That passenger motor vehicles other than one for the official use of the head of the agency primarily responsible for administering part I, may be purchased for use in the United States only as may be specifically provided in an appropriation or other Act;

(6) entertainment (not to exceed $25,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

(7) exchange of funds without regard to section 3651 of the Revised Statutes (31 U.S.C. 543) and loss by exchange;

(8) expenditures (not to exceed $50,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act) of a confidential character other than entertainment: Provided, That a certificate of the amount of such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the head of the agency primarily responsible for administering part I or such person as he may designate, and every such certificate shall be deemed a sufficient voucher for the amount therein specified;

(9) insurance of official motor vehicles or aircraft acquired for use in foreign countries;

(10) rent or lease outside the United States for not to exceed ten years of offices, buildings, grounds, and quarters, including living quarters to house personnel, and payments therefor in advance; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government or made available for use to the United States Government outside the United States; and costs of fuel, water, and utilities for such properties;

(11) expenses of preparing and transporting to their former homes, or, with respect to foreign participants engaged in any program under part I, to their former homes or places of burial.

953 The words to this point beginning with “the current market price * * *” were inserted in lieu of “$3,500” by sec. 505 of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 960).

954 Public Law 99-550 (100 Stat. 3067) deleted the following phrase: “(without regard to the limitations contained in section 5 of Public Law 631, as amended (31 U.S.C. 638a(c)(2)), and section 201 of Public Law 85468 (31 U.S.C. 638(e))”.

Similar provisions were deleted from sec. 48 of the Arms Control and Disarmament Act. See Legislation on Foreign Relations Through 1999, vol. II, sec. F, notes.

955 See also sec. 614(c) of this Act.
Sec. 636 Foreign Assistance Act of 1961 (P.L. 87-195) 295

ial, and of care and disposition of, the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities carried out with funds covered by this subsection;

(12) purchase of uniforms;

(13) payment of per diem in lieu of subsistence to foreign participants engaged in any program under part I while such participants are away from their homes in countries other than the United States, at rates not in excess of those prescribed by the standardized Government travel regulations, notwithstanding any other provision of law;

(14) use in accordance with authorities of the Foreign Service Act of 1980\(^\text{956}\) (22 U.S.C. 3901 et seq.) not otherwise provided for;

(15) ice and drinking water for use outside the United States;

(16) services of commissioned officers of the Environmental Science Services Administration and for the purposes of providing such services to the Environmental Science Services Administration\(^\text{957}\) may appoint not to exceed twenty commissioned officers in addition to those otherwise authorized;

(17) expenses in connection with travel of personnel outside the United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel), and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year, and cost of transporting automobiles to and from a place of storage, and the cost of storing automobiles of such personnel when it is in the public interest or more economical to authorize storage.

(b) Funds made available for the purposes of this Act may be used for compensation, allowances, and travel of personnel including Foreign Service personnel whose services are utilized primarily for the purposes of this Act, for printing and binding without regard to the provisions of any other law, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of funds of the United States Government as may be necessary to accomplish the purposes of this Act.

\(^{956}\)Sec. 1211(b)(1) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 279) inserted reference to the 1980 Act which updated a reference to the 1946 version of the Act which had been repealed and replaced by the 1980 version.

\(^{957}\)Sec. 302(k) of the FA Act of 1967 inserted "Environmental Science Service Administration" in lieu of "Coast and Geodetic Survey".
(c) Notwithstanding any other law, not to exceed $6,000,000 of the funds available for assistance under this Act may be used in any fiscal year (in addition to funds available for such use under other authorities in this Act) to construct or otherwise acquire outside the United States (1) essential living quarters, office space, and necessary supporting facilities for use of personnel carrying out activities authorized by this Act, and (2) schools (including dormitories and boarding facilities) and hospitals for use of personnel carrying out activities authorized by this Act, United States Government personnel, and their dependents. In addition, funds made available for assistance under this Act may be used, notwithstanding any other law, to equip, staff, operate, and maintain such schools and hospitals.

(d) Not to exceed $2,500,000 of funds available for assistance under this Act may be used in any fiscal year to provide assistance, on such terms and conditions as are deemed appropriate, to schools established, or to be established, outside the United States whenever it is determined that such action would be more economical or would best serve the interests of the United States in providing for the education of dependents of personnel carrying out activities authorized by this Act and dependents of United States Government personnel, in lieu of acquisition or construction pursuant to subsection (c) of this section.

(e) Funds available under this Act may be used to pay costs of training United States citizen personnel employed or assigned pursuant to section 625(d)(2) (through interchange or otherwise) at any State or local unit of government, public or private nonprofit institution, trade, labor, agricultural, or scientific association or organization, or commercial firm; and the provisions of Public Law 84918 (7 U.S.C. 1881 et seq.) may be used to carry out the foregoing authority notwithstanding that interchange of personnel may not be involved or that the training may not take place at the institutions specified in that Act. Such training shall not be considered employment or holding of office under section 5533 of title 5 of the United States Code and any payments or contributions in connection therewith may, as deemed appropriate by the head of the agency of the United States Government authorizing such training, be made by private or public sources and be accepted by any

\[958\text{Sec. 585 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991 (Public Law 101-513; 104 Stat. 2047), provided the following:}]

\[959\text{The figure }$6,000,000\text{ was substituted in lieu of }$3,000,000\text{ by title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 (sec. 101(e) of the Continuing Appropriations for 1988; Public Law 100-202; 101 Stat. 1329).}]

\[960\text{The words }"\text{other than title I of chapter 2 of part I}"\text{, which previously appeared at this point, were struck by sec. 102(g)(2) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 943).}]

\[961\text{Sec. 302(l)}\text{ of the FA Act of 1967 inserted }"$2,500,000"\text{ in lieu of }"$1,500,000"\text{.}]

\[962\text{Sec. 302(m)}\text{ of the FA Act of 1967 inserted }"5533\text{ of title 5 of the United States Code in lieu of }"301\text{ of the Dual Compensation Act (5 U.S.C. 3105).}"\]
ee, or may be accepted by and credited to the current applicable appropriation of such agency: Provided, however, That any such payments to any employee in the nature of compensation shall be in lieu, or in reduction, of compensation received from the United States Government.

(f) Funds made available under chapter 1 of part I 963 may be used for expenses (other than those provided for under section 637(a)) to assist in carrying out functions under chapter 1 964 of part I, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 et seq.), and under the Latin American Development Act, as amended 965 (22 U.S.C. 1942 et seq.), performed by the agency primarily responsible for administering part I or by the Corporation established under title IV of chapter 2 of part I with respect to loan activities which it carries out under the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended. 966

(g) Funds made available for the purposes of part II or the Arms Export Control Act 967 shall be available for—

1. Administrative, extraordinary (not to exceed $300,000 in any fiscal year), and operating expenses incurred in furnishing defense articles, military education and training 968 and defense services on a grant or sales basis by the agency primarily responsible for administering part II; 969

2. Reimbursement of actual expenses of military officers detailed or assigned as tour directors in connection with orientation visits of foreign military and related civilian personnel 970 in accordance with the provisions of section 5702(c) of title 5 of the United States Code 971 applicable to civilian officers and employees; and

3. Maintenance, repair, alteration, and furnishing of United States-owned facilities in the District of Columbia or elsewhere for the training of foreign military and related civilian personnel 970 without regard to the provisions of section 3733 of the Revised Statutes (41 U.S.C. 12) or other provision of law re-

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963 The reference to chapter 1 of part I was inserted in lieu of a reference to sec. 212 by sec. 102(g)(2)(I) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 943).
964 The reference to chapter 1 was inserted in lieu of a reference to title I of chapter 2 by sec. 102(g)(2)(I) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 943).
965 Sec. 302(h)(2) of the FA Act of 1965 inserted "Latin American Development Act, as amended" in lieu of "Act to provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes". For text of the Latin American Development Act, see Legislation on Foreign Relations Through 1999, vol. I-B.
966 The words to this point, beginning with "or by the Corporation", were added by sec. 306 of the FA Act of 1969. For text of the Agricultural Trade Development and Assistance Act of 1954, as amended, see Legislation on Foreign Relations Through 1999, vol. I-B.
967 Title III of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167; 103 Stat. 1214), added this reference to the Arms Export Control Act.
968 The words "military education and training" were added by sec. 106(b) of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94-329; 90 Stat. 733).
969 The words to this point, beginning with "incurred in furnishing" (except as noted in footnote 964) were added by sec. 302(g) of the FA Act of 1968.
970 The words "and related civilian personnel" were inserted in lieu of "personnel" by sec. 106(b) of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94-329; 90 Stat. 733).
971 Sec. 302(n) of the FA Act of 1967 inserted "5702(c) of title 5 of the United States Code" in lieu of "3 of the Travel Expense Act of 1949, as amended (5 U.S.C. 836),".
requiring a specific authorization or specific appropriation for such public contracts.

(h) In carrying out programs under this Act, the President shall take all appropriate steps to assure that, to the maximum extent possible, (1) countries receiving assistance under this Act contribute local currencies to meet the cost of contractual and other services rendered in conjunction with such programs, and (2) foreign currencies owned by the United States are utilized to meet the costs of such contractual and other services.

(i) Notwithstanding section 640 or any other provision of this Act, none of the funds made available to carry out this Act shall be used to finance the purchase, sale, long-term lease, exchange, or guaranty of a sale of motor vehicles unless such motor vehicles are manufactured in the United States. Provided, That where special circumstances exist the President is authorized to waive the provisions of this section in order to carry out the purposes of this Act.

Sec. 637. Administrative Expenses.—(a) * * * [Repealed—1978]

(b) There is hereby authorized to be appropriated such amounts as may be necessary from time to time for administrative expenses which are incurred for functions of the Department of State under this Act and unrepealed provisions of the Mutual Security Act of 1954, as amended, or for normal functions of the Department of State which relate to such functions.

Sec. 638. Exclusions.—(a) No provision of this Act shall be construed to prohibit assistance to any country pursuant to the Peace Corps Act, as amended; the Mutual Educational and Cultural Exchange Act of 1961, as amended; or the Export-Import Bank Act of 1945, as amended.

(b) No provision of this Act or any other provision of law shall be construed to prohibit assistance for any training activity which is funded under this Act for Brazil or Argentina as long as such country continues to have a democratically elected government and the assistance is otherwise consistent with sections 116, 502B, 620(f), 620A, and 660 of this Act.

Sec. 639. Famine or Disaster Relief.—* * * [Repealed—1975]
Sec. 639A. Disaster Relief Assistance.—* * *

Sec. 639B. African Development Program.—* * *

Sec. 640. Military Sales.—* * * [Repealed—1968]

Sec. 640A. False Claims and Ineligible Commodities.—(a)

Any person who makes or causes to be made or presents or causes to be presented to any bank or other financial institution or to any officer, agent, or employee of any agency of the United States Government a claim for payment from funds made available under this Act for the purposes of furnishing assistance and who knows the claim to be false, fraudulent, or fictitious or to cover a commodity or commodity-related service determined by the President to be ineligible for payment from funds made available under this Act, or who uses to support his claim any certification, statement, or entry on any contract, bill of lading, Government or commercial invoice, or Government form, which he knows, or in the exercise of prudent business management should know, to contain false, fraudulent, or fictitious information, or who uses or engages in any other fraudulent trick, scheme, or device for the purpose of securing or obtaining, or aiding to secure or obtain, for any person any benefit or payment from funds so made available under this Act in connection with the negotiation, procurement, award, or performance of a contract financed with funds so made available under this Act, and any person who enters into an agreement, combination or conspiracy to do so, (1) shall pay to the United States an amount equal to 25 per centum of any amount thereby sought to be wrongfully secured or obtained but not actually received, and (2) shall forfeit and refund any payment, compensation, loan, commission, or advance received as a result thereof, and (3) shall, in addition, pay to the United States for each such act (A) the sum of $2,000 and double the amount of any damage which the United States may have sustained by reason thereof, or (B) an amount equal to 50 per centum of any such payment, compensation, loan, commission, or advance so received, whichever is the greater, together with the costs of suit.

(b) In order to secure recovery under this section, the President may, as he deems appropriate, (1) institute suit in the United States district court for any judicial district in which the person alleged to have performed or participated in an act described by this section may reside or may be found, and (2) upon posting by registered mail to such person a notice of claim describing the basis thereof and identifying the funds to be withheld, withhold from funds owed by any agency of the United States Government to such person an amount equal to the refund, damages, liquidated damages, and exemplary damages claimed by the United States under this section. Any such withholding of funds from any person shall constitute a final determination of the rights and liabilities of such person.

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983 Sec. 639A, as added by the FA Act of 1973, was redesignated as sec. 494A of this Act by sec. 101(5) of Public Law 94–161 (89 Stat. 849). It was subsequently repealed in 1978.

984 Sec. 639B, as added by sec. 20 of the FA Act of 1973, was redesignated as sec. 494B by sec. 101(5) of Public Law 94–161 (89 Stat. 849). It has subsequently been redesignated as sec. 120 of this Act.

985 Sec. 640 was repealed by sec. 45(a) of the Foreign Military Sales Act (Public Law 90–629).

986 Sec. 640A was added by sec. 302(f) of the FA Act of 1968.
Sec. 640B.987 Coordination.—(a) The President shall establish a system for coordination of United States policies and programs which affect United States interests in the development of low-income countries. To that end, the President shall establish a Development Coordination Committee which shall advise him with respect to coordination of United States policies and programs affecting the development of the developing countries, including programs of bilateral and multilateral development assistance. The Committee shall include the head of the agency primarily responsible for administering part I, Chairman, and representatives of the Departments of State, Treasury, Commerce, Agriculture, Energy, and Labor, the Executive Office of the President and other executive departments and agencies, as the President shall designate. The Committee shall advise the President concerning the degree to which bilateral and multilateral development assistance should focus on critical problems in those functional sectors which affect the lives of the majority of people in the developing countries: food production; rural development and nutrition; population planning and health; and education, public administration, and human resource development.

(b) The President shall prescribe appropriate procedures to assure coordination among—

(1) the various departments and agencies of the United States Government having representatives in diplomatic missions abroad; and

(2) representatives of the United States Government in each country, under the direction of the Chief of the United States Diplomatic Mission.

The President shall keep the Congress advised of his actions under this subsection.

(c) Programs authorized by this Act shall be undertaken with the foreign policy guidance of the Secretary of State.

(d) [Repealed—1978]

(e)991 The head of any of the departments or agencies referred to in subsection (a) may temporarily assign, upon the request of the person under this section with respect to the amount so withheld, unless within one year of receiving the notice of claim such person brings suit for recovery, which is hereby authorized, against the United States in any United States district court.

(c) For purposes of this section, the term “person” includes any individual, corporation, partnership, association, or other legal entity.


988 Representatives from the Department of Energy were added to this list of Committee members by sec. 118 of the International Development Cooperation Act of 1979 (Public Law 96-53; 93 Stat. 365). The function of the head of the agency primarily responsible for administering part I, as mentioned in this sentence, was transferred to the Director of IDCA, pursuant to sec. 6 of Reorganization Plan No. 2 of 1979 (establishing IDCA). The Reorganization Plan No. 2 of 1979 ceased to be effective with enactment of the Foreign Affairs Reform and Restructuring Act of 1998, pursuant to sec. 1422(a)(1) (division G of Public Law 105-277; 112 Stat. 2681).

989 This sentence was added by sec. 127(a) of the International Development and Food Assistance Act of 1977 (Public Law 95-88; 91 Stat. 542).

990 Subsec. (d), which had required an annual report from the President regarding U.S. actions affecting the development of less developed countries, was repealed by sec. 102(d)(1) of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 959). A similar report is now required under sec. 634 of this Act.

991 Subsecs. (e) and (f), were added by sec. 127(c) of the International Development and Food Assistance Act of 1977 (Public Law 95-88; 91 Stat. 543).
Chairman, any employee from such department or agency to the staff of the Committee.

To carry out the purposes of subsection (a), the Committee shall—

1. prepare studies on various development problems;
2. devise implementation strategies on developmental problems appropriate to each such department or agency;
3. monitor and evaluate the results of the development activities of each such department or agency; and
4. arrange for the exchange of information and studies between such agencies and departments.

Sec. 640C. Shipping Differential.—For the purposes of facilitating implementation of section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)), funds made available for the purposes of chapter 1 of part I or for purposes of chapter 4 of part II may be used to make grants to recipients to pay all or any portion of such differential as is determined by the Secretary of Commerce to exist between United States and foreign-flag vessel charter or freight rates. Grants made under this section shall be paid with United States-owned foreign currencies wherever feasible.

Chapter 3—Miscellaneous Provisions

Sec. 641. Effective Date and Identification of Programs.—This Act shall take effect on the date of its enactment. Programs under this Act shall be identified appropriately overseas as “American Aid”.

Sec. 642. Statutes Repealed.—(a) There are hereby repealed—

1. Reorganization Plan Numbered 7 of 1953;
2. the Mutual Security Act of 1954, as amended (except sections 402, 408, 417, 502(a), 502(b), 514, 523(d) and 536; 997, 998)
3. section 12 of the Mutual Security Act of 1955;
4. sections 12, 13, and 14 of the Mutual Security Act of 1956;

Sec. 643. For text of the Mutual Security Act of 1954, see Legislation on Foreign Relations Through 1999, vol. I–B. Subsecs. (a), (c), and (d) of sec. 405 of the Mutual Security Act of 1954, as amended, and subsec. (c) of sec. 451, which were retained by the Foreign Assistance Act of 1961, were repealed by sec. 6 of the Migration and Refugee Assistance Act of 1962 (Public Law 87–510). Sec. 414 of the Mutual Security Act of 1954, as amended, was repealed by sec. 212(b) of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94–329).

The words “Provided, That until the enactment of legislation authorizing and appropriating funds for activities heretofore carried on pursuant to sections 405(a), 405(c), 405(d), and 451(c) of the Mutual Security Act of 1954, as amended, such activities may be continued with funds made available under section 451(a) of this Act”, which appeared at this point, were struck out by sec. 303(a) of the FA Act of 1965.
(5) section 503 of the Mutual Security Act of 1958;
(6) section 108 of the Mutual Security Appropriation Act, 1959;
(7) section 501(a), chapter VI, and sections 702 and 703 of the Mutual Security Act of 1959, as amended; and

(b) References in law to the Acts, or provisions of such Acts, repealed by subsection (a) of this section shall hereafter be deemed to be references to this Act or appropriate provisions of this Act.

(c) The repeal of the Acts listed in subsection (a) of this section shall not be deemed to affect amendments contained in such Acts to Acts not named in that subsection.

Sec. 643. Saving Provisions.—(a) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by section 642(a) and the Foreign Assistance Act of 1969 shall continue in full force and effect until modified by appropriate authority.

(b) Wherever provisions of this Act establish conditions which must be complied with before use may be made of authority contained in, or funds authorized by, this Act, compliance with, or satisfaction of, substantially similar conditions under Acts listed in section 642(a) and the Foreign Assistance Act of 1969 or Acts repealed by those Acts shall be deemed to constitute compliance with the conditions established by this Act.

(c) Funds made available pursuant to provisions of law repealed by section 642(a)(2) and the Foreign Assistance Act of 1969 shall, unless otherwise authorized or provided by law, remain available for their original purposes in accordance with the provisions of law originally applicable thereto, or in accordance with the provisions of law currently applicable to those purposes.

(d) * * * [Repealed—1962]

Sec. 644. Definitions.—As used in this Act—

(a) “Agency of the United States Government” includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States Government.

(b) “Armed Forces” of the United States means the Army, Navy, Air Force, Marine Corps, and Coast Guard.

(c) “Commodity” includes any material, article, supply, goods, or equipment used for the purposes of furnishing nonmilitary assistance.

(d) “Defense article” includes—

(1) any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war;
(2) any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance;

(3) any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing storage, construction, transportation, operation, or use of any article listed in this subsection; or

(4) any component or part of any article listed in this subsection; but

shall not include merchant vessels or, as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 1951), source material (except uranium depleted in the isotope 235 which is incorporated in defense articles solely to take advantage of high density or pyrophoric characteristics unrelated to radioactivity), byproduct material, special nuclear material, production facilities, utilization facilities, or atomic weapons or articles involving Restricted Data.

(e) “Defense information” includes any document, writing, sketch, photograph, plan, model, specification, design, prototype, or other recorded or oral information relating to any defense article or defense service, but shall not include Restricted Data as defined by the Atomic Energy Act of 1954, as amended, and data removed from the Restricted Data category under section 142d of that Act.

(f) “Defense service” includes any service, test, inspection, repair, publication, or technical or other assistance or defense information used for the purposes of furnishing military assistance, but does not include military educational and training activities under chapter 5 of part II.

(g) “Excess defense articles” means the quantity of defense articles (other than construction equipment, including tractors, scrapers, loaders, graders, bulldozers, dump trucks, generators, and compressors) owned by the United States Government, and not procured in anticipation of military assistance or sales requirements, or pursuant to a military assistance or sales order, which

1003 The parenthetical phrase was added by sec. 22 of the International Security Assistance Act of 1979 (Public Law 96–92; 93 Stat. 710).

1004 Sec. 303(a)(1) of the FA Act of 1967 added the words “production facilities, utilization facilities,” and “or articles involving Restricted Data.”

1005 Sec. 303(a)(2) of the FA Act of 1967 struck out the words “and formerly Restricted Data” which appeared after the words “Restricted Data,” and added the words to this point beginning with “, and data removed”.

1006 Subsec. (f) was amended by sec. 106(b) of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94–329; 90 Stat. 733). It formerly read as follows:

“Defense service” includes any service, test, inspection, repair, training, publication, or technical or other assistance, or defense information used for the purposes of furnishing military assistance. Training includes formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aid, orientation, training exercise, military advice to foreign military units and forces.”

1007 Sec. 22(1) of the FA Act of 1973 amended subsec. (g), which formerly read as follows:

“(g) ‘Excess defense articles’ means the quantity of defense articles owned by the United States Government, and not procured in anticipation of military assistance or sales requirements, or pursuant to a military assistance or sales order, which is in excess of the mobilization reserve at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations under this Act.”

1008 Sec. 9(b) of the International Narcotics Control Act of 1992 (Public Law 102–583; 106 Stat. 4934) inserted “other than construction equipment, including tractors, scrapers, loaders, graders, bulldozers, dump trucks, generators, and compressors” after “articles.”
is in excess of the Approved Force Acquisition Objective and Approved Force Retention Stock of all Department of Defense Components at the time such articles are dropped from inventory by the supplying agency for delivery to countries or international organizations under this Act.

(h) “Function” includes any duty, obligation, power, authority, responsibility, right, privilege, discretion, or activity.

(i) 1009 * * * [Repealed—1973]

(j) “Officer or employee” means civilian personnel and members of the Armed Forces of the United States Government.

(k) “Services” include any service, repair, training of personnel, or technical or other assistance or information used for the purposes of furnishing nonmilitary assistance.

(l) “Surplus agricultural commodity” means any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States either publicly or privately owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for United States dollars, as determined by the Secretary of Agriculture.

(m) 1010 “Value” means—

(1) with respect to an excess defense article, the actual value of the article plus the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying the article, except that for purposes of section 632(d) such actual value shall not be taken into account;

(2) with respect to a nonexcess defense article delivered from inventory to foreign countries or international organizations under this Act, the acquisition cost to the United States Government, adjusted as appropriate for condition and market value;

(3) with respect to a nonexcess defense article delivered from new procurement to foreign countries or international organizations under this Act, the contract or production costs of such article;

(4) with respect to a defense service, the cost to the United States Government of such service; and

1009 Subsec. (i), which related to mobilization reserve, was repealed by sec. 22(2) of the FA Act of 1973.

1010 Sec. 22(3) of the FA Act of 1973 amended subsec. (m), which formerly read as follows: “(m) Value means, other than in section 657 of this Act—

(1) with respect to excess defense articles, the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying such articles;

(2) with respect to nonexcess defense articles delivered from inventory to countries or international organizations under this Act, the standard price in effect at the time such articles are dropped from inventory by the supplying agency. Such standard price shall be the same price (including authorized reduced prices) used for transfers or sales of such articles in or between the Armed Forces of the United States Government, or, where such articles are not transferred or sold in or between the Armed Forces of the United States, the gross cost to the United States Government adjusted as appropriate for condition and market value and

(3) with respect to nonexcess defense articles delivered from new procurement to foreign countries or international organizations under this Act, the contract or production costs of such articles.

Military assistance programs and orders shall be based upon the best estimates of stock status and prevailing prices; reimbursements to the supplying agency shall be made on the basis of the stock status and prices determined pursuant to this section. Notwithstanding the foregoing provisions of this section, the Secretary of Defense may prescribe regulations authorizing reimbursements to the supplying agency based on negotiated prices for aircraft, vessels, plant equipment and such other major items as he may specify. Provided, That such articles are not excess at the time such prices are negotiated. Provided further, That such prices are negotiated at the time firm orders are placed with the supplying agency.”.
Sec. 647 Foreign Assistance Act of 1961 (P.L. 87-195)

(5) with respect to military education and training or services provided under chapter 8 of part II of this Act, the additional costs that are incurred by the United States Government in furnishing such assistance.

(n) “Military education and training” includes formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses, technical, educational, or information publications and media of all kinds, training aids, orientation, and military advice to foreign military units and forces.

(o) “Agriculture” includes aquaculture and fisheries.

(p) “Farmers” includes fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.

(q) “Major non-NATO ally” means a country which is designated in accordance with section 517 as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.).

Sec. 645 Unexpended Balances.—Unexpended balances of funds made available pursuant to this Act, the Mutual Security Act of 1954, as amended, or the Latin American Development Act, as amended1016 are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this Act.

Sec. 646 Construction.—If any provision of this Act, or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the applicability of such provision to other circumstances or persons shall not be affected thereby.

Sec. 647 Dependable Fuel Supply.—It is of paramount importance that long-range economic plans take cognizance of the need for a dependable supply of fuels, which is necessary to orderly and stable development and growth, and that dependence not be placed upon sources which are inherently hostile to free countries and the ultimate well-being of economically underdeveloped coun-

1013 Par. (5) was added by sec. 115(b)(1) of the International Security and Development Cooperation Act of 1980 (Public Law 96–533; 94 Stat. 3140). The reference to chapter 8 of part II was added by the International Security and Development Assistance Authorizations Act of 1983 (sec. 101(b)(2) of the Further Continuing Appropriations, 1984; Public Law 98–151; 97 Stat. 972). Pursuant to Public Law 98–151, this amendment was enacted as contained in title II of H.R. 2992, as reported by the House Committee on Foreign Affairs on May 17, 1983.

1012 Subsec. (n) was added by sec. 106(b) of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94–329; 90 Stat. 733).

1013 Subsecs. (o) and (p) were added by sec. 103(b) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 945).

1014 Sec. 147(a)(2) of Public Law 104–164 (110 Stat. 1435) added subsec. (q).

1015 22 U.S.C. 2404. Sec. 304 of the FA Act of 1963 amended sec. 645, which formerly read as follows: “Unexpended balances of funds made available pursuant to this Act or the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this Act.”

1016 Sec. 303(c) of the FA Act of 1965 inserted “the Latin American Development Act, as amended” in lieu of “Public Law 86–735”.


tries and which might exploit such dependence for ultimate political domination. The agencies of government in the United States are directed to work with other countries in developing plans for basing development programs on the use of the large and stable supply of relatively low cost fuels available in the free world.

Sec. 648. Special Authorization for Use of Foreign Currencies.—Subject to the provisions of section 1415 of the Supplementary Appropriation Act, 1953, the President is authorized, as a demonstration of good will on the part of the people of the United States for the Polish and Italian people, to use foreign currencies accruing to the United States Government under this or any other Act, for assistance on such terms and conditions as he may specify, in the repair, rehabilitation, improvement, and maintenance of cemeteries in Italy serving as the burial place of members of the armed forces of Poland who died in combat in Italy during World War II.

Sec. 649. Limitation on Aggregate Authorization for Use in Fiscal Year 1966.—*

Sec. 650. Use of United States Armed Forces.—The furnishing of economic, military, or other assistance under this Act shall not be construed as creating a new commitment or as affecting any existing commitment to use Armed Forces of the United States for the defense of any foreign country.

Sec. 651. Sale of Supersonic Planes to Israel.—*

Sec. 652. Limitation Upon Exercise of Special Authorities.—The President shall not exercise any special authority granted to him under section 506(a), 552(c)(2), or 610(a) of this Act unless the President, before he intends to exercise any such authority, notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate in writing of each such intended exercise, the section of this Act under which such authority is to be exercised, and the justification for, and the extent of, the exercise of such authority.
Sec. 653. Change in Allocation of Foreign Assistance.—

(a) Not later than thirty days after the enactment of any law appropriating funds to carry out any provision of this Act (other than section 451 or 637) or the Arms Export Control Act, the President shall notify the Congress of each foreign country and international organization to which the United States Government intends to provide any portion of the funds under such law and of the amount of funds under that law, by category of assistance, that the United States Government intends to provide to each.

(b) The provisions of this section shall not apply in the case of any law making continuing appropriations and may not be waived under the provisions of section 614(a) of this Act.

1028 Sec. 653 was added by sec. 304(b) of the FA Act of 1971.
1029 This section was added by sec. 614(a) of the FA Act of 1971.
1030 This reference to the Arms Export Control Act was added by sec. 1209(b)(1) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 279).
1031 Sec. 211(a) of the FA Act of 1974 struck the balance of subsection (a) at this point. The stricken part read as follows: "Notwithstanding any other provision of law the United States Government shall not provide to any foreign country or international organization any funds under that law which exceeds by 10 per centum the amount of military grant assistance or security supporting assistance, as the case may be, which the President notified the Congress that the United States Government intended to provide to that country or organization under that law, unless the President determines that it is in the security interests of the United States that such country or organization receive funds in excess of the amount included in such notification for that country or organization, and (2) reports to Congress at least ten days prior to the date on which such excess funds are to be provided to that country or organization, each such determination, including the name of the country or organization to receive funds in excess of such per centum, the amount of funds in excess of that per centum which are to be provided, and the justification for providing the additional assistance."
1032 Sec. 1209(b)(3) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 279) redesignated this former subsec. (c) as subsec. (b), and struck out the former subsec. (b), which read as follows:

"(b) Notwithstanding any other provision of law, no military grant assistance, assistance under chapter 4 of part II of this Act, assistance under chapter 1 of part I of this Act, or assistance under chapter 6 of part II of this Act, may be furnished to any country or international organization in any fiscal year, if such assistance exceeds by 10 percent or more the amount of such military grant assistance, under chapter 4 of part II of this Act, assistance under chapter 1 of part I of this Act, or assistance under chapter 6 of part II of this Act, as the case may be, set forth in the report required by subsection (a) of this section, unless—

"(1) the President reports to the Congress, at least ten days prior to the date on which such excess funds are provided, the country or organization to be provided the excess funds, the amount and category of the excess funds, and the justification for providing the excess funds; and

"(2) in the case of military grant assistance or assistance under chapter 6 of part II of this Act or assistance under chapter 4 of part II of this Act or assistance under chapter 6 of part II, the President includes in the report under paragraph (1) his determination that it is in the security interest of the United States to provide the excess funds."
Sec. 654. Presidential Findings and Determinations.—
(a) In any case in which the President is required to make a report to the Congress, or to any committee or officer of either House of Congress, concerning any finding or determination under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, that finding or determination shall be reduced to writing and signed by the President.

(b) No action shall be taken pursuant to any such finding or determination prior to the date on which that finding or determination has been reduced to writing and signed by the President.

(c) Each such finding or determination shall be published in the Federal Register as soon as practicable after it has been reduced to writing and signed by the President. In any case in which the President concludes that such publication would be harmful to the national security of the United States, only a statement that a determination or finding has been made by the President, including the name and section of the Act under which it was made, shall be published.

(d) No committee or officer of either House of Congress shall be denied any requested information relating to any finding or determination which the President is required to report to the Congress, or to any committee or officer of either House of Congress, under any provision of this Act, the Foreign Military Sales Act, or the Foreign Assistance and Related Programs Appropriation Act for each fiscal year, even though such report has not yet been transmitted to the appropriate committee or officer of either House of Congress.


(a) Report Required.—Not later than February 1 of each year, the President shall transmit to the Congress an annual report for the fiscal year ending the previous September 30.

(b) Information Relating to Military Assistance and Military Exports.—Each such report shall show the aggregate dollar value and quantity of defense articles (including excess defense articles), defense services, and international military edu-
cation and training activities authorized by the United States and of such articles, services, and activities provided by the United States, excluding any activity that is reportable under title V of the National Security Act of 1947, to each foreign country and international organization. The report shall specify, by category, whether such defense articles—

(1) were furnished by grant under chapter 2 or chapter 5 of part II of this Act or under any other authority of law or by sale under chapter 2 of the Arms Export Control Act;

(2) were furnished with the financial assistance of the United States Government, including through loans and guarantees; or

(3) were licensed for export under section 38 of the Arms Export Control Act.

(c) INFORMATION RELATING TO MILITARY IMPORTS.—Each such report shall also include the total amount of military items manufactured outside the United States that were imported into the United States during the fiscal year covered by the report. For each country of origin the report shall show the type of item being imported and the total amount of the items.

(d) 1036 AVAILABILITY ON INTERNET.—All unclassified portions of such report shall be made available to the public on the Internet through the Department of State.

SEC. 656.1037 ANNUAL FOREIGN MILITARY TRAINING REPORT.

(a) ANNUAL REPORT.—Not later than January 31 of each year, the Secretary of Defense and the Secretary of State shall jointly prepare and submit to the appropriate congressional committees a report on all military training provided to foreign military personnel by the Department of Defense and the Department of State during the previous fiscal year and all such training proposed for the current fiscal year.

(b) CONTENTS.—The report described in subsection (a) shall include the following:

(1) For each military training activity, the foreign policy justification and purpose for the activity, the number of foreign military personnel provided training and their units of operation, and the location of the training.

(2) For each country, the aggregate number of students trained and the aggregate cost of the military training activities.

(3) With respect to United States personnel, the operational benefits to United States forces derived from each military training activity and the United States military units involved in each activity.


An earlier sec. 656—Limitations on United States Personnel and Personnel Assisted by United States in Cambodia—was added by Public Law 92–226 (86 Stat. 20), and was repealed by sec. 604 of the International Development and Food Assistance Act of 1976 (Public Law 95–424; 92 Stat. 961).
The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), provided the following:

``ANTI-NARCOTICS ACTIVITIES
``SEC. 540. Of the funds appropriated or otherwise made available by this Act for `Economic Support Fund', assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act. Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961.
``Sec. 104. EXEMPTION OF NARCOTICS-RELATED MILITARY ASSISTANCE FOR FISCAL YEAR 1995 FROM PROHIBITION ON ASSISTANCE FOR LAW ENFORCEMENT AGENCIES.
``(a) Exemption.—For fiscal year 1995, section 660 of the Foreign Assistance Act of 1961 (22 U.S.C. 2420) shall not apply with respect to—
``(1) transfers of excess defense articles under section 517 of that Act (22 U.S.C. 2321k); and
``(2) funds made available for the Foreign Military Financing Program under section 23 of the Arms Export Control Act (22 U.S.C. 2763) that are used for assistance provided for narcotics-related purposes; or
Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces for any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government within the United States or abroad.

(b) Subsection (a) of this section shall not apply—

(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968\(^{1042}\) with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States, or with respect to assistance authorized under section 482 of this Act;

(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program;

(3)\(^{1043}\) with respect to assistance, including training, in maritime law enforcement and other maritime skills;\(^{1044}\)

(4)\(^{1045}\) with respect to assistance provided to police forces in connection with their participation in the regional security system of the Eastern Caribbean states; or\(^{1044}\)

(5)\(^{1044}\) with respect to assistance, including training, relating to sanctions monitoring and enforcement;

(6)\(^{1044}\) with respect to assistance provided to reconstitute civilian police authority and capability in the post-conflict restoration of host nation infrastructure for the purposes of supporting a nation emerging from instability, and the provision of professional public safety training, to include training in internationally recognized standards of human rights, the rule of law, anti-corruption, and the promotion of civilian police roles that support democracy;\(^{1046}\)

(7)\(^{1046}\) with respect to assistance provided to customs authorities and personnel, including training, technical assistance

\(^{1042}\)Public Law 90–351 (82 Stat. 197), approved June 19, 1968. Such sec. 515(c) was redesignated as sec. 515(b) by sec. 124 of Public Law 94–503.

\(^{1043}\)Clause (3) was added by sec. 127(b) by Public Law 99–83 (99 Stat. 205).

\(^{1044}\)Sec. 540A(d) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996 (Public Law 104–107; 110 Stat. 737), struck out “; or” at the end of para. (3); added “; or” at the end of para. (4), and added new paras. (5) and (6).


\(^{1046}\)Sec. 574 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, enacted by reference in sec. 1080(a)(2) of Public Law 106–113; 113 Stat. 1535), struck out a period at the end of para. (6), inserted in lieu thereof a semicolon, and added a new para. (7).
and equipment, for customs law enforcement and the improvement of customs laws, systems and procedures. Notwithstanding clause (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment.

(c) 1047 Subsection (a) shall not apply with respect to a country which has a longstanding democratic tradition, does not have standing armed forces, and does not engage in a consistent pattern of gross violations of internationally recognized human rights.

(d) 1047, 1048 Notwithstanding the prohibition contained in subsection (a), assistance may be provided to Honduras or El Salvador for fiscal years 1986 and 1987 if, at least 30 days before providing assistance, the President notifies the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, in accordance with the procedures applicable to reprogramming notifications pursuant to section 634A of this Act, that he has determined that the government of the recipient country has made significant progress, during the preceding six months, in eliminating all human rights violations including torture, incommunicado detention, detention of persons solely for the non-violent expression of their political views, or prolonged detention without trial. Any such notification shall include a full description of the assistance which is proposed to be provided and of the purposes to which it is to be directed.

SEC. 661.1050 TRADE AND DEVELOPMENT AGENCY.

(a) PURPOSE.—The Trade and Development Agency shall be an agency of the United States under the foreign policy guidance of the Secretary of State. The purpose of the Trade and Development Agency is to promote United States private sector participation in development projects in developing and middle-income countries, with special emphasis on economic sectors with significant United States export potential, such as energy, transportation, telecommunications, and environment.1051

(b) AUTHORITY TO PROVIDE ASSISTANCE.—

(1) AUTHORITY.—The Director of the Trade and Development Agency is authorized to work with foreign countries, including those in which the United States development programs have been concluded or those not receiving assistance under part I, to carry out the purpose of this section by providing funds for feasibility studies, architectural and engineering design, and other activities related to development projects which provide opportunities for the use of United States exports.

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1047 Subsecs. (c) and (d) were added by sec. 711 of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 244).
1048 See Presidential Determination No. 86-2 of October 29, 1985 (50 F.R. 48073), in which the President delegated authority to the Secretary of State to provide any future report required by sec. 660(d).
1049 Sec. 1(a)(5) of Public Law 104-14 (109 Stat. 186) provided that references to the Committee on Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives.
1051 Sec. 201 of the Export Enhancement Act of 1998 (Public Law 106-158; 113 Stat. 1746) inserted “, with special emphasis on economic sectors with significant United States export potential, such as energy, transportation, telecommunications, and environment”.
(2) **USE OF FUNDS.**—Funds under this section may be used to provide support for feasibility studies for the planning, development, and management of, and procurement for, bilateral and multilateral development projects, including training activities undertaken in connection with a project, for the purpose of promoting the use of United States goods and services in such projects. Funds under this section may also be used for architectural and engineering design, including—

(A) concept design, which establishes the basic technical and operational criteria for a project, such as architectural drawings for a proposed facility, evaluation of site constraints, procurement requirements, and equipment specifications; and

(B) detail design, which sets forth specific dimensions and criteria for structural, mechanical, electrical, and architectural operations, and identifies other resources required for project operations.

(3) **INFORMATION DISSEMINATION.**—(A) The Trade and Development Agency shall disseminate information about its project activities to the private sector.

(B) Other agencies of the United States Government shall cooperate with the Trade and Development Agency in order for the Agency to provide more effectively informational services to persons in the private sector concerning trade development and export promotion related to development projects.

(4) **NONAPPLICABILITY OF OTHER PROVISIONS.**—Any funds used for purposes of this section may be used notwithstanding any other provision of law.

(5) **CONTRIBUTIONS TO COSTS.**—The Trade and Development Agency shall, to the maximum extent practicable, require corporations and other entities to—

(A) share the costs of feasibility studies and other project planning services funded under this section; and

(B) reimburse the Trade and Development Agency those funds provided under this section, if the corporation or entity concerned succeeds in project implementation.

(c) **DIRECTOR AND PERSONNEL.**—

(1) **DIRECTOR.**—There shall be at the head of the Trade and Development Agency a Director who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) **OFFICERS AND EMPLOYEES.**—(A) The Director may appoint such officers and employees of the Trade and Development Agency as the Director considers appropriate.

(B) The officers and employees appointed under this paragraph shall have such functions as the Director may determine.

(C) Of the officers and employees appointed under this paragraph, 2 may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be compensated without regard to
the provisions of chapter 51 or subchapter III of chapter 53 of such title.

(D) Under such regulations as the President may prescribe, any individual appointed under subparagraph (C) may be entitled, upon removal (except for cause) from the position to which the appointment was made, to reinstatement to the position occupied by that individual at the time of appointment or to a position of comparable grade and pay.

(d) Annual Report.—The President shall, not later than December 31 of each year, submit to the Committee on Foreign Affairs \(^{1053}\) of the House of Representatives and the Committee on Foreign Relations of the Senate a report on the activities of the Trade and Development Agency in the preceding fiscal year.

(e) Audits.—

(1) In general.—The Trade and Development Agency shall be subject to the provisions of chapter 35 of title 31, United States Code, except as otherwise provided in this section.

(2) Independent Audit.—An independent certified public accountant shall perform a financial and compliance audit of the financial statements of the Trade and Development Agency each year, in accordance with generally accepted Government auditing standards for a financial and compliance audit, taking into consideration any standards recommended by the Comptroller General. The independent certified public accountant shall report the results of such audit to the Director of the Trade and Development Agency. The financial statements of the Trade and Development Agency shall be presented in accordance with generally accepted accounting principles. These financial statements and the report of the accountant shall be included in a report which contains, to the extent applicable, the information identified in section 3512 of title 31, United States Code, and which the Trade and Development Agency shall submit to the Congress not later than 6½ months after the end of the last fiscal year covered by the audit. The Comptroller General may review the audit conducted by the accountant and the report to the Congress in the manner and at such times as the Comptroller General considers necessary.

(3) Audit by Comptroller General.—In lieu of the financial and compliance audit required by paragraph (2), the Comptroller General shall, if the Comptroller General considers it necessary or upon the request of the Congress, audit the financial statements of the Trade and Development Agency in the manner provided in paragraph (2).

(4) Availability of Information.—All books, accounts, financial records, reports, files, workpapers, and property belonging to or in use by the Trade and Development Agency and the accountant who conducts the audit under paragraph (2), which are necessary for purposes of this subsection, shall be made available to the representatives of the General Accounting Office designated by the Comptroller General.

(f) Funding.—

\(^{1053}\) Sec. 1(a)(5) of Public Law 104-14 (109 Stat. 186) provided that references to the Committee on Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives.
Sec. 661 Foreign Assistance Act of 1961 (P.L. 87-195) 315

(1) 1054 AUTHORIZATION.—(A) There are authorized to be appropriated for purposes of this section, in addition to funds otherwise available for such purposes, $48,000,000 for fiscal year 2000 and such sums as may be necessary for each fiscal year thereafter.

(B) Amounts appropriated pursuant to the authorization of appropriations under subparagraph (A) are authorized to remain available until expended.

(2) FUNDING FOR TECHNICAL ASSISTANCE GRANTS BY MULTILATERAL DEVELOPMENT BANKS.—(A) The Trade and Development Agency should, in carrying out its program, provide, as appropriate, funds1055 to multilateral development banks for technical assistance grants.

(B) As used in subparagraph (A)—

(i) the term “technical assistance grants” means funding by multilateral development banks of services from the United States in connection with projects and programs supported by such banks, including, but not limited to, engineering, design, and consulting services; and

(ii) the term “multilateral development bank” has the meaning given that term in section 1701(c) of the International Financial Institutions Act.

1054 Sec. 201 of the Jobs Through Trade Expansion Act of 1994 (Public Law 103-392; 108 Stat. 4099) amended and restated para. (1) of subsec. (f), to add subpara. designations (A) and (B), and to state authorization levels for fiscal years 1995 and 1996. Sec. 5(c)(1) of the Export Enhancement Act of 1999 (Public Law 106-158; 113 Stat. 1746) struck out language establishing 1995-96 levels and inserted “$48,000,000 for fiscal year 2000 and such sums as may be necessary for each fiscal year thereafter”.

1055 Sec. 5(c)(2) of the Export Enhancement Act of 1999 (Public Law 106-158; 113 Stat. 1746) struck out language establishing 1993 and 1994 levels and inserted in lieu thereof “in fiscal years 1993 and 1994, substantially increase the amount of funds it provides” and inserted in lieu thereof “in carrying out its program, provide, as appropriate, funds”.

Title I of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), provided the following:

“TRADE AND DEVELOPMENT AGENCY

“For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, $44,000,000, to remain available until September 30, 2001: Provided, That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 2001, for necessary expenses under this paragraph: Provided further, That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.”.

See also paragraph relating to assistance for the new independent states of the former Soviet Union in title II of that Act.

Sec. 902(a)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101-246; 104 Stat. 83) suspended any obligation of funds for new programs under the Trade and Development Agency to the People’s Republic of China until the President reported to the Congress under subsec. (b) of that sec. that China had made certain political reforms, or that such assistance was in the national interest of the United States. For text of sec. 902, see Legislation on Foreign Relations Through 1999, vol. II, sec. D.

Sec. 902(a)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101-246; 104 Stat. 83) suspended any obligation of funds for new programs under the Trade and Development Agency to the People’s Republic of China until the President reported to the Congress under subsec. (b) of that sec. that China had made certain political reforms, or that such assistance was in the national interest of the United States. For text of sec. 902, see Legislation on Foreign Relations Through 1999, vol. II, sec. D.

Sec. 902(a)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101-246; 104 Stat. 83) suspended any obligation of funds for new programs under the Trade and Development Agency to the People’s Republic of China until the President reported to the Congress under subsec. (b) of that sec. that China had made certain political reforms, or that such assistance was in the national interest of the United States. For text of sec. 902, see Legislation on Foreign Relations Through 1999, vol. II, sec. D.

Sec. 902(a)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101-246; 104 Stat. 83) suspended any obligation of funds for new programs under the Trade and Development Agency to the People’s Republic of China until the President reported to the Congress under subsec. (b) of that sec. that China had made certain political reforms, or that such assistance was in the national interest of the United States. For text of sec. 902, see Legislation on Foreign Relations Through 1999, vol. II, sec. D.

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Sec. 902(a)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101-246; 104 Stat. 83) suspended any obligation of funds for new programs under the Trade and Development Agency to the People’s Republic of China until the President reported to the Congress under subsec. (b) of that sec. that China had made certain political reforms, or that such assistance was in the national interest of the United States. For text of sec. 902, see Legislation on Foreign Relations Through 1999, vol. II, sec. D.

Sec. 902(a)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101-246; 104 Stat. 83) suspended any obligation of funds for new programs under the Trade and Development Agency to the People’s Republic of China until the President reported to the Congress under subsec. (b) of that sec. that China had made certain political reforms, or that such assistance was in the national interest of the United States. For text of sec. 902, see Legislation on Foreign Relations Through 1999, vol. II, sec. D.

Sec. 902(a)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101-246; 104 Stat. 83) suspended any obligation of funds for new programs under the Trade and Development Agency to the People’s Republic of China until the President reported to the Congress under subsec. (b) of that sec. that China had made certain political reforms, or that such assistance was in the national interest of the United States. For text of sec. 902, see Legislation on Foreign Relations Through 1999, vol. II, sec. D.
Sec. 662. Limitation on Intelligence Activities.—* * * [Repealed—1991]

Sec. 663. Exchanges of Certain Materials.—(a) Notwithstanding any other provision of law, whenever the President determines it is in the United States national interest, he shall furnish assistance under this Act or shall furnish defense articles or services under the Foreign Military Sales Act pursuant to an agreement with the recipient of such assistance, articles, or services which provides that such recipient may only obtain such assistance, articles, or services in exchange for any necessary or strategic raw material controlled by such recipient. For the purposes of this section, the term “necessary or strategic raw material” includes petroleum, other fossil fuels, metals, minerals, or any other natural substance which the President determines is in short supply in the United States.

(b) The President shall allocate any necessary or strategic raw material transferred to the United States under this section to any appropriate agency of the United States Government for stockpiling, sale, transfer, disposal, or any other purpose authorized by law.

(c) Funds received from any disposal of materials under subsection (b) shall be deposited as miscellaneous receipts in the United States Treasury.

Sec. 664. Waiver of Prohibition Against Assistance to Countries Engaging in Certain Trade.—* * * [Repealed—1977]

Sec. 665. Transition Provisions for Interim Quarter.—* * * [Repealed—1978]

Sec. 666. Discrimination Against United States Personnel.—(a) The President shall not take into account, in assigning officers and employees of the United States to carry out any economic development assistance programs funded under this Act in any foreign country, the race, religion, national origin, or sex of any such officer or employee. Such assignments shall be made solely on the basis of ability and relevant experience.

Footnotes:
1056 Formerly 22 U.S.C. 2422. Sec. 601 of the Intelligence Authorization Act, Fiscal Year 1991 (Public Law 102-88; 105 Stat. 441), repealed sec. 662. The section, added by sec. 32 of the FA Act of 1974, had provided the following prohibition: “Sec. 662. Limitation on Intelligence Activities.—No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States. Each such operation shall be considered a significant anticipated intelligence activity for the purpose of section 501 of the National Security Act of 1947.”


1058 22 U.S.C. 2424. Sec. 664, as added by sec. 33 of the FA Act of 1974, was repealed by sec. 123(c) of the International Development and Food Assistance Act of 1977 (Public Law 95-88; 91 Stat. 541). It formerly read as follows: “Sec. 664. Waiver of Prohibition Against Assistance to Countries Engaging in Certain Trade.—Any provision of this Act which prohibits assistance to a country because that country is engaging in trade with a designated country, or because that country permits ships or aircraft under its registry to transport any equipment, materials, or commodities to or from such designated country, may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress.”

1059 Sec. 665, as added by Public Law 94-161 (89 Stat. 849), was repealed by sec. 604 of the International Development and Food Assistance Act of 1978 (Public Law 95-424; 92 Stat. 961).

1060 22 U.S.C. 2426. Sec. 666 was added by sec. 318 of Public Law 94-161 (89 Stat. 849).
Sec. 667 Foreign Assistance Act of 1961 (P.L. 87-195) 317

(b) Effective six months after the date of enactment of the International Development and Food Assistance Act of 1975, or on such earlier date as the President may determine, none of the funds made available under this Act may be used to provide economic development assistance to any country which objects to the presence of any officer or employee of the United States who is present in such country for the purpose of carrying out any program of economic development assistance authorized by the provisions of this Act on the basis of the race, religion, national origin, or sex of such officer or employee.

(c) The Secretary of State shall promulgate such rules and regulations as he may deem necessary to carry out the provisions of this section.

Sec. 667. Operating Expenses.—(a) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

(1) $387,000,000 for the fiscal year 1986 and $387,000,000 for the fiscal year 1987, for necessary operating expenses of the agency primarily responsible for administering part I of this Act, of which $21,750,000 for the fiscal year 1987 is authorized for the necessary operating expenses of the Office of the Inspector General of the Agency for International Development and the remaining amount for the fiscal year is authorized for other necessary operating expenses of that agency and

(2) such amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs of such agency.

(b) Amounts appropriated under this section are authorized to remain available until expended.

1062 The authorization figures for fiscal years 1986 and 1987 were added by sec. 406 of the International Security and Development Cooperation Act of 1985 (Public Law 99-83; 99 Stat. 219). Authorizations under this section during recent years include: fiscal year 1979—$261,000,000; fiscal year 1980—$263,000,000; fiscal year 1981—$293,800,000; fiscal year 1982—$335,600,000; fiscal year 1983—$335,600,000; fiscal year 1984—$370,000,000; fiscal year 1985—no authorization; fiscal years 1988 through 2000—no authorization.

1063 Congress did not enact an authorization for fiscal year 2000. Instead, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, as introduced on November 17, 1999, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), waived the requirements for authorization, and title II of that Act provided the following:

"OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT"

"For necessary expenses to carry out the provisions of section 667, $520,000,000: Provided, That, none of the funds appropriated under this heading may be made available to finance the construction (including architect and engineering services), purchase, or long term lease of offices for use by the Agency for International Development, unless the Administrator has identified such proposed construction (including architect and engineering services), purchase, or long term lease of offices in a report submitted to the Committees on Appropriations at least 15 days prior to the obligation of these funds for such purposes: Provided further, That the previous proviso shall not apply where the total cost of construction (including architect and engineering services), purchase, or long term lease of offices does not exceed $1,000,000."

"OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL"

"For necessary expenses to carry out the provisions of section 667, $25,000,000, to remain available until September 30, 2001, which sum shall be available for the Office of the Inspector General of the Agency for International Development."

1063 The words following "Act" were added by sec. 402 of Public Law 99-529 (100 Stat. 3010).
Sec. 668. Report on Korea. [Repealed—1981]
Sec. 669. Nuclear Enrichment Transfers. [Repealed—1994]
Sec. 671. Notification of Program Changes. [Repealed—1978]

PART IV—ENTERPRISE FOR THE AMERICAS INITIATIVE

SEC. 701. PURPOSE.

The purpose of this part is to encourage and support improvement in the lives of the people of Latin America and the Caribbean through market-oriented reforms and economic growth with interrelated actions to promote debt reduction, investment reforms, community-based conservation, and sustainable use of the environment, and child survival and child development. The Facility will support these objectives through administration of debt reduction operations under this part for those countries with democratically elected governments that meet investment reforms and other policy conditions.

SEC. 702. DEFINITIONS.

For purposes of this part—

Sec. 668, as added by sec. 411 of Public Law 94–329 (90 Stat. 760), was repealed by sec. 734(a)(1) of the International Security and Development Cooperation Act of 1981 (Public Law 97–113; 95 Stat. 1560). This report, which had been required on an annual basis, 1976–81, included information on progress made by Korea to modernize its armed forces, on the U.S. role in mutual security efforts in Korea, and on prospects for or implementation of phased reduction of U.S. Armed Forces assigned to duty in Korea. Similar information is now required under sec. 25(b)(9) of the Arms Export Control Act.


Secs. 669 and 670 were repealed by sec. 826(b) of the Nuclear Proliferation Prevention Act of 1994 (title VIII of the Foreign Relations Authorization Act; Public Law 103–236; 108 Stat. 519), after section 826(a) of that Act enacted two new sections into the Arms Export Control Act (secs. 101 and 102; at 22 U.S.C. 2799bba and 2799bba–1) to state nuclear nonproliferation controls.


Secs. 669 and 670 were repealed by sec. 826(b) of the Nuclear Proliferation Prevention Act of 1994 (title VIII of the Foreign Relations Authorization Act; Public Law 103–236; 108 Stat. 519), after section 826(a) of that Act enacted two new sections into the Arms Export Control Act (secs. 101 and 102; at 22 U.S.C. 2799bba and 2799bba–1) to state nuclear nonproliferation controls.

Sec. 671, as added by Public Law 95–88 (91 Stat. 543), was redesignated as sec. 634A of this Act by sec. 502(b) of the International Development and Food Assistance Act of 1978 (Public Law 95–424; 92 Stat. 959).

Sec. 602(a) of the Jobs Through Exports Act of 1992 (Public Law 102–549; 106 Stat. 3664) added Part IV—Enterprise for the Americas Initiative, secs. 701–710. See also footnote at Part V—Debt Reduction for Developing Countries with Tropical Forests.

Former Part IV, relating to amendments to other laws, was repealed by sec. 401 of the FA Act of 1962.


Sec. 703 Foreign Assistance Act of 1961 (P.L. 87-195)

(1) the term “administering body” means the entity provided for in section 708(c);
(2) the term “Americas Framework Agreement” means an Americas Framework Agreement provided for in section 708;
(3) the term “Americas Fund” means an Enterprise for the Americas Fund provided for in section 707(a);
(4) the term “appropriate congressional committees” means the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate;
(5) the term “beneficiary country” means an eligible country with respect to which the authority of section 704(a)(1) is exercised;
(6) the term “eligible country” means a country designated by the President in accordance with section 703;
(7) the term “Enterprise for the Americas Board” or “Board” means the board established by section 610 of the Agricultural Trade Development and Assistance Act of 1954; and
(8) the term “Facility” means the Enterprise for the Americas Facility established in the Department of the Treasury by section 601 of that Act.

SEC. 703. ELIGIBILITY FOR BENEFITS.
(a) REQUIREMENTS.—To be eligible for benefits from the Facility under this part, a country must be a Latin American or Caribbean country—
(1) whose government is democratically elected;
(2) whose government has not repeatedly provided support for acts of international terrorism;
(3) whose government is not failing to cooperate on international narcotics control matters;
(4) whose government (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights;
(5) that has in effect, has received approval for, or, as appropriate in exceptional circumstances, is making significant progress toward—
(A) an International Monetary Fund standby arrangement, extended Fund arrangement, or an arrangement under the structural adjustment facility or enhanced structural adjustment facility, or in exceptional circumstances, a Fund monitored program or its equivalent, unless the President determines (after consultation with the Enterprise for the Americas Board) that such an arrangement or program (or its equivalent) could reasonably be expected to have significant adverse social or environmental effects; and
(B) as appropriate, structural or sectoral adjustment loans from the International Bank for Reconstruction and

1071 Sec. 1(a)(5) of Public Law 104-14 (109 Stat. 186) provided that references to the Committee on Foreign Affairs of the House of Representatives shall be treated as referring to the Committee on International Relations of the House of Representatives.

Development or the International Development Association, unless the President determines (after consultation with the Enterprise for the Americas Board) that the resulting adjustment requirements could reasonably be expected to have significant adverse social or environmental effects;

(6) has put in place major investment reforms in conjunction with an Inter-American Development Bank loan or otherwise is implementing, or is making significant progress toward, an open investment regime; and

(7) if appropriate, has agreed with its commercial bank lenders on a satisfactory financing program, including, as appropriate, debt or debt service reduction.

(b) Eligibility Determinations.—Consistent with subsection (a), the President shall determine whether a country is eligible to receive benefits under this part. The President shall notify the appropriate congressional committees of his intention to designate a country as an eligible country at least 15 days in advance of any formal determination.

SEC. 704. Reduction of Certain Debt.

(a) Authority To Reduce Debt.—

(1) Authority.—The President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1992, as a result of concessional loans made to an eligible country by the United States under part I of this Act, chapter 4 of part II of this Act, or predecessor foreign economic assistance legislation.

(2) Appropriations Requirement.—The authority provided by this section may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) Certain Prohibitions Inapplicable.—(A) A reduction of debt pursuant to this section shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(B) The authority of this section may be exercised notwithstanding section 620(r) of this Act or section 321 of the International Development and Food Assistance Act of 1975.

(b) Implementation of Debt Reduction.—

(1) In General.—Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations outstanding as of the date specified in subsection (a)(1).

(2) Exchange of Obligations.—The Facility shall notify the agency primarily responsible for administering part I of this Act of the agreement with an eligible country to exchange a new obligation for outstanding obligations pursuant to this subsection. At the direction of the Facility, the old obligations

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Footnote: 1072 U.S.C. 2430c. Sec. 594(a) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1993 (Public Law 102-391; 106 Stat. 1692), enacted authorization for debt reduction as chapter 12, sec. 499 of this Act. That enactment, however, was repealed by sec. 602(b) of Public Law 102-549 (106 Stat. 3669), which also provided: "Any exercise of the authorities provided in that chapter prior to its repeal by this subsection shall be deemed to be an exercise of the authorities of part IV of the Foreign Assistance Act of 1961 (as enacted by subsection (a) of this section) and shall be carried out, after the enactment of this section, in accordance with that part."
shall be canceled and a new debt obligation for the country shall be established, and the agency primarily responsible for administering part I of this Act shall make an adjustment in its accounts to reflect the debt reduction.

SEC. 705. 1074 REPAYMENT OF PRINCIPAL.
(a) CURRENCY OF PAYMENT.—The principal amount of each new obligation issued pursuant to section 704(b) shall be repaid in United States dollars.

(b) DEPOSIT OF PAYMENTS.—Principal repayments of new obligations shall be deposited in the United States Government account established for principal repayments of the obligations for which those obligations were exchanged.

SEC. 706. 1075 INTEREST ON NEW OBLIGATIONS.
(a) RATE OF INTEREST.—New obligations issued by a beneficiary country pursuant to section 704(b) shall bear interest at a concessional rate.

(b) CURRENCY OF PAYMENT; DEPOSITS.—
(1) LOCAL CURRENCY.—If the beneficiary country has entered into an Americas Framework Agreement, interest shall be paid in the local currency of the beneficiary country and deposited in an Americas Fund. Such interest shall be the property of the beneficiary country, until such time as it is disbursed pursuant to section 707(d). Such local currencies shall be used for the purposes specified in the Americas Framework Agreement.

(2) UNITED STATES DOLLARS.—If the beneficiary country has not entered into an Americas Framework Agreement, interest shall be paid in United States dollars and deposited in the United States Government account established for interest payments of the obligations for which the new obligations were exchanged.

(c) INTEREST ALREADY PAID.—If a beneficiary country enters into an Americas Framework Agreement subsequent to the date on which interest first became due on the newly issued obligation, any interest already paid on such new obligation shall not be redeposited into the Americas Fund established for that country.

SEC. 707. 1076 ENTERPRISE FOR THE AMERICAS FUNDS.
(a) ESTABLISHMENT.—Each beneficiary country that enters into an Americas Framework Agreement shall be required to establish an Enterprise for the Americas Fund to receive payments in local currency pursuant to section 706(b)(1).

1074 22 U.S.C. 2430d.
1075 22 U.S.C. 2430e.
1076 22 U.S.C. 2430f. Title IV of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (division A, sec. 101(d) of Public Law 105-277; 112 Stat. 2681), provided the following:
"CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

"For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, for the United States contribution to the Fund, $50,000,000 to remain available until expended for contributions previously due."

See also sec. 558 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, enacted by reference in sec. 1000(a)(2) of Public Law 106-113; 113 Stat. 1535), relating to authority to engage in debt buybacks or sales.
(b) Deposits.—Local currencies deposited in an Americas Fund shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(c) Investment.—Deposits made in an Americas Fund shall be invested until disbursed. Any return on such investment may be retained by the Americas Fund, without deposit in the Treasury of the United States and without further appropriation by the Congress.

(d) Disbursements.—Funds in an Americas Fund shall be disbursed only pursuant to an Americas Framework Agreement.

SEC. 708.1077 AMERICAS FRAMEWORK AGREEMENTS.

(a) Authority.—The Secretary of State is authorized, in consultation with other appropriate Government officials, to enter into an Americas Framework Agreement with any eligible country concerning the operation and use of the Americas Fund for that country. In the negotiation of such Agreements, the Secretary shall consult with the Enterprise for the Americas Board in accordance with section 709.

(b) Contents of Agreements.—An Americas Framework Agreement with an eligible country shall—

(1) require that country to establish an Americas Fund;

(2) require that country to make interest payments under section 706(b)(1) into an Americas Fund;

(3) require that country to make prompt disbursements from the Americas Fund to the administering body described in subsection (c);

(4) when appropriate, seek to maintain the value of the local currency resources of the Americas Fund in terms of United States dollars;

(5) specify, in accordance with subsection (d), the purposes for which amounts in an Americas Fund may be used; and

(6) contain reasonable provisions for the enforcement of the terms of the agreement.

(c) Administering Body.—

(1) In general.—Funds disbursed from the Americas Fund in each beneficiary country shall be administered by a body constituted under the laws of that country.

(2) Composition.—The administering body shall consist of—

(A) one or more individuals appointed by the United States Government,

(B) one or more individuals appointed by the government of the beneficiary country, and

(C) individuals who represent a broad range of—

(i) environmental nongovernmental organizations of the beneficiary country,

(ii) child survival and child development nongovernmental organizations of the beneficiary country,

(iii) local community development nongovernmental organizations of the beneficiary country, and

(iv) scientific or academic organizations or institutions of the beneficiary country.

1077 22 U.S.C. 2430g.
A majority of the members of the administering body shall be individuals described in subparagraph (C).

(3) Responsibilities.—The administering body—

(A) shall receive proposals for grant assistance from eligible grant recipients (as determined under subsection (e)) and make grants to eligible grant recipients in accordance with the priorities agreed upon in the Americas Framework Agreement, consistent with subsection (d);

(B) shall be responsible for the management of the program and oversight of grant activities funded from resources of the Americas Fund;

(C) shall be subject, on an annual basis, to an audit of financial statements conducted in accordance with generally accepted auditing standards by an independent auditor;

(D) shall be required to grant to representatives of the United States General Accounting Office such access to books and records associated with operations of the Americas Fund as the Comptroller General of the United States may request;

(E) shall present an annual program for review each year by the Enterprise for the Americas Board; and

(F) shall submit a report each year on the activities that it undertook during the previous year to the Chair of the Enterprise for the Americas Board and to the government of the beneficiary country.

(d) Eligible Activities.—Grants from an Americas Fund shall be used for—

(1) activities that link the conservation and sustainable use of natural resources with local community development; and

(2) child survival and other child development activities.

(e) Grant Recipients.—Grants made from an Americas Fund shall be made to—

(1) nongovernmental environmental, conservation, child survival and child development, development, and indigenous peoples organizations of the beneficiary country;

(2) other appropriate local or regional entities; and

(3) in exceptional circumstances, the government of the beneficiary country.

(f) Review of Larger Grants.—Any grant of more than $100,000 from an Americas Fund shall be subject to veto by the Government of the United States or the government of the beneficiary country.

(g) Eligibility Criteria.—In the event that a country ceases to meet the eligibility requirements set forth in section 703(a), as determined by the President pursuant to section 703(b), then grants from the Americas Fund for that country may only be made to nongovernmental organizations until such time as the President determines that such country meets the eligibility requirements set forth in section 703(a).
SEC. 709. ENTERPRISE FOR THE AMERICAS BOARD.
For purposes of this part, the Enterprise for the Americas Board shall—

(1) advise the Secretary of State on the negotiations of Americas Framework Agreements;
(2) ensure, in consultation with—
   (A) the government of the beneficiary country,
   (B) nongovernmental organizations of the beneficiary country,
   (C) nongovernmental organizations of the region (if appropriate),
   (D) environmental, scientific, child survival and child development, and academic leaders of the beneficiary country, and
   (E) environmental, scientific, child survival and child development, and academic leaders of the region (as appropriate),

that a suitable administering body is identified for each Americas Fund; and
(3) review the programs, operations, and fiscal audits of each administering body.

SEC. 710. ANNUAL REPORTS TO THE CONGRESS.
The annual reports submitted pursuant to section 614 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738mm) shall include a description of each Americas Framework Agreement and a description of any grants that have been extended by administering bodies pursuant to an Americas Framework Agreement.

PART V

PART VI

PART V—DEBT REDUCTION FOR DEVELOPING COUNTRIES WITH TROPICAL FORESTS

SEC. 801. SHORT TITLE.
This part may be cited as the “Tropical Forest Conservation Act of 1998”.

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1078 22 U.S.C. 2430h.
1080 Part V, which related to Indochina Postwar Reconstruction, was repealed by sec. 413 of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94–329; 90 Stat. 761). For complete text of regulations governing determinations, authorizations, etc., and remaining funds under part V, see page 618.
1081 Part VI, which related to assistance to the Middle East and had been added by the FA Act of 1974, was repealed by sec. 12(b)(4) of the International Security Assistance Act of 1978 (Public Law 95–384; 92 Stat. 737).
1082 Sec. 1 of Public Law 105–214 (112 Stat. 885) added part V. An earlier part V, relating to Indochina Postwar Reconstruction, was repealed by sec. 413 of the International Security Assistance and Arms Export Control Act of 1976 (Public Law 94–329; 90 Stat. 761). An earlier part VI, relating to assistance to the Middle East, had been added by the FA Act of 1974, and was repealed by sec. 12(b)(4) of the International Security Assistance Act of 1978 (Public Law 95–384; 92 Stat. 737).
1083 Title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (H.R. 3422, enacted by reference in sec. 1000(a)(2) of Public Law 106–113; 113 Stat. 1535), provided the following:
SEC. 802.

FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds the following:

(1) It is the established policy of the United States to support and seek protection of tropical forests around the world.

(2) Tropical forests provide a wide range of benefits to mankind by—

(A) harboring a major share of the Earth’s biological and terrestrial resources, which are the basis for developing pharmaceutical products and revitalizing agricultural crops;

(B) playing a critical role as carbon sinks in reducing greenhouse gases in the atmosphere, thus moderating potential global climate change; and

(C) regulating hydrological cycles on which far-flung agricultural and coastal resources depend.

(3) International negotiations and assistance programs to conserve forest resources have proliferated over the past decade, but the rapid rate of tropical deforestation continues unabated.

(4) Developing countries with urgent needs for investment and capital for development have allocated a significant amount of their forests to logging concessions.

(5) Poverty and economic pressures on the populations of developing countries have, over time, resulted in clearing of vast areas of forest for conversion to agriculture, which is often unsustainable in the poor soils underlying tropical forests.

(6) Debt reduction can reduce economic pressures on developing countries and result in increased protection for tropical forests.

(7) Finding economic benefits to local communities from sustainable uses of tropical forests is critical to the protection of tropical forests.

(b) PURPOSES.—The purposes of this part are—

(1) to recognize the values received by United States citizens from protection of tropical forests;

(2) to facilitate greater protection of tropical forests (and to give priority to protecting tropical forests with the highest lev-
els of biodiversity and under the most severe threat) by providing for the alleviation of debt in countries where tropical forests are located, thus allowing the use of additional resources to protect these critical resources and reduce economic pressures that have led to deforestation;

(3) to ensure that resources freed from debt in such countries are targeted to protection of tropical forests and their associated values; and

(4) to rechannel existing resources to facilitate the protection of tropical forests.

SEC. 803. DEFINITIONS.

As used in this part:

(1) ADMINISTERING BODY.—The term “administering body” means the entity provided for in section 809(c).

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(A) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(3) BENEFICIARY COUNTRY.—The term “beneficiary country” means an eligible country with respect to which the authority of section 806(a)(1), section 807(a)(1), or paragraph (1) or (2) of section 808(a) is exercised.

(4) BOARD.—The term “Board” means the board referred to in section 811.

(5) DEVELOPING COUNTRY WITH A TROPICAL FOREST.—The term “developing country with a tropical forest” means—

(A)(i) a country that has a per capita income of $725 or less in 1994 United States dollars (commonly referred to as “low-income country”), as determined and adjusted on an annual basis by the International Bank for Reconstruction and Development in its World Development Report; or

(ii) a country that has a per capita income of more than $725 but less than $8,956 in 1994 United States dollars (commonly referred to as “middle-income country”), as determined and adjusted on an annual basis by the International Bank for Reconstruction and Development in its World Development Report; and

(B) a country that contains at least one tropical forest that is globally outstanding in terms of its biological diversity or represents one of the larger intact blocks of tropical forests left, on a regional, continental, or global scale.

(6) ELIGIBLE COUNTRY.—The term “eligible country” means a country designated by the President in accordance with section 805.

(7) TROPICAL FOREST AGREEMENT.—The term “Tropical Forest Agreement” or “Agreement” means a Tropical Forest Agreement provided for in section 809.

Sec. 806  Foreign Assistance Act of 1961 (P.L. 87-195)  327

(8) TROPICAL FOREST FACILITY.—The term “Tropical Forest Facility” or “Facility” means the Tropical Forest Facility established in the Department of the Treasury by section 804.

(9) TROPICAL FOREST FUND.—The term “Tropical Forest Fund” or “Fund” means a Tropical Forest Fund provided for in section 810.

SEC. 804.  ESTABLISHMENT OF THE FACILITY.
There is established in the Department of the Treasury an entity to be known as the “Tropical Forest Facility” for the purpose of providing for the administration of debt reduction in accordance with this part.

SEC. 805.  ELIGIBILITY FOR BENEFITS.
(a) IN GENERAL.—To be eligible for benefits from the Facility under this part, a country shall be a developing country with a tropical forest—

(1) whose government meets the requirements applicable to Latin American or Caribbean countries under paragraphs (1) through (5) and (7) of section 703(a) of this Act; and

(2) that has put in place major investment reforms, as evidenced by the conclusion of a bilateral investment treaty with the United States, implementation of an investment sector loan with the Inter-American Development Bank, World Bank-supported investment reforms, or other measures, as appropriate.

(b) ELIGIBILITY DETERMINATIONS.—

(1) IN GENERAL.—Consistent with subsection (a), the President shall determine whether a country is eligible to receive benefits under this part.

(2) CONGRESSIONAL NOTIFICATION.—The President shall notify the appropriate congressional committees of his intention to designate a country as an eligible country at least 15 days in advance of any formal determination.

SEC. 806.  REDUCTION OF DEBT OWED TO THE UNITED STATES AS A RESULT OF CONCESSIONAL LOANS UNDER THE FOREIGN ASSISTANCE ACT OF 1961.

(a) AUTHORITY TO REDUCE DEBT.—

(1) AUTHORITY.—The President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1998, as a result of concessional loans made to an eligible country by the United States under part I of this Act, chapter 4 of part II of this Act, or predecessor foreign economic assistance legislation.

(2) AUTHORIZATION OF APPROPRIATIONS.—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to this section, there are authorized to be appropriated to the President—

(A) $25,000,000 for fiscal year 1999;

(B) $75,000,000 for fiscal year 2000; and

(C) $100,000,000 for fiscal year 2001.

(3) CERTAIN PROHIBITIONS INAPPLICABLE.—
(A) **IN GENERAL.**—A reduction of debt pursuant to this section shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(B) **ADDITIONAL REQUIREMENT.**—The authority of this section may be exercised notwithstanding section 620(r) of this Act or section 321 of the International Development and Food Assistance Act of 1975.

(b) **IMPLEMENTATION OF DEBT REDUCTION.**—

(1) **IN GENERAL.**—Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in subsection (a) outstanding as of the date specified in subsection (a)(1).

(2) **EXCHANGE OF OBLIGATIONS.**—

(A) **IN GENERAL.**—The Facility shall notify the agency primarily responsible for administering part I of this Act of an agreement entered into under paragraph (1) with an eligible country to exchange a new obligation for outstanding obligations.

(B) **ADDITIONAL REQUIREMENT.**—At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation for the country shall be established relating to the agreement, and the agency primarily responsible for administering part I of this Act shall make an adjustment in its accounts to reflect the debt reduction.

(c) **ADDITIONAL TERMS AND CONDITIONS.**—The following additional terms and conditions shall apply to the reduction of debt under subsection (a)(1) in the same manner as such terms and conditions apply to the reduction of debt under section 704(a)(1) of this Act:

(1) The provisions relating to repayment of principal under section 705 of this Act.

(2) The provisions relating to interest on new obligations under section 706 of this Act.

**SEC. 807.** REDUCTION OF DEBT OWED TO THE UNITED STATES AS A RESULT OF CREDITS EXTENDED UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

(a) **AUTHORITY TO REDUCE DEBT.**—

(1) **AUTHORITY.**—Notwithstanding any other provision of law, the President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1998, as a result of any credits extended under title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.) to a country eligible for benefits from the Facility.

(2) **AUTHORIZATION OF APPROPRIATIONS.**—

(A) **IN GENERAL.**—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to this section, there are authorized to be appropriated to the President—
(i) $25,000,000 for fiscal year 1999;
(ii) $50,000,000 for fiscal year 2000; and
(iii) $50,000,000 for fiscal year 2001.

(B) LIMITATION.—The authority provided by this section shall be available only to the extent that appropriations for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of the modification of any debt pursuant to this section are made in advance.

(b) IMPLEMENTATION OF DEBT REDUCTION.—

(1) IN GENERAL.—Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in subsection (a) outstanding as of the date specified in subsection (a)(1).

(2) EXCHANGE OF OBLIGATIONS.—

(A) IN GENERAL.—The Facility shall notify the Commodity Credit Corporation of an agreement entered into under paragraph (1) with an eligible country to exchange a new obligation for outstanding obligations.

(B) ADDITIONAL REQUIREMENT.—At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation shall be established for the country relating to the agreement, and the Commodity Credit Corporation shall make an adjustment in its accounts to reflect the debt reduction.

(c) ADDITIONAL TERMS AND CONDITIONS.—The following additional terms and conditions shall apply to the reduction of debt under subsection (a)(1) in the same manner as such terms and conditions apply to the reduction of debt under section 604(a)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738c):

(1) The provisions relating to repayment of principal under section 605 of such Act.

(2) The provisions relating to interest on new obligations under section 606 of such Act.

SEC. 808. AUTHORITY TO ENGAGE IN DEBT-FOR-NATURE SWAPS AND DEBT BUYBACKS.

(a) LOANS AND CREDITS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) DEBT-FOR-NATURE SWAPS.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser described in subparagraph (B) any concessional loans described in section 806(a)(1) or any credits described in section 807(a)(1), or on receipt of payment from an eligible purchaser described in subparagraph (B), reduce or cancel such loans (or credits) or portion thereof, only for the purpose of facilitating a debt-for-nature swap to support eligible activities described in section 809(d).

(B) Eligible Purchaser Described.—A loan or credit may be sold, reduced, or canceled under subparagraph (A)
only to a purchaser who presents plans satisfactory to the President for using the loan or credit for the purpose of engaging in debt-for-nature swaps to support eligible activities described in section 809(d).

(C) Consultation Requirement.—Before the sale under subparagraph (A) to any eligible purchaser described in subparagraph (B), or any reduction or cancellation under such subparagraph (A), of any loan or credit made to an eligible country, the President shall consult with the country concerning the amount of loans or credits to be sold, reduced, or canceled and their uses for debt-for-nature swaps to support eligible activities described in section 809(d).

(D) Authorization of Appropriations.—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to subparagraph (A), amounts authorized to appropriated under sections 806(a)(2) and 807(a)(2) shall be made available for such reduction of debt pursuant to subparagraph (A).

(2) Debt Buybacks.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible country any concessional loans described in section 806(a)(1) or any credits described in section 807(a)(1), or on receipt of payment from an eligible country, reduce or cancel such loans (or credits) or portion thereof, only for the purpose of facilitating a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than the lesser of 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support eligible activities described in section 809(d).

(3) Limitation.—The authority provided by paragraphs (1) and (2) shall be available only to the extent that appropriations for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of the modification of any debt pursuant to such paragraphs are made in advance.

(4) Terms and Conditions.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans and credits may be sold, reduced, or canceled pursuant to this section.

(5) Administration.—

(A) In General.—The Facility shall notify the administrator of the agency primarily responsible for administering part I of this Act or the Commodity Credit Corporation, as the case may be, of eligible purchasers described in paragraph (1)(B) that the President has determined to be eligible under paragraph (1), and shall direct such agency or Corporation, as the case may be, to carry out the sale, reduction, or cancellation of a loan pursuant to such paragraph.
(B) ADDITIONAL REQUIREMENT.—Such agency or Corporation, as the case may be, shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

SEC. 809. TROPICAL FOREST AGREEMENT.

(a) AUTHORITY.—

(1) IN GENERAL.—The Secretary of State is authorized, in consultation with other appropriate officials of the Federal Government, to enter into a Tropical Forest Agreement with any eligible country concerning the operation and use of the Fund for that country.

(2) CONSULTATION.—In the negotiation of such an Agreement, the Secretary shall consult with the Board in accordance with section 811.

(b) CONTENTS OF AGREEMENT.—The requirements contained in section 708(b) of this Act (relating to contents of an agreement) shall apply to an Agreement in the same manner as such requirements apply to an Americas Framework Agreement.

(c) ADMINISTERING BODY.—

(1) IN GENERAL.—Amounts disbursed from the Fund in each beneficiary country shall be administered by a body constituted under the laws of that country.

(2) COMPOSITION.—

(A) IN GENERAL.—The administering body shall consist of—

(i) one or more individuals appointed by the United States Government;
(ii) one or more individuals appointed by the government of the beneficiary country; and
(iii) individuals who represent a broad range of—

(I) environmental nongovernmental organizations of, or active in, the beneficiary country;
(II) local community development nongovernmental organizations of the beneficiary country; and
(III) scientific, academic, or forestry organizations of the beneficiary country.

(B) ADDITIONAL REQUIREMENT.—A majority of the members of the administering body shall be individuals described in subparagraph (A)(iii).

(3) RESPONSIBILITIES.—The requirements contained in section 708(c)(3) of this Act (relating to responsibilities of the administering body) shall apply to an administering body described in paragraph (1) in the same manner as such requirements apply to an administering body described in section 708(c)(1) of this Act.

(d) ELIGIBLE ACTIVITIES.—Amounts deposited in a Fund shall be used only to provide grants to conserve, maintain, and restore the
tropical forests in the beneficiary country, through one or more of the following activities:

(1) Establishment, restoration, protection, and maintenance of parks, protected areas, and reserves.

(2) Development and implementation of scientifically sound systems of natural resource management, including land and ecosystem management practices.

(3) Training programs to increase the scientific, technical, and managerial capacities of individuals and organizations involved in conservation efforts.

(4) Restoration, protection, or sustainable use of diverse animal and plant species.

(5) Research and identification of medicinal uses of tropical forest plant life to treat human diseases, illnesses, and health related concerns.

(6) Development and support of the livelihoods of individuals living in or near a tropical forest in a manner consistent with protecting such tropical forest.

(e) GRANT RECIPIENTS.—

(1) IN GENERAL.—Grants made from a Fund shall be made to—

(A) nongovernmental environmental, forestry, conservation, and indigenous peoples organizations of, or active in, the beneficiary country;

(B) other appropriate local or regional entities of, or active in, the beneficiary country; or

(C) in exceptional circumstances, the government of the beneficiary country.

(2) PRIORITY.—In providing grants under paragraph (1), priority shall be given to projects that are run by nongovernmental organizations and other private entities and that involve local communities in their planning and execution.

(f) REVIEW OF LARGER GRANTS.—Any grant of more than $100,000 from a Fund shall be subject to veto by the Government of the United States or the government of the beneficiary country.

(g) ELIGIBILITY CRITERIA.—In the event that a country ceases to meet the eligibility requirements set forth in section 805(a), as determined by the President pursuant to section 805(b), then grants from the Fund for that country may only be made to nongovernmental organizations until such time as the President determines that such country meets the eligibility requirements set forth in section 805(a).

SEC. 810. TROPICAL FOREST FUND.

(a) ESTABLISHMENT.—Each beneficiary country that enters into a Tropical Forest Agreement under section 809 shall be required to establish a Tropical Forest Fund to receive payments of interest on new obligations undertaken by the beneficiary country under this part.

(b) REQUIREMENTS RELATING TO OPERATION OF FUND.—The following terms and conditions shall apply to the Fund in the same manner as such terms as conditions apply to an Enterprise for the Americas Fund under section 707 of this Act:

\footnote{22 U.S.C. 2431h.}
(1) The provision relating to deposits under subsection (b) of such section.
(2) The provision relating to investments under subsection (c) of such section.
(3) The provision relating to disbursements under subsection (d) of such section.

SEC. 811. BOARD.
(a) ENTERPRISE FOR THE AMERICAS BOARD.—The Enterprise for the Americas Board established under section 610(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738i(a)) shall, in addition to carrying out the responsibilities of the Board under section 610(c) of such Act, carry out the duties described in subsection (c) of this section for the purposes of this part.

(b) ADDITIONAL MEMBERSHIP.—
(1) IN GENERAL.—The Enterprise for the Americas Board shall be composed of an additional four members appointed by the President as follows:
   (A) Two representatives from the United States Government, including a representative of the International Forestry Division of the United States Forest Service.
   (B) Two representatives from private nongovernmental environmental, scientific, forestry, or academic organizations with experience and expertise in preservation, maintenance, sustainable uses, and restoration of tropical forests.

(2) CHAIRPERSON.—Notwithstanding section 610(b)(2) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738i(b)(2)), the Enterprise for the Americas Board shall be headed by a chairperson who shall be appointed by the President from among the representatives appointed under section 610(b)(1)(A) of such Act or paragraph (1)(A) of this subsection.

(c) DUTIES.—The duties described in this subsection are as follows:
(1) Advise the Secretary of State on the negotiations of Tropical Forest Agreements.
(2) Ensure, in consultation with—
   (A) the government of the beneficiary country;
   (B) nongovernmental organizations of the beneficiary country;
   (C) nongovernmental organizations of the region (if appropriate);
   (D) environmental, scientific, forestry, and academic leaders of the beneficiary country; and
   (E) environmental, scientific, forestry, and academic leaders of the region (as appropriate), that a suitable administering body is identified for each Fund.
(3) Review the programs, operations, and fiscal audits of each administering body.

\footnote{22 U.S.C. 243li.}
SEC. 812. CONSULTATIONS WITH THE CONGRESS.

The President shall consult with the appropriate congressional committees on a periodic basis to review the operation of the Facility under this part and the eligibility of countries for benefits from the Facility under this part.

SEC. 813. ANNUAL REPORTS TO THE CONGRESS.

(a) IN GENERAL.—Not later than December 31 of each year, the President shall prepare and transmit to the Congress an annual report concerning the operation of the Facility for the prior fiscal year. Such report shall include—

(1) a description of the activities undertaken by the Facility during the previous fiscal year;

(2) a description of any Agreement entered into under this part;

(3) a report on any Funds that have been established under this part and on the operations of such Funds; and

(4) a description of any grants that have been provided by administering bodies pursuant to Agreements under this part.

(b) SUPPLEMENTAL VIEWS IN ANNUAL REPORT.—Not later than December 15 of each year, each member of the Board shall be entitled to receive a copy of the report required under subsection (a). Each member of the Board may prepare and submit supplemental views to the President on the implementation of this part by December 31 for inclusion in the annual report when it is transmitted to Congress pursuant to this section.

1096 22 U.S.C. 2431k.