

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED  
PROGRAMS APPROPRIATIONS BILL, 2002

JULY 17, 2001.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

Mr. KOLBE, from the Committee on Appropriations,  
submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 2506]

The Committee on Appropriations submits the following report in  
explanation of the accompanying bill making appropriations for  
Foreign Operations, Export Financing, and Related Programs, and  
for sundry independent agencies and corporations for the fiscal  
year ending September 30, 2002, and for other purposes.

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#### SUMMARY OF THE BILL

The Committee has recommended foreign assistance and export financing funding at a level that is \$458,000 below the Administration's fiscal year 2002 request of \$15,167,751,000 in discretionary budget authority. The resulting total of \$15,167,293,000 in discretionary appropriations is needed to meet the essential requirements of the United States and its President in conducting foreign policy and meeting urgent humanitarian needs abroad.

The section 302(b) allocation for foreign operations, export financing, and related programs is \$15,168,000,000 in discretionary budget authority. The Committee recommendation is slightly below the section 302(b) allocation and is \$304,005,000 above the 2001 level.

#### COMMITTEE RECOMMENDATIONS

For export and investment assistance programs the Committee has recommended a gross total of \$906,000,000, which is partially offset by collections and a negative subsidy totaling \$301,000,000. The subsidy appropriation for the Export-Import Bank is \$753,323,000, and the Trade and Development Agency is funded at

\$50,000,000. Consistent with the President's budget request, the Committee has provided no new subsidy appropriations for the Overseas Private Investment Corporation.

The Committee has recommended \$1,169,796,000 of the \$1,209,796,000 requested for the international financial institutions. The overall level is \$22,917,000 above the fiscal year 2001 enacted level and \$40,000,000 below the request.

For development and humanitarian assistance, the Committee has recommended a total of \$3,356,380,000 of which \$1,387,000,000 is for child survival and health programs. Another \$1,098,000,000 is for longer-term development assistance. The Committee has also included \$200,000,000 for disasters worldwide and \$40,000,000 for transition initiatives. The Committee has included \$224,000,000 for debt restructuring for poor countries and a tropical forestry debt relief program.

The Committee has continued its highly effective Child Survival and Health Programs Fund. The account is designed to ensure that there will not be reductions in these vital programs as the overall bilateral assistance program is constrained. The emphasis is on programs that directly affect younger children and on accelerating efforts to eradicate diseases that threaten younger children and caregivers alike. The account now includes population assistance, while basic education for children will be funded through the Development Assistance account. It does provide for a grant to UNICEF at a level of \$120,000,000.

The Committee has included a total of \$768,000,000 in assistance to the Independent States of the Former Soviet Union, and \$600,000,000 for Eastern Europe and the Baltic States.

The Committee has recommended a total of \$730,000,000 for refugee programs.

For economic assistance under the Economic Support Fund, the Committee has recommended a total of \$2,199,000,000.

The Committee has recommended \$311,000,000 for a Nonproliferation, Anti-terrorism and Demining account which includes funding for the Nonproliferation and Disarmament Fund, anti-terrorism assistance, demining activities, United States participation in the Korean Energy Development Organization (KEDO), and the U.S. voluntary contribution to the International Atomic Energy Agency (IAEA).

For Foreign Military Financing, the Committee has recommended a grant program of \$3,627,000,000.

## TITLE I—EXPORT AND INVESTMENT ASSISTANCE

### EXPORT-IMPORT BANK OF THE UNITED STATES

#### SUBSIDY APPROPRIATION

Fiscal year 2001 level .....	\$865,000,000
Fiscal year 2002 request .....	633,323,000
Committee recommendation .....	753,323,000

#### ADMINISTRATIVE EXPENSES

Fiscal year 2001 level .....	\$62,000,000
Fiscal year 2002 request .....	65,000,000
Committee recommendation .....	63,000,000

The Committee is recommending a subsidy appropriation for the Export-Import Bank of \$753,323,000 and an appropriation of \$63,000,000 for administrative expenses. Taken together, the recommended appropriation for the Eximbank is \$116,677,000 less than the fiscal year 2001 level and \$118,000,000 above the request.

Of the \$231,677,000 cut to the subsidy appropriation requested by the President, approximately \$112,000,000 is a reduction in amounts needed by the Eximbank due to changes in the risk factors as estimated by the Office of Management and Budget and required under the Federal Credit Reform Act. The Committee recommends restoring \$120,000,000 to the requested subsidy appropriation. The Committee expects that this level of subsidy will support a projected level of Eximbank authorizations of \$12,400,000,000 in 2002, approximately \$1,000,000,000 higher than the projected authorizations supported by the request, and approximately \$2,000,000,000 higher than the estimated fiscal year 2001 levels.

The Committee has continued prior year language limiting the export of nuclear technology or fuel to certain countries.

The Committee provided no additional funds for a tied-aid "war chest". The estimated \$321,800,000 remaining "war chest" balance for tied-aid purposes may be used to support loans. If more funds are needed for the war chest, the Committee will promptly consider any additional requests from the President.

The Committee is concerned about proposals in the President's request including a combination of higher fees, less guarantee coverage, and value-added tests. The Committee urges the Chairman of the Eximbank to conduct test trials of these proposals on a limited basis and directs Eximbank to report back the findings to the Committee on a semi-annual basis.

The Committee is concerned about the U.S. position in OECD negotiations for an agreement on "unproductive expenditures" with the aim of preventing a recurrence of unsustainable debt burdens in Heavily Indebted Poor Countries (HIPC's). The Committee urges the Administration to take a position in the OECD negotiations that is not counter to US foreign policy goals and debt relief initiatives.

#### OVERSEAS PRIVATE INVESTMENT CORPORATION

##### NONCREDIT ACCOUNT

Fiscal year 2001 level .....	\$38,000,000
Fiscal year 2002 request .....	38,608,000
Committee recommendation .....	38,608,000

##### PROGRAM ACCOUNT

Fiscal year 2001 level .....	\$24,000,000
Fiscal year 2002 request .....	.....
Committee recommendation .....	.....

The Committee is recommending no subsidy appropriation for the Overseas Private Investment Corporation's (OPIC) direct and guaranteed loan credit programs, and it is recommending \$38,608,000 for administrative expenses, the same level as the request.

OPIC has \$24,000,000 in carryover funds available to use in 2002, therefore the request and the Committee recommendation for no appropriation should result in no reduction in the program level from 2001. OPIC subsidy appropriations are available for 2 years, so there will be no carryover into 2003, and regular appropriations will be required again next year.

The Committee continues prior year language required by the Federal Credit Reform Act and addressing representation expenses and availability of funds.

As in last year's report, the Committee directs OPIC to continue to provide on a semi-annual basis written reports including the following information for each investment fund: the identity, selection process, and professional background of current and past managers; the fees and compensation currently provided to senior management; the amount of OPIC guarantees and actual investments made at the end of the previous month; and any additional observations that OPIC may want to include.

#### OPIC AND THE ENVIRONMENT

The Committee encourages OPIC to provide increased support within the power and energy sector for investments using American technology that promotes a cleaner environment. Special attention should be given to the use of proven geothermal, small hydro, wind, biomass and solar technologies. The Committee urges OPIC to continue over the next year to review and strengthen its policies regarding the energy and power sectors as they relate to the environment and private sector infrastructure. The ongoing review should reflect the comments of Congress and the public, as well as the Executive branch.

#### FUNDS APPROPRIATED TO THE PRESIDENT

##### TRADE AND DEVELOPMENT AGENCY

Fiscal year 2001 level .....	\$50,000,000
Fiscal year 2002 request .....	50,024,000
Committee recommendation .....	50,024,000

The Committee is recommending \$50,024,000 for the Trade and Development Agency (TDA), an increase of \$24,000 above the 2001 level and the same as the request. In collaboration with the U.S. National Institute of Standards and Technology, TDA is encouraged to support United States participation in the development of national technical standards compatible with American goods and services in key transition country markets.

#### TITLE II—BILATERAL ECONOMIC ASSISTANCE

#### FUNDS APPROPRIATED TO THE PRESIDENT

##### AGENCY FOR INTERNATIONAL DEVELOPMENT

##### REVISED STRUCTURE OF DEVELOPMENT ASSISTANCE ACCOUNTS

The Committee provides two accounts for longer-term development assistance programs managed by the Agency for International Development. As in fiscal year 2001 and as requested in the President's budget, the bill includes an account for child sur-

vival and disease prevention and treatment activities. The Committee recommends adding reproductive health to this account in 2002. The bill also includes a separate general development assistance account for basic education, agriculture, energy, environment, trade and other development programs in Africa, Latin America and Asia. For the first time in 5 years, the Development Assistance account includes basic education for children.

Two existing regional accounts jointly managed by the Department of State and the Agency for International Development are included elsewhere in title II under "Other Bilateral Assistance". The Committee utilizes the regional accounts to fund most economic and political cooperation with Russia and the independent states of the former Soviet Union as well as the former captive nations of the Soviet Empire in Central Europe.

There are two other structural changes from the budget request. Resuming a long-standing practice, the Committee again includes separate accounts under "Independent Agencies" for the Inter-American Foundation and the African Development Foundation. The President's request proposed to fund the foundations through transfers from "Development Assistance".

As it has for the past six years, the Committee again includes funding for long-term development assistance in sub-Saharan Africa, other than child survival and health programs, in the global "Development Assistance" account. It encourages the use of the special authorities contained in the "Development Fund for Africa" authorization for AID activities in Africa.

Finally, authority is provided for the United States to make contributions from the Child Survival and Health Programs Fund to three international health funds: The Vaccine Fund [associated with the Global Alliance for Vaccines and Immunizations (GAVI)]; the International AIDS Vaccine Initiative; and a proposed global trust fund to fight HIV/AIDS, malaria, and tuberculosis. The President's budget request would fund the latter fund as a separate account under the Department of the Treasury.

#### GLOBAL DEVELOPMENT ALLIANCE

The Committee is supportive of AID's efforts to enhance its coordination with private companies, foundations, faith-based groups, and volunteer organizations. The Committee has encouraged, and AID has undertaken, such partnerships for many years. The Committee is intrigued by the outlines of the Global Development Alliance (GDA) proposal, which is characterized as an attempt to change the way AID implements its assistance mandates. Until sufficient details about the proposed scope and operations of the GDA are made available to the Committee for its review and, if necessary, further consultation with the Agency, no program funds are available for reservation of set-asides from this or prior year Acts to implement GDA. The Committee has no objection to the use of reasonable amounts from "AID Operating Expenses" to properly define and identify the proposed uses of GDA.

#### CHILD SURVIVAL AND HEALTH PROGRAMS FUND

Fiscal year 2001 level .....	\$963,000,000
Fiscal year 2002 request .....	991,000,000
Committee recommendation .....	1,387,000,000

The Committee recommends \$1,387,000,000 for the renamed "Child Survival and Health Programs Fund", an amount that is \$396,000,000 above the request under the fiscal year 2001 account structure and \$169,000,000 above the amount enacted for 2001 under the revised account structure. The recommendation includes authority for United States contributions to three international health funds. The Child Survival and Disease Programs Fund is a Congressional initiative that the President now includes in the budget request. As a Committee priority this year, a detailed justification of the recommended increase is presented below.

#### OVERVIEW OF HIV/AIDS ASSISTANCE

As it has for many years, the Committee continues to support the fight against HIV/AIDS through United States Government (bilateral) assistance programs managed by the Agency for International Development. In other appropriation bills, additional support for the fight against HIV/AIDS is provided through the Centers for Disease Control and the National Institutes of Health. AID works with both the CDC and the NIH in its overseas operations. All of these bilateral programs are fully operational today; together they are the worldwide leaders in the field.

The Committee has provided a total of \$474,000,000 in this bill for HIV/AIDS, of which \$434,000,000 is funded through the Child Survival and Health Programs Account. Another \$40,000,000 is provided, as requested in the President's budget, through other AID-managed accounts, such as the Economic Support Fund, International Disaster Assistance, and regional accounts for Eastern Europe and the former Soviet Union. By comparison, last year the Committee recommended a total of \$210,000,000 and the final conference agreement provided \$315,000,000 in the bill for the same purpose. Overall, the fiscal 2002 recommendation of \$474,000,000 for HIV/AIDS is \$45,000,000 above the President's request of \$429,000,000.

Again this year the Committee recommendation allows for a transfer of funds to a proposed multilateral trust fund for health. The fund most likely to be established is a multilateral Health Trust Fund (allocated between 20 percent for TB and malaria and 80 percent for HIV/AIDS) advocated by the President of the United States and the Secretary General of the United Nations. The President has requested \$100,000,000 for this purpose, and full authority is provided herein to fulfill that request. The Committee assumes that \$80,000,000 will be made available for the trust fund proposal from the Child Survival and Health Programs Fund in this bill, of which \$20,000,000 for malaria and TB is allocated under the "Other Infectious Diseases" category, and \$60,000,000 is allocated under the "HIV/AIDS" category. The source for the remaining \$20,000,000 for the proposed trust fund, as requested by the President, would be the unused \$20,000,000 provided in last year's Child Survival and Disease Programs Fund for a World Bank HIV/AIDS trust fund.

If the latest proposal for a multilateral trust fund for HIV/AIDS and related infectious diseases does not come to fruition within 12 months of enactment, the entire \$80,000,000 authorized for that purpose in this recommendation could be used promptly by the

Agency for International Development for its ongoing bilateral programs to combat HIV/AIDS, malaria, and TB.

#### EXPLANATION FOR INCREASE ABOVE FISCAL YEAR 2001 LEVEL

The Committee's recommendation is higher than the 2001 level because of three continuing developments over the past two years. First, there is a growing willingness in many poor and developing nations to address the threat each faces from tuberculosis/HIV/AIDS and other infectious diseases. A few more cases are being reported of nations reversing the spread of HIV/AIDS, but the Agency for International Development has placed too little attention on, and provides minimal support for halting, emerging epidemics. The Committee urges AID to focus on emerging concentrations of HIV, utilizing best practices used by nations and communities that have actually halted and reversed the number of victims.

Secondly, private American foundations and international commercial vaccine producers are now working with AID, the World Health Organization, and UNICEF to save children by reducing the cost and increasing the supply of vaccines that are currently used mostly in industrial countries because of expense. Because of the investments funded by this account in prior years, absorptive capacity in a number of poor nations is beginning to increase to the extent that they can begin to limit the spread of TB/HIV and properly administer vaccines. Such improvements in absorptive capacity cannot be sustained or extended without additional investment in surveillance and institutional capacity.

Finally, the Committee is aware that the number of vulnerable children in need of international and local support is increasingly evident in many regions. In Africa, war and the impact of TB/HIV is generating a generation of child soldiers and orphans in several nations. International assistance may help adult survivors socialize and educate such vulnerable children, although at present there are few precedents for effective care and training in such dire situations. However, communities affected by HIV are only now beginning to become a major focus of United States development strategies. In Eastern Europe, Central Eurasia, and Southeast Asia, the sharply declining economic situation among many families in recent years has left more children in poorly funded orphanages, living on the streets, or becoming victims of sexual predators and drug dealers. Solutions to the tragedy of vulnerable children must be local, but voluntary organizations whose private donations are supplemented by AID can often expedite those solutions and provide desperately needed material support.

#### ESSENTIAL ROLE OF FREE MARKET ECONOMIC GROWTH IN DEVELOPMENT

As popular as the Child Survival and Health Programs Fund is with the American people, the Committee has resisted appeals to increase its funding more rapidly. The Child Survival account is only one part of the U.S. effort to help others work toward the standards of living most Americans have achieved already. The Committee recognizes that the long-term benefits of the Fund are limited unless there are future jobs and income for the children we help when they grow up to be adults. Continuing AID support for free market approaches to economic growth remains essential to

complete the work of child survival. In each poor country helped by American child survival activities, a balanced assistance program also requires cooperation to provide reasonably priced and reliable food, water, cleaner power, and communications as well as credit.

#### ALLOCATION OF CHILD SURVIVAL AND HEALTH PROGRAMS FUND

Unless modifications are subsequently notified and agreed to by the Committees on Appropriations, fiscal year 2002 appropriations for the Child Survival and Health Programs Fund are deemed to be allocated as follows:

<i>Category</i>	<i>Allocation</i>
Child Survival and Maternal Health .....	\$295,000,000
Vulnerable children .....	25,000,000
HIV/AIDS .....	434,000,000
Other Infectious Diseases .....	<sup>1</sup> 155,000,000
Reproductive Health/Voluntary Family Planning .....	<sup>1</sup> 358,000,000
Grant to UNICEF .....	120,000,000
	<hr/>
Total in this account .....	1,387,000,000
Other CSD activities in ESF .....	50,000,000
CSD activities in regional accounts .....	45,000,000
	<hr/>
Total in all bilateral accounts .....	1,482,000,000

<sup>1</sup>The two categories indicated include undetermined amounts for TB prevention among persons with HIV/AIDS and for treatment and management of sexually transmitted diseases that also may be included in the HIV/AIDS category.

#### DEFINITION OF THE BUDGET CATEGORIES WITHIN THE CHILD SURVIVAL AND HEALTH PROGRAMS FUND

In order to clarify the range of activities categorized in the above allocations, the Committee, in consultation with AID, provides the following explanation:

##### 1. CHILD SURVIVAL AND MATERNAL HEALTH

###### *Primary causes of morbidity and mortality for children and mothers*

Supporting key child health and survival interventions that focus on prevention, treatment, and control of the five primary childhood killers: diarrheal disease, acute respiratory infection, malnutrition, malaria (directed primarily at children) and vaccine preventable diseases;

Introducing environmental health interventions to prevent the spread of childhood diseases from environmental factors such as contaminated water; and

Improving maternal health to protect the outcome of pregnancy, neonatal and young infants, and to save the lives of mothers, by improving maternal nutrition, promoting birth preparedness, improving safe delivery and postpartum care, and managing and treating life-threatening complications of pregnancy and childbirth.

###### *Micronutrients*

Supplementing, fortifying and modifying dietary behaviors to increase intake of key micronutrients, particularly vitamin A, iron, iodine, folic acid, and zinc.

*Polio eradication*

Partnering to strengthen polio eradication and vaccination programs;

Supplemental polio immunization campaigns and improving routine immunization; and

Improving acute flaccid paralysis surveillance, response and linkages with other disease control programs.

2. VULNERABLE CHILDREN <sup>1</sup>

Care and protection of children who are displaced or vulnerable with an emphasis on strengthening family and community capacity in identifying and responding to special physical, social, educational, and emotional needs including:

Under the Displaced Children and Orphans Fund, children affected by war, including child soldiers, as well as orphaned, abandoned and street children;

Blind children;

Orphanages in Europe and Eurasia;

Trafficking of young women and children; and

Abusive child labor.

## 3. HIV/AIDS

*Prevention*

Expanding behavior change interventions to prevent and mitigate the impact of HIV/AIDS;

Preventing and managing sexually transmitted diseases (STDs);

Preventing and managing TB and other opportunistic diseases related to HIV/AIDS; and

Reducing mother-to-child transmission of HIV/AIDS.

*Care and Treatment*

Increasing the capacity of public and private sector organizations, particularly at the home and community level, to prevent HIV transmission and support persons living with HIV/AIDS, their caregivers, families and survivors;

Treating opportunistic infections, primarily tuberculosis, in persons living with HIV/AIDS;

Conducting pilot programs for the care and treatment of persons living with HIV/AIDS;

Entering into cooperative agreements and parallel financing alliances with the private sector to obtain needed commodities for sustained treatment of persons living with HIV/AIDS; and

Establishing microcredit programs designed for communities with a high incidence of persons living with HIV/AIDS.

Caring for infected children, and for communities severely affected by HIV/AIDS.

*Surveillance*

Increasing the quality, availability, and use of evaluation and surveillance information.

<sup>1</sup>Other accounts (e.g., Development Assistance and Economic Support Fund) support programs addressing the issues of children affected by violence and/or trafficked for illicit purposes.

## 4. OTHER INFECTIOUS DISEASES

*Tuberculosis (TB)*

Improving control of tuberculosis at the country level by expanding the application of the Directly Observed Therapy Short Course (DOTS) strategy and strengthening local capacity;

Developing and testing alternative approaches for TB control;

Improving surveillance of TB and of multi-drug resistant TB strains;

Conducting research to identify improved technologies/methods for TB diagnosis and treatment; and

Preventing and treating TB in persons with HIV/AIDS and their caregivers.

*Malaria*

Improving prevention, control and treatment of malaria and other infectious diseases that are not currently vaccine preventable.

*Antimicrobial resistance and infectious diseases surveillance*

Improving interventions to reduce the spread of antimicrobial resistance; and

Improving capacity for surveillance and response for infectious diseases, including at the local level.

## 5. REPRODUCTIVE HEALTH/VOLUNTARY FAMILY PLANNING

Expanding access to, and improving the quality of voluntary family planning programs;

Supporting related reproductive health services such as integrating family planning with antenatal, neonatal, and post-partum care, integrating family planning with HIV/AIDS and STD programs, eliminating female genital cutting, and supporting post-abortion care;

Providing information and services for families experiencing difficulty in conceiving children, including programs to treat non-infectious diseases that impede fertility;

Forecasting, purchasing, and supplying contraceptive commodities and other materials necessary for reproductive health programs; and

Fostering conditions to create favorable policy environments, improve quality, strengthen systems, and contribute to the sustainability of family planning and other reproductive health programs.

NOTE: The population funds of the Child Survival and Health Programs Fund are not to be used to finance, support, or be attributed to the performance or promotion of abortion as a method of family planning, or to pay for biomedical research which relates to the performance of abortion as a method of family planning (although epidemiological or descriptive research to assess the incidence, extent or consequences of abortions is permitted).

## PROMOTING THE INTEGRITY OF THE CHILD SURVIVAL FUND

The previous AID Administrator appointed a coordinator of activities related to the Child Survival and Disease Programs Fund, as the Committee directed two years ago. The Committee expects the current Administrator to appoint a coordinator for all child survival and health programs managed by AID, or, alternatively, to

establish a separate bureau to manage central programs, provide technical support to child survival and health programs in the field, and to act as liaison with the Committee on all child survival and health programs and activities managed by AID, regardless of the funding source.

More remains to be done by AID management. The budget justification lacks detailed information, necessary for purposes of being used as a baseline for reprogramming and notification proposes, concerning numerous activities that would be funded from the Child Survival and Health Programs Fund.

Proposed activities included in the fiscal year 2002 budget justification combine programs, projects, and activities funded from this account with programs, projects, and activities funded from other funding sources. There is inadequate information, with regard to many ongoing and proposed activities, to allow the Committee to identify the differences in utilization of the individual accounts. The May 2002 AID documents characterized as a budget justification will not be accepted as valid for fiscal year 2002 programs for purposes of section 515 until supplemental budget narratives and tables are transmitted to the Committee in the proper form.

The Committee is again including bill language that prohibits the use of certain funds in this account for nonproject assistance, or cash grants, to governments. The provision of cash grants as general budget support for governments is no longer an appropriate development tool, given current funding constraints. To the extent that cash grants are necessary for countries in transition or for specific foreign policy goals, funds are available through the "Economic Support Fund".

#### CHILD SURVIVAL AND MATERNAL HEALTH: FORMER SOVIET UNION

The Committee continues to be concerned about the low priority assigned to declining maternal and environmental health conditions and the increasing incidence of TB/HIV/AIDS in Russia, Ukraine, and the Central Asian republics. The positive results achieved with the small amounts already spent for such programs in recent years have been dramatic. More can be done with Global Bureau core funds to complement funding provided by the regional accounts. The Committee has included bill language regarding a minimum level of \$45,000,000 to be allocated for child survival and health programs within the separate account, "Assistance to the Independent States of the Former Soviet Union."

#### CHILD SURVIVAL AND MATERNAL HEALTH: MICRONUTRIENTS

The Committee supports increased funding for the vitamin A, iodine and other micronutrient deficiency programs. More than 250 million children are vitamin A deficient, increasing their risk of severe illness, blindness and death. Vitamin A is a low-cost solution to many easily preventable diseases. The Committee recommends that AID make every effort to provide \$30,000,000 from all accounts for the overall United States micronutrient program.

The Committee notes that iodine deficiency disorder (IDD) is the leading preventable cause of mental retardation in children. The major remaining regions with iodine deficiency are in the former Soviet Union and southeast Europe and regions of Africa and

South Asia. Private funds raised by Kiwanis International and implemented by UNICEF are already saving 10 million children a year from mental retardation. The Committee recommends that in order to help meet the IDD partnership goals, AID provide a total of at least \$2,500,000 from the Child Survival and Health Programs Fund and \$2,225,000 from regional accounts for the Kiwanis/UNICEF IDD partnership program.

#### CHILD SURVIVAL AND MATERNAL HEALTH: POLIO ERADICATION

The Committee recommendation includes within the child survival and maternal health allocation not less than \$25,000,000 for the final phases of the program initiated by the Committee in fiscal year 1996 to eradicate polio by 2006.

#### CHILD SURVIVAL AND MATERNAL HEALTH: VACCINES AND IMMUNIZATION

The Committee is aware that at least three million children die each year because they do not receive life-saving immunizations. Over many years, the Committee has funded procurement of polio and other childhood vaccines directly through AID and indirectly through the grant to UNICEF. Last year the Congress recommended that up to \$50,000,000 be provided to the Global Fund for Children's Vaccines (now The Vaccine Fund) in support of the Global Alliance for Children's Vaccines to help close the gap between children who receive immunizations and those who do not. The Global Fund provides resources to support the international, public and private partnership recommendations provided to GAVI. Since its initiation a year ago, more than \$300,000,000 for 21 countries has been committed for immunization programs—potentially saving as many as one million lives a year. The Committee strongly supports continued funding for this program, and recommends that up to \$60,000,000 be provided to The Vaccine Fund in fiscal year 2002.

#### VULNERABLE CHILDREN

The Committee directs AID to allocate \$25,000,000 for displaced children and orphans and blind children in fiscal year 2002. A substantial part of these and other available resources are to be used in Romania, the former Yugoslavia, Moldova, Ukraine, Russia, and Mongolia. AID has recently initiated innovative programs in most of these countries at the urging of Congress, and the Committee directs AID to adequately fund these programs in fiscal year 2002.

Care for displaced children and orphans is limited in these countries and in parts of Africa. Basic medical supplies are scarce at most institutions around the world. In some cultures, orphans are considered outcasts, especially those with disabilities of any type. Some children can become healthy with proper medical attention and returned to their families or placed with domestic or foreign families through adoption.

Families with mentally or physically disabled children would benefit from community support programs such as Special Olympics.

The Committee encourages AID to expand its support of private voluntary organizations, which seek to improve the health and

quality of life of such children. To reinforce the suggestion in last year's report concerning these particularly vulnerable children, the Committee urges AID to provide up to \$2,000,000 for support of organizations working in this sector.

Older children permanently placed in orphanages are often dismissed from state care and thrown out on the streets to survive without skills. Most teenage orphans find that their only chance for survival is to participate in criminal acts, including prostitution and selling drugs. United States assistance in establishing a limited number of vocational-technical centers will teach these orphans the necessary skills to become productive members of society.

According to the World Health Organization there are 1.5 million blind children around the world. Another 7 million children suffer from low levels of vision. The Committee recognizes the work being done by Helen Keller Worldwide and other organizations to assist blind children and children with low levels of vision. These children can be helped through simple and inexpensive methods of prevention and low cost care. The committee recommends that the AID program for children's blindness be funded at a level of \$1,300,000.

#### HIV/AIDS PREVENTION

The Committee for several years has provided funding and encouragement to limit impact of the global HIV/AIDS epidemic in the developing world and Eastern and Central Europe. However, recent epidemiological reports indicate that the pandemic continues to worsen dramatically, particularly in south and southeast Asia and southern Africa. In response, several other donor nations are increasing their global AIDS activities and international institutions, notably the World Bank, are moving AIDS and other infectious diseases to their priority list. Recently, the Group of Industrial Nations and the United Nations have become more fully engaged.

As with all AID programs, the fight against HIV/AIDS requires "good development partners". The rapid increase in HIV infection in many poor countries can be attributed, in part, to government leaders' refusal to publicly acknowledge the crisis and to their slowness in dedicating resources to fight it. Government leaders have a responsibility to their citizens to foster awareness and education, the causes of transmission, and the scientifically proven methods to combat it. All AID country strategies for HIV programs must include components to encourage behavioral, cultural and social change.

The United States has long led the world's response to HIV/AIDS and will expand its financial and leadership commitment. For fiscal year 2002, the Committee directs AID to increase funding for all of its international AIDS and related TB activities from not less than \$315,000,000 in 2001 to at least \$474,000,000 in 2002. Funding for UNAIDS should also be increased above its current level. Priority uses of the additional resources should include microbicides, reduction of mother-child transmission, support for affected orphans, and TB. As in past years, AID should utilize to the maximum extent community-based, nongovernmental organizations that have "on the ground" prevention and care programs.

The Committee recognizes that there is an urgent need for the development of HIV and STD prevention methods within women's personal control. Topical microbicides, currently in trial stages in a number of countries, have emerged in the last decade as a promising new technology for preventing STDs, including HIV. Using its existing infrastructure and expertise, AID can contribute a great deal to enhancing the feasibility of successful clinical trials in developing countries. At the urging of Congress, AID substantially increased its investment in microbicides research and development in 2001, and the Committee urges AID to make these investments an integral part of bilateral U.S. HIV/AIDS assistance. The Committee directs AID to devote not less than \$15,000,000 from all accounts to microbicides research and development.

The Committee recommends that USAID devote appropriate resources to support efforts to build capacity of the nursing workforce in sub-Saharan Africa. The Committee recognizes the utility of a sound nursing corps in addressing AIDS not only as a disease, but as a public health problem. Nurses and other health workers are often the first and only contact the population of developing countries have with the health care system. In their role, not only can they assist in diagnosis and treatment of AIDS, but also in fostering behavioral change and developing care systems that contain the spread of the disease. Also, the Committee continues to support efforts to provide a safer blood supply and single-use needles in the Republic of South Africa and other countries impacted by HIV/AIDS. These efforts should include evaluation of promising blood decontamination technologies.

The fight against HIV/AIDS takes place on many fronts. More education about causes, effect and treatment of HIV/AIDS is needed in many regions, especially in Sub-Sahara Africa and the Caribbean. The use of unbiased, accurate, and culturally sensitive media is one way to improve the spread of information on HIV/AIDS. The Committee supports programs for independent media training and public service announcements to meet these needs.

#### HIV/AIDS: CARE AND TREATMENT

The Committee is aware of and supports AID's pilot programs in the care and treatment of persons with HIV/AIDS and expects that the number of these pilot programs will expand as successful models are developed. The Committee encourages AID to enter into cooperative agreements and parallel financing alliances with the private sector to obtain needed commodities for sustained treatment of persons with HIV/AIDS.

#### HIV/AIDS: BURMA AND THE RESURGENCE IN SOUTHEAST ASIA

The Committee is concerned that HIV/AIDS is spreading rapidly in Asia, and that Burma is playing a pivotal role in its spread. In Thailand, a country thought to have the epidemic under control, recent evidence shows a resurgence of the disease. Burma itself faces devastating epidemics of heroin addiction and HIV/AIDS infection, with the HIV virus spreading rapidly from intravenous drug users to the wider population. Last year the Burmese regime officially acknowledged that HIV/AIDS is a serious problem in Burma; however, it has made no official effort to contain the disease. The government's tacit support for heroin production, the virtual collapse

of the Burmese economy, the continuing wars between the regime and various ethnic groups, and the massive migration of Burmese seeking safety or work in neighboring countries have all contributed to the spread of the epidemic.

The Committee believes that conditions in Burma represent a significant threat to efforts to contain the spread of the disease in neighboring countries like India, China, Thailand and even Cambodia. The Committee requests that, within 90 days after the enactment of this Act, the Agency for International Development, in consultation with the Department of State, provide a report to the Committee on the Burma HIV/AIDS epidemic and proposed steps the U.S. Government could take, working with other donors and without providing direct support to the Government of Burma, to address the HIV/AIDS epidemic in Burma.

#### HIV/AIDS: CHILDREN AFFECTED BY HIV/AIDS

AIDS is devastating the family structure in many countries, leaving millions of children orphaned and more vulnerable to HIV infection, poor health, little schooling, and even sexual exploitation. Approximately 600,000 newborns in the developing world contracted the virus just last year. Presently, there are 5,000,000 orphans in Africa due to AIDS, and by the year 2010 it is estimated that there will be 26,000,000 orphans in Africa as a result of AIDS. The Committee recognizes that community childcare through mobilization in high-incidence AIDS communities is one of the most important interventions available to provide care and support for the future orphans of Africa. Therefore, the committee urges AID to favorably consider a proposal by the private voluntary organization, *Hope worldwide*, to replicate and extend its world-famous Soweto Community Childcare program for children affected by AIDS to other sites in other cities, including Abidjan, Lagos, and Nairobi. The Committee strongly supports efforts to assist these and other children affected by HIV/AIDS, and urges that not less than \$20,000,000 be provided to assist AIDS orphans and HIV positive children.

#### HIV/AIDS: PROGRAM ACCOUNTABILITY

The increased funding being made available for HIV/AIDS programs requires that AID and other federal agencies be especially focused on accountability for the funds expended. The Committee strongly recommends that the design and award of all bilateral and multilateral HIV/AIDS programs from accounts managed by AID be based on measurable, achievable goals. The Committee directs that AID transmit a written report to the Committee not later than March 1, 2002, describing in detail its plans for utilizing funds allocated for HIV/AIDS programs, including its proposals for programs in countries with emerging epidemics, and the benchmarks established to measure the success of the programs. On the same date, the Director of the Office of Management and Budget is requested to submit a parallel report with regard to planned obligations of funds through a multilateral Health Trust Fund. Such benchmarks should include, as soon as feasible, the impact of programs on HIV infection rates and mortality. The Committee expects the Agency and OMB to formally consult with it on the contents of the reports not later than January 15, 2002.

## HIV/AIDS SUMMARY

The Committee anticipates that at least \$40,000,000 for HIV/AIDS will be funded from the Economic Support Fund, regional accounts, and accounts administered by the Bureau for Humanitarian Response. Together with not less than \$434,000,000 from the Child Survival and Health Programs Fund, the bill total for HIV/AIDS should be at least \$474,000,000. The Committee directs that AID include all HIV/AIDS-related activities, such as TB/HIV tuberculosis prevention and efforts to prevent and manage STDs, in its reports on achieving these targets.

## OTHER INFECTIOUS DISEASES: MALARIA

The Committee includes not less than the fiscal year 2001 level for the prevention of malaria, a re-emerging global killer of children and a major impediment to economic development in many poor countries. The Bureau of Humanitarian Response is urged to provide not less than \$2,500,000 for malaria from its grant program for private voluntary organizations, consistent with current practice.

The Committee is aware of a credible proposal for scaling-up malaria prevention and control activities, addressing the urgent needs of populations threatened by malaria who are living in areas of war and civil-disorder, and slowing the emergence and spread of drug-resistant malaria in regions of Africa, Asia, and South America. The Committee directs the Agency to reconsider this proposal forthwith, and to report to the Committee on the outcome of its deliberations not later than October 2, 2001.

## OTHER INFECTIOUS DISEASES: TUBERCULOSIS

The Committee recognizes that tuberculosis (TB) is the major infectious killer of adults in the world, killing between two and three million each year. This disease could result in the deaths of up to 30,000,000 people in the next decade. TB kills more women than any other cause of mortality and is the major killer of persons with AIDS. Many of these will be parents, whose orphans will be a burden on already stressed societies. In addition, the Committee notes the threat to the United States from this disease due to international travel and immigration. An estimated 15 million Americans are currently infected with the TB bacteria. Therefore the Committee includes in the allocation for other infectious diseases not less than \$70,100,000 from all accounts for programs for the prevention, treatment, control of, and research on tuberculosis. At least \$5,000,000 should be made available for the independent states of the former Soviet Union.

The Committee notes that the Agency for International Development is collaborating with the Gorgas Memorial Institute to promote regional TB control initiatives designed to address the global TB epidemic—training, operational improvement, and new approaches to disease control. The Committee strongly supports the continuation of this initiative. At least \$2,000,000 is available for these activities during fiscal year 2002.

In its last three reports, the Committee requested AID to assist Texas and Mexico combat a particularly threatening outbreak of tuberculosis along their border. The Agency has been responsive,

and the Committee urges continued cooperation with the Texas Department of Health and relevant offices of the federal and state governments of Mexico.

OTHER INFECTIOUS DISEASES: ANTIMICROBIAL RESISTANCE AND SURVEILLANCE

The Committee supports the efforts of AID and the Centers for Disease Control to reduce the spread of antimicrobial resistance. The Committee is aware of the special problems of infectious diseases among patients hospitalized in Asia, Latin America, and Africa, and encourages AID to encourage the use of proven new technologies to combat antimicrobial resistance. The Committee has been made aware of the work in this area by the Alliance for the Prudent Use of Antibiotics (antimicrobial resistance) and the International Foundation for the Reduction of Infectious Diseases, and suggests that AID cooperate with the Alliance and the Foundation. In addition, AID is encouraged to continue improving capacity for surveillance and response to infectious diseases at the national and local levels.

INFECTIOUS DISEASES: COLLABORATIVE RESEARCH BY UNIVERSITY MEDICAL SCHOOLS

The Committee is aware of and supports the renewed engagement of many United States university medical schools and medical research facilities in the global campaign against infectious diseases, especially those which affect children. As many contributed greatly to domestic public health progress in earlier decades, the Committee welcomes their interest in the new global campaign.

The Agency for International Development and multilateral health and child survival agencies benefiting from this bill are urged to give every consideration to detailed proposals submitted by the relevant institutions cited in a separate section of this report following the discussion of the "Development Assistance" account. The Committee notes with concern the seeming inability of the Agency to successfully collaborate, after many meetings with senior officials and numerous prior year report directives, with Tulane University, the University of Notre Dame, and Johns Hopkins University on their joint efforts to limit the spread of malaria.

REPRODUCTIVE HEALTH OVERVIEW

The Committee anticipates that at least \$67,000,000 for reproductive health/voluntary family planning will be funded from the Economic Support Fund, regional accounts, and accounts administered by the Bureau for Humanitarian Response. Together with \$358,000,000 from the Child Survival and Health Programs Fund, the bill total for reproductive health should be at least \$425,000,000, as requested by the President. The Committee directs that AID include all reproductive health activities, including those funded from other accounts in this bill, in its reports on achieving these targets.

REPRODUCTIVE HEALTH/VOLUNTARY FAMILY PLANNING: RESTRICTIONS

The Committee has continued prior year language in the bill that requires that none of the funds appropriated in this bill, or any un-

obligated balances, be made available to any organization or program which, as determined by the President, supports and participates in the management of a program of coercive abortion or involuntary sterilization. The bill language also states that funds cannot be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortion. Further, the language indicates that in order to reduce reliance on abortions in developing countries, population funds shall be available only to voluntary family planning projects which offer, either directly or through referral, information about access to a broad range of family planning methods and services. An additional provision in the bill requires that in awarding grants for natural family planning under section 104 of the Foreign Assistance Act, no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning.

The Committee also has continued prior year language that states that nothing in the bill is to alter any existing statutory prohibitions against abortion which are included under section 104 of the Foreign Assistance Act. Further, the Committee has continued prior year language which states that project service providers or referral agents cannot 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 is identical to language in the fiscal year 2001 Act under the heading, "Development Assistance".

GRANT TO THE UNITED NATIONS CHILDREN'S FUND (UNICEF)

The Committee supports efforts to reach the child survival goals set by the World Summit for Children. In order to implement these goals, the Committee is recommending that not less than \$120,000,000 of the funds provided under the Child Survival and Health Programs Fund shall be provided as a contribution in grant form to the United Nations Children's Fund. This does not preclude the Agency for International Development from providing additional funding for specific UNICEF projects as may be appropriate.

DEVELOPMENT ASSISTANCE

Fiscal year 2001 level .....	\$1,305,000,000
Fiscal year 2002 request .....	1,325,000,000
Committee recommendation .....	1,098,000,000

The Committee recommends \$1,098,000,000 for the general account for development assistance for economic growth, agriculture, and trade. The amount recommended is \$227,000,000 below the budget request and \$76,000,000 above the fiscal year 2001 level, if the 2001 account structure is used. The account no longer includes population reproductive health, which is now incorporated within the Child Survival and Health Program Fund, consistent with the Administration's revised assistance categories.

Funding in this account includes worldwide activities for free market economic development, agriculture, rural development, literacy and basic education for children and adults, environment, energy, science and technology and other programs related to longer-

term development. Children's basic education programs were included last year in the Child Survival and Disease Programs Fund.

The Committee recommends the continuation of bill language to prohibit the use of funds for any activities in contravention of the Convention on International Trade in Endangered Species (CITES) in order to address concerns that AID funded activities in Zimbabwe are contributing to trade in elephant ivory.

The Committee recommends the transfer of up to \$12,500,000, from the "Development Assistance" account, to support development credit activities instead of \$25,000,000 as proposed by the President.

#### BASIC EDUCATION

The Committee recognizes that educating children in developing countries provides the foundation for sustained economic growth, poverty alleviation, and the creation of democratic institutions. There is also clear evidence that the collateral benefits of providing basic education for girls, including improved child and maternal health, lower fertility rates, reduced child labor, and increased political participation, make it one of the most effective expenditures of U.S. foreign assistance. The Committee strongly recommends a minimum level of \$150,000,000 from this and other accounts for basic education, and encourages AID to place particular emphasis on programs that expand access and quality of education for girls, enhance community and parental participation in schools, improve teacher training, and build local management capacity. The Committee also recognizes that AID's capacity to create and execute innovative and effective basic education programs suffered disproportionately during the reduction in personnel over the last decade, and encourages AID to increase the number of direct hire education staff directly supporting and managing field programs.

The Committee also recognizes the importance of education in the fight against HIV/AIDS in developing countries. The pandemic has severely affected not only school-age children, but also the teacher populations in sub-Saharan Africa. The Committee encourages AID to promote approaches to HIV/AIDS prevention which recognize the central role played by schools and teachers, including integrating information into curricula, instituting prevention programs in schools, and focusing on HIV/AIDS in teacher training institutes.

#### GLOBAL ISSUES: HUMAN RIGHTS AND DEMOCRACY

The Committee expects AID to give adequate weight to the human rights and governance practices of recipient countries, including those reported in the Department of State's annual Country Reports on Human Rights Practices. Although the Committee believes that need and U.S. foreign policy goals should be the primary criteria for determining whether or not a country should receive assistance, the Committee also believes that the assistance—whether through nongovernmental organizations or directly through official channels—will have a far greater chance of truly helping the citizens in those countries which respect the rule of law and the rights of their people. The Committee notes the disturbing recent trend by leaders of long-time foreign assistance recipients—Zimbabwe, for example—to undercut democratic processes and to

curtail respect for human rights. Further, a number of traditional aid recipients are currently involved in military conflicts and have restricted the basic freedoms of their citizens. AID should continue to give significant weight to the record of human rights and democratic development of proposed recipient countries in the distribution of assistance provided under this Act.

#### GLOBAL ISSUES: LITERACY AND EDUCATION

The Committee recognizes that expanding access to education, especially combating child and adult illiteracy, is critical to long-term development. The Committee supports the work of Alfalit International, an educational nongovernmental organization dedicated to promotion of literacy, elementary education, and community development in Africa and Latin America. Alfalit's proven record during the past three decades has helped significantly reduce child and adult illiteracy throughout Latin America and Africa. The Committee urges AID to provide \$1,500,000 for Alfalit to jointly develop and implement programs to combat adult illiteracy in countries in which AID operates.

#### GLOBAL ISSUES: ENERGY

The Committee supports AID's proposed investment in public-private sector partnerships involving hydropower energy investment in emerging markets and encourages the agency to vigorously support such activities. The Committee recognizes the important role that AID fulfills in creating overseas environments conducive to U.S. investments by encouraging policy reforms. Such reforms allow U.S. companies and financing organizations to invest in environmentally sound hydropower and the energy infrastructure needed for sustained growth. Involving responsible hydropower in the global energy mix may also help mitigate climate change.

#### GLOBAL ISSUES: THE ROLE OF GIRLS AND WOMEN IN DEVELOPMENT

The Committee recognizes the importance of improving the economic and social situation of women and girls through respect for legal rights and expanded access to educational opportunities, adequate health care, and credit. The Committee supports the work of AID's Office of Women in Development in these areas. Therefore, the Committee recommends \$15,000,000 for AID's women in development programs, including funds implemented by central offices and through overseas missions. Although AID is to be commended for devoting considerable attention to the needs of women and girls, additional attention is needed throughout the Agency from all funding sources, especially in areas such as Lebanon, Pakistan, and Central Asia.

An important component of women in development programs is the identification of, and effective support for, women leaders in developing and post-conflict societies. These societies will reach their full potential only when all citizens are given equal opportunity to take leadership roles in political and civic institutions. The Committee commends the efforts of organizations such as Women's Campaign International, the International Women's Democracy Center, and the Vital Voices Global Partnership to ensure that women are given equal opportunity to participate in emerging

democratic processes. The Committee recommends that AID expand its alliances with organizations that train women leaders as it moves toward a greater emphasis on conflict prevention and developmental relief activities.

#### GLOBAL ISSUES: BIODIVERSITY

The Committee applauds the accomplishments of AID in integrating biodiversity and forest management in its economic and social development programs. The Committee urges AID to consider biodiversity a high priority and is concerned with the Administration's budget request for biodiversity programs for fiscal year 2002. The Committee urges AID to provide not less than \$70,000,000 in fiscal year 2002 for its biodiversity programs.

The Committee again recommends that AID provide \$500,000 to support the Peregrine Fund's Neotropical Raptor Center in Panama to conserve birds of prey in the Panama Canal watershed area. The Peregrine Fund, established in 1970 as a non-profit organization, has partnered successfully with AID in the past. The Committee notes that the Center expects to receive significant private financing for this project as well.

The Committee encourages AID to support the work of Earth University in San Jose, Costa Rica. For more than 10 years, Earth University has worked with more than two dozen U.S. universities on research projects designed to balance development and conservation in the areas of tropical forest preservation, reforestation, and biodiversity.

#### ECONOMIC GROWTH: OVERVIEW

The Committee considers free market economic growth, and the AID programs designed to lead directly to growth, the Agency's most important work in Africa, Latin America and Asia. Simply put, without sustained economic growth, AID's development programs for health, population, environment and other purposes, can have only marginal long-term benefits in poor countries.

In the near-term, the Committee continues to support the use of AID resources for health improvement through the "Child Survival and Health Programs" account. But improved social conditions of children matter only if the future economies of these countries can provide employment for these healthier, better educated citizens. Therefore, the Committee encourages AID to increase funding for free market economic development in its development programs in each of these regions.

The Committee continues to support AID technical assistance programs to encourage macro-level economic growth. These include programs to assist with privatization of state-run industry and legal and regulatory reform to modify trade and tax barriers which stifle local entrepreneurs and which deter U.S. investment. In addition, AID technical help for improving energy, transportation, telecommunication, and finance sectors is key to directly improving the economic climate of poor countries. Essential to this, of course, AID must continue to search out reform-minded government leaders without whom these programs cannot succeed.

The Committee supports the efforts of AID to better coordinate with the US Trade Representative and other concerned agencies the significant amounts of aid already being committed to assist

other countries to strengthen their trade-related laws and regulatory regimes. It is in the United States national interest to ensure that relevant economic growth funds are programmed to complement trade negotiating objectives.

AID non-project assistance programs, or cash grants, to encourage sectoral reform or to ease transitions from state control to private ownership in poor countries have had only limited success. When governments are already committed to reform, non-project assistance can boost these efforts in the short-term. However, attempts to encourage non-reformist governments into changing bad policies by offering cash enticements will not work. The Committee discourages the use of non-project assistance where access to American technical know-how is in higher demand than direct cash assistance.

#### ECONOMIC GROWTH: MICROENTERPRISE

Microenterprise, while unable to alter economic indicators on a national scale, can significantly improve personal and family incomes, thus providing money for school fees, health supplies, and more nutritious food, and stimulating economic growth at the community level. The Committee expects AID to reach the authorization level enacted by Public Law 106-309. Also, programs of importance to economic growth, such as girls' and women's education and training programs, can assist in opening the marketplace to females.

#### ECONOMIC GROWTH: AGRICULTURE AND RURAL DEVELOPMENT

The Committee believes that agricultural development is central to creating free market economic growth in developing countries. By helping families grow more food that is more nutritious, hunger, malnutrition, and disease among women and children become less prevalent. By increasing incomes of rural families, the engine of economic development in these countries is being started. The Committee recognizes that AID has again included agricultural development as one of its key goals for its development programs.

The Committee believes that sustainable agricultural development is central to economic growth in Africa and to the advancement of many of the development goals addressed in this bill. Two-thirds of African families live and work in rural areas and make a living farming or in rural enterprise. Helping poor rural families grow more food to eat means that hunger, malnutrition and disease become less prevalent (especially among women and children). Helping families grow more food to sell means that they can increase their incomes, participate in trade, and spur overall African economic growth. This ultimately makes them better trading partners for the U.S.

The Committee particularly supports collaborative partnerships of U.S. agribusiness, non-government organizations, and universities with the African private sector. Projects to promote these partnerships leverage AID's development resources by increasing private sector investment of resources in developing countries, increasing economic growth and fostering stronger US/African trade and investment ties. The Committee recommends that AID emphasize private sector development in its programs such as support for producer associations, as well as trade, investment, finance and in-

formation systems. For their part, U.S. universities can make an important contribution in research, technology and human capital development geared to economic growth.

To enhance the U.S. response to the World Food Summit commitment to help cut hunger in half by 2015, the Committee also recommends that AID emphasize the critical needs of the rural sector (where most of the poor and hungry reside) and increase investment to that end in its programs that address rural health (including AIDS and child survival), girls education, democratization, microenterprise development and the environment.

#### ECONOMIC GROWTH: DEVELOPMENT OF CREDIT UNIONS AND COOPERATIVES

The Committee is aware of the importance of credit unions and cooperatives in strengthening democratic, grassroots approaches for economic development. The Committee continues to support the sharing of U.S. cooperative expertise in efforts to help lift low income people out of poverty through mobilization of equity, savings, and private initiative for community-based development. Credit Unions and cooperatives administer 70 successful programs in 67 different countries, making use of \$160,000,000 to leverage an additional \$300,000,000 through the mobilization of local contributions.

As a critical component of technical capacity building and partnerships with U.S. credit unions and cooperatives, the Committee encourages the Office of Private Voluntary Cooperation to maintain funding at \$6,000,000 for cooperative development organizations in fiscal year 2002.

In response to authorizing legislation enacted last year (Public Law 106-309), AID and the cooperative development community are exploring new opportunities for expanded partnerships. The Committee looks favorably on the following initiatives: programs to better utilize overseas remittances in Mexico; the utilization of cooperative approaches that mobilize communities that are adversely affected by the HIV/AIDS pandemic for self-help economic and social development, the use of cooperatives in utility privatization; and use of AID's development credit program by cooperatives.

The Committee is aware of the World Council of Credit Unions' (WOCCU) international credit development activities, and notes that WOCCU has cooperated with AID in the past to provide financial services to the communities previously lacking them in 20 developing countries. WOCCU currently is planning to expand its activities into South Africa and Mexico. The Committee requests that AID consider promptly WOCCU's proposals for programs in South Africa and Mexico.

The Committee recognizes that cooperative and credit union development takes time to yield successful results, and is concerned that AID interpretations of GPRA requirements specifying short-term results do not allow adequate time for implementation, thus, hampering the likelihood of successful programs over the longer term.

ECONOMIC GROWTH: INTERNATIONAL INTELLECTUAL PROPERTY  
INSTITUTE

The Committee encourages AID to provide adequate funds to support the International Intellectual Property Institute (IIPI) in its efforts to help developing countries establish the minimum international standards necessary to protect and attract U.S. intellectual property industries. The past decade has seen tremendous economic growth in intellectual property industries such as software, music and pharmaceuticals. Yet, because of an inability to provide protection for such property, developing countries have been largely unable to participate in this economic expansion. AID support for IIPI training and technical assistance programs can promote sound intellectual property systems which protect American businesses and which foster free economic growth in developing countries.

## LATIN AMERICA AND THE CARIBBEAN: OVERVIEW

The Committee is pleased the Agency for International Development responded to report language from previous years urging that greater emphasis be provided for programs in Latin America and the Caribbean.

The Committee has been made aware of the United States-Honduran Presidential Program of Investments Alliance (USHPPIA) and encourages AID to support this initiative. The Administrator of AID is urged to work with the Metro Vision Economic Partnership for the implementation of this program. AID shall report to the Committee not later than March 1, 2002, regarding this program and is encouraged to include the USHPPIA in its fiscal year 2003 budget request.

## LATIN AMERICA AND THE CARIBBEAN: MEXICO

The Committee urges the Agency for International Development and the Department of State to allocate additional funds for economic growth, rural development, and trade activities in Mexico. An energetic response to expanded opportunities for economic cooperation with Mexico under its new Administration is likely to require more than the \$6,185,000 requested for Development Assistance and \$10,000,000 for the Economic Support Fund in fiscal year 2002. The Committee fully supports an expansion of the bilateral program of economic cooperation between Mexico and the United States.

## LATIN AMERICA AND THE CARIBBEAN: GUATEMALA

The Committee renews its support for the resources necessary to help consolidate the Guatemala peace process by promoting national reconciliation, the cornerstone of United States policy toward Guatemala. As the Administration designs and awards contracts and grants for its fiscal year 2002 combined program of \$34,710,000 in development assistance, child survival and health, and economic support, the Committee requests that it take into account the continuing environment of criminal impunity and the increase in attacks against religious and human rights organizations. Renewed emphasis on improving the Guatemalan civilian police force and judiciary must be a top priority of U.S. assistance to

strengthen law enforcement and modernization of the state. The Committee urges the Secretary of State to press the Government of Guatemala to carry out full investigations, leading to the arrest and trial of the perpetrators, of the recent murders of Sister Barbara Ann Ford and other U.S. citizens in Guatemala.

#### LATIN AMERICA AND THE CARIBBEAN: PARKS IN PERIL

The Committee notes its strong support for the existing AID Parks in Peril program, a partnership with the private sector to promote biodiversity conservation in imperiled ecosystems throughout Latin America and the Caribbean. The Committee believes that protection of rare ecosystems is important from an environmental standpoint and also serves the long-term economic interests of these nations and the interests of the United States. AID/Parks in Peril has worked at 37 sites in 15 different countries, comprising more than 28 million acres. It has made significant progress at turning “paper parks”—those created by governments, but not adequately maintained—into genuine protected areas. Since its inception, Parks in Peril has received \$37,500,000 from central and mission AID funds, formally matched by more than \$14,300,000 from The Nature Conservancy, foreign partners, and foreign governments, and has indirectly leveraged more than \$268,000,000 from non-AID sources. The Committee welcomes the prospect of “PiP 2000”, a renewed program that seeks to extend the influence of Parks in Peril more broadly.

#### LATIN AMERICA AND THE CARIBBEAN: CORPS OF ENGINEERS

The Committee is pleased that the State Department and AID have begun to utilize the planning, engineering and design, environmental, and technical capabilities of the U.S. Army Corps of Engineers, particularly in Latin America where the Corps has existing field offices in Honduras, El Salvador, Panama, Colombia, Bolivia, and Peru. A partnership between the Corps and AID that takes advantage of these capabilities can significantly contribute to the strategic interests of the United States. The Committee intends that the State Department and AID use the Corps to a greater extent to support such activities as child survival (water and sanitation); development assistance; disaster assistance; and transition initiatives. Further, the Committee expects that the Department of State and AID will not establish additional engineering capabilities for activities that can be accomplished by the Corps. The Committee again requests that AID and the Department of State report separately within 60 days of enactment into law of this Act regarding plans to develop programs with the Corps during fiscal year 2002, including steps to develop a Memorandum of Agreement with the Corps.

#### AFRICA: HORN OF AFRICA

The Committee remains concerned about the fragile food security situation in the Horn of Africa. Famine conditions threaten more than 16 million people in Ethiopia, Sudan, Somalia, Kenya, Uganda and Djibouti. Conflict has exacerbated these famine conditions by hindering the delivery of humanitarian assistance and by creating scores of internally displaced people and refugees.

The Committee supports the efforts of The International Research Institute for Climate Prediction (IRICP) to provide assistance to AID's Office of Foreign Disaster Assistance in predicting likely effects of weather patterns on Africa—especially the Greater Horn of Africa region. To further this important work, the Committee recommends that AID support implementation of a modeling effort focused on climate impacts on water, including water supply, water-borne diseases, and agriculture, in collaboration with the Nairobi Drought Monitoring Center. The Committee believes these efforts can help achieve greater food security and stability in the region. The Committee encourages AID to consider a similar climate prediction monitoring program for southern Africa.

#### AFRICA: ASSISTANCE TO SOUTHERN SUDAN

The Committee believes that the Administration can and should do more to support the democratic opposition in Sudan with the ultimate goal of bringing peace to the people of southern Sudan. The Committee supports the inclusion of Sudan on the list of terrorist nations and encourages the Administration to step up efforts to isolate the Khartoum regime. Further, the Committee is deeply concerned about the credible reports of trafficking of human beings and slavery in Sudan.

The Committee continues its support for Operation Lifeline Sudan (OLS), a multilateral effort to provide desperately needed food and humanitarian relief to southern Sudan, funded in part by AID's Bureau of Humanitarian Response (BHR). However, without the consent of the government of Sudan, OLS is unable to provide desperately needed humanitarian aid to many opposition-controlled regions of Sudan. The Committee urges AID to significantly increase resources to nongovernmental organizations working in areas underserved by OLS and commends the Administration for doing so in recent years.

The Committee also supports AID's Sudan Transitional Assistance for Rehabilitation (STAR) program, begun in 1998, to assist in the establishment of functioning local government and in the operation of small-scale municipal projects. The existing STAR program has supported training for leaders in the National Democratic Alliance in the role of local government administration and in human rights. The Committee recommends that sufficient funds be made available to promote democratization and peace and reconciliation initiatives in the opposition controlled territories of southern Sudan during fiscal year 2002. The purpose of these funds should be for improved local civilian administration and governance and to reduce conflict and ensure peace and unity in southern Sudan.

#### AFRICA: SIERRA LEONE AND LIBERIA

The Committee remains concerned by reports that several governments in the region, including Liberia, continue to allow for lethal military equipment to be provided to the rebels in Sierra Leone. This action has led to the further destabilization of the region, hindered humanitarian relief delivery, and has complicated international efforts to end the conflict in Sierra Leone. The Committee urges the Administration to make every effort to encourage governments, especially the Liberian Government, to end their military support for Sierra Leone rebels. The Committee has once

again included bill language requiring that all assistance to Liberia be subject to the Committee's special notification requirements.

The Committee has also included bill language prohibiting assistance to any government if the Secretary of State determines there is credible evidence that such government has provided military support or equipment, directly or through intermediaries, to the Revolutionary United Front (RUF), or any other group intent on destabilizing the democratically elected government of the Republic of Sierra Leone or if there is credible evidence that such government has aided or abetted, within the previous six months, in the illicit distribution, transportation, or sale of diamonds mined in Sierra Leone.

The Committee is aware of the dire situation faced by the closure of the JFK Memorial Hospital in Monrovia, Liberia and urges AID and the Department of State to promptly address the health crisis in Liberia and examine options to reopen the JFK Memorial Hospital. The Committee also endorses proposals to promote democracy and non-governmental organizations, such as the Archdiocese of Monrovia, in Liberia.

#### AFRICA: ZIMBABWE

The Committee notes that in Zimbabwe the rule of law is breaking down as the ruling party uses the state machinery to intimidate, torture, and often murder its citizens. Such acts are unacceptable in a country that considers itself to be a part of the international community of free nations. The Secretary of State is commended for his vocal intervention on behalf of a democratic Zimbabwe and is urged to follow through by mobilizing all available tools to encourage peaceful change by reinforcing the beleaguered democratic institutions in Zimbabwe. The Committee strongly supports assistance that seeks to strengthen parliament, an independent media, and non-governmental organizations unaffiliated with the ruling party. The State Department is encouraged to support financially international observation and monitoring of the upcoming presidential elections in Zimbabwe.

#### AFRICA: HIGHER EDUCATION

The Committee considers children's basic education the priority for scarce AID education resources in Africa. However, the Committee recognizes the importance of higher education to economic growth and supports the work of AID through its Advanced Training for Leadership and Skills (ATLAS) program which brings African students to American colleges and universities. The Committee is pleased that AID will soon begin an open and competitive procurement for the continuation of its ATLAS program in Africa. The Committee is interested also in the development of indigenous African colleges and universities and requests AID to consider the merits of supporting the creation of a new women's university in Africa, designed to train African women in health sciences, education, agriculture, and business.

AFRICAN INITIATIVES: EDUCATION FOR DEVELOPMENT AND DEMOCRACY INITIATIVE (EDDI) AND THE AFRICAN TECHNOLOGY AND WORKFORCE DEVELOPMENT INITIATIVE (AFTECH)

The Committee recognizes the works of two exceptionally promising initiatives in Africa: the Education for Development and Democracy Initiative (EDDI) and the African Technology and Workforce Development Initiative (AFTECH). Through partnerships and entrepreneurial training, with a focus on girls and women, EDDI now operates in 31 countries and has American partners in 29 states. Scholarships have been awarded to more than 6,000 girls and another 6,000 are poised to receive scholarships. There are over 61 higher education partnerships, 20 technology partnerships and four school-to-school partnerships. EDDI continues to encourage its partners to seek support from the private sector. To continue its work, the Committee urges AID to consider proposals for as much as \$40,000,000 between now and the end of fiscal year 2003 to support EDDI activities.

A long-time AID implementer, the African-American Institute has joined with the Nairobi-based African Virtual University (AVU) to employ new information technologies to accelerate workforce development in Africa. Under the AFTECH Initiative, the AVU would deliver higher education and training content from cooperating American institutions to Africans in the places where they live and work. The AVU was initially funded by the World Bank and by other donors. To expand its work, it needs both the proven training experience of the African-American Institute and support from AID missions and central bureaus. The Committee urges AID, and especially EDDI, to favorably consider proposals by AFTECH under the same conditions as are discussed later in this report for United States university support for developing countries.

FARMER-TO-FARMER PROGRAM IN AFRICA

The Committee notes with approval efforts made this year by AID in collaboration with the Department of Agriculture to expand the Farmer-to-Farmer Program in Africa. Programs that link American universities and producers with those of other nations are valuable tools in providing meaningful assistance to people at a critical period of economic development. The Committee encourages the Agency to expand such programs as it increases its focus on agriculture and rural development.

ASIA: OVERVIEW

The Committee notes that Asia (beyond the Middle East) is a region of paramount strategic and economic importance to the United States. While Asia represents the greatest potential for growth in U.S. exports and investment opportunities, systemic legal, social and economic weaknesses throughout the region continue to threaten these interests. The Committee is concerned that, while the economy of the region is largely recovering from the Asian financial crisis, South and East Asia still contain the largest concentration of poor people in the world, as well as the greatest land mass at risk of environmental degradation through poorly managed growth.

The Committee reiterates that some assistance programs, such as AID's support for Vietnam's implementation of its Bilateral

Trade Agreement with the United States, promote sound economic growth. Such technical assistance in support of updated commercial policies and legal structures also promotes United States trade with, and investment in, Asia. This approach to development assistance should continue to be a high priority, and the Committee again directs the Agency to make available, for a second year, \$60,000,000 for this purpose. The Committee requests a brief report as soon as practicable on utilization of the \$60,000,000 for economic growth in Asia that was provided in the fiscal year 2001 bill. The Agency is urged to provide sufficient operating expenses to effectively manage and oversee economic growth and other commercial and trade related programs in Asia, especially those in countries where AID does not have a field mission presence.

#### PRIVATE AND VOLUNTARY ORGANIZATIONS

The Committee continues to support private and voluntary organizations and cooperatives in the delivery of grassroots assistance. The Committee is aware that AID has begun to rely more heavily on contracting arrangements for large sector-wide programs, rather than grant programs that utilize the special expertise and local knowledge of PVOs and cooperatives.

The Committee continues its strong support for adequate funding for AID's Office of Private and Voluntary Cooperation (PVC) in fiscal year 2002 at its current level. PVC manages competitive grants for child survival, microenterprise, economic growth, cooperative development and the Farmer-to-Farmer program.

#### AMERICAN SCHOOLS AND HOSPITALS ABROAD (ASHA)

The Committee directs AID to provide not less than the amount provided in this Act for the American Schools and Hospitals Abroad (ASHA) program in fiscal year 2001. The Committee directs that none of these funds be reserved for programming in any future fiscal year. All funds are to be allocated and obligated in fiscal year 2002. The Committee further expects that support will be continued, as new resources are needed, for traditional recipients in countries such as Lebanon, Israel, and Egypt. The Committee expects AID to keep it currently informed regarding institutions which have received ASHA funding in previous years, but which continue to have significant unexpended balances. In addition, funds should be made available for other deserving institutions in all geographical regions as part of a competitive process.

#### CASS SCHOLARSHIP PROGRAM

The Committee continues to support the work of the Cooperative Association of States for Scholarships (CASS) and supports funding for CASS at least at the level specified in its cooperative agreement with AID. The Committee encourages AID to work with CASS to meet the current demand from existing program countries, and to accommodate requests from several additional countries for services provided by the program.

#### COLLABORATIVE RESEARCH SUPPORT PROGRAMS

The Committee supports the continuation of the collaborative research support programs (CRSPs) and expects AID to increase

funding for the CRSPs in fiscal year 2002. The Committee believes that CRSPs, such as the Peanut CRSP established in 1982, are clearly one of AID's best investments, funding for which should be increased rather than reduced. The Committee notes that agricultural research and development has led to greater economic development, increased income, and a more available food supply for the world's poor.

#### INTERNATIONAL FERTILIZER DEVELOPMENT CENTER

The Committee strongly supports the fertilizer-related research and development being conducted by the International Fertilizer Development Center (IFDC) and urges the Administrator of AID to make \$2,300,000 available for the core grant to IFDC, a center established to support AID.

#### HOUSING, SHELTER, AND URBAN ACTIVITIES

The Committee commends the progress made by the Eastern European Real Property Program in the Europe and Eurasia Bureau since 1992. As the program expands into other regions as the International Real Property Program (IRRP), the Committee recommends that other AID regional bureaus and missions seriously consider cooperation with the IRRP as housing, shelter, and urban activities are included in country strategies.

#### DAIRY DEVELOPMENT

The Committee continues its strong support for dairy development and urges AID to fund new projects in fiscal 2002 at the level provided in fiscal years 2000 and 2001. The program has helped the US dairy industry become more competitive through promoting American technology, equipment, inputs and industry-based technical assistance in developing and market transition countries. At the same time, the program has assisted producers, small dairies and cooperatives in developing and transitioning economies for increased household incomes and nutrition, particularly women, infants and children.

The Committee directs AID to place greater emphasis on programs that link economic development programs with increased exports of US dairy products such as food ingredients, whey, non-fat dry milk and specialty products. Opportunities for these programs are particularly evident in Mexico, Central and South America. Examples include strengthening distribution networks; promoting indigenous products that use U.S. dairy ingredients; and building demand for dairy products through complementary USDA surplus dairy programs.

#### COMMUNITY-OWNED TELECOMMUNICATIONS

The Committee believes that ensuring that developing countries, especially rural areas of these countries, have access to modern methods of communications is important to economic growth. The Committee notes that community-owned telecommunications systems, as have been successfully built in rural America, are effective in providing this access. The Committee therefore, recommends that AID provide funding for community-owned telecommunications projects, especially where viable in South and Central

America through programs like the Power Line Communication Rural Electric initiative, and that it rely upon the direct experience of U.S. telephone cooperatives.

#### AGENCY RESPONSE TO REQUESTS FOR INFORMATION

The Agency for International Development and the Department of State are directed to respond within 15 days to requests by the Committee for additional information regarding programs, projects, and activities in the budget justification and reprogramming requests. Such information may include the identification of and funding provided to domestic and foreign cooperators, grantees, and contractors under programs, projects, and activities that are managed by regional and other central bureaus, missions, and embassies. The Committee expects AID to maintain a publicly accessible electronic database that reflects current information and financial data regarding its activities.

#### INTERNATIONAL EXECUTIVE SERVICE CORPS

The Committee supports the excellent work of the International Executive Service Corps (IESC), which since 1964 has undertaken more than 22,000 projects in 120 nations by utilizing volunteers to assist in business development, economic growth, and technology transfer. The Committee is concerned that AID has underutilized the IESC as a development partner in recent years and again directs AID to renew its commitment to the IESC to ensure expansion of its projects in sub-Saharan Africa and in Latin America and the Caribbean. AID is urged to restore an adequate core grant for the IESC in order to ensure its continuing viability.

#### TORTURE TREATMENT CENTERS

Supporting treatment centers as permanent national institutions is the best way of providing treatment services to torture victims and advocating for the elimination of torture globally. Accordingly, the Committee recommends \$10,000,000 for AID to support foreign treatment centers for victims of torture as authorized by the Torture Victims Relief Act and the Torture Victims Relief Reauthorization Act of 1999.

The Committee commends AID for launching a new program to support foreign treatment centers through an allocation of \$1,500,000 for fiscal years 2000–2002. The Committee notes, however, that many of the centers operate on or near the brink of bankruptcy. For those centers located in countries where the government has practiced torture, they also face political hostility from their governments. The Committee recommends that AID significantly increase its direct financial support for the centers' basic treatment services while maintaining an adequate level of support for training and technical assistance. The Committee directs AID to report on implementation of this recommendation not later than February 15, 2002.

The Committee requests AID to report within 60 days of enactment of this Act on the extent of assistance provided to victims of mob violence and torture in Zimbabwe, especially African workers on illegally occupied commercial farms.

## UNITED STATES UNIVERSITY SUPPORT FOR DEVELOPING COUNTRIES

The Committee has received a number of requests to fund specific programs, projects, and activities at or through American institutions of higher education. The Committee strongly supports the funding of activities that support our international development assistance and foreign policy goals. The Committee has reviewed many concepts proposed for funding. The Committee strongly recommends that the Agency for International Development and/or the Department of State (as appropriate for the proposed project) consider favorably proposals submitted by the following organizations. In doing so, the Committee expects that competitive procedures will be followed with regard to each, to the maximum extent possible. Unless a proposal demonstrates a unique, innovative, or proprietary capability, or demonstrates special considerations that justify limited or non-competitive treatment, the Committee expects that competitive procedures will be applied with regard to the proposals on the list that follows. The Committee also expects AID to give priority to proposals that are well conceived, including those with realistic budgets and achievable objectives.

Within 60 days after the submission of the initial report required by section 653(a) of the Foreign Assistance Act, the Agency for International Development shall submit a report to the Committee on the status of each activity identified below. Such report shall include: (1) the status of a funding proposal by the organization associated with each activity; (2) the degree to which the proposal is consistent with United States development assistance and foreign policy goals for the country or region in which the activity would take place; (3) the degree to which matching or other funds would be provided by the organization to complement the Federal contribution; (4) to the extent known at the time, any decision by AID or the Department of State on funding the activity, including the proposed funding level; and (5) any other relevant information deemed important by AID or the Department of State. The Committee also expects to receive a second report on the status of these proposals no later than May 1, 2002. In addition, the Committee requests that AID identify an office or organization within the agency, or within the Department of State if appropriate, to which inquiries can be directed on the status of these proposals.

With the foregoing in mind, the Committee recommends the following proposals for AID's active consideration:

- a proposal by Wayne State University on behalf of its International Partnerships in Public Health;

- a proposal by Mississippi State University on behalf of its International Agribusiness Development Program;

- a proposal by Loma Linda University for its healthcare programs in developing countries;

- proposals by Marquette University's project to train a sustainable nursing workforce for HIV/AIDS Care and Counseling in Kenya, and by its Les Aspin Center for Government for continuing training in democracy, leadership, and HIV/AIDS education in Kenya, Ghana, and Nigeria (this matter was addressed in the fiscal year 2001 Committee report, and the Committee is very concerned that the Agency for International

Development has not responded in a positive manner to this issue in the past year);

a proposal by a consortium of schools of tropical public health at Tulane University, the University of Notre Dame, and Johns Hopkins University to expand programs to reduce the global reemergence of malaria;

proposals by George Mason University on behalf of its School of Nursing for enhancing ongoing activities in Nicaragua and on behalf of its School of Law to establish a Center for the Study of Terrorism and Human Slavery;

a proposal by a consortium of Washington State University, Oregon State University, and South Dakota State University with the International Maize and Wheat Improvement Center to enhance a Food Security initiative in Central Asia and the Caucasus region;

a proposal by the University of Arizona to establish a US-Mexico Border Research Institute and to participate in AID's environment programs and the Department of State narcotics control programs conducted jointly with Mexico;

a proposal by Florida A&M University to fund a distance learning education program in Ghana;

a proposal by Johns Hopkins University-School of Advanced International Studies to expand its research on and documentation of the scope of international trafficking in women and children by its Protection Project;

a proposal by Florida International University to establish an Andean Alternative Development Research project;

a proposal by St. Thomas University of Miami on behalf of its Foundation for Democracy in Africa to promote HIV/AIDS prevention activities in Africa;

a proposal by the University of Miami-Institute for Cuban and Cuban-American Studies to participate in the Cuban Transition Project;

a proposal by Arizona State University on behalf of its US/Andean Partnership for Science Education;

a proposal by LaRoche College-Pacem in Terris Institute to expand its international private/public scholarship programs;

a proposal by New York University-Robert F. Wagner School for Public Service to establish distance learning and communications technology programs at an International Center for Democratic Public Service;

a proposal by the University of New Orleans in partnership with the Louisiana Technology Council to develop a technology training program in Latin America and the Caribbean;

proposals by Louisiana State University to develop mariculture in Namibia and by its School of Law-Commercial Law Program of the Americas to support intra-hemispheric trade;

a proposal by City University of Bellevue, Washington, for a new center that will facilitate its existing distance learning program and expand distance learning throughout eastern Europe;

a proposal by San Diego State University to develop a Middle East and Mediterranean Desert Development Program to focus on expanding regional cooperation in combating growing

desertification in the Middle East and southern Mediterranean region (this matter was addressed in the fiscal year 2001 Committee report, and the Committee is very concerned that the Agency for International Development has not responded in a positive manner to this issue in the past year);

a proposal by Florida State University to fund a distance learning program of instruction in basic legal principles for students and professionals in central Europe;

a proposal by the National Center for Computational Hydroscience and Engineering (NCCHE) at the University of Mississippi for the purpose of transferring state of the art technology to the Polish Academy of Sciences, through programs to enhance waterways navigation safety, flood prediction and prevention, water resources engineering, environmental and ecological impact assessment, and soil conservation;

a proposal by the State University of New York for its participation in a collaborative undertaking in the field of advanced materials involving also the New York Centers of Technology, Moscow State University, and various private businesses;

a proposal by the University of Northern Iowa to expand the Orava Project in eastern Europe; this project has successfully worked with educators in Slovakia to incorporate democratic concepts and practices into schools and teacher education programs; and

a proposal by Joslin Diabetes Center to partner with Mansoura University in Egypt to address the growing public health problem with diabetes in Egypt.

INTERNATIONAL DISASTER ASSISTANCE

Fiscal year 2001 level .....	\$165,000,000
Emergency supplemental funding .....	135,000,000
Fiscal year 2002 request .....	200,000,000
Committee recommendation .....	200,000,000

The Committee recommends \$200,000,000 for the International Disaster Assistance account, the same amount as the request. The Committee recognizes that improved disaster prevention, mitigation, and preparedness techniques are central to reducing the need for disaster assistance in future years. The Committee recommends that at least \$1,000,000 each be allocated for India and for El Salvador for disaster preparedness activities.

EL SALVADOR RECONSTRUCTION

The Committee has approved a 22 percent increase above the current level in order to accommodate an increase above the request for post-earthquake reconstruction projects in El Salvador, primarily through municipal governments and private voluntary agencies. The additional amount provided for El Salvador through this account is in addition to funds requested for El Salvador under this and other headings in the bill. The Committee notes that section 492(b) of the Foreign Assistance Act provides the President with the authority to obligate up to \$50,000,000 from other development assistance accounts including the Economic Support Fund in order to provide disaster assistance, if necessary.

## AFGHANISTAN

The Committee is alarmed by credible reports about the severity and extent of the emerging humanitarian crisis in and around Afghanistan. The deepest and most extensive drought in 30 years has devastated a population already in stress after 22 years of an especially destructive war and misgovernment. A directive from the leader of Afghanistan's Taliban to cease opium poppy production has been obeyed, having the effect of reducing the income available to purchase what food is available for sale in local markets. Paradoxically no compensation or alternative development has been offered by the international community, as has been done in Bolivia and many other former drug-producing nations.

To avoid possible starvation, Afghans are leaving their home villages, forming huge concentrations of refugee and internally displaced person (IDPs). A large percentage of IDPs and urban populations in the country now depend for survival on food donations from abroad, primarily from the United States, directly, or through American donations to the World Food Program.

Of special concern to the Committee is the situation in Pakistan where as many as 200,000 new refugees have arrived since September, joining the 2 million Afghans who have been accepted by Pakistan since 1979. Most of the new refugees are living in appalling conditions, with poor sanitation and little water or suitable shelter. The Committee urges the State Department to place the refugee crisis in Pakistan at a higher level of priority, to urge other industrial nations to increase assistance, and make available additional funds from the international disaster and migration and refugee accounts, allowing international and private relief agencies to better cope with the crisis.

The Committee urges the AID Office of Foreign Disaster Assistance to continue to negotiate an interim agreement with the County of Los Angeles Fire Department urban search and rescue team for overseas deployments. Once concluded, the interim agreement should remain in effect until such time as OFDA holds an open competition to meet its requirements for technical expertise in urban search and rescue. The results of the competition should reflect an appropriate geographic balance, with teams selected from the Pacific and Gulf-Atlantic coasts of the United States, as first directed in House Report 106-254 in July, 1999.

The Committee has for several years included reconstruction among the activities that could be funded through the disaster assistance account. The Committee requests two one-time reports from the Administrator of AID: within 30 days of enactment of the bill, a report on the planned allocation of International Disaster Assistance Funds, including an appropriate amount for reconstruction activities proposed to be undertaken for victims of natural disasters; and within 60 days of enactment, a report on the Agency's recommendations for future budgeting for developmental relief to alleviate ongoing complex humanitarian disasters, such as in Sudan, from the disaster assistance and other AID-managed accounts.

## TRANSITION INITIATIVES

Fiscal year 2001 level .....	\$50,000,000
Fiscal year 2002 request .....	50,000,000
Committee recommendation .....	40,000,000

The Committee recommends \$40,000,000 for this account, compared to the budget request of \$50,000,000. The Committee does not preclude AID's Office of Transition Activities from using resources transferred from other development accounts in this Act. Also, the Committee requests that AID report on a semi-annual basis the expenditure and specific use of funds by OTI.

In its fiscal year 2000 report, the Committee noted that AID's Office of Transition Initiatives (OTI) activities were consuming an ever-increasing part of the International Disaster Assistance account. A separate account was established for core OTI activities.

As the AID Administrator moves to increase the Agency's focus on conflict prevention and development relief, the Committees expect to be fully consulted in advance on the role of OTI, the Office of Foreign Disaster Assistance, the Office of Private and Voluntary Cooperation, and the Office of Food for Peace.

## DEVELOPMENT CREDIT AUTHORITY

(INCLUDING TRANSFER OF FUNDS)

## PROGRAM ACCOUNT

Fiscal year 2001 level .....	\$1,500,000
(by transfer) .....	(5,000,000)
Fiscal year 2002 request .....	.....
(by transfer) .....	(25,000,000)
Committee recommendation .....	.....
(by transfer) .....	(12,500,000)

## ADMINISTRATIVE EXPENSES

Fiscal year 2001 level .....	\$4,000,000
Fiscal year 2002 request .....	7,500,000
Committee recommendation .....	7,500,000

For fiscal year 2002, the budget request proposes merging AID's two existing credit programs into one consolidated Development Credit account. This single program would include a consolidated credit administrative budget. The Committee supports consolidation of the Micro and Small Enterprise Development (MSED) account as well as administrative expenses associated with management of the existing Development Credit Authority and recommends \$7,500,000 for administrative expenses, the same as the requested level.

## PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Fiscal year 2001 level .....	\$44,489,000
Fiscal year 2002 request .....	44,880,000
Committee recommendation .....	44,880,000

The Committee has provided the budget request for the mandatory payment to the Foreign Service Retirement and Disability Fund.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL  
DEVELOPMENT

Fiscal year 2001 level .....	\$520,000,000
Emergency funding .....	13,000,000
Fiscal year 2002 request .....	549,000,000
Committee recommendation .....	549,000,000

The Committee has recommended funding for Agency for International Development operating expenses at a level of \$549,000,000 which is the same as the Administration's request. The Committee has once again included a provision requiring AID to notify the Committee in advance of opening any new mission overseas and of any capital construction of missions or purchase or long-term lease of offices.

USE OF PERSONAL SERVICE CONTRACTORS

The Committee notes the continued use by AID of personal service contractors (PSCs). The Committee has traditionally supported this method of employing qualified individuals for short and medium term program implementation. However, the Committee notes the trend toward employing PSCs over a period of many years at the Agency, who carry out functions similar to career personnel of the Civil Service and the Foreign Service, but who lack comparable health, retirement, and other benefits. The Committee requests AID report in narrative form not later than March 1, 2002, on the total number of PSCs employed by the Agency, the average length of employment, the typical benefits provided to PSCs (compared to those provided to career Civil and Foreign Service employees), and the justification for the disparity in benefits.

FAIRNESS IN CONTRACTING

The Committee recognizes senior management now shares its concerns about AID's existing procedures regarding minimum awards under multiple award contracts. Current management practices on certain existing multiple award contracts do not yet allow small businesses to fairly compete for work.

To reform this process AID management must address two key issues. First, organizations bidding for these contracts must be assured of receiving awards during the life of the contract valued at substantially more than the cost of preparing and submitting the original bid. While larger organizations and traditional AID contractors may be better able to absorb the upfront costs associated with the bidding process, small businesses—especially first-time bidders—find it difficult.

Second, after being selected to participate in a multiple award contract, all businesses must be given the opportunity to compete for individual task orders. While discretion must be allowed for AID Cognizant Technical Officers (CTOs) to make award decisions, AID management has overall responsibility to ensure that each organization participating in a multiple award contract has received sufficient task orders so that it can be evaluated on its performance and considered for future work.

Not later than October 5, 2002, AID is directed to report in writing to the Committee on its efforts to modify its existing procedures regarding multiple award contracts.

## VOLUNTARY SEPARATION INCENTIVES

The Committee has included bill language providing for the payment of voluntary separation incentives to AID employees for the purpose of eliminating positions and functions at AID. This provision further amends the fiscal year 2000 authority. The Agency is directed to consult with the Committee prior to announcing to AID employees the positions eligible for the separation incentives. The Committee expects this authority to be utilized to reduce employment levels in Washington, D.C., not at AID's overseas missions.

## COMMITTEE OVERSIGHT CHALLENGES

The Committee remains concerned about continued and significant weaknesses in AID's ability to provide reliable information to Congress regarding the exact use of funds under Agency control. Many of these deficiencies are not new as the Committee has highlighted these in past years. While progress has been made in certain areas, widespread deficiencies continue to exist in the majority of AID's financial accounting and management systems.

The Committee will continue to work with senior AID officials to improve management and financial systems to ensure they meet the needs of both Congress and the Agency. The Committee expects AID management to implement the recommendations of the Inspector General in this regard and to be regularly consulted about Agency efforts to meet these requirements.

The Committee directs AID to continue to report on a quarterly basis on the status of its computer systems, including the cumulative costs associated with design and implementation of its computer systems. Any costs for computer systems above those originally justified for fiscal year 2002 shall be subject to prior review by the Committees on Appropriations. In addition, the Committee directs that the Agency's fiscal year 2003 budget justification will clearly identify the amounts requested for AID computer operations.

## AID BUDGET SUBMISSION

The Committee notes that the AID budget justification still falls short in providing the Congress with the minimum information it requires to carry out its legislative and oversight responsibilities, and has caused an undue reporting burden on the Agency. It is essential that the Committee have at its disposal a concise budget justification document that presents an overall presentation of the Agency's programs and activities.

Beyond the unacceptable practice of aggregating most programs, projects, and activities under Agency objectives, the budget justification continues to largely exclude overview budget narratives and tables on areas such as infectious diseases, microcredit, biodiversity, population, economic growth, energy, democracy, or agriculture. The Committee strongly recommends that the AID budget justification be coordinated with a new financial management system to produce annual budget justifications that fully inform the Committee with regard to projects, initiatives, and other traditional areas of congressional and executive branch interest.

## AID PHYSICAL SECURITY

The Committee remains committed to assisting AID in improving its physical security needs overseas and in Washington. The Committee directs the Administrator of AID to submit a written report detailing the agency's long-term local and overseas physical security requirements and the costs associated with these security needs, including the number of engineers and other technically qualified AID employees assigned to the security mission. The report also shall include information regarding the Agency's activities during the current fiscal year to work with other federal agencies, including the Department of State and the Office of Management and Budget, to address physical security issues.

## OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT, OFFICE OF THE INSPECTOR GENERAL

Fiscal year 2001 level .....	\$27,000,000
Fiscal year 2002 request .....	32,000,000
Committee recommendation .....	30,000,000

The Committee has recommended \$30,000,000 for the Office of the Inspector General of AID for fiscal year 2002, \$2,000,000 below the budget request and \$3,000,000 above the fiscal year 2001 level. The Committee commends the Inspector General for seeking to consult with the Committee no less than four times per year on its activities with regard to the Government Performance and Results Act.

## OTHER BILATERAL ECONOMIC ASSISTANCE

## ECONOMIC SUPPORT FUND

Fiscal year 2001 level .....	\$2,295,000,000
Fiscal year 2002 request .....	2,249,000,000
Committee recommendation .....	2,199,000,000

The Committee recommends a total of \$2,199,000,000 for the Economic Support Fund, an amount that is \$50,000,000 below the request and \$96,000,000 below the amount enacted for fiscal year 2001.

The Committee recommendation assumes a reduction of \$160,000,000 in economic support for the Camp David countries. In addition, it reflects a reduction of \$25,000,000 associated with the decision to retain a separate appropriations account for the International Fund for Ireland. The Administration's budget request included \$19,600,000 for Ireland within the Economic Support Fund.

As requested by the President, the Committee is recommending the continuation of language similar to that contained in the fiscal year 2001 appropriations act that authorizes assistance to the National Democratic Alliance of Sudan for certain specified activities.

## ISRAEL

The Committee is continuing the initiative begun three years ago for a phased reduction in economic assistance for Israel that will result in the eventual elimination of "Economic Support Fund" assistance. This proposal was originally made by the Government of Israel in response to new economic realities in the Middle East.

The Committee is also convinced that the emerging security threats in the Middle East are significant and warrant increasing military assistance to Israel by \$60,000,000 in fiscal year 2002. However, with respect to this recommended increase in military assistance, the Committee must be very clear that it cannot commit future Congresses to an additional appropriation of funds. Therefore, future increases in military assistance will require the annual review of the Congress and will necessarily be based upon an assessment of the security situation at the time.

The Committee therefore recommends not less than \$720,000,000 in economic support shall be provided for Israel, which is \$120,000,000 less than the fiscal year 2001 level and the same as the President's budget request. The Committee also requires in bill language that these funds be provided to Israel as a cash grant and that funds be disbursed within 30 days of enactment or by October 31, 2001, whichever is later.

The Committee has retained an overall limit on Middle East spending (section 558) at a level of \$5,141,150,000. The reduction of \$100,000,000 from the fiscal year 2001 ceiling represents the net result of a decrease of \$160,000,000 in economic support for the Camp David countries and an increase of \$60,000,000 in military assistance for Israel. The Committee believes this will provide the Administration with increased flexibility in the allocation of funds in the foreign operations budget for priority activities in other areas of the world.

#### EGYPT

As part of the Committee's ongoing review of Middle East aid levels, and as a result of budget constraints affecting the international affairs budget, the Committee has engaged in extensive discussions with the Government of Egypt and the Administration regarding appropriate future aid levels for Egypt. As a key friend and ally in the region, Egypt's role in the Middle East is critical. It is the Committee's view therefore that changes in aid to Egypt must be implemented in close consultation with the Government of Egypt and in a manner which does not inadvertently undermine the guiding principles of the Camp David Accords.

The Committee therefore includes not less than \$655,000,000 in economic support be provided for Egypt on a grant basis, which is \$40,000,000 less than the fiscal year 2001 level and the same as the President's budget request. A cash transfer may be provided with the understanding that Egypt will continue to implement significant economic reforms.

The Committee believes that encouraging stability and prosperity in Egypt is in the best national security interests of the United States. U.S. assistance to Egypt should serve the goal of regional stability, economic development and liberalization, and democratic reform. The Committee is therefore deeply concerned about the recent prosecution and conviction of twenty-eight people affiliated with the Ibn Khaldoun Center for Development Studies in Egypt, including the Center's director, Saad Eddin Ibrahim, who holds dual U.S./Egyptian citizenship. The Committee is also troubled by the fact that the case involving the Ibn Khaldoun Center was tried by a special security court, despite the fact that the Center was registered as a civil company. The Committee directs the State De-

partment to report to the relevant Committees, no later than 120 days after the enactment of this Act, regarding the U.S. efforts to monitor developments in the case.

The Committee also notes with concern that the Government of Egypt has declined to reinstate its ambassador to Israel. As in previous years, the Committee has included bill language encouraging the establishment of diplomatic relations between Israel and other countries in the region, and views the withdrawal of Egypt's ambassador as an unfortunate setback for efforts to establish lasting peace and stability in the region. The Committee urges the Secretary of State to make reinstatement of the ambassador to Israel a high priority in contacts with his Egyptian counterpart.

#### CAMP DAVID ACCORDS

The Committee emphasizes once again that the recommended levels of assistance for Israel and Egypt are based in great measure upon their continued participation in the Camp David Accords and the Egyptian-Israeli peace process.

#### NON-MILITARY EXPORTS

The Committee strongly urges the President to ensure, in providing cash transfer assistance to Egypt and Israel, that the level of such assistance does not cause an adverse impact on the total level of non-military exports from the United States to each such country.

#### ECONOMIC BOYCOTT OF ISRAEL

The Committee has once again included language in the bill addressing the Arab League boycott of Israel under section 535 of this Act. This language includes modifications made last year to urge that Arab League members normalize relations with Israel.

#### JORDAN

The Committee expresses its continued strong support for and appreciation of Jordan's constructive and critical role in the region and encourages the Administration, in close consultation and cooperation with the Congress, to continue its efforts to assist Jordan in both the economic and security areas. The Committee therefore recommends \$150,000,000 in economic assistance for Jordan, the same as the President's budget request.

The Committee also encourages Jordan to continue its ongoing economic reform program, which the Committee strongly supports.

#### MIDDLE EAST DESERTIFICATION

The Committee recommends that the Agency for International Development and the Department of State, through regional and bilateral programs, increase its emphasis on the issues of desertification and water shortages in the Middle East and Mediterranean region. The Committee urges the Department to consider an increase in the funding allocated to the Middle East Regional Cooperation (MERC) program specifically to address these issues. The success of peace negotiations in the Middle East will depend upon the ability of all parties to agree on an equitable allocation of the region's scarce water resources. Much of these resources are

in the form of groundwater aquifers that are shared by at least two countries. In that regard, the Committee is aware of the proposal of the Blaustein Institute for Desert Research in Israel to investigate the flow and transport of pollutants in groundwater in the region, and recommends that the Department of State and AID actively consider up to \$1,000,000 for this organization.

The Committee also recognizes the efforts of the Galilee Society in creating the Appropriate Technology Consortium with support from the MERC program, and notes with interest the Society's recent proposal to launch a cooperative project to find safe and suitable uses for organic waste emanating from olive oil presses.

The Committee also strongly supports the efforts of the International Arid Lands Consortium and its partner, the Center for Middle East Peace, in addressing the critical issues of water and energy in the Middle East and directs AID to provide up to \$2,500,000 to the International Arid Lands Consortium for this work. These funds should be allocated from bilateral, centrally managed, or regional programs either in this account or in other accounts funded in this act.

#### CONFLICT RESOLUTION

The Committee recognizes the importance of youth training in conflict resolution as a tool for creating a climate of peace in regions of conflict. Organizations such as Interns for Peace can play an important role in this regard, and the Committee urges support for its programs. The Committee also commends Seeds of Peace for its commitment to helping future leaders of the Middle East and other regions (such as Cyprus, the Balkans, and South Asia) to overcome prejudice, fear, and other obstacles to peace, and urges AID and the Department of State to provide \$1,000,000 in fiscal year 2002 to support the important work of this organization.

The Committee recognizes that through the Economic Support Fund the United States has funds available that focus on environmental security alerts, threat assessments, and preventive solutions. In that regard, the Administration has an excellent opportunity to access the information and expertise of the Foundation for Security and Sustainability and its academic and industry partners. The Foundation's data and assessments, and collaboration with interdisciplinary experts and the academic community, reduce the burden on federal agencies and provide invaluable insight to United States policy makers in evaluating the security implications of emerging environmental issues and developing strategies for engaging on these issues in time to make a difference. The Committee supports the efforts of the Foundation for Security and Sustainability and strongly encourages the Agency for International Development and the Department of State to provide funds to support its mission.

In addition, the International Crisis Group (ICG) provides high-quality analysis and policy recommendations to prevent or reduce the level of deadly violence resulting from complex crises. ICG's analysts worldwide have been well positioned to identify potential problems, produce objective assessments, and support policy responses. The Committee urges the Department of State and the Agency for International Development to provide funding for the ICG to continue its research in areas of U.S. foreign policy interest,

such as Colombia, Sierra Leone, the Democratic Republic of Congo, Indonesia, and the Balkans.

The Committee recognizes that ethnic and sectarian tensions underlie many of the world's most intractable conflicts. NGOs in conflict regions can play an important role in resolving tensions and building peaceful societies. The Committee recognizes the important work of the School for International Training's Conflict Transformation Across Cultures Program (CONTACT), an international professional development program for NGO personnel. The CONTACT program has trained NGO professionals from the former Yugoslavia, Sri Lanka, Nepal, Indonesia, Peru, Rwanda, Sierra Leone, the Middle East, and other regions in the core skills and practical tools for responding to conflict in their communities, and has developed a global network of dedicated professionals in the field of conflict resolution. The Committee recommends that USAID make available up to \$1,000,000 for the CONTACT program.

#### LEBANON FUNDING

The Committee believes support for the people of Lebanon continues to be in the United States national interest. The Committee supports at least \$35,000,000 for Lebanon for fiscal year 2002. In that regard, the Committee has retained bill language similar to that contained in the fiscal year 2001 appropriations act that directs that not less than \$35,000,000 should be made available for Lebanon. Working through such organizations as the Young Men's Christian Association (YMCA), the Catholic Near East Welfare Association, the Cooperative Housing Foundation, Mercy Corps, Save the Children Federation, State University of New York, and the World Rehabilitation Fund, the Agency for International Development is providing the basis for a democratic social and economic infrastructure that does not rely on other organizations operating in that country. In particular, the Committee commends the Rural Community Development Cluster (RCDC) program, which is helping to revitalize and expand economic opportunities in some of the most destitute and poverty-stricken areas of Lebanon.

The Committee is also aware of the key role the Lebanese American University, American University of Beirut, and International College play training leaders in the region and expect that not less than the fiscal year 2001 allocation will be provided for these important institutions.

The Committee welcomes the withdrawal of Syrian troops from the region surrounding Beirut, but recognizes that Lebanon can never achieve full independence until all foreign security and military forces are withdrawn, and control is reasserted by the national government throughout all of Lebanon. The Committee calls upon Lebanon and Syria to adopt a timetable for the complete withdrawal of all Syrian forces from Lebanon.

The Committee also urges the government of Lebanon to assist international humanitarian organizations in determining the whereabouts and condition of three Israeli soldiers that were seized near the southern border last year. The Committee encourages the Secretary of State to make this issue a high priority of U.S. diplomatic activity in the region.

## IRELAND

The Committee strongly supports continued funding to implement the Irish Peace Process Cultural and Training Program Act of 1998 and has provided the budget request of \$5,000,000 for this purpose. This Congressional initiative brings individuals from Northern Ireland and designated disadvantaged areas to the United States for job training and related activities.

## INDONESIA

The Committee notes the difficult path encountered by new democratic institutions at the central and local levels throughout Indonesia. The Agency for International Development is encouraged to provide adequate humanitarian assistance to internally displaced persons, especially in East Indonesia. The Committee expects the Departments of State and the Treasury and AID to consult with it in advance of any significant change in any United States or international financial institution program of development, financial, or humanitarian assistance in Indonesia. It also directs the Export-Import Bank and the Overseas Private Investment Corporation to promptly notify the Committee in the event that any claim is anticipated or made on behalf of a loan or guarantee involving Indonesia.

## EAST TIMOR

The Committee recommends that \$25,000,000 from the Economic Support Fund be made available as requested to support income producing projects and other reconstruction activities in East Timor.

## MONGOLIA

The Committee notes the difficult path encountered by new democratic institutions in Mongolia. The Committee has provided the full request of \$12,000,000 for governance and other development assistance requested by the Department of State. In addition, the Agency for International Development is encouraged to provide adequate humanitarian and rehabilitation assistance to Mongolia, especially rural areas severely affected by a recent series of natural disasters.

## CHINA

The Committee continues to support democracy programs in China, and supports the President's request for rule of law activities. In that regard, the Committee supports the provision of \$1,000,000 for democracy activities for China through grants administered by the National Endowment for Democracy (NED). Such funding should be provided in addition to the \$1,000,000 specified for such activities in the fiscal years 2000 and 2001 appropriations acts for the Economic Support Fund. The subgrants that would be awarded under this grant would be similar in nature to the existing portfolio of NED-supported programs based outside China. The subgrants could include human rights documentation and advocacy in the international arena; dissemination of Chinese-language human rights and democracy education materials among audiences inside and outside China; independent media support; independent

research on China's struggle for democracy; publication of periodicals which provide an open forum for discussion and commentary on social, cultural, economic and political issues; and resource centers to provide access to important information necessary for both Chinese and international observers and policymakers to understand the situation in China.

#### TIBET

The Committee recommends that \$250,000 be made available through a nongovernmental organization, such as the National Endowment for Democracy, for the purpose of providing training and education of Tibetans in democracy activities, and monitoring the human rights situation in Tibet. In addition, language has been included in section 526 to allow for a continuation in funding for activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities. The Committee is aware of the valuable assistance the Bridge Fund has provided to promote Tibetan-owned and operated businesses and educational, cultural, and natural resource conservation projects in Tibet, and urges that funds be provided for these activities.

#### SRI LANKA

The Committee encourages the Agency for International Development to maintain an office and presence in Sri Lanka. In addition, it is encouraged to provide additional resources for programs promoting rule of law, anti-corruption activities, and good governance. Recent progress toward peace talks and a settlement of the long civil war in Sri Lanka is encouraging, and the United States should continue to lend its support toward such efforts.

#### CYPRUS

The Committee strongly supports the budget request of \$15,000,000 for educational and other bicomunal projects in Cyprus, and has included language similar to that included in the fiscal year 2001 act that provides that not less than \$15,000,000 should be made available for these purposes. These funds provide a basis for mutual cooperation and preparation for the two communities of Cyprus to live together harmoniously by increasing intercommunal contacts.

#### LATIN AMERICA AND THE CARIBBEAN

The Committee strongly supports the increases in the President's request for Latin America. It remains the Committee's strong belief that given the importance of the region and the long history of United States support, it is essential that aid levels be increased. In that regard, the Committee fully supports the budget request of at least \$5,000,000 for the Cuba democracy program and its goal of promoting a peaceful transition to democracy in that country. When allocating these funds the Committee expects AID to consider proposals at or through institutions of higher education in the United States and expects that competitive procedures will be followed with regard to such proposals.

The Committee continues to be concerned about the resolution of the cases involving the terrorist bombings of the Israeli Embassy and the AMIA Jewish Community Center in Buenos Aires, Argentina. The Committee urges the Secretary of State to continue to work with the Government of Argentina to ensure that progress is made in these cases, and to offer technical law enforcement assistance where appropriate to bring to justice the perpetrators of these terrorist acts.

The Committee is concerned about potential loss of human life and economic infrastructure as a result of future earthquakes in Latin America. In significant respects, such damage may be avoided if proper planning and construction occurs. There is a need in El Salvador, Ecuador, and other Latin American countries for updated construction codes. If proper codes are followed, buildings will be safer, and therefore, the need for United States disaster assistance in the wake of disasters will be less. The Committee urges the Office of Foreign Disaster Assistance at the Agency for International Development to recognize and evaluate opportunities to translate U.S. building codes from English to Spanish and for training in Ecuador and El Salvador.

#### DOLLARIZATION IN CENTRAL AND SOUTH AMERICA

The Committee is concerned that the growth in “dollarization” throughout the world, especially in Central and South America, will result in an increase in the overseas based production and distribution of counterfeit U.S. currency. Dollarization in countries that lack law enforcement expertise or meaningful criminal penalties will provide counterfeiters a fertile environment to use that economy as a place to launder counterfeit U.S. dollars.

In order to prevent the proliferation of counterfeiting as a result of increased dollarization, the Committee directs the Secretary of State, with the Secretary of Treasury, to jointly develop a strategy to mitigate counterfeiting of U.S. dollars in dollarized regions and report its findings to the Committees on Appropriations no later than September 30, 2002.

#### HUMAN RIGHTS AND DEMOCRACY FUND

As in fiscal year 2001, the Committee expects that, of the funds allocated to the Human Rights and Democracy Fund, \$1,000,000 should be provided to support the Reagan/Fascell Democracy Fellows Program of the National Endowment for Democracy to enable activists, scholars, journalists, and practitioners from around the world to help make contributions to the strengthening of democracy in their respective countries. This program was authorized in section 104(a)(2)(B) of H.R. 3427 as enacted into law as part of Public Law 106–113.

The Committee continues to support assistance to South Korean nongovernmental organizations involved in activities to promote democratization efforts in North Korea, and is disappointed that funds provided in fiscal year 2001 have not been obligated. The Committee strongly urges that an additional \$250,000 be made available from funds appropriated in fiscal year 2002. Such funds should be programmed through the National Endowment for Democracy.

## TUNA TREATY

The Treaty on Fisheries between the United States and the governments of certain Pacific Island states, popularly known as the South Pacific Regional Fisheries Treaty, requires that \$14,000,000 in economic assistance be provided annually to the South Pacific states. Therefore, the Committee recommends that the treaty obligation be met through the payment of the full \$14,000,000 in fiscal year 2002, as requested by the President.

## AVAILABILITY OF FUNDS

The Committee has continued language that funds in this account are to remain available for obligation for two years.

## INTERNATIONAL FUND FOR IRELAND

Fiscal year 2001 level .....	\$25,000,000
Fiscal year 2002 request .....	(19,600,000)
Committee recommendation .....	25,000,000

The Committee recommends \$25,000,000 for the International Fund for Ireland in support of the Anglo-Irish Accord. Funding for this activity is requested through the Economic Support Fund, but the Committee recommendation would continue a separate account for assistance to Ireland. The amount represents an increase of \$5,400,000 over the President's budget request.

The International Fund for Ireland plays an important role in promoting peace and stability in Northern Ireland. The Committee is aware of a proposal by the University of Ulster Springvale campus to work with the University of Notre Dame to assess the impact of the new campus on the West Belfast community. The Committee believes the Fund is the appropriate and authorized vehicle for providing assistance to Ireland, and therefore requests the Fund to favorably review this request, and to provide funding as appropriate.

The Committee strongly urges the International Fund for Ireland to take every step possible to ensure that all recipients of Fund support are promoting equality of opportunity and non-discrimination in employment. The Committee further urges the Fund to focus on those projects that hold the greatest potential for job creation and equal opportunity for the Irish people, regardless of class, creed, gender, or ethnicity.

## ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

Fiscal year 2001 level .....	\$600,000,000
Emergency funding .....	75,825,000
Fiscal year 2002 request .....	605,000,000
Committee recommendation .....	600,000,000

The Committee recommends \$600,000,000 for Assistance for Eastern Europe and the Baltic States, an amount that is the same as the amount provided for fiscal year 2001 (excluding emergency funds) but \$5,000,000 below the budget request. If emergency supplemental funds are included, the recommendation is \$75,825,000 below the level enacted for fiscal year 2001.

The Committee intends that funding for democracy programs though the National Endowment for Democracy continue at least

at the fiscal year 2001 level, and be provided as a transfer of funds pursuant to section 632(a) of the Foreign Assistance Act.

#### BURDEN SHARING FOR KOSOVO

The Committee remains concerned about the level and pace of European contributions to the reconstruction and rebuilding of Kosovo. However, the Committee is aware it is unlikely a formal donor's conference will be held for Kosovo for fiscal year 2002. In addition, the funding allocation for assistance for Kosovo would decline from \$150,000,000 in fiscal year 2001 to \$120,000,000 in fiscal year 2002. Therefore language requiring that the United States not provide more than 15 percent of the resources pledged for Kosovo has been modified to set this limitation as a goal rather than a funding ceiling. In addition, bill language is continued from the fiscal year 2001 appropriations act that would prohibit funding for large scale physical infrastructure reconstruction.

#### BOSNIA AND HERZEGOVINA

The Committee has recommended the same bill language as in the fiscal year 2001 Act that requires the written approval of the Administrator of AID for loans and projects under the Economic Reconstruction Program; authorizes the use of local currency funds generated by the Bosnia assistance program for programs throughout the region; and authorizes the President to withhold funds for economic revitalization for Bosnia if he determines that Bosnia is not in compliance with the Dayton Accord regarding the presence of foreign forces and has not terminated intelligence cooperation with Iranian officials. All funds are subject to the provisions of section 529 of this Act.

#### BRCKO DISTRICT OF BOSNIA AND HERZEGOVINA

The Committee believes that the terms and conditions specified in the Final Award of the Arbitral Tribunal overseeing the Brcko boundary dispute constitutes a package of innovative reforms that hold significant promise for rebuilding vital civil institutions. In particular, the Committee believes that the work of the Law Revision Commission to modify existing laws to produce a uniform and fair system of laws throughout the Brcko District should be seen as a model for making similar reforms in the broader region. The Committee believes the Secretary should use his offices to highlight the institution-building mechanisms developed by the Brcko Tribunal and urge that this be used as a model for making needed legal, judicial and penal, law enforcement, customs service, taxation, and financial management reforms in the Federation of Bosnia and Herzegovina and the Republika Srpska.

#### MONTENEGRO

The Committee strongly supports assistance for the Republic of Montenegro, and urges the Administration to make every effort to assist the Government of the Republic. The Committee is disappointed that the Administration did not request a separate line item for Montenegro. Therefore the Committee directs that \$60,000,000 be made available for Montenegro, and that this sum be identified in the report required by section 653(a) of the Foreign

Assistance Act as a separate line item with a separate allocation. The Committee notes the strong support given by the Republic to the foreign policy of the United States during the latter years of the Milosovic regime in Serbia.

#### THE BALTIC STATES

The Committee has not included bill language that recommends that \$5,000,000 shall be provided for assistance for the Baltic States based on assurances from the Department of State that such an allocation will be made for fiscal year 2002. The Committee strongly supports continued assistance to the Baltic States at least at the \$5,000,000 level. Although these countries no longer have AID missions, they are still emerging from decades of dominance by the Soviet Union and continue to need United States technical assistance in order to emerge into the community of Western nations.

The Committee intends that these resources be used in the Baltics for the same purposes as were the funds that were provided in fiscal year 2001, including regional environment programs, health programs, anticrime and anticorruption programs, and rule of law programs.

The Committee requests that the Department of State and the Agency for International Development consult with the Committees on Appropriations by February 1, 2002, on plans to continue these programs in the Baltics. The Committee does not believe the maintenance of such programs will require AID to open missions in any of these countries. Such programs can and should be managed on a regional basis.

#### TREATMENT OF ORPHANS

The Committee continues to be very concerned by the condition of orphaned children in the Federation of Bosnia and Herzegovina. While Bosnian families have been reluctant to adopt many of these children, American families have shown an interest in adopting Bosnian children. Unfortunately, legislative barriers within the Federation have prevented foreign adoptions, and the Committee is very disturbed that little action has been taken to modify these provisions. The Committee strongly encourages the Government of the Federation of Bosnia and Herzegovina to enact legislation that will expedite the adoption of Bosnia children by foreign families, and directs the Secretary of State to report not later than December 1, 2002, on the steps that have been taken both by Bosnia and by the Department to encourage passage of such legislation.

#### LEGAL INITIATIVES AND THE RULE OF LAW

The Committee encourages the Agency for International Development to continue to provide financial support for the Central and Eastern European Law Initiative (CEELI), a project of the American Bar Association. CEELI has received grants to help Central and East Europe and the NIS create new legal frameworks based on the rule of law rather than through party doctrine or caprice.

Through a variety of program components, CEELI is making available legal expertise to assist countries that are in the process of modifying or restructuring their laws or legal systems. CEELI

emphasizes long-term engagement country-by-country and supports projects that facilitate extensive consultations with policy-makers, legal scholars, judges, and attorneys. CEELI has focused work in several critical priority areas: constitutional reform; judicial restructuring; bar reform; commercial law; criminal law and procedure; and legal education reform, and has helped develop and/or institutionalize self-sustaining indigenous nongovernmental organizations (NGOs). The Committee encourages support for this type of private sector involvement.

TRAINING AND EXCHANGES IN THE FORMER SOVIET UNION AND  
CENTRAL EUROPE

The Committee continues to support training, exchanges, and partnerships between the United States and the nations of Eurasia, Central Europe, and the southern tier of Europe. These programs are in the interest of the United States and important to sustaining democracies. The Committee recommends the Administration provide funding for the Russian, Eurasian, and East European Research and Training Program (Title VIII) at the fiscal year 2000 level.

The Committee recommends the East Central European Scholarship Program (ECESP) be continued at least at the same level as fiscal year 2001 to allow the program to continue to address the needs of the countries in the southern tier of Central Europe.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET  
UNION

Fiscal year 2001 level .....	\$810,000,000
Fiscal year 2002 request .....	808,000,000
Committee recommendation .....	768,000,000

The Committee recommends \$768,000,000 for Ukraine, the Southern Caucasus states, Russia, and the Central Asian republics of the former Soviet Union. This is \$40,000,000 less than the request and \$42,000,000 less than the enacted fiscal year 2001 level.

The Committee has included in subsection (a) prior year language providing the funds under this heading "notwithstanding any other provision of law" and applying the provisions of section 498B(j) of the Foreign Assistance Act. A general provision (section 517) also includes long-standing language on human rights, and non-use of funds for enhancing military capacities, and providing all funds subject to separate notification.

CHILD SURVIVAL AND HEALTH

The Committee continues to be concerned about the low priority assigned to declining maternal and environmental health conditions and the increasing incidence of TB/HIV/AIDS in Russia, Ukraine, and the Central Asian Republics. The positive results achieved with the small amounts already spent for such programs in recent years have been dramatic. The health and child survival sector can effectively absorb increased resources, with an immediate and personal impact on the demographically-stressed citizens of these nations. In order to demonstrate its support for these high priority activities that directly affect the citizens of these countries,

the Committee has included bill language allocating not less than \$45,000,000 for them.

The Committee is aware of and commends the Birth Defects Monitoring Program recently instituted in Ukraine to detect the incidence of birth defects related to the Chernobyl accident. The Committee recommends that not less than \$1,000,000 be provided for this purpose and a proposed program to fortify flour with folic acid to reduce the occurrence of spina bifida in Ukraine in fiscal year 2002. The Committee also commends AID for its efforts to prevent the trafficking of young women from the region and expects successful programs to be expanded. The Primary Health Care Initiative of the World Council of Hellenes, has come to the attention of the Committee. Funded by the Coordinator's Office of Humanitarian Assistance in fiscal years 2000 and 2001, this project merits consideration, based on its success, for additional funding in 2002.

"The Committee recognizes the work of the Eurasian Medical Education Program of the American College of Physicians in continuing medical education of Russian physicians in the treatment of tuberculosis, cardiovascular disease, and diabetes. This exchange program has given volunteer American physicians the opportunity to share experiences and knowledge with their Russian colleagues, greatly benefiting the people of the Russian Federation. The Committee urges continued AID support for this program.

#### INTERNATIONAL AND COMMUNITY PARTNERSHIPS IN EURASIA

The Committee commends the American International Health Alliance (AIHA) and its partners in the new community-based primary health care partnership program in the former Soviet Union and Eastern Europe. This innovative program is actively improving local health systems in the former Soviet bloc that have deteriorated over the past decade, especially as they affect services to women and children.

Examples of successful partnerships between the Volgograd State Medical Academy in Russia and the University of Arkansas for Medical Sciences and between Atlanta and Tbilisi, Georgia, have been brought to the Committee's attention. This program has been mutually beneficial to both Georgias, Russia and the United States as young medical professionals from Russia receive advanced medical training delivered in a rural setting. The Committee strongly recommends that AID extend and expand this program, matched by non-Federal contributions.

An example of a non-health partnership is the Arizona-Kazakhstan Partnership Foundation, which began as a Tuscon-Almaty sister city relationship in 1989 and now includes as many as five sub-partnerships, ranging from the Tuscon Chamber of Commerce to the League of Women Voters and United Way. Identified by AID as one of its key partnerships, the Committee supports the continuation, and, if feasible, the expansion of this and similar regional programs.

#### RUSSIA-IRAN

The Committee again recommends language dealing with Russian nuclear and ballistic missile cooperation with Iran. The language is identical with that contained in existing law. The Committee remains extremely disturbed by reports, which indicate that

Russian entities are extensively engaged with Iran in cooperative projects that significantly enhance Iran's ballistic missile capabilities. The ballistic missile cooperation, combined with Russian nuclear cooperation with Iran, represent a significant step in Iran's efforts to obtain a comprehensive, highly sophisticated weapons of mass destruction capability. The Committee reiterates the language from the fiscal year 2000 Statement of the Managers "that assistance to combat infectious diseases, child survival and non-proliferation activities, support for regional and municipal governments, and partnerships between United States hospitals, universities, judicial training institutions and environmental organizations and counterparts in Russia should not be affected by this section."

SOUTHERN CAUCASUS REGION: ARMENIA, AZERBAIJAN, AND GEORGIA  
VICTIMS OF THE NAGORNO-KARABAGH CONFLICT

Again this year, the Committee designates as a high priority U.S. assistance to the victims of the Nagorno-Karabagh conflict, both those residing in and displaced from Nagorno-Karabagh. With regard to the former, the Committee directs, without further delay, that the remainder of the \$20,000,000 in humanitarian assistance initially provided in the fiscal year 1998 Act be immediately released for obligation.

SUPPORT OF PEACEFUL RESOLUTION OF SOUTH CAUCASUS CONFLICTS

The Committee reiterates themes included in its last four reports:

The extent and timing of United States and multilateral assistance, other than humanitarian assistance, to the government of any country in the Caucasus region should be proportional to its willingness to cooperate with the Minsk Group and other efforts to resolve regional conflicts.

In furtherance of a peaceful resolution to the Nagorno-Karabagh conflict, and in support of the confidence building measures discussed at NATO and OSCE summits, the Committee strongly supports confidence-building measures among the parties to the conflict. Such measures could include strengthening compliance with the cease-fire, studying post-conflict regional development such as water management, transportation routes and infrastructure, establishing a youth exchange program and other collaborative and humanitarian initiatives to foster greater understanding among the parties and reduce hostilities.

The Committee has included renewed authority for the President to provide humanitarian assistance to the region, notwithstanding the restrictions of Section 907 of the FREEDOM Support Act. The bill language is unchanged from last year. This exemption allows for direct assistance by American NGOs to refugees and displaced persons throughout the region, including those in Nagorno-Karabagh. The Committee understands that humanitarian assistance may include a broad range of activities and partnerships with United States hospitals and universities in maternal and children's health, eldercare, basic education and environmental health.

The Committee also reiterates the statement contained in prior year reports on this bill that its actions regarding Armenia and

Azerbaijan are not meant to express a view on the political status of Nagorno-Karabagh.

#### ARMENIA

The Committee recommends that \$82,500,000 be made available from funding sources in this title for Armenia. This is \$12,500,000 above the request. The Committee is aware of the work of the Armenian Technology Group in assisting the Armenian private sector in a seed multiplication program. The Committee continues to support the expansion of these efforts in additional countries in the Central Asia region.

#### GEORGIA

The Committee recommends that \$82,500,000 be made available from funding sources in this title for the Republic of Georgia. This is \$7,500,000 less than the request. The Committee intends that a significant part of the assistance for Georgia continue to be provided for technical security assistance for border and export control.

#### UKRAINE

The Committee recommends that not more than \$125,000,000 be made available for Ukraine from this account. This recommendation is based on the completion of a long term parameter display systems project in nuclear safety, the continuing setbacks to needed reform, and the unresolved deaths of prominent dissidents and journalists in Ukraine. The Committee again notes that one of the most important elements of private sector development is agriculture and rural industry based on agriculture. The Committee supports continuing efforts to help emerging small, private farms and independent private suppliers and marketing operations in the independent states.

As private sector development is expedited by the introduction of community-owned telecommunications systems, universal access to information gives small-scale producers information about market conditions that allow their businesses or farms to succeed. The Committee renews its advice that AID emphasize community-based telecommunications projects in its regional initiatives.

#### EXPANDED THREAT REDUCTION

The Committee includes \$15,000,000 for the bilateral U.S. Civilian Research and Development Foundation (CRDF) in this account, and not less than the request of \$15,000,000 for the Georgia Border Security and Related Law Enforcement Assistance Program.

The Committee recommends that of the amounts provided for ETR activities, up to \$2,000,000 be made available for collaborative research grants for American and Russian scholars concerning the enhancement of verification of arms control and nonproliferation agreements, confidence-building measures to enhance international security, and economic and political studies of defense conversion.

#### ENTERPRISE FUNDS

The Committee is concerned that the initial funding allocations made to the U.S. Russia Investment Fund (TUSRIF) and the West-

ern NIS Enterprise Fund in fiscal year 2000 were inadequate. The Committee urges the State Department and AID to provide not less than an additional \$40,000,000 to TUSRIF over the fiscal years 2002 and 2003, as the Fund demonstrates its ability to promote the development of a market economy in Russia. The Committee commends the Fund's innovative housing mortgage program. In return for a more rapid rate of Federal investment in TUSRIF, the Committee expects it to work more closely with United States companies and investors and with businesses located in the vicinity of U.S. regional investment cities.

The Committee welcomed the return of \$40,000,000 to the U.S. Treasury by the Fund's companion enterprise fund in Poland, and anticipates the receipt of an additional \$40,000,000 in fiscal year 2001. The Committee expects that more rapid capitalization of the U.S. Russian Investment Fund may lead over time to a similar repatriation of foreign aid funds to the U.S. Treasury.

#### VIOLENCE AGAINST WOMEN

The Committee continues to be very concerned about the incidence of violence against women in Russia, Ukraine, and Central Asia and the indifference of many law enforcement officials to such crimes. Funds should be made available to improve the response of Russia's and Central Asia's law enforcement and judicial system to women victims of violence.

#### DEMOCRACY PROGRAMS

Given the increasing repression of the fledgling institutions of civil society and general reversal of progress towards democracy in the Russian Federation and Ukraine, \$4,000,000 should be made available through the National Endowment for Democracy and its subgrantees to assist nongovernmental organizations (NGO's). Such funding should be made available pursuant to section 632(a) of the Foreign Assistance Act. Special emphasis should be given to programs promoting human rights, freedom of information, market reform, rule of law, political party development, freedom of association and NGO development. Attention should be devoted to programs outside of the capital cities and to cross-border programs that promote the exchange of experience and information among the countries of Central and Eastern Europe, Russia and Ukraine.

#### RELIGIOUS FREEDOM IN RUSSIA

The Committee continues to be concerned about the dire consequences to several religious groups resulting from regional enforcement of the religious freedom statute in the Russian Federation.

The recommended bill again includes language addressing this matter that is identical with language in the prior years Acts.

The Committee does not intend that the limitation on assistance to the "Government of the Russian Federation" limit assistance for regional and municipal governments or partnerships between United States hospitals and universities and counterpart institutions in Russia.

## INDEPENDENT AGENCIES

## INTER-AMERICAN FOUNDATION

Fiscal year 2001 level .....	(\$12,000,000)
Fiscal year 2002 request .....	(12,108,000)
Committee recommendation .....	12,000,000

The Committee recommends \$12,000,000 for the Inter-American Foundation, as a separate account, not provided through the "Development Assistance" account as in past years. The Committee recommendation is the same as last year's level and is \$108,000 below the budget request. The Committee is concerned about the results of the USAID Inspector General audit (April 2, 2001) on the Inter-American Foundation's financial statements, compliance, and internal controls for fiscal year 2000. Specifically of concern to the Committee is the inability of the IG to express an opinion on financial statements because IAF's financial management systems could not produce complete and reliable financial statements. Additionally of concern are the three material internal control weaknesses related to financial management systems and three instances of material non-compliance with selected provisions of applicable laws and regulations. The Committee urges the IAF to implement the recommendations made by the IG audit and keep the Committee updated on a quarterly basis.

## AFRICAN DEVELOPMENT FOUNDATION

Fiscal year 2001 level .....	(\$16,000,000)
Fiscal year 2002 request .....	(16,042,000)
Committee recommendation .....	16,042,000

The Committee recommends funding for the African Development Foundation at a level of \$16,042,000, provided as a separate account, not through the "Development Assistance" account as in past years. This is an increase of \$42,000 above the fiscal year 2001 level and equal to the request.

## PEACE CORPS

Fiscal year 2001 level .....	\$265,000,000
Fiscal year 2002 request .....	275,000,000
Committee recommendation .....	275,000,000

The Committee recommends \$275,000,000 for the Peace Corps, an amount that is equivalent to the budget request and \$10,000,000 above the amount enacted for fiscal year 2001. Prior year language addressing purchase of motor vehicles, abortion, and availability of funds has been continued in the bill. The Committee supports the work of the Peace Corps and of its volunteers who currently work in 76 countries.

## DEPARTMENT OF STATE

## INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

Fiscal year 2001 level .....	\$325,000,000
Fiscal year 2002 request .....	217,000,000
Committee recommendation .....	217,000,000

The Committee recommends \$217,000,000 for "International Narcotics Control and Law Enforcement". This is equivalent to the budget request and \$108,000,000 less than the fiscal year 2001 level. The 2001 enacted level included \$154,000,000 for Andean nations, which is requested in the Andean Counterdrug initiative account for fiscal year 2002. A limitation of \$16,660,000 is recommended for administrative expenses. The Committee has included bill language requiring that all funds in this account for anti-crime activities be notified in advance to the Committees on Appropriations, including those which make use of "notwithstanding" authority. The Committee supports the use of up to \$10,000,000 in funds for the Africa Regional Anticrime Program.

The Committee continues to support a strong U.S. counter-narcotics assistance program in order to protect U.S. communities from the ravages of drugs, and believes INL has considerable resources, made available through annual and supplemental appropriations, to meet these challenges. The Committee is concerned about proposals by the Department of State to use INL program funds for an increasing number of non-program costs, therefore the Committee has recommended a limitation on administrative expenses. The limitation is equivalent to the non-Andean administrative expenses as justified in the 2002 INL budget.

#### EAST ASIA

The Committee is concerned with the increasing illegal drug trafficking into the United States from East Asia, especially in Vietnam, Cambodia and the Philippines. The Committee continues to support International Narcotics Control programs in East Asia designed to strengthen law enforcement institutions so they can better deal with increases in drug trafficking. Further, the Committee commends INL for its plans to enhance its existing regional counter-drug cooperation programs in this region.

#### SW ASIA

Southwest Asia produces more opium than any other region in the world. The Committee encourages INL to participate in a joint U.S.-Pakistan initiative to curb cultivation and trafficking in the Khyber Agency of the Northwest Frontier Province.

#### DRUG CERTIFICATION

The Committee is concerned that the United States' annual drug certification process fails to establish an effective and accountable drug policy, while creating tensions with our neighbor, Mexico. The Committee strongly supports change to the present certification process. Priority should be given to installing a sound accountability system where an obligation to deterring drug trafficking is the ultimate goal. The Committee asks the Secretary of State to work with the appropriate committees of Congress to modify the certification process to mirror the concerns made by the Committee.

## ANDEAN COUNTERDRUG INITIATIVE

Fiscal year 2001 level .....	.....
Fiscal year 2002 request .....	\$731,000,000
Committee recommendation .....	676,000,000

The Committee recommends \$676,000,000 for the “Andean Counterdrug Initiative”. The Andean Counterdrug Initiative is the first step in the Administration’s multi-year counterdrug assistance effort designed to sustain and expand programs initially funded by Plan Colombia in the fiscal year 2000 emergency supplemental. The recommended level is \$55,000,000 less than the request. The Committee recommends that the reduction of \$55,000,000 should be evenly distributed among all programs, projects, and activities referred to in the Administration’s request for the Andean Counterdrug Initiative. A limitation of \$14,240,000 is recommended for administrative expenses. The 2001 level enacted for “International Narcotics Control and Law Enforcement” included \$154,000,000 for Andean nations. The fiscal year 2000 supplemental provided for \$1,018,500,000 in emergency funds to the Department of State for Plan Colombia and other regional anti-narcotics activities.

The Committee notes that section 520 of the bill applies to the use of Narcotics Control and Law Enforcement and Andean Counterdrug Initiative funds for Colombia.

## ANDEAN NATIONS

The Committee calls on the Department of State to ensure that all U.S. laws regarding human rights, including section 556 of this Act, are strictly applied in Colombia and each of the Andean nations. In addition, the Committee requests that the Secretary of State submit to the Appropriations Committees a semi-annual report beginning not later than March 1, 2002, with respect to the Andean Counterdrug Initiative. Each report shall include an accounting of all aircraft, vehicles, boats and lethal equipment (other than ammunition) transferred to the militaries or police of any nation with funds made available under this heading. Further, the report shall contain an accounting of the number of U.S. Armed Forces personnel deployed or assigned to duty in the Andean Region or other nation at any time during the preceding 180 days with funds made available under this heading, the length and purpose of the deployment or assignment, and the associated costs and force protection risks.

## COLOMBIA

The Committee believes that a negotiated settlement offers the only viable resolution to the complex conflict in Colombia. Until Colombia’s warring parties reach a peace accord, efforts to reduce coca and heroin-poppo production in that country will continue to face enormous challenges. The Committee commends the State Department for declarations of support for President Pastrana’s attempts to negotiate with guerrilla groups. Though a final accord may be several years away, the Committee strongly urges the Secretary of State to work with all parties in the talks to encourage rapid progress toward a firm and lasting peace.

## IMPLEMENTATION OF PLAN COLOMBIA

The Committee is concerned about the pace of implementation of alternative development in the southern regions of Colombia. While the Committee is pleased that the eradication and aerial spraying is proceeding according to schedule, the Committee believes that successful alternative development programs are an essential component to Plan Colombia's success in Putamayo and Caqueta. Eradication efforts can only be sustained in the long-term if small farmers have an alternative to growing coca, therefore the Committee urges AID and the State Department to work with the Government of Colombia to resolve the logistical problems preventing the delivery of non-cash assistance to the communities that have signed pacts to voluntarily eradicate their coca crops.

The Committee requests that the Secretary of State submit to the Appropriations Committees a semi-annual report beginning not later than March 1, 2002, with respect to the specific efforts being made by AID, the State Department and the Colombian Government to expedite the delivery of non-cash assistance to communities in Colombia that have signed pacts to voluntarily eradicate their coca crops. This report shall include complete data on the percentage of available alternative development funds that have been disbursed to communities in Colombia that have signed pacts to voluntarily eradicate their crops.

The Committee notes that the people of Colombia have shown a long-term resilience and tolerance for difficult and violent conditions, but the Committee is concerned about the urgency of the current situation facing Colombia. In addition to heightened violence, worsening economic conditions encourage the narco-industry and deteriorating fiscal conditions could threaten the Government of Colombia's commitment to Plan Colombia. Stronger trade between Colombia and the United States in licit industries is crucial to managing the vulnerabilities of the Colombian economy, therefore the Committee urges the President of the United States to seek renewal and expansion of the Andean Trade Preferences Act (ATPA).

The Committee is concerned about the possible human and environmental impact of materials used in aerial eradication of coca and opium poppy in Colombia carried out under chapter 8 of part I of the Foreign Assistance Act of 1961, as amended. The Committee directs the Secretary of State to provide a report to the Committees on Appropriations of the House of Representatives and the Senate, on January 1, 2002, on the human and environmental impact of all materials used in such aerial coca and opium poppy eradication in Colombia. The report shall include guidelines for the application of aerially sprayed materials, scientific and other justifications for such guidelines, as well as a description of a verification system to ensure compliance with those guidelines. The Committee further directs that the Secretary of State provide quarterly reports, to be first issued January 1, 2002, concerning all aerial eradication efforts of the previous quarter. Such reports shall include a description of all areas sprayed, materials and methods used, compliance with the spray guidelines, and the human and environmental impacts of such spraying.

## BOLIVIA

The Committee takes special note of the progress that Bolivia has made in the war against drugs. The enormous success of the Bolivian Government's Dignity Plan has been due, in large part, to the support of the U.S. Government. The Committee urges the Administration to continue its strong support of Bolivia's efforts when deciding its allocation of aid.

## EUROPEAN CONTRIBUTIONS

The Committee notes that demand for Colombian coca is rising in Europe and approaching United States consumption levels of approximately 300 tonnes a year. European nations and the European Union have contributed very little to Plan Colombia or an expanded Andean Initiative. The Committee urges the Secretary of State to negotiate with our European allies in order to persuade them to contribute additional funds to the counter-narcotics efforts, alternative development, or judicial reform in the Andean region.

## MIGRATION AND REFUGEE ASSISTANCE

Fiscal year 2001 level .....	\$700,000,000
Fiscal year 2002 request .....	715,000,000
Committee recommendation .....	715,000,000

The Committee recommends \$715,000,000 for "Migration and Refugee Assistance", an amount that is the same as the request and is \$15,000,000 more than the amount enacted for fiscal year 2001. A limitation of \$15,000,000 is recommended for administrative expenses.

## TIBETAN REFUGEES

The Committee supports continued funding to assist Tibetan refugees and directs \$2,000,000 for this purpose. The Committee requests that the Department of State coordinate with the Agency for International Development in determining the funding responsibility for long-term assistance for Tibetan refugees, including assistance to refugees residing in India. In that regard, the Committee would support the proposal to fund the Tibetan Resettlement Project in Dehradun, consistent with Tibetan cultural practices.

## RESETTLEMENT IN ISRAEL

The Committee supports \$60,000,000 for the resettlement of Russian, Eastern European, Ethiopian, and other humanitarian migrants in Israel. In light of the unsettled conditions in Russia and Ukraine as well as the increase in immigration from Ethiopia, the Committee believes that this level of funding should be sustained to ensure a continuation of essential programs now serving this population.

## MAGEN DAVID ADOM SOCIETY

The Committee is disappointed the International Committee of the Red Cross (ICRC) has not taken action to admit the Magen David Adom Society of Israel to the International Red Cross and Red Crescent Movement. The American Red Cross has promoted

the membership of the Society in the Movement, but little or no positive action has been forthcoming. As a result, the American Red Cross has withheld its headquarters contribution to the ICRC for the past two years. The Committee is recommending bill language that would also withhold the annual headquarters contribution made by the Department of State unless the Magen David Adom Society is given the opportunity to participate in the activities of the International Red Cross and Red Crescent Movement. This limitation will not, and is not intended to, restrict funding for humanitarian assistance programs that may be programmed through the ICRC using other funds provided in this account. It is only intended to affect the funding of approximately \$8,000,000 that the United States provides on an annual basis to the ICRC bureaucracy in Geneva.

#### UNACCOMPANIED AND AT-RISK CHILDREN

The Committee supports funding for programs for unaccompanied and at-risk refugee children. The Committee believes that the United Nations High Commissioner for Refugees (UNHCR) should pay more attention to this issue. The Committee recommends that the Department of State provide funding through nongovernmental organizations and United Nations agencies for children who are orphaned, separated from their parents, or have other special needs as a result of armed conflict or other causes of forced migration.

#### UNHCR

The Committee is aware that the Department of State traditionally contributes twenty to twenty-five percent of the funds required for refugee programs managed by the United Nations High Commissioner for Refugees and certain other international relief agencies. The U.S. percentage has escalated in the past few years as European nations have not followed through with pledged contributions. The Committee supports the High Commissioner in his efforts to increase UNHCR contributions from Europe.

#### UNRWA

The Committee supports the efforts of the Department of State to remove anti-Semitic content in textbooks and curricula used in schools in the West Bank and Gaza administered by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The Committee has previously expressed concern about anti-Semitic content in Palestinian textbooks and supports the efforts of the Department of State to redress such content in UNRWA schools, including the appointment of an education specialist in the region to serve as a liaison between the Department of State, UNRWA, and the Palestinian Ministry of Education.

#### UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

Fiscal year 2001 level .....	\$15,000,000
Fiscal year 2002 request .....	15,000,000
Committee recommendation .....	15,000,000

The Committee recommends \$15,000,000 for the Emergency Refugee and Migration Assistance (ERMA) Fund, which is the same as the 2001 enacted level and the same as the 2002 budget request.

The Committee notes that, as of June 1, 2001, the ERMA Fund maintained a balance of approximately \$105,000,000. Again this year, the ERMA Fund continues to carry forward high levels of balances. The Committee considers it appropriate for the ERMA Fund to maintain a sizable balance, since the purpose of this account is to facilitate a quick response to humanitarian emergencies. The Committee is concerned that the Administration may be using an overly stringent standard in judging whether to draw down the ERMA Fund. The primary criterion for the use of these resources should be the emergency needs of refugees and other persons who fall within the mandate of the ERMA Fund. The Committee directs the Administration to use this Fund when these populations face serious threats to their security or physical well-being and other resources are not available to address these threats. The Committee does not wish to see a situation in which critical humanitarian needs go unmet while a large fund created to address these needs largely remains untouched.

#### NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

Fiscal year 2001 level .....	\$311,600,000
Fiscal year 2002 request .....	332,000,000
Committee recommendation .....	311,000,000

The Committee recommends a total appropriation of \$311,000,000 for “Nonproliferation, Anti-terrorism, Demining and Related Programs”, an amount that is \$21,000,000 below the request and \$600,000 below the fiscal year 2001 enacted level.

The Committee recommendation funds the President’s budget request for this account with the exception of the additional funding requested for the Lockerbie trial support (– \$16,000,000) and a reduction of \$5,000,000 in the funding for the Korean Peninsula Economic Development Organization (KEDO).

The Committee has included bill language from the fiscal year 2001 appropriations act that imposes the requirement for notice prior to the obligation of funds for the CTBT Preparatory Commission.

The following is a chart that indicates fiscal year 2001 funding for the programs covered by this account, as well as the President’s request for fiscal year 2002 and the Committee recommendation:

Program or activity	Fiscal year 2001 funding level	Fiscal year 2002 request	Committee recommendation
Nonproliferation and Disarmament Fund .....	14,967,000	14,000,000	14,000,000
Export Control Assistance .....	19,100,000	17,000,000	17,000,000
Science Centers .....	35,000,000	37,000,000	37,000,000
IAEA voluntary contribution .....	47,000,000	49,000,000	49,000,000
CTBT Preparatory Commission .....	21,056,000	20,000,000	20,000,000
Korean Peninsula Energy Development Organization .....	54,879,000	95,000,000	90,000,000
Nonproliferation contingency .....	20,000,000	.....	.....
Anti-Terrorism Assistance .....	38,000,000	38,000,000	38,000,000
Terrorist Interdiction Program .....	4,000,000	4,000,000	4,000,000
Lockerbie Trial Support .....	15,000,000	16,000,000	.....
Humanitarian Demining Program .....	39,912,000	40,000,000	40,000,000
Small Arms Destruction .....	2,000,000	2,000,000	2,000,000

Program or activity	Fiscal year 2001 funding level	Fiscal year 2002 request	Committee recommendation
Rescission .....	686,000		
Total budget authority .....	311,600,000	332,000,000	311,000,000

The funding reduction for KEDO is being made with the expectation the Administration will renew its efforts to obtain funding from other donors to help offset the increase in costs for the provision of heavy fuel oil for North Korea pursuant to the Agreed Framework. Regarding the funding for the Lockerbie Trial, the Committee is very concerned about the types of costs that are being charged to the United States in connection with this trial, and believes that sufficient funds were made available in fiscal year 2001.

#### KOSOVO DEMINING

The Committee is very concerned about the extent to which additional unexploded ordnance (UXO) and mine removal may be needed in Kosovo. While the United Nations has general authority for mine removal activities in that region, the Committee is aware there may be an unmet need for additional resources. Therefore the Committee directs the Secretary of State to report to the Committee on Appropriations no later than February 1, 2002, with (1) an assessment of the UXO removal and demining activities that have occurred in Kosovo; (2) an assessment of the remaining needs for such removal; and (3) recommendations as to how the need for additional resources can be met. In that regard, the Committee encourages the Department of State to examine the use of the Rapid Response Program of the Corps of Engineers as a mechanism for providing for UXO removal and demining activities. In addition, the Committee would support the reprogramming of funds provided under the heading "Assistance for Eastern Europe and the Baltic States" and within this account to help meet a possible funding shortfall for these activities.

#### DEPARTMENT OF THE TREASURY

##### INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

Fiscal year 2001 level .....	\$6,000,000
Fiscal year 2002 request .....	6,000,000
Committee recommendation .....	6,000,000

The Committee recommends \$6,000,000 under this heading for international technical assistance by the Department of the Treasury, an amount that is the same as the request and last year's level. In operation since 1991, Treasury's Office of Technical Assistance provides expert fiscal and monetary policy advisors to countries of the former Soviet Union and Eastern Europe. Beginning in fiscal year 1999, Treasury created the Treasury International Affairs Technical Assistance (TIATA) program and expanded the countries to Asia, Africa and Latin America. With the Poverty Reduction Strategy Papers (PRSPs) and other conditions required by the poorest nations to qualify for HIPC debt relief, the Committee directs the Department of Treasury to begin to focus half of the funds under this heading to assisting eight or more HIPC nations. Additionally, the Committee has required that these funds be sub-

ject to notification procedures and therefore directs the Department to report back to the Committee on its plans for HIPC nations for fiscal year 2002 prior to the release of the funds.

#### GLOBAL FUND TO FIGHT HIV/AIDS, MALARIA, AND TUBERCULOSIS

Fiscal year 2001 level .....	.....
Fiscal year 2002 request .....	\$100,000,000
Committee recommendation .....	.....

The Committee is not recommending establishment of a separate account for a proposed multilateral health trust fund, as proposed by the President. Instead, full funding would be provided from the "Child Survival and Health Programs Fund" in this bill and from the unobligated balance reserved for a multilateral HIV/AIDS trust fund in the fiscal year 2001 Act.

#### DEBT RESTRUCTURING

Fiscal year 2001 level .....	\$238,000,000
Emergency funding .....	210,000,000
Fiscal year 2002 request .....	224,000,000
Committee recommendation .....	224,000,000

The Committee recommends \$224,000,000 for debt restructuring for fiscal year 2002. This is \$224,000,000 below the amount enacted in 2001, including emergency funding, and the same as the request. The Committee supports the request for debt relief that, with \$16,000,000 in carryover balances, will complete the US pledge to the HIPC Trust Fund. It also directs that up to \$25,000,000 in prior year funds be used to implement the Tropical Forest Conservation Act of 1998, \$12,000,000 more than the request, which provided the funds as a transfer from "Development Assistance."

#### HIPC TRUST FUND

The vehicle for contributions to multilateral development banks is the Heavily Indebted Poor Country (HIPC) Trust Fund that was created and is administered by the International Bank for Reconstruction and Development. The HIPC Trust Fund accepts contributions from more developed countries to help the Inter-American Development Bank, the African Development Bank, the Central American Bank for Economic Integration, and possibly other financial institutions, to defray the cost of writing down unserviceable debt owed by certain member countries.

The following table indicates the financial status of the HIPC Trust Fund as of May 30, 2001:

[Amounts in millions of U.S. dollars]

	Contributions received	Pledges	Total
Australia .....	10	2	12
Austria .....	17	25	42
Belgium .....	40	.....	40
Canada .....	112	.....	112
Denmark .....	50	10	60
Finland .....	25	8	33
France .....	160	21	181
Germany .....	178	48	226
Greece .....	9	2	11
Iceland .....	1	1	2
Ireland .....	19	5	24

[Amounts in millions of U.S. dollars]

	Contributions received	Pledges	Total
Italy .....	105	48	153
Japan .....	56	144	200
Luxembourg .....	2	.....	2
Netherlands .....	172	.....	172
New Zealand .....	2	.....	2
Norway .....	79	.....	79
Portugal .....	21	.....	21
Spain .....	54	70	124
Sweden .....	46	35	81
Switzerland .....	45	15	60
United Kingdom .....	161	145	306
United States .....	.....	600	600
Total .....	978	1,566	2,544

Since the above table was made available to the Committee, a \$122,740,000 initial contribution to the trust fund has been made by the US and will allow for debt relief to Bolivia, Honduras, Madagascar, and Sao Tome & Principe. Each of these four countries has demonstrated its commitment to redirect budgetary savings from debt servicing to programs that reduce poverty and promote economic growth. The Committee's cautious approach to funding for the HIPC Trust Fund continues. It is the Committee's view the HIPC Initiative will be extremely difficult to implement. Public and private vigilance will be required to ensure that domestic budgetary savings resulting from reduced sovereign debt payments under the HIPC Initiative will, in fact, be used by poor country governments solely for economic growth and social/health activities aimed at poverty alleviation. Additionally, the Committee believes that debt relief was not intended to be the one solution to the challenges facing HIPC countries. Instead it must be seen as only one step toward poverty alleviation that, if not accompanied by effective reforms and an improvement of the conditions that attract investment and economic growth, will result in only short lived benefits to the poorest peoples of the world.

#### CONDITIONS ON CONTRIBUTIONS TO HIPC TRUST FUND

The Committee has included bill language prohibiting United States contributions to the HIPC Trust Fund on behalf of any country credibly reported to be a gross violator of internationally recognized human rights or is engaged in a civil or military conflict that undermines its ability to fulfill the HIPC criteria regarding poverty alleviation.

The Committee also has recommend bill language that conditions funding for the HIPC Trust Fund on Agreement that new lending to HIPC participants by beneficiary multilateral development banks be deferred for up to 24 months. It is the Committee's intent that debt reduction under the enhanced HIPC Initiative not be taken as a signal for renewed lending by international financial institutions or export financing agencies.

#### ACCOUNTABILITY AND FUTURE SUPPORT FOR THE HIPC INITIATIVE

The Committee again requests quarterly reports on obligations made from this account, and on the purposes for which the funds

are obligated. During the first quarter of the fiscal year, the Department of the Treasury should continue to report to the Committee pursuant to the regular notification procedures of the Committees on Appropriations on the intended use of the funds provided in this account. Such report should specify the countries that would receive debt restructuring during fiscal year 2002. The Committee understands that credit ratings can fluctuate during the year, thus resulting in a change in the budget cost necessary to restructure debt.

UNITED STATES COMMUNITY ADJUSTMENT AND INVESTMENT PROGRAM

Fiscal year 2001 level .....	.....
Fiscal year 2002 request .....	500,000
Committee recommendation .....	.....

The Committee is not recommending additional appropriations at this time for a domestic program for community investment and adjustment within the United States. The Community Adjustment and Investment Program was initially “fully funded” with a 3-year capitalization of \$22,500,000 and since has received \$20,000,000 in additional appropriations to date. Based on a September 2000 GAO report, the CAIP has systemic problems in its organizational structure; a management system that hinders efficient program management; and faulty eligibility procedures. The Committee is not aware of how an additional \$500,000 to the CAIP could improve US trade adjustment assistance in 2002.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

Fiscal year 2001 level .....	\$55,000,000
Emergency funding .....	2,875,000
Fiscal year 2002 request .....	65,000,000
Committee recommendation .....	65,000,000

The Committee recommends \$65,000,000 for the International Military Education and Training program, which represents an increase of \$7,125,000 above the fiscal year 2001 level and is the same as the requested level.

INDONESIA AND GUATEMALA

The Committee includes prior year bill language limiting Indonesia and Guatemala to Expanded IMET only. Funding for both is subject to notification.

EXPANDED IMET

The Committee strongly supports the continuation of Expanded IMET (E-IMET) programs. In that regard, the Committee notes that part of the success of the E-IMET programs is dependent on appropriate equipment critical to the learning process. For example, equipment that enhances simultaneous translation capacity or remote or distance learning teleconferencing could greatly advance the reach and efficiency of E-IMET programs. Yet, there is no con-

sideration within the program budget for such needs. Consequently, the Committee requests that the Administration make funds available within the E-IMET program as needed to support equipment and other infrastructure requirements of E-IMET programs.

The Committee also urges the Departments of State and Defense to favorably consider funding to develop an educational program in security building and peace support operations at the Naval Postgraduate School. In addition, the Administration should consider the development of programs to help nations institutionalize financial integrity, accountability and transparency in defense budgeting. Such programs could also help nations eliminate unnecessary forces and military infrastructure, so that their scarce defense resources can be focused on priorities critical to making them effective security partners with the United States.

#### GREECE AND TURKEY

For fiscal year 2002, section 512 of the Security Assistance Act of 2000 (Public Law 106-280) authorizes up to \$1,000,000 in assistance for Greece and up to \$2,500,000 in assistance for Turkey from funds that are authorized to be appropriated for International Military Education and Training. From the increase in funds recommended for this account, the Committee supports an increase in assistance for Greece and Turkey consistent with the authorization levels.

#### CHILE

The Committee is aware of the decision by the Chilean Appeals Court on July 9, 2001 to declare Augusto Pinochet mentally unfit to stand trial for crimes committed during his 17-year presidency. While the Committee does not encourage the prosecution of any person who is mentally incapacitated, the Committee would be concerned if it becomes apparent that pressure from the military played a role in this decision. The Committee strongly encourages the Chilean military to respect the independence of the judiciary and urges the Departments of Defense and State to emphasize this point in the training and education provided to the Chilean military with IMET funds.

#### REPORT ON FOREIGN MILITARY TRAINING

The Committee is concerned by the extent of information classified in the fiscal year 2001 Foreign Military Training Report. The Committee requests the Departments of State and Defense, when preparing and presenting the Foreign Military Training and Defense Department Engagement Activities of Interest report to Congress in fiscal year 2002 (consistent with national security requirements) not classify aggregate training numbers by country; declassify to the greatest extent possible information about foreign units trained, the location of training and U.S. trainers' units; provide accurate course descriptions; distinguish between the number of courses given and the number of students trained; and report estimates for coming-year training that include all categories reported.

## IMET AVAILABILITY

The Committee has retained language from fiscal year 2001 which provides that, of the funds made available for IMET, \$1,000,000 may remain available until expended.

## FOREIGN MILITARY FINANCING PROGRAM

Fiscal year 2001 level .....	\$3,545,000,000
Emergency funding .....	31,000,000
Fiscal year 2002 request .....	3,674,000,000
Committee recommendation .....	3,627,000,000

The Committee recommends \$3,627,000,000 in Foreign Military Financing grants. This program level is \$51,000,000 above the fiscal year 2001 level and \$47,000,000 below the President's request. If emergency supplemental funding is excluded from the calculation, the recommended level is \$82,000,000 above the fiscal year 2001 level. The funding level assumes an increase above last year's level of \$60,000,000 for Israel, as requested by the President.

The Committee remains strongly supportive of the goals of the Foreign Military Financing (FMF) grants program. However, the Security Assistance Act of 2000 (Public Law 106-280) contains an authorization ceiling that is \$47,000,000 below the President's request. Therefore the Committee is complying with the authorization ceiling.

## ISRAEL

The Committee recommends a total Foreign Military Financing (FMF) program of not less than \$2,040,000,000 in grants for Israel which shall be available within 30 days of enactment or by October 31, 2001, whichever is later.

It is the Committee's view that while Israel's economy has improved significantly in recent years, the security situation in the Middle East has worsened. Therefore, the Committee is convinced the United States must make every effort to carry out its longstanding policy of ensuring that Israel's technological edge is maintained. As a result, the Committee has provided an increase of \$60,000,000 above the fiscal year 2001 level, as requested by the President. The Committee also believes that a sustained military improvement program will be required over the next ten years, at an annual rate of approximately \$60,000,000, to assist Israel in responding to these emerging security challenges. However, with respect to this recommended increase in military assistance, the Committee must be very clear that it cannot commit future Congresses to the future appropriation of funds. Therefore, future increases in military assistance will require the annual review of the Congress and will necessarily be based upon an assessment of the security situation at the time.

The Committee also recommends that, to the extent that the Government of Israel requests that FMF grant funds for Israel be used for such purposes, and as agreed by Israel and the United States, funds may be made available for advanced weapons systems of which \$535,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development. This represents a \$15,000,000 increase over the fiscal year 2001 level and reflects a recognition by the Committee

of Israel's need for similar annual increases over the next few years in order to provide Israel with increased flexibility in meeting the emerging security challenges in the Middle East.

#### JORDAN

The Committee strongly supports the Administration's efforts to improve Jordanian security and therefore recommends full funding of the President's request of \$75,000,000 for Jordan. Under the able leadership of King Abdullah, Jordan plays a critical role in supporting peace and security in the Middle East. The Committee is well aware that Jordan's security requirements are extensive, particularly in the areas of ground force modernization and border security.

#### EGYPT

The Committee recommends a total of \$1,300,000,000 in Foreign Military Financing grants for Egypt.

Pursuant to the President's budget request bill language is recommended that would require that funds estimated to be outlaid for Egypt during fiscal year 2002 shall be transferred to an interest bearing account for Egypt in the Federal Reserve Bank of New York within 30 days of enactment of this Act or by October 31, 2001, whichever is later. The Committee fully appreciates Egypt's strategic location, its immediate proximity to Libya and Sudan both of which have supported international terrorism; its critical contribution during the Gulf War in resisting Iraqi aggression; and its essential role in the Middle East peace process. The Committee is convinced that continued military cooperation between Egypt and the United States remains in the national security interests of both countries.

#### THE BALTICS

The Committee strongly supports at least the Presidents' budget request of \$21,000,000 for Estonia, Latvia, and Lithuania. Previous years' funding has significantly supported the commendable efforts of these countries to attain Western military standards and to improve their capacities to contribute to international security through the provision of peacekeepers to international peacekeeping missions.

#### ADMINISTRATIVE EXPENSES

The Committee has recommended a limitation on administrative expenses of \$35,000,000. This is the same as the level requested by the President and \$2,000,000 above the fiscal year 2001 level.

#### FOREIGN MILITARY FINANCING SURCHARGE

The Committee has included a limitation on Foreign Military Financing operating costs of \$348,000,000. This limitation may be waived pursuant to the regular notification procedures of the Committees on Appropriations. This is \$8,000,000 more than the fiscal year 2001 level and the same as the request.

## FMF EXPENDITURE RATE

The Committee continues prior year language that requires that Foreign Military Financing funds be expended at the minimum rate necessary to make timely payments for defense articles and services. In addition, it continues language providing that such funds shall be obligated upon apportionment in order to allow for the orderly execution of program funds.

## PROCUREMENT AGREEMENTS

The Committee has continued prior year language requiring recipients of Foreign Military Financing grants to sign agreements with the United States prior to using FMF funds to finance the procurement of any item not sold by the United States under the Arms Export Control Act.

## PROHIBITIONS

The Committee has included bill language prohibiting military assistance to Sudan and Liberia. The Administration did not request military assistance for Sudan or Liberia for fiscal year 2002.

The Committee continues to support United States assistance to Guatemala to implement the Guatemalan peace accords. However, the Committee is concerned about limited progress in certain areas such as strengthening Guatemala's justice system and reform of the Guatemalan military. The Committee urges the Government of Guatemala to guarantee the safety of those working for human rights. It is also concerned about attacks and threats against journalists in Guatemala.

The Committee retains the existing ban on Foreign Military Financing and International Military Education and Training (IMET), with the exception of E-IMET, until adequate reforms of the Guatemalan Armed Forces are carried out as established in the peace accords. The Committee is concerned about the postponement of the disbanding of the Presidential General Staff (EMP) and its replacement by civilian institutions.

## PEACEKEEPING OPERATIONS

Fiscal year 2001 level .....	\$127,000,000
Fiscal year 2002 request .....	135,000,000
Committee recommendation .....	135,000,000

The Committee recommends \$135,000,000 for voluntary contributions for international peacekeeping operations. This amount is \$8,000,000 above the level provided in fiscal year 2001, and is the same as the President's request.

## TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

## INTERNATIONAL FINANCIAL INSTITUTIONS

## GLOBAL ENVIRONMENT FACILITY

Fiscal year 2001 level .....	\$108,000,000
Fiscal year 2002 request .....	107,500,000
Committee recommendation .....	82,500,000

The Committee recommends \$82,500,000 for the Global Environment Facility (GEF), administered by the World Bank. The recommendation is \$25,000,000 below the request and \$25,500,000 less than the amount enacted for 2001.

#### CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Fiscal year 2001 level .....	\$775,000,000
Fiscal year 2002 request .....	803,400,000
Committee recommendation .....	803,400,000

The Committee is providing \$803,400,000 for the U.S. contribution to the Thirteenth Replenishment of the International Development Association (IDA), the same as the request and a \$28,400,000 increase above the 2001 enacted level.

The Committee directs the Secretary of the Treasury to vigorously advocate that the upcoming pledging session for IDA provide all-grant assistance to each HIPC debt forgiveness beneficiary for a period of 3 years following its HIPC decision point. With respect to its support for multilateral debt forgiveness under certain conditions and conversion of IDA to an agency making poverty alleviation grants, the Committee concurs with the March, 2000 recommendations of the International Financial Institution Advisory Commission (the Meltzer Commission).

#### CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE AGENCY

Fiscal year 2001 level .....	\$10,000,000
Fiscal year 2002 request .....	10,000,000
Committee recommendation .....	10,000,000

The Committee is providing \$10,000,000 for an additional U.S. payment to the World Bank's Multilateral Investment Guarantee Agency, the same level as the request and the 2001 enacted level.

#### (LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS)

Fiscal year 2001 level .....	(\$50,000,000)
Fiscal year 2002 request .....	(50,000,000)
Committee recommendation .....	(50,000,000)

#### GENERAL CONCERNS ABOUT THE WORLD BANK GROUP

##### PRIVATE SECTOR STRATEGY

The Committee again commends the IDA-12 Deputies for recognizing the critical role undertaken by the private sector in developing countries. The entire World Bank Group should have a complementary and not competitive role with private sector investment in developing countries. The Committee urges the Secretary of the Treasury to work with the World Bank Group to develop a private sector strategy that is consistent with its commitment to sustainable economic growth, including a social and environmental investment screen for World Bank Group lending that supports the private sector.

##### ENVIRONMENT AND ENERGY

The Committee is aware that there is ample private financing for the energy sector in most developing countries, although inappro-

ropriate forms of public control have acted as a significant investment barrier in some. It is also aware that over the past 25 years, energy remains a valuable resource but is no longer scarce. Central Asia and Africa are now recognized as important future alternatives to dependence on Middle East fossil fuel energy, and wind power is becoming commercially viable in some regions. The Committee no longer anticipates a global energy shortage in the foreseeable future. However, where affordable and cleaner energy is not available, job growth, poverty alleviation, and health improvement all come to an abrupt halt and often decline.

As the primary justification for using public money in the energy and extractive sectors is to underpin economic development with sound policy, both technical assistance through AID and financial participation by the multilateral banks must focus on putting into place new policies, laws, and regulations that would otherwise not occur. These serve to insure that the income from valuable natural resources benefits the population at large, not just a few officials at the receiving end of the transaction. The involvement of AID, OPIC or the World Bank can provide support for the efforts of United States companies that seek to protect the environment and corporate reputations in their dealings with foreign leaders who demonstrate minimal concern for the welfare of their own citizens or good governance.

#### OBJECTIVES

The Committee is concerned that with the many reform proposals for the World Bank over the years, few have resulted in major changes to the Bank's basic structure or function. The Committee believes the World Bank and other multilateral development banks should have a clear set of objectives with the top priority to raise the standard of living of people throughout the world. The Committee supports the Treasury Department's attempts to focus the World Bank's core objective to raising per capita income, and the Committee urges the Administration to include basic education in the scope of activities that fall under this purpose.

#### EDUCATION

The Committee understands that the World Bank is having difficulty fulfilling its pledge made at the April 2000, Education for All Forum in Senegal to increase its education lending by 50 percent. The World Bank's efforts to help developing countries attain the goal of universal, free basic education by 2015 will be critical if these countries are to meet this objective. The Committee urges the Secretary of the Treasury to work with the World Bank to increase resource allocation, and to make the necessary adjustments in its education lending program to ensure effective delivery of loans. The Committee directs the Secretary of the Treasury to report on the progress of these efforts no later than 90 days after the enactment of this Act.

#### ENVIRONMENTAL AND SOCIAL ASSESSMENT OF STRUCTURAL ADJUSTMENT PROGRAMS

The Committee notes that more than three-eighths of the World Bank's portfolio supports structural adjustment. This type of lend-

ing is exempt from the environmental assessment guidelines that cover individual projects. An internal World Bank study concluded that the Bank rarely considers the environmental and social impacts of these loans when they are in the design process. The Committee directs the Secretary of the Treasury and the U.S. Executive Director at the World Bank to work with management to institute a dynamic, participatory process to assess the environmental and social impacts of structural adjustment loans.

#### CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK GROUP

The Committee notes that again this year, there is no request for additional purchases of ordinary or callable capital stock of the Inter-American Development Bank or a request for the Bank's concessional window, the Fund for Special Operations, which is now self-sustaining as a result of repayments of prior year loans. Nonetheless, the Inter-American Development Bank expects to benefit from appropriations provided under the heading "Debt Restructuring" in title II for the purpose of repaying unsustainable loans previously incurred by heavily indebted poor countries in the region.

#### INTER-AMERICAN INVESTMENT CORPORATION

Fiscal year 2001 level .....	\$25,000,000
Fiscal year 2002 request .....	25,000,000
Committee recommendation .....	10,000,000

The Committee recommends an appropriation of \$10,000,000 of the scheduled annual United States purchase of share capital of the Inter-American Investment Corporation. The recommendation is \$15,000,000 less than the request and the 2001 enacted level.

For the past 10 years, the Inter-American Investment Corporation has supported small and medium private enterprises in Latin America and the Caribbean through strategic equity investments and loans. The small and medium enterprise sector is the major source of new jobs and economic growth in the region, but is generally overlooked by multilateral banks that focus on the public sector and bilateral donor agencies that focus on microenterprise credit.

#### MULTILATERAL INVESTMENT FUND

There is no request in the 2002 budget for an appropriation to the Multilateral Investment Fund.

#### ASIAN DEVELOPMENT BANK GROUP

There is no request in the 2002 budget for paid-in or callable capital stock of the Asian Development Bank.

#### CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

Fiscal year 2001 level .....	\$72,000,000
Fiscal year 2002 request .....	103,017,000
Committee recommendation .....	103,017,000

The Committee recommends an appropriation of \$103,017,000 for the concessional Asian Development Fund, an amount that is

\$31,017,000 above the amount provided in fiscal year 2001 and the same as the amount requested.

#### CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

Fiscal year 2001 level .....	\$6,100,000
Fiscal year 2002 request .....	5,100,000
Committee recommendation .....	5,100,000

The Committee recommends an appropriation of \$5,100,000 for the African Development Bank, an amount that is \$1,000,000 below the amount provided in fiscal year 2001 and the same as the amount requested.

#### (LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS)

Fiscal year 2001 level .....	(\$97,548,522)
Fiscal year 2002 request .....	(79,991,500)
Committee recommendation .....	(79,991,500)

The African Development Bank expects to benefit from appropriations provided under the heading "Debt Restructuring" in title II for the purpose of repaying unsustainable loans previously incurred by heavily indebted poor countries in the region.

#### CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

Fiscal year 2001 level .....	\$100,000,000
Fiscal year 2002 request .....	100,000,000
Committee recommendation .....	100,000,000

The recommendation for the soft loan African Development Fund is \$100,000,000, the same as the amount requested and the same as the amount provided in fiscal year 2001.

#### CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Fiscal year 2001 level .....	\$35,778,717
Fiscal year 2002 request .....	35,778,717
Committee recommendation .....	35,778,717

#### (LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS)

Fiscal year 2001 level .....	(\$123,237,803)
Fiscal year 2002 request .....	(123,237,803)
Committee recommendation .....	(123,237,803)

The Committee is recommending \$35,778,717 for the European Bank for Reconstruction and Development. This amount is identical to the appropriation provided in fiscal year 2001 and the same as the President's request.

#### CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Fiscal year 2001 level .....	\$5,000,000
Fiscal year 2002 request .....	20,000,000
Committee recommendation .....	20,000,000

The Committee is again providing a separate appropriation for the International Fund for Agricultural Development, reflecting the assumption of responsibility for this multilateral institution by the Department of the Treasury in February, 2000. The fiscal year

2002 recommendation is \$20,000,000, the same as the request and \$15,000,000 above the amount provided in 2001.

#### INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Fiscal year 2001 level .....	\$186,000,000
Fiscal year 2002 request .....	186,000,000
Committee recommendation .....	196,000,000

The Committee has recommended \$196,000,000 for International Organizations and Programs. This is \$10,000,000 more than the fiscal year 2001 level and \$10,000,000 more than the President's request. As in fiscal year 2001, funding for a grant to UNICEF is provided in the "Child Survival and Disease Programs Fund" under title II.

The Committee recommendation also continues prior year bill language prohibiting the use of funds for the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA). Both organizations are funded under "Nonproliferation, Anti-Terrorism, Demining and Related Programs".

The Committee requires the Department of State to report back to the Committee within 90 days and submit all United Nations Fund For Population Activities (UNFPA) agreements that have been signed with local, provincial and national governments of China relating to administration of UNFPA programs in China.

#### UNITED NATIONS DEVELOPMENT PROGRAM

The Committee appreciates recent efforts of the United Nations Development Programme (UNDP) to streamline its mission and to focus primarily on enhancing governance, seeking out innovative pilot programs, and forming strategic partnerships. The Committee urges the UNDP to continue on this productive path, and recommends a level not less than \$97,100,000 in International Organizations and Programs funding be set aside to support the UNDP.

#### UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE

The Committee supports not less than \$5,000,000 for the U.S. contribution to the UN Voluntary Fund for Victims of Torture. Assisting these centers not only reinforces U.S. opposition to human rights violations but has proven to be an effective method for lessening the incidence of torture and promotes human rights and democracy abroad. The Committee urges the Department of State to negotiate with other governments to persuade them to increase their contributions to the Fund.

#### TITLE V—GENERAL PROVISIONS

The Committee recommends that several of the general provisions carried in the fiscal year 2001 act be deleted. These provisions are either addressed elsewhere in permanent law, have been considered by the appropriate authorizing committee, or are no longer necessary.

The Committee recommends the following new and revised general provisions.

Sec. 502, "Private and Voluntary Organizations" is a new general provision that repeats language previously carried under that heading in title II; the language prohibits funds for any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 percent of its total annual funding for international activities from sources other than the United States government, but allows the Administrator of AID to waive this prohibition on a case-by-case basis after taking into account various factors; it also specifies that funds appropriated under title II should be made available to private and voluntary organizations at a level at least equivalent to the fiscal year 1995 level.

Sec. 505, "Limitation on Representational Allowances" is modified by limiting representation expenses associated with funds made available under "Foreign Military Financing Program" to \$150,000.

Sec. 508, "Military Coups" is modified to specify that resumption of assistance to a country that was previously suspended as the result of an elected head of government being deposed by decree or military coup may occur if the President determines that a democratically elected government has taken office or substantial progress has been made towards the holding of elections; prior year language limited the resumption of assistance to a determination that a democratically elected government had taken office.

Sec. 511, "Availability of Funds" is modified to add funds appropriated to carry out section 23 of the Arms Export Control Act to the list of funds that may remain available until for an extended period of time if obligated before the expiration of their periods of availability, and to limit the extended availability of funds obligated prior to the expiration of their availability to four years. The final proviso of this section, requiring a specific report on balance of payment and economic policy reform, is deleted.

Sec. 512, "Limitation on Assistance to Countries in Default", is modified to allow for a waiver of the provisions of this section if the President determines, following consultations with the Committees on Appropriations, that assistance to a country otherwise prohibited from receiving funds is in the national interest of the United States.

Sec. 515, "Notification Requirements" is modified by changing the name of the account "Child Survival and Disease Programs Fund" to "Child Survival and Health Programs Fund" consistent with the modification to the name of the account made in title II.

Sec. 520, "Special Notification Requirements" is modified to delete Serbia, Ethiopia, and Eritrea.

Sec. 523, "Prohibition Against Indirect Funding to Certain Countries" is modified by replacing People's Republic of China with Sudan to make it consistent with section 507, "Prohibition Against Direct Funding for Certain Countries".

Sec. 524, "Notification on Excess Defense Equipment" is modified to limit the notifications of excess defense articles to those that are significant military equipment or had an original acquisition cost of \$7,000,000 or more, of if the recipient country is subject to notification elsewhere in this Act.

Sec. 525, "Authorization Requirement" is modified to add the Trade and Development Agency and the Peace Corps to the list of

accounts that are exempted from the waiver of the authorization requirement.

Sec. 526, “Democracy Programs” is modified by deleting language authorizing grants for democracy activities in China, which are now authorized in section 514(c) of Public Law 106–286; to allow up to \$3,000,000, rather than \$2,000,000, for support of nongovernmental organizations located outside China to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in that country; to delete a provision that amended a previous appropriations act; and to require a notification for certain activities in China.

Sec. 532, “Authorities for the Peace Corps, Inter-American Foundation and African Development Foundation” is modified by removing subsection (b), which had exempted the International Fund for Agricultural Development (IFAD) from limitations on the availability of funds appropriated under “International Organizations and Programs”; IFAD is now appropriated in title IV as a separate account.

Sec. 533, “Impact on Jobs in the United States” is modified by deleting subsection (b), which affected assistance to a foreign country for certain specified processing zones or designated areas.

Sec. 534, “Special Authorities” is modified to carry language that had been carried in another provision to provide that section 576 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as amended, shall not apply to the provision of assistance from international financial institutions to the Federal Republic of Yugoslavia (the same language was carried in section 594 of the fiscal year 2001 appropriations act); it is also modified to provide that during fiscal year 2002, the President may use up to \$50,000,000 under the authority of section 451 of the Foreign Assistance Act, notwithstanding the funding ceiling in section 451(a).

Sec. 537, “Eligibility for Assistance” is modified to prohibit the provisions of the section from applying to assistance to the government of a country that violates section 116 of the Foreign Assistance Act of 1961.

Sec. 538, “Earmarks” is modified by deleting references to base rights countries.

Sec. 541, “Purchase of American-Made Equipment and Products” is modified by deleting subsections (b), (c), and (d).

Sec. 543, “Nongovernmental Organizations—Documentation” is modified by changing the title and language in the provision from “private voluntary” to “nongovernmental”.

Sec. 544, “Prohibition on Assistance to Foreign Governments that Export Lethal Military Equipment to Countries Supporting International Terrorism” is modified by updating a reference to section 6(j) of the Export Administration Act.

Sec. 547, “War Crimes Tribunals Drawdown” is modified by removing a requirement for specified reports that were due during fiscal year 2001.

Sec. 558, “Assistance for the Middle East” is modified by reducing the cap on Middle East spending from \$5,241,150,000 to \$5,141,150,000.

Sec. 560, "Cambodia" is modified to exempt assistance for basic education from the funding limitation of the section.

Sec. 562, "Korean Peninsula Energy Development Organization" is modified by limiting funds for KEDO to \$95,000,000 and providing for certain certification and reporting requirements.

Sec. 563, "PLO Compliance Report" is a new section.

Sec. 565, "Iraq" is modified by authorizing assistance under the "Economic Support Fund" for programs benefiting the Iraqi people and to support efforts to bring about political transition in Iraq.

Sec. 568, "Indonesia" is modified to refer to Indonesian Ministry of Defense or military personnel, rather than Indonesia, for the purposes of applying this section to the possible provision of assistance for Indonesia.

Sec. 569, "Man and the Biosphere" is modified by removing the reference to the World Heritage Fund.

Sec. 572, "Voluntary Separation Incentives" amends existing law to provide authority for an additional year for the Agency for International Development to extend voluntary separation incentives to certain employees.

Sec. 577, "Abolition of the Inter-American Foundation" is modified to extend the authorities of this section for an additional year.

Sec. 578, "War Criminals" is modified to provide that none of the funds appropriated pursuant to this Act may be made available, with the exception of humanitarian assistance and assistance for democratization, to any country, entity, or municipality whose competent authorities have failed to take necessary and significant steps to apprehend and transfer to the International Criminal Tribunal for the Former Yugoslavia all persons publicly indicted by the Tribunal unless such authorities are (1) cooperating with the Tribunal in specified ways and (2) taking steps that are consistent with the Dayton Accords; in addition, a waiver provision is included to allow assistance if it is in the national interest of the United States.

Sec. 580, "Basic Education for Pakistan" is modified to delete a reference to chapter 1 of part 1 of the Foreign Assistance Act of 1961 and to delete a reference to notification requirements.

Sec. 581, "Heavily Indebted Poor Countries Trust Fund Authorization" is a new provision that amends section 801(b)(1) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001, to increase the authorization level of the aforementioned trust fund from \$435,000,000 to \$600,000,000, consistent with the funding recommendation in title II of this Act.

Sec. 582, "Funding for Serbia" is similar to section 594 of the fiscal year 2001 appropriations act, except that it does not specify a funding ceiling for assistance for Serbia and does not contain subsection (e), which dealt with transition issues related to state liabilities, assets, and property.

Sec. 583, "Improving Global Health Through Safe Injections" is a new general provision that directs the Agency for International Development to develop and implement effective strategies to improve injection safety in its health programs, and to report to the Congress not later than March 31, 2002, on its efforts in this regard.

Sec. 584, "El Salvador Reconstruction" is a new general provision that provides that not less than \$100,000,000 shall be made avail-

able during fiscal year 2002 for rehabilitation and reconstruction assistance for El Salvador, of which not less than \$65,000,000 shall be derived from funds appropriated in this Act and not less than \$35,000,000 shall be derived from funds appropriated for fiscal year 1999 and prior years, from certain specified accounts.

PROVISIONS RETAINED FROM FISCAL YEAR 2001

The following general provisions from the fiscal year 2002 Act are retained in the fiscal year 2001 Act unchanged except for technical corrections, references to fiscal year 2002, and new section numbers where appropriate:

- Sec. 501. Obligations During Last Month of Availability.
- Sec. 503. Limitation on Residence Expenses.
- Sec. 504. Limitation on Expenses.
- Sec. 506. Prohibition on Financing Nuclear Goods.
- Sec. 507. Prohibition Against Direct Funding of Certain Countries.
- Sec. 509. Transfers Between Accounts.
- Sec. 510. Deobligation/Reobligation Authority
- Sec. 513. Commerce and Trade.
- Sec. 514. Surplus Commodities.
- Sec. 516. Limitation on Availability of Funds for International Organizations and Programs.
- Sec. 517. Independent States of the Former Soviet Union
- Sec. 518. Prohibition on Funding for Abortions and Involuntary Sterilization.
- Sec. 519. Export Financing Transfer Authorities.
- Sec. 521. Definition of Program, Project, and Activity.
- Sec. 522. Child Survival and Disease Prevention Activities.
- Sec. 527. Prohibition on Bilateral Assistance to Terrorist Countries.
- Sec. 528. Debt-for-Development.
- Sec. 529. Separate Accounts.
- Sec. 530. Compensation for U.S. Executive Directors to International Financial Institutions.
- Sec. 531. Compliance with United Nations Sanctions against Iraq.
- Sec. 535. Policy on Terminating the Arab League Boycott of Israel and Normalizing Relations with Israel.
- Sec. 536. Administration of Justice Activities.
- Sec. 539. Ceilings and Earmarks.
- Sec. 540. Prohibition on Publicity and Propaganda.
- Sec. 542. Prohibition of Payments to United Nations Members.
- Sec. 545. Withholding of Assistance for Parking Fines Owed by Foreign Countries.
- Sec. 546. Limitation on Assistance for the PLO for the West Bank and Gaza.
- Sec. 548. Landmines.
- Sec. 549. Restrictions Concerning the Palestinian Authority.
- Sec. 550. Prohibition of Payment of Certain Expenses.
- Sec. 551. Special Debt Relief for the Poorest.
- Sec. 552. Authority to Engage in Debt Buybacks or Sales.
- Sec. 553. Restrictions on Voluntary Contributions to United Nations Agencies.
- Sec. 554. Haiti Coast Guard.

- Sec. 555. Limitation on Assistance to the Palestinian Authority.
- Sec. 556. Limitation on Assistance to Security Forces.
- Sec. 557. Discrimination Against Minority Religious Faiths in the Russian Federation.
- Sec. 559. Enterprise Fund Restrictions.
- Sec. 561. Foreign Military Financing Report.
- Sec. 564. Prohibition on Assistance to the Palestinian Broadcasting Corporation.
- Sec. 566. Kyoto Protocol.
- Sec. 567. West Bank and Gaza Program.
- Sec. 570. Taiwan Reporting Requirement.
- Sec. 571. Restrictions on Assistance to Governments Destabilizing Sierra Leone.
- Sec. 573. Contributions to United Nations Population Fund.
- Sec. 574. American Churchwomen in El Salvador.
- Sec. 575. Procurement and Financial Management Reform.
- Sec. 576. Commercial Leasing of Defense Articles.
- Sec. 579. User Fees.

#### HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

##### TRANSFER OF FUNDS

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following is submitted describing the transfer of funds provided in the accompanying bill. Under "Development credit authority" up to \$7,500,000 is authorized to be transferred to the account from a variety of sources.

##### RESCISSIONS

Clause 3(f)(2) of rule XIII of the Rules of the House of Representatives requires a separate listing of rescissions. There are no rescissions recommended in the accompanying bill.

##### CONSTITUTIONAL AUTHORITY

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives states that:

Each report of a committee on a bill or joint resolution of a public character, shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution.

The Committee on Appropriations bases its authority to report this legislation from Clause 7 of Section 9 of Article I of the Constitution of the United States of America which states:

No money shall be drawn from the Treasury but in consequence of Appropriations made by law \* \* \*

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

##### CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3(f), rule XIII of the Rules of the House of Representatives, the following statements are submitted describing the effects of provisions in the accompanying bill which directly or

indirectly change the application of existing law. Most of the language has been provided in previous measures including supplementals for the departments and agencies carried in the accompanying bill.

1. The bill contains appropriations for a number of items for which authorizations for fiscal year 2002 have not yet been enacted. The bill allows funds appropriated in the bill to be obligated in the absence of a prior authorization of appropriations.

2. The bill provides that a few of the appropriations shall remain available for obligation beyond the current fiscal year. In all cases it is deemed desirable to carry such language in order to provide for orderly administration of such programs and effective use of funds.

3. The bill contains a number of general provisions and other language that have been carried in the bill in past years.

4. Under "Export-Import Bank of the United States", funds are prohibited for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon state as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance that has detonated a nuclear explosive after the date of enactment.

5. Under "Overseas Private Investment Corporation", the Corporation is authorized to make expenditures, and it is stated that administrative expenses shall not include project-specific costs and other related costs. In addition, funds are authorized to be derived by transfer from the noncredit account. Finally, funds are authorized for administrative expenses by transfer from the noncredit account.

6. Under "Child Survival and Health Programs Fund" the bill contains provisions relating to abortion and family planning that were carried in the fiscal year 2001 Act under "Development Assistance"; other authorities for the use of the fund were contained in the fiscal year 2001 Act and are consistent with the Foreign Assistance Act; in addition, funds may be made available for non-project assistance only for ongoing health programs; in addition, language is provided that indicates how the funds should be allocated among various activities, and up to \$60,000,000 is authorized to be made available for a contribution to The Vaccine Fund.

7. Under "Development Assistance", no funds may be made available for any activity which is in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES); in addition, not to exceed \$25,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of programs for displaced and orphaned children and victims of war; and a reference to section 131 of the Foreign Assistance Act is inserted.

8. Under "International Disaster Assistance", funds are made available for relief, rehabilitation and reconstruction assistance.

9. Under "Transition Initiatives" authority is provided to develop, strengthen, or preserve democratic institutions and processes, revitalize basic infrastructure, and foster the peaceful resolution of conflict; in addition, the account requires a report at least 5 days prior to beginning a program of assistance.

10. Under "Development Credit Authority", authority is provided to guarantee up to 70 percent of the principal amount of any loans

notwithstanding existing law; in addition, a separate account "Micro and Small Enterprise Development Program Account" is deleted.

11. Under "Economic Support Fund", funds are available as cash grants to Israel and Egypt. Funds for Israel are made available within 30 days of enactment or by October 31, 2001, whichever is later. In addition, the cash grant to Egypt is provided with the understanding that significant economic reforms will be undertaken, and the cash grant to Israel is provided with direction to the President that he ensure that the level of assistance does not cause an adverse impact on the level of non-military exports from the United States to such country and that Israel enter into a side letter agreement equivalent to 1999.

12. Under "Debt Restructuring", funds are authorized for purposes consistent with existing law, except that funds appropriated for concessional debt relief are authorized for "IDA-only" countries; in addition, funds may be paid to the "Heavily Indebted Poor Countries Trust Fund" for the U.S. share of repayment of debt owed by Bolivia and Mozambique; in addition, any international financial institution in receipt of such U.S. contributions is required to notify the Secretary of the Treasury that no new loans or credits will be extended to such member country for a period of up to 24 months; in addition, the Secretary of the Treasury is required to provide to the Committees on Appropriations full documentation relating to commitments by such countries to redirect resources to poverty alleviation or economic growth programs; and in addition, any limitation of subsection (e) of section 411 of the Agricultural Trade Development and Assistance Act of 1954 shall not apply to funds appropriated under this heading.

13. In title II, funds are appropriated for the administrative costs of the Development Credit Authority, and such funds may be transferred to the operating expenses account of the Agency for International Development.

14. Under "Assistance for Eastern Europe and the Baltic States", funds are made subject to section 529 of this Act.

15. Under "International Fund for Ireland", \$25,000,000 is provided, which shall be expended at the minimum rate necessary to make timely payment for projects and activities.

16. Under "Assistance to Eastern Europe and the Baltic States", funds are provided notwithstanding any other provision of law for economic assistance; funds are made available as if they were considered economic assistance under the Foreign Assistance Act; funds for Bosnia are subject to certain conditions. Funds available for an Enterprise Fund are authorized to be deposited in interest-bearing accounts, and shall be expended at the minimum rate necessary to make timely payments for projects and activities; in addition, assistance for Kosovo is proposed to be limited to 15% of the total pledges made by all donors as of March 31, 2002; in addition, notwithstanding certain provisions of law, local currencies generated by, or converted from, funds appropriated by this Act and by previous appropriations Acts for Bosnia may be made available for purposes of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989.

17. Under "Assistance for the Independent States of the Former Soviet Union", the Committee has included a limitation on the

amount of assistance that may be made available for any one country in the region; it has also retained language concerning cooperation between Russia and Iran; in addition, exceptions are made to the application of section 907 of the FREEDOM Support Act; funds for the Government of Russia are subject to certain limitations; and certain authorities are granted for the use of funds appropriated for Enterprise Funds that were carried in the fiscal year 2001 Act; in addition, no funds are available for the Government of the Russian Federation if the Secretary of State cannot certify that they are in compliance with certain specified conditions.

18. Under "International Narcotics Control and Law Enforcement", anti-crime programs are subject to notification; in addition, a new account is created using the authorities of section 481 of the Foreign Assistance Act entitled "Andean Counterdrug Initiative", for which funds are appropriated solely to support counterdrug activities in the Andean region of South America and which are available notwithstanding section 3204(b)(1)(B) of Public Law 106-246 and notwithstanding section 482(b) of the Foreign Assistance Act of 1961; in addition, in both accounts limitations of \$16,600,000 and \$14,240,000, respectively, are placed on administrative expenses.

19. Funding is provided for "Migration and Refugee Assistance", and a limitation of \$15,000,000 is provided for administrative expenses, and a contribution to the headquarters expenses of the International Committee of the Red Cross is made contingent on Magen David Adom of Israel being given the opportunity to participate in the activities of the International Red Cross and Red Crescent Movement.

20. Under "United States Emergency Refugee and Migration Assistance Fund", funds are provided notwithstanding the limitations contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962.

21. Under "Nonproliferation, Anti-terrorism, Demining, and Related Programs", funds are made available to 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; funds are made available notwithstanding any other provision of law; and the use of funds is made subject to consultations with the Committees on Appropriations; funds are authorized to be made available for the IAEA, KEDO, and the CTBT Preparatory Commission, and funds are authorized for IAEA only to the extent Israel is not being denied its right to participate in the activities of that Agency.

22. Under "Debt Restructuring", funds are available for the cost of selling, reducing, or canceling debt owed to the United States, for modifying concessional debt agreements with least developed countries.

23. Under "International Military Education and Training", the IMET for Indonesia and Guatemala shall be only for expanded military education and training and funds for Indonesia and Guatemala are subject to notification.

24. Under "Foreign Military Financing Program", the Committee has provided that not less than \$535,000,000 in FMF grants should be available for the procurement in Israel of defense articles and defense services.

25. Under “Foreign Military Financing Program”, funds estimated to be outlaid for Egypt in fiscal year 2002, and funds appropriated for Israel, shall be disbursed within 30 days of enactment or by October 31, 2001, whichever is later; in addition, funds are nonrepayable notwithstanding section 23 of the Arms Export Control Act; in addition, certain authorities that were contained in the fiscal year 2001 Act are continued in this Act.

26. Under “Peacekeeping Operations”, funds are made available subject to the regular notification procedures of the Committees on Appropriations.

27. Under title IV, funds for a number of international financial institutions are made available for contributions; funds are made available for the United States share of the paid-in portion of the increase in capital stock of certain institutions; and limitations are placed on callable capital subscriptions.

28. Under “Contribution to the European Bank for Reconstruction and Development”, the Committee has provided \$35,778,717 for the purchase of stock during fiscal year 2001 and placed a limit on callable capital.

29. Under “Contribution to the International Development Association”, the Secretary of the Treasury is directed to seek an agreement that future assistance to member countries participating in debt reduction through HIPC shall, to the extent allowed by IOA policy and resources, be on a grant basis.

30. Under “International Organizations and Programs”, the Committee has prohibited and conditioned the funding of certain organizations and programs.

31. Under “General Provisions”:

Sec. 502, “Private and Voluntary Organizations” is a new general provision that repeats language previously carried under that heading in title II; the language prohibits funds for any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 percent of its total annual funding for international activities from sources other than the United States government, but allows the Administrator of AID to waive this prohibition on a case-by-case basis after taking into account various factors; it also specifies that funds appropriated under title II should be made available to private and voluntary organizations at a level at least equivalent to the fiscal year 1995 level.

Sec. 505, “Limitation on Representational Allowances” is modified by limiting representation expenses associated with funds made available under “Foreign Military Financing Program” to \$150,000.

Sec. 508, “Military Coups” is modified to specify that resumption of assistance to a country that was previously suspended as the result of an elected head of government being deposed by decree or military coup may occur if the President determines that a democratically elected government has taken office or substantial progress has been made towards the holding of elections.

Sec. 511, “Availability of Funds” is modified to add funds appropriated to carry out section 23 of the Arms Export Control Act to the list of funds that may remain available until for an extended period of time if obligated before the expiration of their periods of

availability, and to limit the extended availability of funds obligated prior to the expiration of their availability to four years.

Sec. 512, "Limitation on Assistance to Countries in Default", is modified to allow for a waiver of the provisions of this section if the President determines, following consultations with the Committees on Appropriations, that assistance to a country otherwise prohibited from receiving funds is in the national interest of the United States.

Sec. 515, "Notification Requirements" is modified by changing the name of the account "Child Survival and Disease Programs Fund" to "Child Survival and Health Programs Fund" consistent with the modification to the name of the account made in title II.

Sec. 524, "Notification on Excess Defense Equipment" is modified to limit the notifications of excess defense articles to those that are significant military equipment or had an original acquisition cost of \$7,000,000 or more, of if the recipient country is subject to notification elsewhere in this Act.

Sec. 525, "Authorization Requirement" is modified to add the Trade and Development Agency and the Peace Corps to the list of accounts that are exempted from the waiver of the authorization requirement.

Sec. 526, "Democracy Programs" is modified to allow up to \$3,000,000, rather than \$2,000,000, for support of nongovernmental organizations located outside China to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in that country.

Sec. 534, "Special Authorities" is modified to carry language that had been carried in another provision to provide that section 576 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as amended, shall not apply to the provision of assistance from international financial institutions to the Federal Republic of Yugoslavia (the same language was carried in section 594 of the fiscal year 2001 appropriations act); it is also modified to provide that during fiscal year 2002, the President may use up to \$50,000,000 under the authority of section 451 of the Foreign Assistance Act, notwithstanding the funding ceiling in section 451(a).

Sec. 537, "Eligibility for Assistance" is modified to prohibit the provisions of the section from applying to assistance to the government of a country that violates section 116 of the Foreign Assistance Act of 1961.

Sec. 543, "Nongovernmental Organizations—Documentation" is modified by changing the title and language in the provision from "private voluntary" to "nongovernmental".

Sec. 544, "Prohibition on Assistance to Foreign Governments that Export Lethal Military Equipment to Countries Supporting International Terrorism" is modified by updating a reference to section 6(j) of the Export Administration Act.

Sec. 560, "Cambodia" is modified to exempt assistance for basic education from the funding limitation of the section.

Sec. 562, "Korean Peninsula Energy Development Organization" is modified by limiting funds for KEDO to \$95,000,000 and providing for certain certification and reporting requirements.

Sec. 563, "PLO Compliance Report" is a new section.

Sec. 565, "Iraq" is modified by authorizing assistance under the "Economic Support Fund" for programs benefiting the Iraqi people and to support efforts to bring about political transition in Iraq.

Sec. 568, "Indonesia" is modified to refer to Indonesian Ministry of Defense or military personnel for the purposes of applying this section to the possible provision of assistance for Indonesia.

Sec. 572, "Voluntary Separation Incentives" amends existing law to provide authority for an additional year for the Agency for International Development to extend voluntary separation incentives to certain employees.

Sec. 577, "Abolition of the Inter-American Foundation" is modified to extend the authorities of this section for an additional year.

Sec. 578, "War Criminals" is modified to provide that none of the funds appropriated pursuant to this Act may be made available, with the exception of humanitarian assistance and assistance for democratization, to any country, entity, or municipality whose competent authorities have failed to take necessary and significant steps to apprehend and transfer to the International Criminal Tribunal for the Former Yugoslavia all persons publicly indicted by the Tribunal unless such authorities are (1) cooperating with the Tribunal in specified ways and (2) taking steps that are consistent with the Dayton Accords; in addition, a waiver provision is included to allow assistance if it is in the national interest of the United States.

Sec. 581, "Heavily Indebted Poor Countries Trust Fund Authorization" is a new provision that amends section 801(b)(1) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001, to increase the authorization level of the aforementioned trust fund from \$435,000,000 to \$600,000,000, consistent with the funding recommendation in title II of this Act.

Sec. 582, "Funding for Serbia" is similar to section 594 of the fiscal year 2001 appropriations act, except that it does not specify a funding ceiling for assistance for Serbia and does not contain subsection (e), which dealt with transition issues related to state liabilities, assets, and property.

Sec. 583, "Improving Global Health Through Safe Injections" is a new general provision that directs the Agency for International Development to develop and implement effective strategies to improve injection safety in its health programs, and to report to the Congress not later than March 31, 2002, on its efforts in this regard.

Sec. 584, "El Salvador Reconstruction" is a new general provision that provides that not less than \$100,000,000 shall be made available during fiscal year 2002 for rehabilitation and reconstruction assistance for El Salvador, of which not less than \$65,000,000 shall be derived from funds appropriated in this Act and not less than \$35,000,000 shall be derived from funds appropriated for fiscal year 1999 and prior years, from certain specified accounts.

#### APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f)(1) of rule XIII of the Rules of the House of Representatives, the following table lists the appropriations in the accompanying bill which, in whole or in part, are not authorized by law:

	Last year authorized	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
Export-Import Bank .....	2001 .....	Such sums as may be necessary .....	\$865,000,000 .....	\$753,323,000
Export-Import Bank administrative expenses.	2001 .....	Such sums as may be necessary .....	\$62,000,000 .....	\$63,000,000
Child Survival and Health Programs Fund (See note below).	Population (1987); Health and Disease Prevention (1987); Child Survival Fund (1987); HIV/AIDS (2002).	Population (\$290,000,000); Health and Disease Prevention (\$180,000,000); Child Survival Fund (\$75,000,000); HIV/AIDS (\$300,000,000).	Population (\$234,625,000); Health and Disease Prevention (\$166,762,500); Child Survival Fund (\$75,000,000); HIV/AIDS (\$474,000,000 in fy2002 recommendation, of which \$434,000,000 in this account).	\$1,387,000,000 (includes \$425,000,000 for population, of which \$358,000,000 in this account; funding for other programs, other than HIV/AIDS, difficult to determine due to changing definitions of programs since last authorized)
Development Assistance (See note below)	Agriculture (1987); Education (1987); Energy and selected development activities (1987).	Agriculture (\$760,000,000); Education (\$180,000,000); Energy and selected development activities (\$207,000,000).	Agriculture (\$639,613,000); Education (\$155,000,000); Energy and selected development activities (\$149,990,000).	\$1,098,000,000 (includes \$150,000,000 for basic education, of which \$135,000,000 in this account; other programs difficult to determine due to changing definitions of programs since last authorized)
International Disaster Assistance .....	1987 .....	\$25,000,000 .....	\$70,000,000 .....	\$200,000,000
Transition initiatives .....	None (same authorities as international disaster assistance).	.....	.....	\$40,000,000
Development credit authority .....	None .....	.....	.....	(\$12,500,000)
Development credit authority administrative expenses.	None .....	.....	.....	\$7,500,000
Payment to the Foreign Service Retirement and Disability Fund.	None; mandatory item .....	.....	.....	\$44,880,000
Operating expenses of the United States Agency for International Development.	1987 .....	\$387,000,000 .....	\$340,600,000 .....	\$549,000,000
Operating Expenses of the United States Agency for International Development Inspector General.	1987 .....	\$21,750,000 .....	\$21,000,000 .....	\$30,000,000
Economic Support Fund .....	1987 .....	\$3,800,000,000 .....	\$3,555,000,000 .....	\$2,199,000,000
International Fund for Ireland .....	1988 .....	\$35,000,000 .....	\$35,000,000 .....	\$25,000,000
Assistance for Eastern Europe and the Baltic States (See note below).	None .....	.....	.....	\$600,000,000
Assistance for the Independent States of the Former Soviet Union.	1993 .....	\$410,000,000 .....	\$417,000,000 .....	\$768,000,000
Inter-American Foundation .....	1987 .....	\$11,969,000 .....	\$11,800,000 .....	\$12,000,000
African Development Foundation .....	1987 .....	\$3,872,000 .....	\$6,500,000 .....	\$16,042,000

	Last year authorized	Authorization level	Appropriations in last year of authorization	Appropriations in this bill
International Narcotics Control and Law Enforcement.	1994	\$171,500,000	\$100,000,000	\$217,000,000
Andean Counterdrug Initiative	None			\$676,000,000
Migration and Refugee Assistance	2001	\$750,000,000	\$700,000,000	\$715,000,000
U.S. Emergency Refugee and Migration Assistance Fund (See note below).	1962	Such amounts as may be necessary	N/A	\$15,000,000
Nonproliferation, Anti-terrorism, demining and related programs (See note below).	None			\$311,000,000
International Affairs Technical Assistance	1999	\$5,000,000	\$1,500,000	\$6,000,000
Debt restructuring	2001	\$435,000,000	\$448,000,000 (included up to \$435,000,000 for Heavily Indebted Poor Countries (HIPC) debt relief; additional sums for unauthorized bilateral debt relief).	\$224,000,000 (Note: section 581 includes additional authorization for HIPC debt relief, consistent with appropriations recommendation for this account)
Peacekeeping operations	1999	\$83,000,000	\$76,500,000	\$135,000,000
Asian Development Fund	2001	\$400,000,000 over four years (beginning in fy1998).	\$72,000,000	\$103,017,000
International Organizations and Programs	2001	Such sums as may be necessary	\$186,000,000	\$196,000,000

Note. Programs recommended herein under "Child Survival and Health Programs Fund" and "Development Assistance" were last authorized under a different account structure than that recommended in this bill; the account structure included a number of functional accounts, as described above.

Note. Programs recommended herein under "Support for Eastern Europe and the Baltic States" were last authorized in the Support for East European Democracy (SEED) Act of 1989; however, these funds were authorized for discrete programs and not for the account as a whole. In fiscal year 1991, the first general appropriations act after enactment of the SEED Act included \$369,675,000 for this account.

Note. Funds for the United States Emergency Refugee and Migration Assistance Program (ERMA) are authorized in such amounts as may be necessary; however, appropriations which would result in a balance in the fund of more than \$100,000,000 are prohibited (22 U.S.C. 2601(c)) absent a waiver of this provision of law.

Note. Programs recommended herein under "Nonproliferation, Anti-terrorism, Demining, and Related Programs" include some major programs for which authorizations of appropriations were provided for fiscal year 2002; these programs include \$73,000,000 authorized for anti-terrorism assistance and \$142,000,000 authorized for nonproliferation activities. In addition, some programs now in this account were previously in accounts which had authorizations of appropriations in prior years.

## COMPARISON WITH BUDGET RESOLUTION

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives requires an explanation of compliance with section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, which requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year from the Committee's section 302(a) allocation.

[In millions of dollars]

	302(b) allocation—		This bill—	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary .....	15,168	15,099	15,167	15,089
Mandatory .....	45	45	45	45

NOTE.—The outlays in this bill are technically in excess of the subcommittee section 302(b) suballocation. However, prior to floor consideration, the Committee intends to file a revised 302(b) suballocation that will eliminate the excess.

## FIVE-YEAR OUTLAY PROJECTIONS

In compliance with section 308(a)(1)(B) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the following table contains five-year projections associated with the budget authority provided in the accompanying bill:

Fiscal year 2002 .....	5,563
Fiscal year 2003 .....	4,838
Fiscal year 2004 .....	2,481
Fiscal year 2005 .....	980
Fiscal year 2006 .....	1,137

## STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the following is a statement of general performance goals and objectives for which this measure authorizes funding:

The Committee on Appropriations considers program performance, including a program's success in developing and attaining outcome-related goals and objectives, in developing funding recommendations.

## ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the financing assistance to State and local governments is as follows:

The amounts recommended in the accompanying bill contain no budget authority or budget outlays for State or local governments.

## COMPLIANCE WITH RULE XIII, CL. 3(e) (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omit-

ted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

**FOREIGN OPERATIONS, EXPORT FINANCING, AND  
RELATED PROGRAMS APPROPRIATIONS ACT, 1996**

\* \* \* \* \*

**TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE**

\* \* \* \* \*

**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, \$285,000,000: *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 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 denied its right to participate in the activities of that Agency: *Provided further*, That none of the funds appropriated under this heading that are made available to the United Nations Population Fund (UNFPA) shall be made available for activities in the People's Republic of China: *Provided further*, That not more than \$30,000,000 of the funds appropriated under this heading may be made available to the UNFPA: *Provided further*, That not more than one-half of this amount may be provided to UNFPA before March 1, 1996, and that no later than February 15, 1996, the Secretary of State shall submit a report to the Committees on Appropriations indicating the amount UNFPA is budgeting for the People's Republic of China in 1996: *Provided further*, That any amount UNFPA plans to spend in the People's Republic of China in 1996 above \$7,000,000, shall be deducted from the amount of funds provided to UNFPA after March 1, 1996 pursuant to the previous provisos: *Provided further*, That with respect to any funds appropriated under this heading that are made available to UNFPA, UNFPA shall be required to maintain such funds in a separate account and not commingle them with any other funds: *Provided further*, That funds may be made available to the Korean Peninsula Energy Development Organization (KEDO) for administrative expenses and heavy fuel oil costs associated with the Agreed Framework: *Provided further*, That no funds may be provided for KEDO for funding for administrative expenses and heavy fuel oil costs beyond the total amount included for KEDO in the fiscal year 1996 congressional presentation: *Provided further*, That no funds may be made available under this Act to KEDO unless the President determines and certifies in writing to the Committees on Appropriations that (a) in accordance with section 1 of the Agreed Framework, KEDO has designated a Republic of Korea company, corporation or entity for the purpose of negotiating a prime contract to carry out construction of the light water reactors provided for in the Agreed Framework; and (b) the Democratic People's Republic of Korea is maintaining the freeze on its nuclear facilities as required in the

Agreed Framework; and (c) the United States is taking steps to assure that progress is made on (1) the North-South dialogue, including efforts to reduce barriers to trade and investment, such as removing restrictions on travel, telecommunications services and financial transactions; and (2) implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula[*: Provided further*, That a report on the specific efforts with regard to subsections (a), (b) and (c) of the preceding proviso shall be submitted by the President to the Committees on Appropriations six months after the date of enactment of this Act, and every six months thereafter].

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**FOREIGN OPERATIONS, EXPORT FINANCING, AND  
RELATED PROGRAMS APPROPRIATIONS ACT, 2000**

\* \* \* \* \*

**TITLE V—GENERAL PROVISIONS**

\* \* \* \* \*

**VOLUNTARY SEPARATION INCENTIVES FOR EMPLOYEES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT**

**SEC. 579. (a) \* \* \***

\* \* \* \* \*

**(c) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—**

**(1) \* \* \***

**(2) AMOUNT AND TREATMENT OF PAYMENTS.—**A voluntary separation incentive payment under this section—

**(A) \* \* \***

\* \* \* \* \*

**(D) may not be made except in the case of any employee who voluntarily separates (whether by retirement or resignation) on or before December 31, [2001] 2002;**

\* \* \* \* \*

**ABOLITION OF THE INTER-AMERICAN FOUNDATION**

**SEC. 586. (a) \* \* \***

**(b) ABOLITION OF INTER-AMERICAN FOUNDATION.—**During fiscal [years 2000 and 2001] *years 2000, 2001, and 2002*, the President is authorized to abolish the Inter-American Foundation. The provisions of this section shall only be effective upon the effective date of the abolition of the Inter-American Foundation.

\* \* \* \* \*

**SECTION 801 OF THE FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2001**

**SEC. 801. DEBT RELIEF UNDER THE HEAVILY INDEBTED POOR COUNTRIES (HIPC) INITIATIVE.**

(a) \* \* \*

(b) CONTRIBUTIONS TO HIPC TRUST FUND.—

(1) AUTHORIZATION OF APPROPRIATIONS FOR CONTRIBUTIONS.—There is authorized to be appropriated for the period beginning October 1, 2000, and ending September 30, 2003, **[\$435,000,000]** *\$600,000,000* for purposes of United States contributions to the Heavily Indebted Poor Countries (HIPC) Trust Fund administered by the Bank.

\* \* \* \* \*

## FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

## ROLLCALL NO. 1

Date: July 10, 2001.

Measure: Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 2002.

Motion By: Ms. Pelosi.

Description of Motion: To reduce the amounts provided for the Andean Counterdrug Initiative by \$100,000,000 and to limit military aid to Colombia to a level of \$65,000,000; and to increase the amounts provided to the Child Survival and Disease Programs Account by \$100,000,000 of which \$70,000,000 is for other infectious diseases and \$30,000,000 is for child survival and maternal health.

Results: Rejected 22 yeas to 39 nays.

*Members Voting Yea*

Mr. Clyburn  
 Ms. DeLauro  
 Mr. Edwards  
 Mr. Fattah  
 Mr. Hinchey  
 Mr. Hoyer  
 Mr. Jackson  
 Ms. Kaptur  
 Mr. Kilpatrick  
 Mrs. Lowey  
 Mrs. Meek  
 Mr. Moran  
 Mr. Obey  
 Mr. Olver  
 Mr. Pastor  
 Ms. Pelosi  
 Mr. Price  
 Ms. Roybal-Allard  
 Mr. Sabo  
 Mr. Serrano  
 Mr. Visclosky  
 Mr. Wicker

*Members Voting Nay*

Mr. Aderholt  
 Mr. Bonilla  
 Mr. Boyd  
 Mr. Callahan  
 Mr. Cramer  
 Mr. Cunningham  
 Mr. DeLay  
 Mr. Doolittle  
 Mr. Emerson  
 Mr. Farr  
 Mr. Frelinghuysen  
 Mr. Goode  
 Ms. Granger  
 Mr. Hobson  
 Mr. Istook  
 Mr. Kennedy  
 Mr. Kingston  
 Mr. Knollenberg  
 Mr. Kolbe  
 Mr. LaHood  
 Mr. Latham  
 Mr. Miller  
 Mr. Nethercutt  
 Mr. Northup  
 Mr. Peterson  
 Mr. Regula  
 Mr. Rogers  
 Mr. Rothman  
 Mr. Sherwood  
 Mr. Skeen  
 Mr. Sununu  
 Mr. Sweeney  
 Mr. Taylor  
 Mr. Tiahrt  
 Mr. Vitter  
 Mr. Walsh  
 Mr. Wamp  
 Mr. Wolf  
 Mr. Young

## FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

## ROLLCALL NO. 2

Date: July 10, 2001.

Measure: Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 2002.

Motion By: Mr. Obey.

Description of Motion: To strike all funds provided for the Andean Counterdrug Initiative and to provide \$676,000,000 for Substance Abuse and Mental Health Services at the Department of Health and Human Services.

Results: Rejected 18 yeas to 43 nays.

*Members Voting Yea*

Mr. Clyburn  
Mr. Fattah  
Mr. Hinchey  
Mr. Hoyer  
Mr. Jackson  
Ms. Kaptur  
Mr. Kilpatrick  
Mrs. Lowey  
Mrs. Meek  
Mr. Obey  
Mr. Olver  
Mr. Pastor  
Ms. Pelosi  
Ms. Roybal-Allard  
Mr. Sabo  
Mr. Serrano  
Mr. Visclosky  
Mr. Wicker

*Members Voting Nay*

Mr. Aderholt  
Mr. Bonilla  
Mr. Boyd  
Mr. Callahan  
Mr. Cramer  
Mr. Cunningham  
Ms. DeLauro  
Ms. DeLay  
Mr. Doolittle  
Mr. Edwards  
Mrs. Emerson  
Mr. Farr  
Mr. Frelinghuyen  
Mr. Goode  
Ms. Granger  
Mr. Hobson  
Mr. Istook  
Mr. Kennedy  
Mr. Kingston  
Mr. Knollenberg  
Mr. Kolbe  
Mr. LaHood  
Mr. Latham  
Mr. Miller  
Mr. Moran  
Mr. Nethercutt  
Mrs. Northup  
Mr. Peterson  
Mr. Price  
Mr. Regula  
Mr. Rogers  
Mr. Rothman  
Mr. Sherwood  
Mr. Skeen  
Mr. Sununu  
Mr. Sweeney  
Mr. Taylor  
Mr. Tiahrt  
Mr. Vitter  
Mr. Walsh  
Mr. Wamp  
Mr. Wolf  
Mr. Young



**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002**  
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
<b>TITLE I - EXPORT AND INVESTMENT ASSISTANCE</b>					
<b>EXPORT-IMPORT BANK OF THE UNITED STATES</b>					
Subsidy appropriation.....	865,000	633,323	753,323	-111,677	+ 120,000
(Direct loan authorization).....	(865,000)	(152,000)	(950,000)	(+ 85,000)	(+ 798,000)
(Guaranteed loan authorization).....	(13,535,000)	(11,335,000)	(12,700,000)	(-835,000)	(+1,365,000)
Administrative expenses.....	62,000	65,000	63,000	+ 1,000	-2,000
Negative subsidy.....	-15,000	-11,000	-11,000	+4,000	.....
<b>Total, Export-Import Bank of the United States.....</b>	<b>912,000</b>	<b>687,323</b>	<b>805,323</b>	<b>-106,677</b>	<b>+ 118,000</b>
<b>OVERSEAS PRIVATE INVESTMENT CORPORATION</b>					
Noncredit account:					
Administrative expenses.....	38,000	38,608	38,608	+ 608	.....
Insurance fees and other offsetting collections.....	-283,000	-290,000	-290,000	-7,000	.....
Subsidy appropriation.....	24,000	.....	.....	-24,000	.....
(Direct loan authorization).....	(127,000)	(45,000)	(45,000)	(-82,000)	.....
(Guaranteed loan authorization).....	(1,000,000)	(1,152,000)	(1,152,000)	(+ 152,000)	.....
<b>Total, Overseas Private Investment Corporation.....</b>	<b>-221,000</b>	<b>-251,392</b>	<b>-251,392</b>	<b>-30,392</b>	.....
<b>TRADE AND DEVELOPMENT AGENCY</b>					
Trade and development agency.....	50,000	50,024	50,024	+ 24	.....

Total, title I, Export and investment assistance.....	741,000	485,955	603,955	-137,045	+ 118,000
(Loan authorizations).....	(15,527,000)	(12,684,000)	(14,847,000)	(-680,000)	(+ 2,163,000)
<b>TITLE II - BILATERAL ECONOMIC ASSISTANCE</b>					
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>					
Agency for International Development					
Child survival and disease programs fund.....	963,000	991,000	1,387,000	+ 424,000	+ 396,000
Rescission of unobligated balances.....	.....	-20,000	.....	.....	+ 20,000
UNICEF.....	(110,000)	(110,000)	(120,000)	(+ 10,000)	(+ 10,000)
Subtotal, Child survival (net).....	963,000	971,000	1,387,000	+ 424,000	+ 416,000
Development assistance.....	1,305,000	1,325,000	1,098,000	-207,000	-227,000
International disaster assistance.....	165,000	200,000	200,000	+ 35,000	.....
Supplemental funding.....	135,000	.....	.....	-135,000	.....
Transition Initiatives.....	50,000	50,000	40,000	-10,000	-10,000
(By transfer).....	(5,000)	.....	.....	(-5,000)	.....
Micro & Small Enterprise Development program account:	.....	.....	.....	.....	.....
Subsidy appropriation.....	1,500	.....	.....	-1,500	.....
(Guaranteed loan authorization).....	(30,000)	.....	.....	(-30,000)	.....
Administrative expenses.....	500	.....	.....	-500	.....
Development credit authority:	.....	.....	.....	.....	.....
Subsidy appropriation.....	1,500	.....	.....	-1,500	.....
(By transfer).....	(5,000)	(25,000)	(12,500)	(+ 7,500)	(-12,500)
(Guaranteed loan authorization).....	(49,700)	(355,000)	(177,500)	(+ 127,800)	(-177,500)
Administrative expenses.....	4,000	7,500	7,500	+ 3,500	.....
Subtotal, development assistance.....	2,625,500	2,553,500	2,732,500	+ 107,000	+ 179,000

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued**  
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Payment to the Foreign Service Retirement and Disability Fund.....	44,489	44,880	44,880	+ 391	.....
Operating expenses of the Agency for International Development.....	520,000	549,000	549,000	+29,000	.....
(By transfer).....	(1,000)	.....	.....	(-1,000)	.....
Supplemental funding.....	13,000	.....	.....	-13,000	.....
Operating expenses of the Agency for International Development Office of Inspector General.....	27,000	32,000	30,000	+ 3,000	-2,000
Total, Agency for International Development (net).....	3,229,989	3,179,380	3,356,380	+126,391	+177,000
Other Bilateral Economic Assistance					
Economic support fund.....	2,295,000	2,254,000	2,199,000	-96,000	-55,000
Rescission of unobligated balances.....	.....	-5,000	.....	.....	+5,000
Subtotal, Economic support fund (net).....	2,295,000	2,249,000	2,199,000	-96,000	-50,000
International Fund for Ireland.....	25,000	.....	25,000	.....	+25,000
Assistance for Eastern Europe and the Baltic States.....	600,000	605,000	600,000	.....	-5,000
Supplemental funding.....	75,825	.....	.....	-75,825	.....
Assistance for the Independent States of the former Soviet Union.....	810,000	808,000	768,000	-42,000	-40,000
Total, Other Bilateral Economic Assistance (net).....	3,805,825	3,662,000	3,592,000	-213,825	-70,000

<b>INDEPENDENT AGENCIES</b>					
Inter-American Foundation					
Appropriation.....				12,000	+12,000
(By transfer).....	(12,000)	(12,108)			(-12,108)
African Development Foundation					
Appropriation.....			16,042		+16,042
(By transfer).....	(16,000)	(16,042)			(-16,042)
Peace Corps					
Appropriation.....	265,000	275,000	275,000		
Department of State					
International narcotics control and law enforcement .....	325,000	217,000	217,000	-108,000	
Andean Counterdrug Initiative .....		731,000	676,000	+676,000	-55,000
Migration and refugee assistance .....	700,000	715,000	715,000	+15,000	
United States Emergency Refugee and Migration Assistance Fund.....	15,000	15,000	15,000		
Nonproliferation, anti-terrorism, demining and related programs.....	311,600	332,000	311,000	-600	-21,000
Total, Department of State .....	1,351,600	2,010,000	1,934,000	+582,400	-76,000
Department of the Treasury					
International affairs technical assistance .....	6,000	6,000	6,000		
Global Fund to Fight HIV/AIDS, Malaria, & Tuberculosis.....		100,000			-100,000
Debt restructuring.....	238,000	224,000	224,000	-14,000	
Supplemental funding.....	210,000			-210,000	
United States community adjustment and investment program .....		500			-500
Subtotal, Department of the Treasury .....	454,000	330,500	230,000	-224,000	-100,500

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued**  
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Total, title II, Bilateral economic assistance (net).....	9,106,414	9,456,880	9,415,422	+ 309,008	-41,458
Appropriations .....	(8,672,589)	(9,481,880)	(9,415,422)	(+ 742,833)	(-66,458)
Emergency appropriations.....	(433,825)	.....	.....	(-433,825)	.....
Rescission.....	.....	(-25,000)	.....	.....	(+ 25,000)
(By transfer).....	(39,000)	(53,150)	(12,500)	(-26,500)	(-40,650)
(Loan authorizations).....	(79,700)	(355,000)	(177,500)	(+ 97,800)	(-177,500)
<b>TITLE III - MILITARY ASSISTANCE</b>					
<b>FUNDS APPROPRIATED TO THE PRESIDENT</b>					
International Military Education and Training.....	55,000	65,000	65,000	+ 10,000	.....
Supplemental funding.....	2,875	.....	.....	-2,875	.....
Foreign Military Financing Program:					
Grants .....	3,545,000	3,674,000	3,627,000	+ 82,000	-47,000
(Limitation on administrative expenses) .....	(33,000)	(35,000)	(35,000)	(+ 2,000)	.....
Supplemental funding.....	31,000	.....	.....	-31,000	.....
Total, Foreign Military Financing .....	3,576,000	3,674,000	3,627,000	+ 51,000	-47,000
Peacekeeping operations .....	127,000	135,000	135,000	+ 8,000	.....
Total, title III, Military assistance (net) .....	3,760,875	3,874,000	3,827,000	+ 66,125	-47,000
Appropriations .....	(3,727,000)	(3,874,000)	(3,827,000)	(+ 100,000)	(-47,000)
Emergency appropriations.....	(33,875)	.....	.....	(-33,875)	.....
(Limitation on administrative expenses) .....	(33,000)	(35,000)	(35,000)	(+ 2,000)	.....

TITLE IV - MULTILATERAL ECONOMIC ASSISTANCE  
 FUNDS APPROPRIATED TO THE PRESIDENT

International Financial Institutions								
World Bank Group								
Contribution to the International Bank for Reconstruction and Development: Global Environment Facility.....	108,000	107,500	82,500	-25,500	-25,000			
Contribution to the International Development Association.....	775,000	803,400	803,400	+28,400				
Contribution to Multilateral Investment Guarantee Agency .....	10,000	10,000	10,000					
(Limitation on callable capital subscriptions).....	(50,000)	(50,000)	(50,000)					
Total, World Bank Group.....	893,000	920,900	895,900	+2,900	-25,000			
Contribution to the Inter-American Development Bank:								
Contribution to the Inter-American Investment Corporation.....	25,000	25,000	10,000	-15,000	-15,000			
Contribution to the Enterprise for the Americas Multilateral Investment Fund .....	10,000			-10,000				
Total.....	35,000	25,000	10,000	-25,000	-15,000			
Contribution to the Asian Development Bank:								
Contribution to the Asian Development Fund .....	72,000	103,017	103,017	+31,017				
Contribution to the African Development Bank:								
Paid-in capital.....	6,100	5,100	5,100	-1,000				
(Limitation on callable capital subscriptions).....	(97,549)	(79,992)	(79,992)	(-17,557)				
Contribution to the African Development Fund .....	100,000	100,000	100,000					
Total.....	106,100	105,100	105,100	-1,000				

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2001  
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2002—Continued**  
(Amounts in thousands)

	FY 2001 Enacted	FY 2002 Request	Bill	Bill vs. Enacted	Bill vs. Request
Contribution to the European Bank for Reconstruction and Development:					
Paid-in capital.....	35,779	35,779	35,779		
(Limitation on callable capital subscriptions).....	(123,238)	(123,238)	(123,238)		
Contribution to the International Fund for Agricultural Development...	5,000	20,000	20,000	+ 15,000	
Total, International Financial Institutions.....	1,146,879	1,209,796	1,169,796	+ 22,917	-40,000
(Limitation on callable capital subscript).....	(270,787)	(253,230)	(253,230)	(-17,557)	
International Organizations and Programs					
Appropriation.....	186,000	186,000	196,000	+ 10,000	+ 10,000
Total, title IV, Multilateral economic assistance.....	1,332,879	1,395,796	1,365,796	+ 32,917	-30,000
(Limitation on callable capital subscript).....	(270,787)	(253,230)	(253,230)	(-17,557)	
Grand total (net).....	14,941,168	15,212,631	15,212,173	+ 271,005	-458
Appropriations.....	(14,473,468)	(15,237,631)	(15,212,173)	(+ 738,705)	(-25,458)
Rescissions.....		(-25,000)			(+ 25,000)
Emergency appropriations.....	(467,700)			(-467,700)	
(By transfer).....	(39,000)	(53,150)	(12,500)	(-26,500)	(-40,650)
(Limitation on administrative expenses).....	(33,000)	(35,000)	(35,000)	(+ 2,000)	
(Limitation on callable capital subscript).....	(270,787)	(253,230)	(253,230)	(-17,557)	
(Loan authorizations).....	(15,606,700)	(13,039,000)	(15,024,500)	(-582,200)	(+ 1,985,500)

CONGRESSIONAL BUDGET RECAP					
Total mandatory and discretionary .....	14,908,168	15,212,631	15,212,173	+ 304,005	-458
Mandatory .....	44,489	44,880	44,880	+ 391	.....
Discretionary .....	14,863,679	15,167,751	15,167,293	+ 303,614	-458

## ADDITIONAL VIEWS

In the recent past the initial 302(b) allocation for the Foreign Operations, Export Financing and Related Programs appropriations bill has been significantly below the Administration's request. Fortunately that pattern was broken this year with an allocation at the request level. This enabled the Committee to produce a bipartisan bill which incorporates many of the initiatives important to subcommittee members from both parties, and which funds most programs at or above the Administration's request level. While funding for some programs is still below adequate levels, the bill as a whole does give us the ability to respond to and confront ongoing development and security challenges around the world. In particular, the bill has increased significantly the amounts for child survival, maternal health, HIV/AIDS, basic education and other infectious diseases.

Of fundamental disagreement, however, are the policies imposed by the President on family planning programs. The bill provides \$425,000,000 for family planning programs, which is at the request level, but 29% below the FY 1995 level of \$541,600,000. The bill is silent regarding the Mexico City policy, which was imposed by executive order in January of 2001. This policy violates universal standards of medical ethics, forcing doctors to withhold critical health information from their clients. It also requires overseas NGOs to forfeit their right to free speech as a condition of receiving United States family planning assistance. Similar requirements would be unconstitutional if applied to United States-based organizations, and it is disingenuous to promulgate them abroad. I am disappointed that language designed to repeal the Mexico City policy was not included in the bill.

Another area of concern is the continued imbalance in the implementation of Plan Colombia. During the debate on the initial funding of Plan Colombia last year, members were assured that the "push into southern Colombia" would include economic and alternative development programs in conjunction with the military assistance and training and aerial fumigation. There were also assurances that the bulk of funding for "Plan Colombia" would come in the form of economic assistance and that our European allies would participate.

Neither of these assurances has come to pass. A massive fumigation campaign commenced last December in southern Colombia before any alternative development programs were in place. By March, 2001, not one grain of rice, nor one seed, had been delivered to communities that had agreed to voluntary eradication. As of today, fully a year after funds were made available, only two of the 29 communities that have signed alternative development pacts have received any assistance. Meanwhile, military training and the provision of equipment have proceeded rapidly, and all three of the

counter-narcotics battalions have been trained. The impact of our “push into southern Colombia” thus far has been further disruption and disillusionment of the population on the prospects for an end to the conflict. Aerial fumigation should cease until programs designed to give communities the opportunity to voluntarily eradicate coca are operating effectively.

Unfortunately, the billions in additional economic assistance for Colombia have not materialized. Our European allies have chosen not to participate in a significant way in Plan Colombia. It is therefore time to slow the pace of the military assistance while a workable economic assistance plan is developed with the support of our allies and people in Colombia most affected by the drug war.

With respect to the assistance to help El Salvador recover from two devastating earthquakes, the bill does include a designation of \$100,000,000 from within existing and prior year resources for recovery. However, this is far from adequate given the fact that 175,000 homes were destroyed, leaving over one million people homeless, and that over one-third of the nation’s schools were destroyed along with numerous hospitals, roads and other infrastructure.

While the assistance designated in the bill is appreciated, the Administration has disappointed many by refusing to submit a request for additional resources to meet urgent needs. Unfortunately, many of our allies followed our miserly lead at the recent donor conference. The tragic result will be that El Salvador will need to incur significant debt to finance its recovery. This tragedy occurred just as the economy of that country was showing signs of permanent recovery from the civil war. Given the nature of our involvement in El Salvador’s internal affairs, not to mention the investment of over \$6 billion in U.S. assistance, it is astonishing that the new administration has not been more forthcoming.

NITA M. LOWEY.

