

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED
PROGRAMS APPROPRIATIONS BILL, 2000

JULY 23, 1999.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

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

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 2606]

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, 2000, 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 \$1,947,420,000 below the Administration's fiscal year 2000 request in discretionary budget authority. The resulting total of \$12,624,278,000 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 \$12,625,000,000 in discretionary budget authority and \$13,168,000,000 in outlays. The Committee

recommendation of \$12,624,278,000 in discretionary budget authority is slightly below the section 302(b) allocation, and consumes almost all of the allocation for outlays. On a comparative basis the Committee recommendation is \$20,662,278,000 below the 1999 level including funding for the International Monetary Fund, emergency funding, and arrears for international financial institutions, and \$202,674,000 below the 1999 level excluding these items.

LOOKING TO THE FUTURE

Earlier this fiscal year, the House of Representatives, at the recommendation of the Committee, agreed to emergency supplementals of \$2,046,937,000, primarily to meet unanticipated and urgent needs resulting from hurricanes in the Caribbean area and the war in Kosovo. When that amount is added to the \$31,313,456,000 provided for foreign operations and export financing in the Omnibus Appropriations Act for 1999 (P.L. 105-277), the 1999 level for the Foreign Operations, Export Financing, and Related Programs appropriations bills is a record, exceeding \$33,360,000,000. Compared to 1999, the President's 2000 request would cut this bill more than 53 percent from last year. The Committee 302(b) allocation requires some additional reductions.

In looking to the future, the Committee is aware of no credible argument for sustaining the exceptional 1999 level for foreign operations and export financing. The one-time \$17,900,000,000 appropriation for the International Monetary Fund and the General Arrangements to Borrow will not recur. The \$2,000,000,000 emergency supplemental for Hurricanes Mitch and Georges and for the Kosovo air campaign will not recur. The Committee's task is to live within its allocation for this bill as part of the effort to preserve Social Security and uphold budgetary discipline. In the event that a higher allocation becomes available later in the year, the amount available for foreign operations will be limited. At the end of the appropriations process, the total for this bill will probably be less than half of what was enacted in fiscal year 1999.

Funds for child survival and disease eradication, especially the struggle to limit the spread of drug-resistant infectious diseases such as tuberculosis, is this year's priority. The bill also continues to support export-related American jobs and the fight against the scourge of illegal narcotics traffic.

The Committee agrees with President Clinton that the European Union should be primarily responsible for the financial and technical assistance needed to reconstruct Kosovo and promote the integration of the Balkan states into Europe. The Committee recommendation does include the full request of \$393,000,000 for "Assistance for Eastern Europe and the Baltic States". Ample funds to provide for the return of the Kosovar refugees and displaced persons and short-term financial assistance for front line states was provided in the recent emergency supplemental. In fact, the funding level for these activities was significantly above the request at the time Congress passed that measure.

COMMITTEE RECOMMENDATIONS

For export and investment assistance programs the Committee has recommended a gross total of \$913,500,000, which is partially offset by collections and a negative subsidy totaling \$318,000,000. The subsidy appropriation for the Export-Import Bank is \$759,000,000 and the Trade and Development Agency is funded at \$44,000,000. The Committee has provided \$20,500,000 for subsidy appropriations requested on behalf of the Overseas Private Investment Corporation.

The Committee has recommended \$928,548,000 of the \$1,394,498,000 requested for the international financial institutions. The overall reduction is \$522,716,000 below the fiscal year 1999 enacted level and \$465,950,000 below the request.

For development and humanitarian assistance, the Committee has recommended a total of \$2,119,500,000 of which \$680,000,000 is for child survival and disease prevention programs. Another \$1,430,000,000 is for longer-term development assistance. The Committee has also included \$200,880,000 for disasters worldwide. The Committee has included \$33,000,000 for debt restructuring for poor countries and a new tropical forestry debt relief program.

The Committee has continued its highly effective Child Survival and Disease Programs Fund. It 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, including basic education, and on accelerating efforts to eradicate diseases that threaten younger children and caregivers alike. The account does not include population assistance, which will be funded through the development assistance account. It does provide for a grant to UNICEF at a level of \$110,000,000.

The Committee has included a total of \$725,000,000 in assistance to the Independent States of the Former Soviet Union, and \$393,000,000 for Eastern Europe and the Baltic States.

The Committee has recommended a total of \$670,000,000 for refugee programs.

For economic assistance under the Economic Support Fund, the Committee has recommended a total of \$2,227,000,000.

The Committee has recommended \$181,630,000 for a Non-proliferation, anti-terrorism and demining account which includes funding for the Non-proliferation 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 \$3,470,000,000.

The recommendation for international financial institutions does not include authorization for gold sales by the International Monetary Fund.

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

SUBSIDY APPROPRIATION

Fiscal year 1999 level	\$765,000,000
Emergency supplemental funding (by transfer)	(10,000,000)
Fiscal year 2000 request	839,000,000
Committee recommendation	759,000,000

ADMINISTRATIVE EXPENSES

Fiscal year 1999 level	\$50,000,000
Fiscal year 2000 request	57,000,000
Committee recommendation	55,000,000

The Committee is recommending a subsidy appropriation for the Export-Import Bank of \$759,000,000 and an appropriation of \$55,000,000 for administrative expenses. Taken together, the recommended appropriation for the Eximbank is virtually the same as the fiscal year 1999 level and \$82,000,000 less than the request.

The Committee has continued prior year language limiting the export of nuclear technology or fuel to certain countries. The Committee has also included language making possible Export-Import Bank activity in Eastern Europe and the Baltic States.

The Committee provided no additional funds for a tied-aid “war chest”. The estimated \$275,000,000 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 continues to be concerned about the effect of certain Eximbank decisions on U.S. foreign policy objectives, in particular support for private sector development and investment specifically in the IS/FSU. The Committee urges the Eximbank to take whatever steps are necessary to assure that the Bank’s policies and activities are not contradictory to overall U.S. foreign policy.

EXPORT-IMPORT BANK AND HUMAN RIGHTS

The Committee believes that the Export-Import Bank should develop an effective mechanism to review the human right implications and consequences of its projects. The Bank is to report to the Committee within 120 days of the enactment of this act on the current process and on proposed mechanisms to provide greater transparency and better oversight of the human rights consequences of its projects.

OVERSEAS PRIVATE INVESTMENT CORPORATION

ADMINISTRATIVE EXPENSES

Fiscal year 1999 level	\$32,500,000
Fiscal year 2000 request	35,000,000
Committee recommendation	35,000,000

SUBSIDY APPROPRIATION

Fiscal year 1999 level	\$50,000,000
Fiscal year 2000 request	24,000,000
Committee recommendation	20,500,000

The Committee is recommending a subsidy appropriation of \$20,500,000 for the OPIC direct and guaranteed loan credit programs, and it has recommended \$35,000,000 for administrative expenses.

The recommendation includes new language that would make it possible for OPIC to begin activation of its proposed equity funds for maritime transportation projects and for the Caribbean, Central America, and sub-Saharan Africa.

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

The Committee's concerns about the management and exposure of OPIC-guaranteed emerging market investment funds have been partially met by the information on the investment funds provided by OPIC this year. In order to promote future accountability, the Committee directs OPIC to provide on a quarterly basis, commencing December 6, 1999, a written report 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.

The President of OPIC is requested to report to the Committee within 60 days of enactment of this Act on the status of claims filed prior to June 1, 1999, relating to expropriations or contract abrogations of OPIC-insured projects.

The Committee urges OPIC to promptly dispose of legitimate claims brought with regard to OPIC-insured projects. The Committee understands OPIC's desire to explore all possible settlement arrangements with foreign parties. However, OPIC must be aware that private parties with legitimate claims face financial obligations that cannot be deferred indefinitely.

OPIC AND THE ENVIRONMENT

The Committee is concerned that OPIC has not adopted a standard consistent with the "Pelosi Amendment" that applies to international financial institutions. The Committee believes that OPIC should not present any environmentally sensitive project for Board of Directors approval prior to the completion of OPIC's public information disclosure and comment period, and that the minimum length of this discourse period should be no less than 120 days. The Committee believes also that the size of OPIC's environmental review staff is insufficient and needs to be significantly increased. OPIC should make it a priority to hire a minimum of three additional staff members to review environmentally sensitive projects.

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

Fiscal year 1999 level	\$44,000,000
Fiscal year 2000 request	48,000,000
Committee recommendation	44,000,000

The Committee is recommending funding for the Trade and Development Agency at the current level of \$44,000,000. This reduction from the request is made because of limited budgetary resources.

The Committee believes that this export agency has made significant contributions to non-traditional American exports in the service sectors such as consulting engineering. It is continuing to move away from its previous status as an all-grant agency. The Committee commends TDA for its leadership in promoting United States trade and investment in the Caspian Sea region and in Turkey.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

The Committee, in order to give the President more flexibility, recommends funding two accounts for development assistance programs currently administered by the Agency for International Development. As in fiscal year 1999 and as requested in the President's budget, the bill provides for an overall development assistance account and an account for child survival, children's basic education, and disease prevention and treatment activities.

There are two structural changes from the budget request. Funding for the United Nations Children's Fund (UNICEF) is included in "Child Survival and Disease Programs Fund" in fiscal year 1999 and in the Committee recommendation for fiscal year 2000. The President's request proposes to fund the voluntary contribution for UNICEF in "International Organizations and Programs".

Funding for development assistance in sub-Saharan Africa is included in both the "Child Survival and Disease Programs Fund" and the global "Development Assistance" account in fiscal year 1999 and in the Committee recommendation for fiscal year 2000. The request proposes to carve out a separate "Development Fund for Africa" account to include activities currently funded under the overall development assistance account, but not activities in Africa currently funded under the "Child Survival and Disease Programs Fund".

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

Fiscal year 1999 level	\$650,000,000
Emergency supplemental funding	50,000,000
Fiscal year 2000 request (under fiscal year 1999 account structure)	656,000,000
Committee recommendation	680,000,000

The Committee recommends \$680,000,000 for the "Child Survival and Disease Programs Fund", an amount that is \$44,000,000 above the request and \$20,000,000 below the amount enacted for 1999. If emergency supplemental funding is excluded from the calculation, the recommended level is \$30,000,000 above the 1999 level.

The Child Survival and Disease Programs Fund is a recent Congressional initiative. As the Committee's highest priority this year,

a full explanation of the justification for the recommended exceptional increase is presented below.

The Committee's recommendation is higher than the 1999 level primarily because it expands the third installment of its Infectious Diseases Initiative (IDI) from \$50,000,000 to \$75,000,000 and increases the amount recommended for the Displaced Children and Orphans Fund. The IDI is expanded to respond to the dramatic increase in, and resurgence of, tuberculosis affecting both children and adults. This year, the Committee received dramatic testimony about the urgent need to limit the incidence of tuberculosis, especially drug-resistant strains. A surge in interest in, and need for, the Displaced Children and Orphans Fund has resulted in some enhancements in this bill. These are the forces driving the Committee's higher recommendation for this account.

Within the United States, there have been confirmed reports of yellow fever and malaria, diseases that infected millions earlier in our history. Of those deaths attributable to malaria throughout the world, 85 percent of the victims are children. In addition, measles continues to cause the deaths of millions of children throughout the world. Finally, experts are recognizing that acute respiratory infections (ARI) are, after malnutrition, the biggest killers of children on the planet, and in some areas, measles, which is easily avoided through effective vaccines, continues to be a major threat.

The Committee believes the Infectious Disease Initiative is not only good for the children of the developing world, but it will help prevent the spread of these diseases to our shores. To the extent this initiative to control communicable diseases in developing countries is successful, American children will enjoy healthier and better lives.

Beyond the Infectious Disease Initiative, the Child Survival and Disease Programs Fund includes bilateral programs intended to reduce infant mortality and improve the health and nutrition of children, especially in the poorest nations. The overall bill incorporates at least \$145,000,000 for global HIV/AIDS programs, some of which may be included in the tuberculosis projects of the separate Infectious Disease Initiative, as tuberculosis is a major cause of death for individuals with HIV/AIDS. The Fund also includes \$110,000,000 for the annual United States contribution to the United Nations Children's Fund (UNICEF), as well as \$98,000,000 for children's basic education.

Unless modifications are subsequently justified and agreed to by the Committees on Appropriations, appropriations in this bill for the Child Survival and Disease Programs Fund should be allocated as follows:

Communicable Diseases (including tuberculosis and polio)	\$100,000,000
HIV/AIDS	127,000,000
Displaced children and orphans	30,000,000
Children's basic education	98,000,000
Other health and child survival activities	215,000,000
Grant to UNICEF	110,000,000
Total in this account	680,000,000
Child survival and disease programs in former Soviet bloc, ESF and disaster assistance (approximate)	65,000,000
Basic education in other accounts	12,000,000
Total in all accounts	757,000,000

Up to 5 percent of the Funds in this account may be used for activities in the Independent States of the Former Soviet Union or for Eastern and Central Europe that seek to directly reduce the incidence of infectious diseases, especially tuberculosis, and improve the status of infants and young children, especially orphans. All other activities related to child survival and maternal health are to be funded from the headings "Assistance to the Independent States of the Former Soviet Union" and "Assistance for Eastern Europe and the Baltic States".

Of the funds provided in this account, \$110,000,000 is provided as a contribution in grant form to the United Nations Children's Fund. However, this does not preclude the Agency for International Development from providing additional funding for specific UNICEF projects as may be appropriate.

The Committee intends that child survival funds in this account be used for traditional child survival programs. A significant proportion of these funds should be used for activities whose primary purpose is to reduce child morbidity and mortality, including neonatal health and maternal health projects. The Committee is open to discussion about use of the Fund for specific environmental health interventions, especially in urban areas where air and water pollutants directly affect child morbidity and mortality.

In order to provide the Agency for International Development with administrative flexibility, the Committee recommendation does not specify the amount of funds within the Infectious Diseases Initiative that should be focused on diseases that primarily affect children. However, the Committee intends the funds for this initiative should be used innovatively for research, treatment, and prevention activities to reduce childhood diseases, and expanded to include immunizable diseases, respiratory infections and diarrhea.

Based on information sought out by the Committee, there is reason to question the apparent decision by AID management to drastically reduce the role of those community-supported private voluntary organizations that have traditionally provided at least 25 percent of the costs of child survival programs undertaken in cooperation with AID. The Committee strongly recommends that AID central bureaus and field missions seek to expand use of such PVOs in cooperative agreements, grants, and contracts. A brief written update to the Committee on progress in greater use of PVOs in child survival is requested no later than March 15, 2000.

PRESERVING THE INTEGRITY OF THE CHILD SURVIVAL FUND

In order to preserve the integrity of the Child Survival and Disease Programs Fund, the Committee directs AID to separate the administration and coordination of activities in this account from those of other global activities. The Committee urges AID to establish a new Center for Child Survival and Disease Programs to be headed by a professionally qualified individual, who shall be directly accountable for implementation of the Fund. The fiscal year 2001 budget justification and 2000 notifications of changes should not combine programs, projects, and activities funded from this account with programs, projects, and activities funded from other funding sources, except with the prior agreement of the Committee. The Committee requests the Administrator of AID to make the nec-

essary administrative directives to establish the new Center no later than December 1, 1999.

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: DISPLACED CHILDREN AND ORPHANS AND BLIND CHILDREN

The Committee recommends \$30,000,000 for displaced children and orphans and blind children in fiscal year 2000. The recommended increase above the 1999 directives of \$22,000,000 responds to evidence that the situation for many such children is deteriorating from Eastern Europe to Southern Africa.

Care for displaced children and orphans is limited, and 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.

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 institutions on a pilot basis may encourage developing countries to replicate them with their own resources.

According to the World Health Organization there are 1.5 million blind children around the world and another 7 million blind children suffering from extremely low levels of vision. The Committee recognizes the work being done by Helen Keller International and other organizations to assist blind children around the world. Blindness can be prevented and/or treated through simple and inexpensive methods and many blind children in developing countries can be cured of their disability through simple operations and low cost care. The Committee recommends that the AID program for children's blindness be continued at the current level of \$1,000,000.

The \$30,000,000 intended for displaced children, orphans, and blind children should be allocated to the existing centrally-managed Displaced Children and Orphans Fund, the separate PVC-managed blind children's project, and field-managed support for orphans and for children affected by the HIV/AIDS epidemic. Funds should be made available to activities in Russia, Ukraine, and other Independent States as well as in Eastern Europe. AID is directed to use award or acquire services and commodities on a competitive basis, to the extent possible.

CHILDREN AFFECTED BY THE HIV/AIDS EPIDEMIC

AIDS is devastating the family structure in many countries, leaving millions of children orphaned and more vulnerable to HIV infections, poor health, too little schooling, and even sexual exploitation. It is estimated that by the year 2010, 40 million children in Africa alone will be orphaned as a result of HIV/AIDS. The Committee strongly supports efforts to assist these vulnerable children, and urges that the \$10,000,000 emergency program initiated as a result of a directive in the fiscal year 1999 Act's Statement of Managers be continued and expanded in 2000. This program should be funded out of the \$30,000,000 designated for displaced children and orphans and blind children. In addition to programs elsewhere, funds should be made available to activities in Russia, Ukraine, and other Independent States as well as in Eastern Europe. AID is directed to use award or acquire services and commodities on a competitive basis, to the extent possible.

CHILD SURVIVAL: VITAMIN A, VITAMIN C, IODINE AND MICRONUTRIENT DEFICIENCY

The Committee supports continuation of programs for vitamin A and C deficiency, iodine deficiency and other micro-nutrient deficiencies and supports continuing these programs at least at the 1999 level of \$25,000,000.

The Committee notes that iodine deficiency disorder is the leading preventable cause of mental retardation in children. It is the Committee's understanding that Kiwanis International has joined forces with UNICEF to eliminate iodine deficiency throughout the world by the end of the year 2000. Private funding raised by Kiwanis International is already saving more than 5,000,000 children from mental retardation in 55 countries. The Committee directs the Secretary of State, in order to help meet the goals of the year 2000, to provide \$2,000,000 through UNICEF in support of the Kiwanis effort to eliminate iodine deficiency disorder.

INFECTIOUS DISEASES INITIATIVE

The Committee commends the Agency for International Development for its responsive implementation of its Infectious Diseases Initiative. The recently completed BASICS program has produced remarkable results, as well as identification of nations that are not yet willing to effectively cooperate with international donors in the area of child survival.

While the Committee notes AID's effort to address malaria as part of its overall communicable disease program, it remains concerned that several developing nations which receive AID support continue to employ DDT as a method of controlling malaria. In view of current negotiations for an international convention to eliminate Persistent Organic Pollutants (POPs), which specifically target DDT, the Committee encourages AID to emphasize effective and affordable alternatives to DDT for malaria control.

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 cause of maternal 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 finds it necessary to recommend that \$30,000,000 be provided to programs and activities involving tuberculosis in fiscal year 2000 including programs funded through ESF or regional accounts.

In that regard, 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 supports expansion of this initiative, including the establishment of regional TB control activities in Latin America and Southeast Asia. As much as \$2,000,000 may be justified for these activities during fiscal year 2000.

In last year's report, the Committee requested AID to assist Texas and Mexico combat a particularly threatening outbreak of tuberculosis along their border. The Agency's response to date has been grossly inadequate. The Texas Department of Health has developed a comprehensive binational, multiagency approach that is designed to protect Americans from the spread of TB. The Committee directs AID to fully cooperate with Texas, and other interested border states, and to fund a substantial percentage, not to exceed \$10,000,000, of the United States share of this effort among states on both sides of the border. The Committee directs that AID provide it with a brief written report on its participation in the binational effort every 3 months during fiscal year 2000, beginning January 15, 2000.

COMMUNICABLE DISEASES: ERADICATION OF POLIO

The Committee recommendation includes \$25,000,000 for the final phases of the program initiated by the Committee in fiscal year 1996 to eradicate polio. Funds should be used to provide for the delivery of vaccines, and the development of the infrastructure necessary to implement the program and to help support routine immunization. This funding is meant to be in addition to the resources for the regular immunization program of the Agency for International Development and is intended to supplement other related activities, and is not included in the Infectious Diseases Initiative. The Committee has been informed by Rotary International and other collaborators in this effort that polio could be eradicated during the year 2000.

COMMUNICABLE 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 or child survival agencies benefiting from this bill are urged to give every consideration to detailed proposals submitted by, among others:

The International Health Learning Center at Loma Linda University;

The University of Notre Dame;

The Tulane University School of Public Health's Department of Tropical Medicine;

The University of Miami Medical School;

The Gorgas Memorial Institute;

George Mason University; and

The University of Medicine and Dentistry of New Jersey's International Center for Public Health.

The Committee also strongly supports research at such institutions, funded by AID and UNAIDS, to develop microbicides that could be of use in the developing world. The Committee requests that AID periodically brief the Committee regarding the status of proposals received from these institutions.

HIV/AIDS PREVENTION AND CARE

For several years, the Committee has provided encouragement and funding to limit impact of global HIV/AIDS epidemic in the developing world. For fiscal year 2000, the Committee urges AID to allocate \$145,000,000 for global HIV/AIDS programs. This overall funding level represents an increase of approximately 15 percent over fiscal year 1999, nearly the same rate at which HIV is spreading globally. It is essential to maintain support for UNAIDS, at least at its current level.

The Committee anticipates that at least \$18,000,000 will be funded from regional accounts and \$127,000,000 from the Child Survival and Disease Programs Fund. With the prior concurrence of the Committee, certain HIV/AIDS-related activities in the Displaced Children and Orphans Fund and the tuberculosis component of the Infectious Disease Initiative may also be counted toward the above targets.

Improved surveillance techniques indicate that the global HIV pandemic is spreading much faster than scientists once predicted. More than 33 million people currently live with HIV and AIDS. The major recent increases in HIV infections are in Africa, Asia, and Eastern Europe, especially among young people. Five young persons become newly infected with HIV every minute. Testing of women seeking prenatal care is showing alarming data in many nations—infection rates of 25 percent in South Africa, over 30 percent in Zambia, and 50 percent in some areas of Zimbabwe. AIDS has lowered average life expectancy by as much as 18 years in some African countries.

The Committee encourages AID to better articulate the linkages between prevention and care through all its programs. It also encourages AID to continue to develop innovations in behavioral change and care models, such as workplace-based HIV prevention education, which can help prevent the spread of HIV in high-risk

occupations, and help stem employers' loss of skilled workers and productivity.

Community-based, non-governmental organizations that have "on the ground" prevention and care programs are important and merit support. The Committee is concerned about reports that innovative projects on care and building linkages between community groups appear to be stalled. It urges AID to fully implement its overall strategy on use of community-based volunteer organizations in its HIV/AIDS activities.

HIV/AIDS: INTERNATIONAL HEALTH CENTER IN AFRICA

The Committee recommends that the Agency for International Development and the Center for Disease Control give priority attention to utilizing a fully accredited American medical school faculty to coordinate the sharing of the considerable United States research and treatment modalities with the countries of sub-Saharan Africa. Projects in the areas of medical training and education, research, and technical assistance in field services could be particularly beneficial to those African countries devastated by HIV/AIDS. The Committee requests AID and CDC to report no later than March 1, 2000, on the feasibility of selecting on a competitive basis, a qualified university medical school with a demonstrated history and mission of serving underserved populations and with existing expertise in and focus on African and African-American health issues.

BASIC EDUCATION FOR CHILDREN AND CHILD LABOR

The Committee is keenly aware that a child's education provides an enduring opportunity for a healthier, more productive life. The highest poverty rates are found in nations with the lowest education and literacy levels. There is ample evidence in research and practice that investment in basic education, particularly in girls' education, provides the critical link to improved family health, enhanced status of women, reduced child labor, and greater political participation. Education also builds the capacity countries require to benefit fully from trade and development opportunities. The Committee recommends that the Secretary of State establish a target funding level for children's basic education of \$110,000,000, of which \$98,000,000 would be derived from the Child Survival and Disease Programs Fund and the remainder from the Economic Support Fund and regional accounts.

Studies made available to the Committee have demonstrated that in developing countries the greatest progress has been made in reducing exploitative child labor where free and compulsory schooling is widely available. For the second year, the Committee urges AID to commit at least \$5,000,000 to programs designed to expand universal access to free and compulsory basic education for children who are trapped in exploitative child labor. The Committee does not include funds for similar activities under the heading "Economic Support Fund".

DEVELOPMENT ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

Fiscal year 1999 level	\$1,225,000,000
Fiscal year 2000 request	780,440,000
Committee recommendation	1,201,000,000

The Committee recommends \$1,201,000,000 for a general account for development assistance. The amount recommended is \$421,560,000 above the administration request and 24,000,000 below the fiscal year 1999 level.

Funding in this account includes worldwide activities for agriculture, rural development, population, adult literacy and adult basic education, environment, energy, science and technology and other programs related to longer-term development.

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.

Bill language is also recommended to allow for the transfer of \$2,500,000 from this account to "International Organizations and Programs" in order to provide for a grant to the International Fund for Agricultural Development (IFAD) as part of the U.S. contribution for the fourth replenishment.

DEVELOPMENT ASSISTANCE IN AFRICA

While the Committee does not recommend a separate account for the Development Fund for Africa, the Committee recognizes the significant development needs in Africa and directs that funding allocations from within the unified Development Assistance account for sub-Saharan Africa in fiscal year 2000 be at least equal to the allocation provided in 1999. Further, the Committee expects that a significant portion of the resources provided in the Child Survival and Disease Programs Fund, especially funds for HIV and other infectious diseases, will directly assist Africa. The Committee notes also that authorities available for the Development Fund for Africa apply in providing assistance to Africa through the Development Assistance account.

The following numbers are an estimate of the development and humanitarian funds provided in the fiscal year 2000 bill for sub-Saharan Africa.

Assistance for sub-Saharan Africa

Development Assistance	\$460,000,000
Child Survival and Disease Prevention	275,000,000
African Development Foundation	14,400,000
International Disaster Assistance	90,000,000
Peace Corps	54,500,000
Refugee and Migration programs	135,000,000
Debt forgiveness for Africa (1)	160,000,000
UNICEF (2)	54,000,000
African Development Fund	100,000,000

Assistance for sub-Saharan Africa—Continued

International Development Association (3)	283,000,000
Total	1,625,900,000

¹\$160,000,000 is the total amount of U.S. debt forgiven. The appropriation contained in this bill to cover the costs of debt forgiveness is \$18,000,000.

²UNICEF dedicated approximately 49 percent of its resources to sub-Saharan Africa in 1999. UNICEF expects this percentage to continue.

³The IDA-12 replenishment targeted 50 percent of all IDA credits to sub-Saharan Africa countries.

In addition, the Committee expects significant funding for sub-Saharan Africa from the security related accounts in the bill, including the Economic Support Fund, Foreign Military Financing program, International Narcotics Control program and the Peacekeeping Operations account.

AFRICAN DEVELOPMENT FOUNDATION

Within the Development Assistance account, the Committee recommends funding for the African Development Foundation at the budget request level of \$14,400,000, which is an increase of \$3,400,000 above the fiscal year 1999 level. The Committee has included bill language allowing ADF grantees to hold funds in interest bearing accounts provided that any interest earned be used for the same purposes as the grant. Also, the Committee has provided ADF with authority to make project grants in excess of \$250,000 provided that the Committee be notified in advance. The Committee expects the ADF will only exercise this authority in rare instances.

Since its inception, the ADF has provided more than 1,300 grants in 26 African countries to build local capacity and emphasizing self-help. These ADF grants have helped increase income and expand services for Africa's poor. The Committee supports the efforts of the ADF staff and Board to garner outside funding and encourages the Foundation to continue to explore other sources of funding. In this regard, the Committee recognizes the efforts of the ADF to develop creative co-financing arrangements with African governments and other development agencies.

INTER-AMERICAN FOUNDATION

The Committee recommends \$5,000,000 for the Inter-American Foundation from within the "Development Assistance" account. Because of significant program and management deficiencies at the IAF, the Committee recommends fiscal year 2000 funding at \$15,000,000 below the 1999 level and \$17,300,000 below the budget request. The Committee believes the grassroots development objectives of the Foundation, established in 1969, have now been adequately integrated into the programs of AID and through the work of nongovernmental organizations throughout the hemisphere.

The Committee is aware that several organizations, while receiving grants from the IAF, have engaged in activities counter to the national interests of the United States. The Committee is alarmed that in 1997, two IAF grantees were involved in the armed kidnapping of American citizens in Ecuador. At the time these organizations were receiving the IAF funds, the U.S. embassy in Ecuador issued a public statement calling the grantees' actions "a repug-

nant, illegal action” and a “terrorist threat”. Further, according to an independent audit conducted for the IAF, a Foundation grantee in Argentina in 1998 used U.S. taxpayer funds to “cover expenses for demonstrations resulting in the blockade of roads and the takeover of the Cathedral of Cordoba”. The Committee is appalled by these actions and by the fact that U.S. taxpayer’s funds have been used to further these acts. The Committee believes that the Board of Directors of the Foundation bears ultimate responsibility for the overall direction of the Foundation and faults the Board for its poor oversight of day-to-day IAF operations which have allowed grantees to abuse U.S. taxpayer’s dollars.

RESTRICTIONS ON USE OF POPULATION FUNDS

The Committee has continued prior year language in the bill that requires that none of the funds appropriated in this bill, or any unobligated 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 abortions. 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 has also continued prior year language that states that nothing in the Development Assistance account portion of 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 1999 act.

GLOBAL ISSUES: ROLE OF CENTRAL OFFICES AND MECHANISMS

The Committee supports the role of AID’s central offices in providing AID missions with policy and technical guidance and, increasingly, innovative central mechanisms. Such innovative central contract mechanisms provide opportunities for United States companies and other non-governmental groups to contribute their expertise to international development with less delay and expense than is involved in mission-awarded or traditional implementing mechanisms.

The role of central offices and mechanisms is critical in areas of interest to the Committee such as Women in Development, energy, biodiversity, agriculture, and education and training. The Com-

mittee strongly encourages AID to adequately fund the central offices and mechanisms, to provide a competitive basis for implementation of AID and Congressional directives and to provide direct support to field programs. Within 30 days of enactment of this Act, AID is requested to provide a brief written report to the Committees on Appropriations on its proposed allocation of funds to the central offices in the Global Bureau. The report should identify any potential negative impacts that could result from full compliance with Executive branch and Congressional earmarks or directives.

GLOBAL ISSUES: ENVIRONMENTAL POLICY AND NATURAL RESOURCES
MANAGEMENT

The Committee supports the Global Environment Center's programs to build capacity in developing countries to both promote economic growth and manage natural resources in such a way that prevents precipitous depletion and preserves those resources for future generations. The Committee recommends that adequate funding be made available for programs that build capacity to assess long term costs and benefits of sound environmental management as well as calculate and mitigate the environmental and health risks of industrial pollution. The objective is to put into place laws and regulations that promote both economic development and sound environmental management.

The Committee notes the Global Environment Center's contribution to international environmental negotiations, and urges that Economic Support Funds, rather than Development Assistance funds, be made available to the Center for this purpose.

GLOBAL ISSUES: ENERGY

The Committee urges that the Office of Energy, Environment, and Technology be funded at an adequate level, no less than its fiscal year 1999 budget. AID energy projects should be developed and carried out in collaboration with US industry, taking into account future energy resource development and United States energy security requirements. They should be located in countries with the greatest potential for success, without regard for the presence or absence of an AID field mission. Included in these efforts should be host country institutional capacity building, legal or regulatory reform, project design, innovative project financing, trade and reverse trade missions, training, and technology transfer and collaboration.

The Energy Office provides leadership for power sector restructuring, privatization, and regional power cooperation to alleviate power shortages and reduce energy prices. The Office also promotes United States industrial leadership in utility management and innovative technologies to reduce pollutants from fossil fuels, recognizing that growing economies will require additional capacity for power generation from a wide range of sources.

The Committee recommends that the Office continue its work with multilateral development banks to build their capacity to provide financial assistance for energy efficiency and renewable energy projects. As in prior reports, the Committee strongly supports projects, however financed, that promote power sector efficiency,

energy efficiency and renewable energy, recognizing US industrial leadership in these areas.

The Committee does not include funds for an Environmental Diplomacy Initiative that would be funded through the Economic Support Fund account, as it duplicates activities currently carried out by AID.

GLOBAL ISSUES: BIODIVERSITY

The Committee applauds the accomplishments of AID in integrating biodiversity and forest management in its economic and social development programs. However, the recent declines of AID funding in these areas risk undermining many of these programs' effectiveness and raises serious questions of the agency's long-term commitment to protecting the environment. The Committee supports AID's fiscal year 1999 program level of approximately \$68 million, which is an increase in funding above recent years and directs AID to continue high levels of funding for fiscal year 2000, including substantial funding for the Office of Environment and Natural Resources. The Committee also urges AID to pursue conservation and tropical forest management in all geographic regions where globally outstanding habitat and species are threatened, including border regions and in so-called AID "non-presence" countries.

GLOBAL ISSUES: AGRICULTURE

The Committee remains strongly supportive of agricultural development. The Committee recognizes that AID has again included agricultural development as one of its key goals for its development programs. However, the Committee is concerned that agriculture programs have received only slight increases in the past two years. The Committee believes that agriculture development is vital to AID's overall efforts. By helping families grow more food that is more nutritious, hunger, malnutrition, and disease among women and children becomes less prevalent. By increasing incomes of rural families, the engine of economic development in these countries is being started.

The Committee strongly believes in the value of partnerships between U.S. agribusiness and the emerging private sector agribusiness in developing countries. Projects to promote these partnerships leverage AID's development resources by increasing the private sector's investment of resources in developing countries, which leads to increased economic growth and stronger trade and investment ties between the U.S. and developing nations. Further, the Committee recommends that AID emphasize the private agriculture sector in its projects, including private farmers and household producers, credit programs, and private sector supply and market services.

GLOBAL ISSUES: WOMEN IN DEVELOPMENT

The Committee recommends at least \$15,000,000 for AID's Women in Development programs, including funds transferred to central offices from overseas missions. Although AID is to be commended for previously devoting considerable attention to the needs

of women and girls, additional attention is needed. While some positive steps have been taken, the Committee urges AID to improve expertise among its collaborators and contractors via AID procurement procedures, and revising its Women in Development Policy paper. The Committee urges that special attention be given to addressing women's needs and engaging women and girls fully in the reconstruction process following natural and man-made disasters as they play major roles in operating shelters and rebuilding their communities.

LATIN AMERICA AND THE CARIBBEAN

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 the Latin America and the Caribbean region. The Committee reiterates its intention that the allocation of funds for this region through this account and through the "Economic Support Fund" should be at least at the 1999 level, excluding emergency supplemental funding. The Committee believes that the promotion of free enterprise and private sector-led growth is key to the economic and social development in Latin America. The Committee supports the efforts of Jacksonville University and its Center for American Free Enterprise (CAFE) in its plan to strengthen the private sector in Latin America through education, conferences, field programs and scholarships. The Committee encourages AID to collaborate with Jacksonville University's CAFE to develop and implement this worthy initiative and recommends up to \$2,000,000 for this purpose. The Committee is also aware of the investment by the George Mason School of Nursing to promote health care in developing countries, particularly in Nicaragua. The Committee encourages AID to collaborate with George Mason University as it seeks to continue and expand its health programs abroad.

LATIN AMERICA AND THE CARIBBEAN: GUATEMALA

Since the signing of the peace accords in 1996, U.S. assistance has contributed significantly to Guatemala's move toward consolidating democratic institutions and strengthening peace and reconciliation. Key areas of U.S. support have included programs to strengthen Guatemala's extremely weak judicial system and the provision of declassified U.S. documents to the Historical Clarification Commission. If the progress of the past two years is to be maintained, it is essential that the recommendations of the Clarification Committee be put into effect. Particular attention should be paid to those recommendations relating to the creation of a follow-up body to ensure implementation measures to rid the armed forces of human rights violators and reparations for victims of rights violations.

The Committee notes the defeat in a May 1999 referendum of constitutional reforms that would have put the Guatemala peace accords on a strong legal foundation. In light of this setback, the Committee encourages the Guatemalan authorities and other supporters of the peace process to redouble efforts to implement the peace accords and to reinvigorate the peace process.

The Committee urges the Administration to speak out strongly in defense of human rights workers and call for a full investigation and expeditious resolution of the murder of Bishop Juan Gerardi in April 1998 and threats against those involved in the case. The Committee also encourages U.S. attention to other outstanding human rights cases, including the murder of Myrna Mack and the Xamen massacre.

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, but also serves the long-term economic interests of these nations and the interests of the United States. The Committee notes that AID/Parks in Peril has worked at 36 sites in 15 different countries, helping to better protect more than 24 million acres. The program has made significant progress at turning “paper parks”—those created by governments, but not adequately maintained—into genuine protected areas. The Committee notes that 17 Parks in Peril sites have been “consolidated” from the program; therefore, central AID funding is being phased out to those sites. The program is now shifting its successful methodology to new locations. Since its inception, Parks in Peril has received \$32.6 million from central AID funds, formally matched by more than \$11.4 million from The Nature Conservancy, foreign partners, and foreign governments, and has indirectly leveraged more than \$180 million from non-AID sources. The Committee welcomes efforts to extend the influence of the Parks in Peril program more broadly, through an initiative known as “PiP 2000”.

LATIN AMERICA AND THE CARIBBEAN: CORPS OF ENGINEERS

The Committee is pleased that AID is utilizing the U.S. Corps of Engineers for its Hurricane Mitch relief and reconstruction programs in Central America. The Committee encourages AID to continue its relationship with the Corps for planning, engineering and design, environmental, and technical activities, particularly those 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 which takes advantage of these capabilities can significantly contribute to the strategic interests of the United States. The Committee believes that using the Corps to support such AID and State Department activities as child survival (water and sanitation); development assistance; disaster assistance; transitional initiatives; and narcotics control and interdiction will have long-term benefits to these developing nations.

AFRICA: ERITREA AND ETHIOPIA

The Committee is concerned by the continuing military conflict between Eritrea and Ethiopia and is disappointed that these nations continue to opt for war, rather than peacefully resolving their

territorial dispute. The two nations—among the poorest in the world—have spent significant resources on this two year old conflict. These resources could have been directed toward development and economic growth. The Committee does not support continued high levels of assistance, especially nonproject assistance, to nations whose governments choose to dedicate scarce national resources to waging war instead of funding programs beneficial to their citizens. Further, the Committee is concerned that this conflict has undercut regional initiatives in the Horn of Africa which are mutually beneficial to the U.S. and countries in the region. The Committee expects that the Executive Branch will not engage in programs directly with either government, especially those involving nonproject assistance or debt relief, until it can be demonstrated that these governments have ceased offensive military action and have discontinued their weapons build up.

AFRICA: ASSISTANCE TO SOUTHERN SUDAN

The Committee has previously expressed its concern for the need to increase assistance to the people of Southern Sudan. The Committee continues its strong 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 Office of Foreign Disaster Assistance (OFDA). 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 has urged AID to significantly increase resources to non-governmental organizations working in areas underserved by OLS and commends the Administration for doing so in recent years. The Committee urges that this continue.

In addition, the Committee urges OFDA to maximize the resources programmed for capacity building activities in Southern Sudan. The Committee recommends that at least \$4,000,000 of disaster assistance funds for Southern Sudan be used to improve primary education; conduct small-scale agriculture and infrastructure projects; improve local administration and governance; and carry out other locally determined priorities in opposition-controlled areas of Sudan.

The Committee also supports AID's Sudan Transitional Assistance for Rehabilitation (STAR) program, begun in 1998, which is dedicating \$9,000,000 over three years to assist in the establishment of functioning local government and in 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 directs AID and the Department of State to substantially increase funding for the STAR program and to make resources available for capacity building, democracy promotion, civil administration, judiciary and infrastructure support in opposition-controlled areas of Southern Sudan.

AFRICA: HORN OF AFRICA

The Committee remains concerned about the fragile food security situation in the Horn of Africa. The Committee supports the efforts of The International Research Institute for Climate Prediction (IRI)

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 commit \$500,000 for the implementation of a modeling effort focused on climate impacts on water, including both water supply and 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.

AFRICA: GABON

While the United States does not provide development or economic aid directly to Gabon, the Committee recognizes the constructive role the government of Gabon can play as a promoter of economic and political stability in Central Africa. The Committee urges the Department of State to continue to foster its relationship with the government of Gabon in support of U.S. foreign policy goals throughout Africa.

AFRICA: LIBERIA

The Committee remains concerned by reports of the government of Liberia's provision of lethal military equipment 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 civil war in Sierra Leone. The Committee urges the administration to make every effort to encourage the Liberian government to end its 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 (section 520).

ASIA: OVERVIEW

The Committee notes that Asia (beyond the Middle East) is a region of paramount strategic and economic importance to the United States and is concerned that recent events, including the Asian financial crisis and open conflict between and within nations, have contributed to regional instability. While Asia represents the greatest potential for growth in U.S. exports and investment opportunities, systemic economic weaknesses throughout the region continue to threaten these interests. The Committee is concerned that, while the economy of the region has begun to recover, Asia still contains 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 believes that programs to support sound economic growth and promote U.S. trade and investment in Asia should continue to be a high priority for AID and urges the Agency to make available from funds allocated for Asia (outside of the Middle East), \$60,000,000 for this purpose.

SRINGERI AREA IN INDIA

The Committee intends for \$250,000 from Development Assistance funds allocated to India in fiscal year 2000 to be provided for

health care projects and activities in the Sringeri area within the state of Karnataka. The Committee supports funding for these programs through the Sharada Dhanvantari Charitable Hospital.

PRIVATE AND VOLUNTARY ORGANIZATIONS

The Committee has continued prior year language that requires that private voluntary organizations obtain not less than 20 percent of their total funding from sources other than the United States Government. Special consideration should be extended to those PVOs that obtain private donations for more than half of their total funding. In addition, the Committee has continued language from the 1999 Act stating that support for private voluntary organizations should be made available at a level at least equivalent to that provided in fiscal year 1995.

The Committee continues its strong support for adequate funding for the Office of Private and Voluntary Cooperation (PVC) at \$48,000,000, with \$8,000,000 for cooperatives as contained in the congressional presentation. This funding level will help leverage private and non-AID resources by PVOs and cooperatives. The PVC office supports PVO microenterprise, child survival, vitamin A and micronutrient grants; strengthens cooperative development efforts; and administers the PL 480-funded Farmer-to-Farmer program. The Committee directs AID to provide a brief written report no later than February 1, 2000, on the progress of Opportunities Industrialization Centers, International to complete its transition to full private sector funding.

USE OF PRIVATE SECTOR MONITORS

The Committee supports the use of private sector organizations to help developing countries resist fraud and corruption in U.S. aid programs. The Committee notes that some governments that are recipients of U.S. assistance have begun to capitalize on the use of independent private sector organizations to monitor the use of these funds and to improve their institutional capacity to curb corrupt practices. These efforts not only ensure the better use of U.S. assistance, but ultimately reinforce democracy and good government as well. The Committee urges AID to support efforts of governments to engage private sector monitors to ensure strict accountability of U.S. economic and development assistance.

HUMAN RIGHTS AND DEMOCRACY

The Committee is concerned that AID give adequate weight to the human rights and governance practices of recipient countries, including as 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 will have a far greater chance of truly helping the citizens of those countries which respect the rule of law and the rights of their people. To this end, AID should continue to give weight to the record of human rights and democratic development of proposed recipient countries in the distribution of assistance provided under this act.

MICROENTERPRISE

The Committee recommends that microenterprise funding, including the use of local currencies, be provided at least at the program level provided in 1999. The Committee believes that AID should make its best effort to reach a program level of \$152,000,000. Microenterprise has proven its effectiveness in promoting economic growth in many of the poorest countries and allowing poor people to help themselves out of poverty. Of these funds, the Committee expects AID will devote at least fifty percent to poverty lending programs. For purposes of implementing this program, poverty lending programs are defined as loans of under \$300 made to the poorest fifty percent of those living below the poverty line, or the institutional development of organizations primarily engaged in making such loans.

AMERICAN SCHOOLS AND HOSPITALS ABROAD (ASHA)

The Committee recommends, and expects AID to provide, \$15,000,000 from the funds provided in this Act for the American Schools and Hospitals Abroad (ASHA) program in fiscal year 2000. 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 2000. The Committee further expects that support will be continued for traditional recipients of funding in countries such as Lebanon, Israel, and Egypt. In addition, funds should be made available for other deserving institutions as part of a competitive process, including the Alexander Muss School in Israel.

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 the fiscal year 1999 level as contained in its cooperative agreement with AID. The Committee notes that the CASS program made an important contribution, from its existing resources, following Hurricanes in Latin America and the Caribbean. The CASS program recruited and trained 60 Honduran and Nicaraguan adults in the construction of homes and medical clinics using prefabricated materials. Similarly, following Hurricane Georges, 60 Haitian health workers were trained in maternal and child health and infectious disease control at three U.S. community colleges.

COLLABORATIVE RESEARCH SUPPORT PROGRAMS

The Committee supports the continuation of the collaborative research support programs (CRSPs) and recommends funding of \$34,000,000 for fiscal year 2000. The CRSPs are widely regarded within the agriculture industry as one of the best investments in international development. 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. The CRSPs have a significant domestic benefit as well: every dollar invested in agricultural research by the United States is estimated to be worth four dollars of expanded markets for U.S. goods and services overseas.

INTERNATIONAL FERTILIZER DEVELOPMENT CENTER

The Committee continues its strong support for fertilizer-related research and development being conducted by the International Fertilizer Development Center (IFDC), and directs AID to make \$2,000,000 available for its core grant to IFDC and \$2,000,000 for mission funded programs, and report to the Committee on progress toward incorporating the IFDC in the global network of international agricultural research institutions.

DAIRY DEVELOPMENT

The Committee continues to support dairy development, and recommends AID funding for this program at \$8,000,000, consistent with fiscal year 1999 and 1998 recommendations. The Committee is disappointed that AID has not provided recommended funding in past years. AID should implement projects under this program that help U.S. dairy producers and companies to prepare for more competitive international markets as U.S. subsidies decline. The programs should be designed to assist the American dairy industry to enter new markets, while at the same time providing technical assistance to potential U.S. dairy partners overseas. The Committee notes that the dairy program has successfully increased family nutrition and often represents the largest cash income for small producers. This program links processors and producers through cooperatives and farmer organizations since daily collection systems and quality controls are critical to safe and healthy milk products.

INTERNATIONAL EXECUTIVE SERVICE CORPS

The Committee supports the work of the International Executive Service Corps (IESC), which utilizes volunteers to help developing countries in the areas of business development. For fiscal year 2000 the Committee urges AID to provide IESC with the level allocated for fiscal year 1999 in order to ensure the continued availability of IESC services.

INTERNATIONAL CENTER FOR ECONOMIC GROWTH

The Committee believes that economic reform continues to be a critical issue in the developing world and encourages AID to consider a proposal by the International Center for Economic Growth to promote global economic stability and support economic reform in developing countries.

BUSINESS EDUCATION IN VIETNAM

The Committee recognizes the ongoing collaboration of Boise State University and the National Economic University's Business School in Vietnam in establishing a Vietnamese business school. The Committee urges AID to consider making funds available for this program, which is designed to teach market-oriented economic principles to Vietnamese. The Committee understands that the school expects to be self-supporting in two years.

U.S./ISRAEL COOPERATIVE PROGRAMS

The Committee expresses its disappointment over the decline in funding for the US/Israel Cooperative Development Program (CDP) and Cooperative Research Program (CDR). These are important programs but program levels have been declining since 1995. The Committee urges the Administration to consider restoring funding for CDR/CDP to the previous level, with the same split in funding between the two accounts.

DEVELOPMENT OF CREDIT UNIONS AND COOPERATIVES

The Committee continues to support central funding, at least at the fiscal year 1999 level, from the Office of Private and Voluntary Cooperation to enable United States cooperatives and credit unions to share their self-help business approaches with developing and market transition countries. The Committee notes that in Central America, U.S. cooperatives have helped create a network of grass-roots cooperatives in countries hard-hit by Hurricanes Georges and Mitch. The Committee encourages AID to fully utilize the expertise of U.S. and indigenous cooperatives in this region, especially in the expansion of cash crops such as coffee and sesame. Further, the Committee recognizes that some countries in Africa are rethinking cooperatives and reorganizing them on a more commercial basis. The Committee urges AID's Africa Bureau to fully utilize cooperative models in its country strategies in the areas of rural electrification, increasing access to telephones, agricultural marketing, credit unions and urban development.

TORTURE TREATMENT CENTERS

The Committee recommends \$7,500,000 for AID to support foreign treatment centers for victims of torture, as authorized by the Torture Victims Relief Act. In implementing this recommendation, the Committee believes that AID should give serious consideration to the 126 treatment programs in 54 countries listed in the 1998 directory published by the International Rehabilitation Council for Torture Victims in Copenhagen, Denmark. The Committee requests that AID report in writing no later than February 1, 2000, on its implementation of the torture treatment program.

COMMUNITY-OWNED TELECOMMUNICATIONS

The Committee supports programs undertaken to foster community-owned telecommunications systems in the developing world and encourages AID to continue funding such programs as they are consistent with the overall goal of economic growth led by private sector development.

INTERNATIONAL DISASTER ASSISTANCE

Fiscal year 1999 level	\$200,000,000
Emergency supplemental funding	188,000,000
Fiscal year 2000 request	220,000,000
Committee recommendation	200,880,000

The Committee has recommended \$200,880,000 for the International Disaster Assistance account, \$187,120,000 below the amount enacted for 1999 level and \$19,120,000 below the request.

If emergency supplemental funding is excluded from the calculation, the recommended level is \$880,000 above the 1999 level. The Committee notes that the overall amount enacted for fiscal year 1999 funding level was in response to urgent needs associated with the natural and man-made disasters in Central America and the Balkans. The Committee also notes that appropriations for this account have varied widely over the past ten fiscal years, from a low of \$25,000,000 to the fiscal year 1999 level of \$388,000,000.

Last year, the Committee noted that Office of Transition Initiatives (OTI) activities are consuming an ever-increasing part of the International Disaster Assistance account. AID allocated to the Office of Transition Initiatives \$30,000,000 in 1998 and \$55,000,000 in fiscal year 1999 from within the International Disaster Assistance account. The Committee recognizes that transition activities have merit, but has become increasingly concerned that scarce disaster aid may be siphoned off for longer-term OTI programs. Therefore, the Committee has placed a ceiling of \$35,000,000 on disaster assistance funds which can be dedicated to OTI programs. This will help ensure necessary transition activities as well as true disaster aid are adequately funded.

The Committee has included bill language requiring that any additional funds made available from this account for OTI activities be subject to the Committee's regular notification procedures. The Committee notes that section 515 of this act provides authority to waive the notification process if failure to do so would pose a substantial risk to human health or welfare. Also, the Committee requests that AID report on a semi-annual basis the expenditure and specific use of funds by OTI.

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 in order to provide disaster assistance, if necessary.

The Committee is aware that the Office of Foreign Disaster Assistance at AID currently contracts with two domestic search and rescue (SAR) teams to urgently respond to overseas disasters. The Committee supports the work of these SAR teams, both of which are located on the East Coast. To better respond to disasters in Asia and the Pacific Rim, the Committee encourages OFDA to contract with two SAR teams on the West Coast. The Committee believes this could reduce the amount of time required to respond to disasters by up to six hours.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM

SUBSIDY APPROPRIATION

Fiscal year 1999 enacted	\$1,500,000
Fiscal year 2000 request	1,500,000
Committee recommendation	1,500,000

ESTIMATED LEVEL OF DIRECT AND GUARANTEED LOANS

Fiscal year 1999 enacted	(\$40,000,000)
Fiscal year 2000 request	(30,000,000)
Committee recommendation	(30,000,000)

ADMINISTRATIVE EXPENSES

Fiscal year 1999 enacted	\$500,000
Fiscal year 2000 budget request	500,000
Committee recommendation	500,000

The Committee is recommending \$1,500,000 in a subsidy appropriation for the micro and small enterprise program. This level is the same as the 1999 enacted level and the budget estimate. The proposed level of funding will provide up to \$50,000,000 in direct loan and loan guarantee authority. In addition, the Committee is recommending \$500,000 in administrative expenses, the same as the 1999 enacted level and the budget request.

URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

SUBSIDY APPROPRIATION

Fiscal year 1999 level	\$1,500,000
Fiscal year 2000 request	3,000,000
Committee recommendation .....	.....

OPERATING EXPENSES

Fiscal year 1999 level	\$5,000,000
Fiscal year 2000 request	5,000,000
Committee recommendation	5,000,000

The Committee is not recommending a subsidy appropriation for the urban and environmental (UE) program account for fiscal year 2000. This is \$3,000,000 below the budget request and \$1,500,000 below the fiscal year 1999 enacted level. An appropriation of \$5,000,000 is recommended for operating expenses to maintain the current portfolio. The \$5,000,000 recommendation will allow AID to administer its existing UE program in fiscal year 2000 with a staff of 25, including 15 in Washington and 10 overseas. This staff is responsible for a UE credit portfolio of more than \$2,200,000,000.

Due to budget constraints, the Committee is once again recommending termination of this program so that scarce development resources can be dedicated to the least developed countries. The Committee notes that the program currently has an undisbursed pipeline of more than \$116,000,000 for active programs in India, Indonesia, Morocco, South Africa, Zimbabwe, and the Czech Republic.

DEVELOPMENT CREDIT AUTHORITY

The Committee is not recommending funding for the Development Credit Authority (DCA), a new AID proposal to extend sovereign and non-sovereign loans and loan guarantees in developing nations. The budget request proposes up to \$15,000,000 from the Development Assistance, Independent States and SEED accounts for this purpose. The Committee is aware that AID has made a considerable effort, with the assistance of the Office of Management and Budget, to ensure that the DCA program is better managed than existing AID credit programs. However, the Committee considers extending new loans in developing nations unwise given the inability of many nations to service existing debt. The Committee notes that bilateral and multilateral lending programs in the

1970s and 1980s have spawned a proliferation of debt cancellation and reduction schemes in the 1990s. The Committee considers DCA inconsistent with the President's budget request which focuses significant attention on reducing or canceling existing U.S. bilateral and multilateral debt, including debt reduction through the Paris Club, the World Bank's Highly Indebted Poor Countries (HIPC) program, the President's "Africa Initiative" debt forgiveness plan, and debt relief for certain countries with tropical forests.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY
FUND

Fiscal year 1999 level	\$44,552,000
Fiscal year 2000 request	43,837,000
Committee recommendation	43,837,000

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 1999 level	\$479,950,000
Fiscal year 2000 request	507,739,000
Committee recommendation	479,950,000

The Committee has recommended funding for Agency for International Development operating expenses at a level of \$479,950,000 which is \$27,789,000 below the Administration's request and the same as the amount provided for fiscal year 1999. The Committee recommendation is a result of overall budget constraints as well as Committee concerns about management problems at the agency. The Committee recommendation discontinues prior year language limiting funding for publications. The Committee is aware that AID procedure now prohibits funding for publications above \$25,000 without the approval of the Administrator. The Committee has not included in the bill any provision regarding voluntary separation incentives for AID employees as contained in the budget request. The Committee recognizes that its recommended funding level for Operating Expenses may cause the agency to consider modifying its employment levels. Therefore, the Committee may reconsider the AID request for separation incentives later in the process and after the relevant authorizing committees have had an opportunity to consider the proposal.

Over the years, the Committee has granted AID significant flexibility in the allocation of its operating budget. However, because of AID's lack of consultation with the Committee regarding operating expenses in Africa, the Committee has included a new general provision in the bill (section 579) requiring AID to notify the Committee in advance of opening any new mission overseas or of any capital construction of missions or purchase or long-term lease of offices.

COMMITTEE OVERSIGHT CHALLENGES

The Committee is concerned about continued and significant weaknesses in AID's ability to provide reliable information to Con-

gress 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. However, these deficiencies have affected the Committee's ability to conduct responsible oversight of agency programs.

At the core of these weaknesses are AID's poor financial accounting and management systems and the failure of AID's New Management System. The Committee notes that according to AID's Inspector General, "USAID's core financial system, performance measurement system, managerial cost accounting system, and budget system have widespread deficiencies. These systems do not meet federal standards." Specifically, the Committee notes that AID has been unable to produce timely and reliable information regarding the agency's fund obligation rate and the amount of funds in various agency program "pipelines". Further, the Committee has experienced significant problems with the agency's congressional presentation documents, its notification process and with the reliability of information contained in AID's annual statistical annex. Finally, the Committee has had difficulty obtaining detailed information, known as "coding", regarding the obligation of funds by specific activity.

The Committee is aware that AID has abandoned its \$104,000,000 New Management System and that efforts are now underway to purchase a commercial off-the-shelf integrated financial management system. The Committee requests that AID continue to report on a quarterly basis on the status of its computer systems, including the cumulative costs associated with design and implementation of the system. Any costs for computer systems above those originally projected for fiscal year 2000 should be subject to prior review by the Committees on Appropriations. In addition, the Committee insists that the agency's fiscal year 2001 budget justification will clearly identify the amounts requested for the AID computer operations.

The Committee finds it difficult to understand AID's failure to meet its requirements under various financial management laws. AID is currently not in compliance with the Federal Financial Management Improvement Act (FFMIA), due in part to the failure of the New Management System. In addition, the Committee last year expressed its concern about AID's failure to fully comply with the Chief Financial Officers Act. To date, AID is still not in substantial compliance with that Act.

The Committee requests that the Director of the Office of Management and Budget provide a report to the Committee within six months of enactment of this bill detailing his efforts to secure AID's compliance with relevant federal financial management statutes. 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. Finally, the Committee is aware that AID has been slow to ensure its mission critical systems are Y2K compliant. The Committee expects AID to keep it informed of agency progress in meeting Y2K requirements.

The Committee will continue to work with senior AID officials to reform the budget justification and notification processes to ensure

they meet the needs of both Congress and the agency. But much of the responsibility for improving agency processes and ensuring compliance with federal law regarding financial management lies exclusively with senior agency management. Our common goal is to reduce unnecessary paperwork while providing more useful information to decision-makers.

AID BUDGET SUBMISSION

The Committee notes that the Congressional Notification process has failed to provide 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. The Agency is therefore required to submit a proposed annual budget to Committees of jurisdiction. The Committee is aware that annual budgets which describe proposed funding levels for each Bureau, Central Office, and Field Mission by objective and funding source already exist, and expects that this requirement will not constitute an undue 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.

The Committee therefore recommends a new general provision, section 581, that would require the Agency to submit an annual budget that contains detailed data about past, current, and requested financial and personnel resources for each Bureau, Central Office, and Field Mission. The Committee expects a draft budget format to be submitted for approval by the Committees on Appropriations no later than October 31, 1999, or 30 days after the enactment of the act.

AID OVERSEAS SECURITY

The Committee is concerned by AID's lack of strategic planning for its overseas physical security needs. In response to the bombings of the U.S. embassies in Kenya and Tanzania in 1998, AID has determined that it must relocate its missions in a number of countries and provide significant physical security upgrades to other sites at a total estimated cost of \$350,000,000. However, AID submitted a fiscal year 2000 budget request which contained no funding for additional overseas physical security needs. More recently, the Committee was informed that AID requires nearly \$63,000,000 in fiscal year 2000 for which no source of funding has yet been identified. The Committee directs the Administrator of AID to prepare a written report detailing the agency's long-term 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 Committee expects new AID missions overseas will be located consistent with U.S. government regulations regarding collocation of facilities.

AID TRAVEL

The Committee is concerned about the practice of AID employee and other AID-sponsored travel to wealthy countries for various

conferences, workshops and seminars. The Committee recognizes the legitimate role of periodic travel by senior agency officials to attend donor conferences and consultations outside the developing world, however, the Committee does not see the justification for extensive AID funded travel to OECD and other wealthy countries by agency employees and third party individuals. The Committee requests that AID provide a written report no later than December 1, 1999, detailing all fiscal year 1999 AID expenditures for travel to countries which are not direct recipients of AID bilateral development, humanitarian or economic assistance. This report should include the purpose of the travel, the amount of funds spent and the bureau or mission accountable for the expenditure, and the dates and travel destinations.

AID OPERATIONS IN AFRICA

The Committee is concerned about AID's failure to consult about agency plans in several African nations which will have significant impact on the agency's operating budget and on the allocation of program funds in fiscal year 2000 and beyond. The Committee is concerned that AID has not fully considered the long-term budgetary and policy implications of these decisions on other programs on the continent.

The Committee finds unacceptable AID's failure to notify it prior to extending its program in South Africa by five years. While the Committee has been supportive of U.S. assistance programs in South Africa, it recognizes that continued significant levels of assistance for South Africa will be provided at the expense of AID programs in less developed African nations. AID estimates that the additional operating costs due to this extension will total more than \$4,500,000. The Committee is also concerned that AID is committed to construction of a new mission facility in Pretoria without Congressional consultation. The Committee is also concerned about recent AID actions in Nigeria. The Committee is aware that AID has taken several steps to establish a new mission in Nigeria, including expanding AID's presence in Lagos and opening a new facility in Abuja, without consulting the Committee. AID estimates that this decision will cost up to \$2,500,000. These decisions will place a new, unanticipated burden on the agency's operating budget in upcoming years.

AID is requested to report in writing to the Committee no later than February 1, 2000, on its five year strategic plan for management of its operating resources for Sub-Saharan Africa, including operating expense needs, staffing needs, the status of existing and proposed missions, the role of regional missions, and the close-out or graduation of programs.

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

Fiscal year 1999 level	\$30,750,000
Fiscal year 2000 request	25,261,000
Committee recommendation	25,000,000

The Committee has recommended \$25,000,000 for the Office of the Inspector General of AID for fiscal year 2000, \$261,000 below

the budget request and \$5,750,000 below the fiscal year 1999 level. The reduction in the Inspector General's budget request below fiscal year 1999 is due largely to the transfer of responsibility for security matters from the Inspector General to the AID Administrator. The Committee again requests that the Inspector General consult with the Committee no less than four times per year on its activities with regard to the Government performance and results Act.

CENTRAL AMERICAN AND THE CARIBBEAN EMERGENCY DISASTER
RECOVERY FUND

Fiscal year 1999 Emergency supplemental funding	\$621,000,000
Fiscal year 2000 request	
Committee recommendation	

The Committee provided \$621,000,000 in fiscal year 1999 emergency supplemental funding to assist Central American and Caribbean nations struck by Hurricanes Mitch and Georges and to aid earthquake recovery efforts in Colombia. The administration did not request fiscal year 2000 funding.

DEVELOPMENT FUND FOR AFRICA

Fiscal year 1999 level	
Fiscal year 2000 request	512,560,000
Committee recommendation	

The administration requested \$512,560,000 for the Development Fund for Africa. The Committee provided no funds under this account heading. However, as stated earlier in this report, the Committee recognizes that development needs in sub-Saharan Africa are great and expects AID to provide a significant percentage of all development funds, including Development Assistance and Child Survival and Disease Programs Fund resources, to the region.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

Fiscal year 1999 level	\$2,367,000,000
Rescission	- 5,000,000
Emergency supplemental funding	211,500,000
Fiscal year 2000 request	2,539,000,000
Committee recommendation	2,227,000,000

The Committee recommends a total of \$2,227,000,000 for the Economic Support Fund, an amount that is \$312,000,000 below the request and \$346,500,000 below the amount enacted for 1999. If emergency supplemental funding is excluded from the calculation, the recommended level is \$135,000,000 below the 1999 level and rescission.

The Committee recommendation assumes a reduction of \$160,000,000 in economic support for the Camp David countries, and an increase of \$50,000,000 for Jordan. Thus the total increase for non-Camp David countries is \$25,000,000, or a total of \$532,000,000. Support for non-Camp David countries and activities in this account has risen from \$344,600,000 in fiscal year 1996 to \$532,000,000 in fiscal year 2000, an increase of \$187,400,000 or over 50 percent. However, the Committee notes that funds for the

Middle East continue to make up the largest portion of this account.

ISRAEL

The Committee is continuing the initiative begun last year 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 2000. 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 therefore recommends that not to exceed \$960,000,000 in economic support shall be provided for Israel, which is \$120,000,000 less than the fiscal year 1999 level, but \$30,000,000 more than the amount requested by the President. The Committee also requires in bill language that these funds be provided to Israel as a cash grant within thirty days of the signing of this act or by October 31, 1999, whichever is later.

The Committee has retained an overall limit on Middle East spending (section 571) at a level of \$5,318,150,000. The Committee intends to continue the phased reduction in the Middle East cap next year, a reduction that will correspond to the phased reductions in aid to Israel and Egypt. 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 critical role in the Middle East and essential contribution to the peace process cannot be overstated. 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 recommends that not to exceed \$735,000,000 in Economic Support Funds be provided for Egypt on a grant basis, which is \$40,000,000 less than the fiscal year 1999 level but \$20,000,000 more than the amount requested by the Administration. A cash transfer may be provided with the understanding that Egypt will continue to implement significant economic reforms. The Committee also strongly recommends that not less than \$200,000,000 of the funds allocated for Egypt be available

for Commodity Import Program assistance. The Committee would support the use of local currency generated by the Commodity Import Program to assist in the relocation of the American University in Cairo.

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 539 of this Act.

CHRISTIAN COMMUNITY IN EGYPT

The Committee appreciates the strong friendship that has developed between the United States and Egypt and appreciates the leadership of President Mubarak in this critical region. It is the Committee's view that the United States should make every effort to enhance this important relationship. Nevertheless, it is very concerned by continuing reports of discrimination, harassment and violence against Christians in Egypt. It encourages the government of Egypt to take all steps possible to promote equal rights and religious tolerance for the Christian community, and to provide greater protection to vulnerable communities subject to attacks and exploitation by militant factions.

JORDAN

The Committee expresses its continued strong support for and appreciation of Jordan's constructive and critical role in the peace process 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 full funding for the Administration's request for Jordan, including \$100,000,000 for fiscal year 2000 as requested in the President's transmission of February 19, 1999. Of this amount, \$50,000,000 is provided through "Economic Support Fund" and \$50,000,000 is provided through "Foreign Military Financing Program".

This recommendation is not part of the ongoing support of \$150,000,000 for Jordan recommended in this account, and \$75,000,000 in base funds recommended in "Foreign Military Financing Program". Given the special nature of the \$100,000,000 proposed by the President as part of a short-term, limited commit-

ment to Jordan, it is not included in the Middle East funding cap contained in section 571.

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

MIDDLE EAST DESERTIFICATION

The Committee expresses strong support for the initiation of a Middle East and Mediterranean desert development program to significantly increase efforts to expand regional cooperation in combating growing desertification in the Middle East and southern Mediterranean region. The Committee believes that such a program would be environmentally viable and mutually beneficial to nations in this region. Therefore, the Committee directs that up to \$5,000,000 be made available for this activity from the Economic Support Fund, development assistance or any other appropriate funds made available by this Act.

ISRAELI-PALESTINIAN COOPERATION PROGRAM

The Committee strongly supports efforts to promote better understanding and mutual respect between Israelis and Palestinians living in the West Bank and Gaza. The Committee also remains convinced that the United States should encourage a broad range of educational, cultural and humanitarian activities which bring Palestinians and Israelis together. The Committee believes these activities can be successfully carried out by Israeli and/or Palestinian private voluntary organizations. Therefore, despite tight budgetary constraints on the overall account, the Committee urges the Agency for International Development to continue to provide necessary assistance for this program.

SEEDS OF PEACE

The Committee recognizes the importance of youth training in conflict resolution as a tool for creating a climate of peace in regions of conflict. The Committee commends the work of Seeds of Peace for its commitment to helping future leaders of the Middle East and other regions to overcome prejudice, fear, and other obstacles to peace, and urges the Administration to support the important work of this organization.

WEST BANK AND GAZA

The Committee supports assistance to the West Bank and Gaza. The Committee continues to believe that support by the United States for the economic and social development of Palestinians is an important contribution to the peace process. However, the Committee is not convinced that the President's requested increase of \$25,000,000 for fiscal year 2000 for the West Bank and Gaza is warranted at the present time. Therefore, the Committee believes strongly that funding for the West Bank and Gaza in fiscal year 2000 should not exceed the amount allocated for fiscal year 1999.

LEBANON FUNDING

The Committee believes support for the people of Lebanon continues to be in the United States national interest. The Committee

supports increased funding for Lebanon from both the development assistance and Economic Support Fund accounts for fiscal year 2000. The Committee is aware of the vital work being done at the local level by existing AID programs in Lebanon. It is also aware of the long-term benefits derived from ongoing support for American institutions of learning in Lebanon such as the American University of Beirut, the Lebanese American University, and International College. The Committee urges the Administration to provide an increase for scholarships and other direct support to these institutions through appropriate funding mechanisms.

SUPPORT FOR DEMOCRACY IN LEBANON

Since 1976, Syrian military, security and intelligence forces have occupied Lebanon, and Syrian military forces in Lebanon currently number upwards of 30,000 troops.

Syrian control has meant that Lebanon has become a haven for terrorists. The most notorious of these terrorist groups is Hizballah, the group that killed U.S. Marines and held American hostages in the 1980's. The Syrians not only support, train and protect these terrorists, but also help finance them with drugs grown in Lebanon and sold in the West. Lebanon has become a major producer, refiner and shipper of hashish, heroin and other drugs since Syria began its occupation.

The Committee supports the withdrawal of all Syrian military, paramilitary, intelligence and proxy forces from Lebanon so that Lebanon may regain its freedom and reconstitute its formerly democratic government.

IRAQ OPPOSITION

The Committee supports the President's request of \$10,000,000 for support to Iraq opposition groups, and has included bill language in section 580 that authorizes such assistance pursuant to the provisions of the Iraq Liberation Act (Public Law 105-338).

CHINA

The Committee is recommending continuation of a general provision (section 526) which authorizes the use of funds from the Economic Support Fund to provide general support and grants for non-governmental organizations located outside China that have as their primary purpose fostering democracy in that country. Funds were appropriated, and obligated, for this purpose in fiscal year 1999. In fiscal year 2000, the Committee expects the State Department to make available up to \$900,000 for the democracy project being administered by the Robert F. Kennedy Memorial Foundation, and up to \$1,000,000 for other projects related to China. The Committee would also support rule of law programs for law students.

Due to the fact the majority of the projects funded in fiscal year 1999 are new, it is important that there be adequate oversight over the use of the funds. Therefore, the Committee expects that funds for similar purposes for fiscal year 2000 will not be obligated until it receives a report providing details of how funds appropriated for fiscal year 1999 are being used, including details on the goals for

each program, any grantee or subgrantee that has received funding and the amount received by each, any foreign organization that has received funding directly or indirectly, and the specific activities for which the funds were used. The report may be submitted in classified form, if necessary.

TIBET

The Committee recommends that \$250,000 be made available through an NGO, 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.

CAMBODIA

The Committee has included bill language (section 573) similar to that from the 1999 act that prohibits funding for the Government of Cambodia. However, the Committee does not restrict funding through nongovernmental organizations (NGO's) and would support increased emphasis on microcredit activities and democracy programs.

CYPRUS

The Committee recommends that every effort be made to provide \$15,000,000 in Economic Support Funds for educational and other bicomunal projects in Cyprus, and to examine the feasibility of an institution of higher learning that could serve both communities on that island. These funds provide a basis for mutual cooperation and preparation for these two communities to live together harmoniously by increasing inter-communal contacts. In this connection, the Committee is concerned by reports that the leader of the Turkish Cypriot community has attempted to restrict contacts with the Greek Cypriot community.

LATIN AMERICA AND THE CARIBBEAN

With the exception of the Administration's request for Haiti, the Committee expects the Administration to fund programs for Latin America at least at the fiscal year 1999 level, excluding emergency supplemental funds. (Haiti is addressed separately below.) 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 not be reduced further. In that regard, the Committee fully supports the budget request of \$3,000,000 for the Cuba democracy program and its goal of promoting a peaceful transition to democracy in that country.

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. While the Committee is pleased by the developments last year that resulted in the announcement by Argentine officials that linked Iran to the unresolved bombings and led to a downgrading of Argentina's relationship with that country, the Committee urges the Secretary of State to work with the government of Argentina to ensure that progress is made in these cases, and to offer tech-

nical law enforcement assistance where appropriate to bring to justice the perpetrators of these terrorist acts.

HAITI

The Committee is disappointed at the results of United States attempts to improve the lives of the poor majority in Haiti. Democratic reforms have stalled for two years and violence has escalated in Haiti. The Committee continues to be fully supportive of humanitarian assistance to the people of Haiti, and commends the private organizations through which such aid is distributed.

Section 559 of the recommended bill would lift current statutory restrictions on assistance to the government of Haiti in section 561 of the 1999 Act (as contained in P.L. 105-277). This new approach may facilitate efforts by the Executive branch to reverse the negative trends in Haiti. The Committee continues to insist that assistance to the Government of Haiti be implemented in a manner that significantly advances market-based economic reforms, particularly the privatization of parastatal companies, and respect for the rule of law.

The Committee directs that no assistance shall be provided to any national or local government office or any dependent or associated entity in Haiti under audit or investigation for corruption or misuse of donor funds. Any such suspension shall not be removed until an independent audit report accounts for the funds involved and any audit findings are fully implemented. The Committee supports urgent, proactive measures to reverse the corruption, politicization and a high rate of attrition that plague the Haitian National Police, including full accounting of the attrition of hundreds of U.S.-trained members from the unit. The Committee expects the Administration to abide by its written commitments to fully consult the relevant committees of Congress on the provision of aid to the Government of Haiti.

Evidence presented to the Committee by the International Justice Mission in Haiti suggests that arbitrary and illegal detention of numerous individuals for personal or political reasons is becoming increasingly common. Consequently, the Committee strongly recommends that the Department of State and Justice link future assistance to the Government of Haiti to a full audit of persons detained in Haitian prisons and jails and the removal from office of individuals who routinely refuse to obey court orders to release prisoners. The Committee recommends that the Office of Overseas Prosecutorial Development and Training (OPDAT) of the Department of Justice be utilized for such an audit.

The Committee recommends up to \$10,000,000 as a grant to an economic development fund for Haiti. The Committee intends, that, to the extent possible, credits from the Fund be made to small to medium-sized businesses (i.e., enterprises with total revenues of less than \$20,000,000). The fund should be implemented expeditiously to restore jobs lost during the embargo to help deter unlawful Haitian immigration into the United States.

The bill does not include a dollar ceiling on the level of assistance in 2000, but the Committee notes that the actual dollar amount made available for Haiti or any other Latin American or Caribbean nation is limited by section 556.

TUNA TREATY

The Committee continues to support the payment of \$14,000,000 in economic assistance as provided under the South Pacific Tuna Treaty, and as requested by the President.

INTERNATIONAL CRISIS GROUP

The past decade has seen an explosion in the number of complex crises around the world. One organization that has set a high standard for providing policy-makers with an independent source of information, analysis and ideas on internal and regional conflicts is the International Crisis Group (ICG). By placing its expert analysts on the ground for long periods, ICG is well positioned to identify problems, produce objective assessments and prescribe coherent and effective policy responses. Its comprehensive and perceptive reporting from Bosnia, Serbia, Macedonia, Albania, Burundi, Democratic Republic of Congo, Algeria, Sierra Leone and Cambodia over the past three years are examples of its value. The Committee urges the State Department and AID to consider increasing support for ICG because of the great benefit its work has for the U.S. government in assessing its role in crisis situations.

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 1999 level	\$19,600,000
Fiscal year 2000 request	(19,600,000)
Committee recommendation	19,600,000

The Committee recommends \$19,600,000 for the International Fund for Ireland in support of the Anglo-Irish Accord. Funding of this amount was requested for this activity through the Economic Support Fund, but the Committee recommendation would continue a separate account for assistance to Ireland. The amount is the same as the 1999 enacted level.

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.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

Fiscal year 1999 level	\$430,000,000
Emergency supplemental funding	120,000,000
Fiscal year 2000 request	393,000,000
Committee recommendation	393,000,000

The Committee recommends \$393,000,000 for Assistance for Eastern Europe and the Baltic States, an amount that is \$157,000,000 less than the amount enacted for 1999 and the same as the budget request. If emergency supplemental funding is ex-

cluded from the calculation, the recommended level is \$37,000,000 less than the 1999 level

While the Committee is recommending the full budget request for this account, it anticipates that the increased funding of \$44,000,000 for expenses of the Organization for Cooperation and Security in Europe (OSCE) for activities in the Balkans that is included in the request for "Peacekeeping Operations" will be provided through "Assistance for Eastern Europe and the Baltic States". This will necessitate a decrease in funding for Bosnia, and the elimination of funding for the proposal to initiate a new foundation for central Europe. The Committee has taken this reduction in anticipation of first reviewing the pilot project for the Baltic American Partnership Fund which has only recently begun operations. The Committee intends that funding for democracy programs through the National Endowment for Democracy continue at least at the fiscal year 1999 level.

BOSNIA AND HERZEGOVINA

The Committee has recommended the same bill language as in the 1999 act that prohibits the use of funds for the construction or repair of housing or residences, unless directly related to the efforts of United States troops to promote peace in Bosnia and Herzegovina; requires the written approval of the Administrator of AID for loans and projects under the Economic Reconstruction Program; 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 now subject to the provisions of section 532 of this Act.

The Committee is very disappointed the Federation of Bosnia and Herzegovina has failed to take the steps necessary to achieve economic self-sufficiency. The economy has expanded primarily as a result of donor assistance, and the Committee supports the phaseout of significant United States assistance for Bosnia if the Federation continues to resist movement toward transparent and open markets. As the Special Representative to the President and the Secretary of State for the Implementation of the Dayton Peace Accords noted at the Donors' Conference for Bosnia and Herzegovina on May 20, 1999: "It is especially distressing that officials in the Federation * * * have had to be dragged every inch of the way into getting the foundations of a market economy into place. Privatization has been delayed for far too long. Bank privatization and restructuring are still not underway. The enterprise law has still not passed, and critical institutions such as the securities commission and share registry have not been adequately funded by the Federation."

Therefore the Committee recommends that any increased funding needs that are necessary for programs and activities in this account be derived from reductions in the President's request of \$175,000,000 for Bosnia.

SERBIA

The Committee intends that none of the funds provided under this heading, or in this Act, may be made available for reconstruction or development activities for the Republic of Serbia, outside of Kosovo. The Committee would support a substantial increase in democratization activities in Serbia and Montenegro, excluding Kosovo, including increased assistance as authorized under the Support for East European Democracy Act of 1989. The Committee is recommending a new general provision, section 537, that would prohibit funds from being made available for assistance for the Republic of Serbia. Such assistance is not appropriate at the present time.

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. Such assistance should include balance of payments support, as well as ongoing and new initiatives to help make the economy of Montenegro less dependent on trade with Serbia. The Committee would support at least \$35,000,000 for Montenegro for fiscal year 2000. Additional funds should be derived by reducing the request for Bosnia and Herzegovina.

TREATMENT OF ORPHANS

The Committee is 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 no later than December 1, 1999, on the steps that have been taken both by Bosnia and by the Department to encourage passage of such legislation.

LEGAL INITIATIVES

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 re-

structuring; bar reform; commercial law; criminal law and procedure; and legal education reform, and has helped develop and/or institutionalize self-sustaining indigenous non-governmental organizations (NGO's). The Committee encourages support for this type of private sector involvement.

CROSS BORDER PROGRAMS

The Committee strongly supports efforts to enhance cross border educational and exchange activities between Poland, Hungary, and the Czech Republic and the relevant countries of the NIS regarding the expansion of the North Atlantic Treaty Organization (NATO) and related issues. It is vital that such activities take place in order to reduce the level of misunderstanding and distrust about NATO expansion among opinion-leaders in the NIS. The Committee directs that the Administration report by February 1, 2000, on its plans in this area.

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 that the Administration provide funding for the Russian, Eurasian and East European Research and Training Program (title VIII) at least at the level provided in fiscal year 1999. Funding for this program should come from this account and from the account for the Independent States of the Former Soviet Union. The Committee supports funding for partnership programs in all regions of the NIS and Central and Southern Europe.

The Committee recommends the East Central European Scholarship Program (ECESP) be continued at least at the same level as fiscal year 1999 to allow the program to continue to address the needs of the countries in the southern tier of Central Europe. The Agency for International Development should also review the proposal of the University of Northern Iowa to establish an Office of Education for Democracy, based on its success with the Orava Project in Slovakia.

PARTICIPANT TRAINING PROGRAMS

The Committee notes with concern the decrease in recent years in the number of individuals enrolled in AID's participant training programs. These programs benefit both the United States and other nations by promoting democratic and free-market principles. The Entrepreneurial Management and Executive Development (EMED) program in particular, which trains entrepreneurs in Eastern Europe, has helped create business relationships between U.S. and foreign firms. The Committee urges AID to give priority to participant training programs in all its programs, particularly those for entrepreneurs and women in Eastern Europe and the NIS.

DEMOCRACY PROGRAMS IN CENTRAL EUROPE

In the report accompanying last year's bill, the Committee expressed concern about the operations of the AID office that administers funding for democracy activities in central Europe. In response, AID engaged the National Academy of Public Administration in an assessment of that office and its activities. The report, entitled "Enhancing the Capabilities of AID and its Nongovernmental Partners", was issued in June of 1999. The Committee is pleased that AID commissioned the study, but is concerned the recommendations may not be considered and implemented in a timely fashion. Therefore the agency is requested to report by December 1, 1999, on whether and to what extent it is prepared to accept and implement each of the recommendations made by the Academy study team. In addition, the Committee requests that the study be made available on the AID internet site to allow for the widest possible distribution of the information and recommendations contained in the report.

The Committee notes the work of the Citizens Democracy Corps (CDC), which utilizes expert business volunteers in developing and emerging nations working in a variety of enterprises, institutions, and local governments. CDC's programs effectively promote the U.S. foreign policy priority of supporting democratic reform and open market economies through broad-based economic growth and job creation. The Committee urges AID to support such activities in its Europe/Independent States Bureau and in other regions, to the greatest extent possible.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

Fiscal year 1999 level	\$801,000,000
Emergency supplemental funding	46,000,000
Fiscal year 2000 request	1,032,000,000
Committee recommendation	725,000,000

The Committee recommends \$725,000,000 for the Southern Caucasus states, Russia, Ukraine and the Central Asian republics of the former Soviet Union. This is \$307,000,000 less than the request and \$122,000,000 less than the amount enacted 1999 level. If emergency supplemental funding is excluded from the calculation, the recommended level is \$76,000,000 below the 1999 level. The recommendation also renames the heading "Assistance for the Independent States of the Former Soviet Union", dropping the word "New" after nine years.

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 territorial integrity, human rights, and non-use of funds for enhancing military capacities, and providing all funds subject to separate notification.

JUSTIFICATION FOR RECOMMENDATION

Because of the overall budget situation and specific negative developments in several nations, the Committee is unable to rec-

commend the 29 percent increase in this account requested by the President. To the contrary, negative congressional reaction to events in the region suggests that scarce foreign assistance funds can be better used elsewhere. The justification for the recommended reduction of \$76,000,000 includes: the lack of progress in resolving conflicts in the Southern Caucasus region, the reluctance of the Russian Federation to effectively limit nuclear and missile technology transfers to Iran, and recent provocative military deployments by the defense forces of the Russian Federation.

CAUCASUS CONFLICTS: ARMENIA, AZERBAIJAN, AND GEORGIA

Foreign assistance, other than humanitarian aid to victims of war and disaster, should serve the national interests of the United States. The primary national interest of the United States in the Southern Caucasus is peace. The Committee recommendation continues support for the people of Armenia, Azerbaijan, and Georgia. It does not include a separate Southern Caucasus reconstruction fund, as in past years. When the conflicts over Abkhazia and Nagorno-Karabagh are settled and regional transport and communications links restored, the Committee is willing to consider exceptional support for the region.

The Committee reiterates language included in its last two 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 the April 1999 NATO Summit, 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 transportation routes and infrastructure, establishing a youth exchange program and other collaborative initiatives to foster greater understanding among the parties and reduce hostilities.

The Committee is concerned that the important position of Special Negotiator for Nagorno-Karabagh and NIS Regional Conflicts within the U.S. State Department is currently vacant. Given the lack of progress in settling the conflicts in Nagorno-Karabagh and Abkhazia, the Committee urges the Secretary of State to move forthwith to appoint a permanent Special Negotiator to facilitate direct negotiations and any other contacts that will bring peace to the long-suffering people of the South Caucasus. The Secretary is further urged to remain engaged in the regional peace process.

The Committee has provided, for the third time, authority for the President to provide humanitarian assistance to the region, notwithstanding the restrictions of Section 907 of the FREEDOM Support Act. This exemption allows for direct assistance by American NGOs to refugees and displaced persons throughout the region, including those in Nagorno-Karabagh. A clarification of existing law

is added to remove doubts about the Committee's support for child survival and certain health activities in Azerbaijan.

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.

The Committee renews its directive from last year that \$20,000,000 in humanitarian assistance be provided to victims of Nagorno-Karabagh conflict residing in Nagorno-Karabagh during the period January 1, 1998 through September 30, 2000. This funding is provided solely for the purpose of assisting the victims of Nagorno-Karabagh conflict residing in Nagorno-Karabagh and is not to be utilized to provide assistance for the Governments of Armenia or Azerbaijan, which receive humanitarian assistance from other streams of funding. The Committee urges the Agency for International Development to issue its remaining requests for application for proposals for activities in Nagorno-Karabagh not later than December 1, 1999. It further directs the Agency to provide the Committee a detailed report not later than March 30, 2000 on the implementation or proposed use of all funds allocated for Nagorno-Karabagh.

GEORGIA

If a settlement of the conflict in Abkhazia is achieved during fiscal year 1999, part of the funds requested for the Extended Threat Reduction program would be available for that region of Georgia. The Committee directs that a significant part of the assistance for Georgia continue to be provided for technical security assistance for border and export control.

AZERBAIJAN

The Committee recommends renewing the one-year waiver of section 907 for activities in support of democracy in Azerbaijan and for activities in support of American business in Azerbaijan by the Trade and Development Agency, the Export-Import Bank, OPIC, and the U.S. Foreign Commercial and Agricultural Service. It also includes humanitarian assistance and child survival activities and programs to combat infectious diseases in the waiver.

MOLDOVA

The Committee commends Moldova for its commitment to democracy and reform under difficult circumstances. It notes the commitment of the Government of Moldova to the Allied efforts in Kosovo, and the resulting damage to the Moldovan economy. The Committee strongly recommends that an adequate level of resources from this bill be provided for Moldova. Funding from this or any other account in the bill may be used to implement any agreement reached between Moldova and the Russian Federation to remove hazardous munitions from the territory of Moldova.

UKRAINE

During the past two years, as an incentive for Ukraine to support necessary reform efforts and end harassment of American in-

vestors, the Foreign Assistance Appropriations Act included language that withheld one-half of Ukraine's assistance. The withheld funds could be released only after the Secretary of State had certified certain actions by the Government of Ukraine. Strenuous efforts by senior Administration officials to resolve the cases of primary concern to the Committee were unsuccessful, but the certifications were made nevertheless.

This year the Committee recommendation does not link U.S. assistance to Ukraine to specific conditions in the face of the continuing dismal political and economic situation in Ukraine. It continues to support humanitarian help for the suffering and neglected people of Ukraine, partnerships and other forms of cooperation with non-governmental organizations in Ukraine, cross-border programs between Poland and Ukraine, and technical assistance to reform-minded local and regional governments.

The Committee directs the Coordinator to consult closely with the Committee before undertaking any programs of assistance to the central Government of Ukraine. It further directs the Administrator of AID to expand the current practice of providing the Committee with data regarding the utilization of operating expenses in Ukraine. He should also provide the Committee adequate documentation concerning proposed modifications of "strategic objectives" and the "R4" process (other than data regarding the FY 2001 budget).

The Committee is aware 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. The Committee is also aware of the value of partnerships with American agribusiness, where appropriate. The Committee recognizes the effectiveness of many ongoing projects in the agriculture and rural industry sectors and encourages the Coordinator of U.S. Assistance to the Independent States and AID to sustain support for those programs that demonstrate successful results and begin new projects in areas that are receptive to them. The survival of viable smaller private enterprises where few or none have existed before will be a benchmark for AID's decade-long involvement in Ukraine and the entire region.

The Committee has reviewed evidence that 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. It provides social empowerment to rural and remote areas that are often overlooked in favor of urban areas. Such community-based initiatives help create jobs and increase production as they expose communities to democratic processes. Therefore, the Committee strongly advises AID to emphasize community-based telecommunications projects in its regional initiatives.

REINFORCEMENT OF SUCCESSFUL PARTNERSHIPS IN UKRAINE

The Committee applauds the shift away from support for the central government in Kiev toward partnerships and support for

local and regional governments that are more open to genuine reform. Several successful models of community partnerships have come to the Committee's attention. The expanding linkages between Ukraine cities and municipal officials in partner communities in the United States appear to offer a unique opportunity to advance meaningful reform in Ukraine. Partnerships based on industry study tours and U.S. and Ukraine community linkages are also worthy of support. The Committee urges AID to provide full funding in 2000 for successful community partnerships, such as those administered by the Center for Economic Initiatives and the U.S.-Ukraine Foundation for ongoing programs in Ukraine cities and regions.

RUSSIA AND PROLIFERATION

The Committee continues with modifications language from last year's bill dealing with Russian nuclear and ballistic missile cooperation with Iran. 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 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, judicial training institutions, universities, and counterpart institutions in Russia.

EXPANDED THREAT REDUCTION

The request included \$241,000,000 for an Expanded Threat Reduction program. The Committee finds merit in many of the activities proposed, but is not convinced that the proposed rapid expansion of several projects is feasible or justified. The Committee will continue to review the justification for the Expanded Threat Reduction program in light of rapidly changing events in Russia, but does not recommend a specific amount at this time.

In order to clarify the intended result of activities authorized under Title V of the FREEDOM Support Act [Nonproliferation and Disarmament Programs and Activities], the Committee directs the Coordinator to include in each congressional notification a specific citation of the section of title V that authorizes the activity being notified.

The Committee requests the Coordinator to seriously consider undertaking a renewed effort to collaborate with partnerships between the United States private sector and Russian nuclear institutes (other than those designated as involved with nuclear activities in Iran) in development of proto-businesses. Other programs funded under this heading engage individual scientists possessing special competence in weapons of mass destruction in alternative civil research and development, but the Committee suggests that another attempt be made to help nuclear institutes move away from weapons development toward market-based civilian products. Any such project would be funded primarily by the American pri-

vate sector and would consider pilot proposals incorporating completed, privately-financed feasibility studies.

The U.S. Civilian Research and Development Foundation (CRDF) has effectively implemented United States/Independent States of the FSU collaborations in science and technology. Hundreds of American and thousands of Russian, Ukrainian, Armenian, and other IS/FSU researchers have been supported over the past three and a half years in work on projects selected via merit review. It expects that the CRDF will play a major role in the Expanded Threat Reduction program. The Committee commends the efforts of the President's Coordinator to obtain regular and substantial funding for the work of the CRDF from several agencies, including some funded in other appropriations Acts. The Committee strongly urges the Administration to continue and broaden these efforts, so that the objectives of the CRDF can be fully achieved. It recommends that the Coordinator continue to play a key role in allocating funds for the CDRF and other elements of the Expanded Threat Reduction program.

The Committee supports the recently created joint United States-Russia program to develop an advanced reactor to consume large quantities of excess weapons plutonium. This program promises to help fill a substantial gap in the Russian capacity to destroy their weapons plutonium in a timely manner. To this end, the Committee recognizes the importance of securing the financial support of Europe and Japan. It encourages the Department of State to use every opportunity to elicit the support of these nations for the cooperative implementation of this critical security program.

VIOLENCE AGAINST WOMEN

The Committee continues to be very concerned about the increasing 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.

RELIGIOUS FREEDOM IN RUSSIA

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

The recommended bill again includes language addressing this matter that is identical with language in the 1999 Act.

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.

CONTINUED DEVELOPMENT OF AN INDEPENDENT MEDIA

The Committee is very concerned about new pressures facing independent broadcast and print media in the former Soviet Union. Much of the pressure is linked to the effects of the Russian eco-

conomic crisis since August 1998. Continuing American support, where feasible, for the creation of a fair and transparent legal environment for journalists and media outlets, including anti-corruption measures and attention to the treatment of the media by regional and local authorities is important in all of the independent states.

The Committee recommends that the Coordinator continue support that is limited to genuinely independent media operating throughout the region, with a focus on those that have the best chance of becoming financially self-sustaining once the economic crisis is over. The Committee recognizes that in some regressive states and regions the lack of a transparent legal environment may render such assistance impracticable. The Committee also supports a transparent and open competition for the award of contracts or agreements to provide media assistance in the region.

HEALTH, CHILD SURVIVAL, AND ENVIRONMENTAL POLLUTION

Iodine Deficiency Disorder (IDD) is the leading cause of mental retardation in children. Since the 1991 breakup of the Soviet Union, problems with IDD in the new states appear to be getting worse. For instance, 73 percent of infants born in Gori, and 54 percent of children born in Tblisi, Georgia were found to have very high levels of iodine deficiency. In Eastern Europe it is estimated that more than 16 percent of children born in Bulgaria and Romania suffer from IDD. The Committee recommends up to \$1,250,000 of the IS/FSU and Central Europe regional accounts be provided on a matching basis to work with Kiwanis International and UNICEF in their effort to virtually eliminate iodine deficiency in the former Soviet bloc.

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 \$1,000,000 be provided for this purpose in fiscal year 2000.

The Committee is encouraged by the focus of AID's new "Assistance to Russian Orphans (ARO) program," and by the speed by which it has launched the initiative. AID's three-year, \$6,000,000 program will promote community-based, family-centered services that offer alternatives to warehousing children in institutions, and that create sustainable, long-term approaches to respond to the needs of orphans in Russia. The Committee supports the AID approach because it seeks to: address the orphan problem at its roots; prevent abandonment and institutionalization; promote community rehabilitation; and promote networking and the sharing of lessons learned. While commending U.S. non-governmental organizations working to improve conditions in Russian orphanages, the Committee urges AID to stay the course on its ARO program.

Up to 5 percent of the Funds in the Child Survival and Disease Programs account may be used in the Independent States, but only for activities that seek to directly reduce the incidence of infectious diseases, especially tuberculosis, and improve the status of infants and young children, especially orphans. All other activities related to child survival and maternal health are to be funded under the

heading "Assistance to the Independent States of the Former Soviet Union."

INDEPENDENT AGENCIES

INTER-AMERICAN FOUNDATION

Fiscal year 1999 level	(\$20,000,000)
Fiscal year 2000 request	22,300,000
Committee recommendation	(5,000,000)

The Committee provides funding for the Inter-American Foundation under the "Development Assistance" account. This is the mechanism used in 1999, instead of a separate account as requested by the President. The request is \$22,300,000.

AFRICAN DEVELOPMENT FOUNDATION

Fiscal year 1999 level	(\$11,000,000)
Fiscal year 2000 request	14,400,000
Committee recommendation	(14,400,000)

The Committee recommends funding for the African Development Foundation at a level of \$14,400,000, provided through the "Development Assistance" account. This is the mechanism used in 1999, instead of a separate account as requested by the President. This is an increase of \$3,400,000 above the fiscal year 1999 level.

PEACE CORPS

Fiscal year 1999 level	\$240,000,000
Emergency supplemental funding (by transfer)	1,769,000
Fiscal year 2000 request	270,000,000
Committee recommendation	240,000,000

The Committee recommends a total of \$240,000,000 for the Peace Corps, an amount that is \$30,000,000 less than the request and \$1,769,000 below the amount enacted for 1999. If the emergency supplemental funding is excluded from the calculation, the recommended level is the same as the 1999 level. 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 80 countries, and regrets that its restricted allocation precludes the provision of additional funds at this time. Should there be an increase in the allocation for foreign operations in subsequent stages of the appropriations process, the Committee is prepared to approve a further increase in Peace Corps funding for fiscal year 2000.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

Fiscal year 1999 level	\$261,000,000
Emergency supplemental funding	255,600,000
Fiscal year 2000 request	295,000,000
Committee recommendation	285,000,000

The Committee recommends \$285,000,000 for "International Narcotics Control". This is \$10,000,000 below the budget request

and an increase of \$24,000,000 above the fiscal year 1999 level, excluding emergency supplemental funding. The Committee notes that it has fully funded the 2000 budget request of \$265,000,000 for anti-narcotics activities, but has included bill language limiting anti-crime programs at the fiscal year 1999 level of \$20,000,000. Further, the Committee notes that the INL account received considerable additional resources as part of the omnibus appropriations act last year. The Committee continues to support a strong U.S. counternarcotics assistance program in order to protect U.S. communities from the ravages of drugs, and believes INL has considerable resources to meet these challenges.

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 notes that section 520 of the bill applies to the use of narcotics control funds for Colombia.

LATIN AMERICA LAW ENFORCEMENT TRAINING FACILITY

The Committee continues to support establishment of a regional law enforcement training center for Latin America, modeled on the International Law Enforcement Academy (ILEA) in Hungary. Funds were included in the 1999 act to establish such a center. The Committee believes that, given the proximity of the United States to Latin America, it is appropriate for such a center to be located in the United States. An existing facility, the deBremmond Training Center in Roswell, New Mexico, is available for such a center. The Committee again urges the Department of State to establish the training center at this site if it has the capacity to handle the training needs projected by the Bureau of International Narcotics and Law Enforcement Affairs.

COLOMBIA

The Committee commends the efforts of the Colombian Government to advance a peace process to resolve the conflict in Colombia. While progress to peace will be lengthy and difficult, a negotiated settlement is the only long-term solution to this complex conflict. The Committee urges all sides in the Colombian conflict to make renewed efforts to achieve a peaceful, negotiated settlement, and encourages the U.S. State Department to continue to support these difficult efforts.

The Committee is concerned about reports that all parties in Colombia's conflict continue to engage in serious violations of basic human rights and urges all parties to adhere to recognized standards of international humanitarian law. The Committee believes that the Government of Colombia must move decisively to carry out arrest warrants for paramilitary leaders and to ensure that any links between official security forces and paramilitary activities are ended. Recent actions by the Colombian Government to establish accountability for individuals implicated in paramilitary activities constitute an important step forward.

The Committee continues to urge the Colombian government to take stronger steps to protect human rights monitors, who work under constant threat. The Committee recommends that the Ad-

ministration provide funding for the Human Rights Unit of the Colombian Attorney General's Office, as well as to provide funding for human rights education and activities and humanitarian aid for the displaced, particularly through nongovernmental channels.

The Committee is deeply concerned at the murder of three U.S. indigenous-rights activists committed by members of the Revolutionary Armed Forces of Colombia (FARC) guerrilla group. The Committee urges the FARC to turn over to Colombian authorities the individuals for whom the Colombian government has issued arrest warrants. The Committee also urges the FARC to liberate, or to provide information about, the three U.S. missionaries it kidnapped from Panama in 1993. The Committee also notes that the National Liberation Army (ELN) guerrilla forces' recent kidnappings of innocent civilians are outrageous violations that only weaken efforts for peace.

The Committee expects the State Department to comply with relevant provisions of law, including provisions contained in section 564 of the foreign operations bill for fiscal year 2000 regarding funds made available to foreign government security forces and respect for human rights.

The Committee continues to support the counternarcotics efforts of the Colombian National Police (CNP). During the past two years, the Committee has provided significant funding in this account to bolster the CNP in its efforts. The Committee understands that the CNP continues to suffer from lack of airborne logistical support for its counternarcotics operations and, therefore, recommends up to \$13,500,000 for the purchase, refurbishment, and delivery of one DHC-5 Buffalo transport aircraft and for training of air crews and support personnel. The Committee urges the Department of State to act rapidly on this recommendation as a U.S. company is currently available to expeditiously refurbish and deliver this Buffalo aircraft to the CNP.

PERU

The Committee is concerned about U.S. counternarcotics assistance support for the Peruvian National Intelligence Service or SIN and believes that counternarcotics assistance would be better spent channeled through civilian law enforcement agencies. In the early 1990's, SIN's antinarcotics unit was directly implicated in death squad activity and has been recently tied to the systematic harassment and intimidation of journalists, civil society leaders and opposition politicians. The Committee believes that SIN is not a reliable partner in the drug war. It is neither transparent nor accountable to civilian authorities. The Committee is very concerned that investigations into allegations of corruption by SIN agents are routinely blocked and that SIN withholds intelligence from U.S. officials. In addition, the Committee is troubled by reports that SIN is responsible for significant setbacks to democratic practices in Peru and is involved in activities that are inconsistent with human rights, the rule of law and the development of democracy.

BOLIVIA

The Committee is pleased with the extraordinary success of the Bolivian government's program, known as the "Dignity plan", to

eradicate illegal coca leaf production and completely end the country's illegal drug trade by 2002. This effort represents one of the most ambitious elements of our hemisphere's war on drugs and should be seen as a model for other nations to follow. The Committee notes that during 1998, Bolivian authorities eliminated nearly 29,000 acres of illegal coca and in the first half of 1999, more than 18,000 acres have been removed from production. The Bolivian government has put forward a comprehensive fiscal year 2000 budget and program to continue to eradicate and interdict illegal coca, provide alternative development for Bolivia's agricultural sector and bolster drug prevention programs. The Committee expects the State Department to provide Bolivia with the highest level of funding possible in order to assist Bolivia meet its ambitious goals under its "Dignity plan".

The Committee encourages up to \$5,000,000 from the International Narcotics Control account for cocoa programs for small farmers in Bolivia as part of an alternative development program. This program should include applied research in integrated disease and pest control efforts. Additional uses for these funds should include micro-finance for small cocoa farmers and their community owned agribusinesses and the formation of marketing and processing cooperatives. Further, the program should engage in a public-private partnership with organizations that are closely tied to the U.S. chocolate, sugar, dairy and related industries.

DUE PROCESS OF LAW IN ECUADOR

The Committee requests the Secretary of State to submit a report to the Committees on Appropriations not later than February 1, 2000, which shall evaluate the Ecuadoran judicial process including arrests, prosecution, full trial process, and sentencing and confirmation process with respect to United States citizens prosecuted in that country since January 1, 1996. The evaluation shall determine whether actions in these stages have been in compliance with the Ecuadoran Constitution and legal code and shall evaluate the impact of U.S. foreign assistance to Ecuador on the effectiveness and lawfulness of the Ecuadoran judicial system.

MIGRATION AND REFUGEE ASSISTANCE

Fiscal year 1999 level	\$640,000,000
Emergency supplemental funding	266,000,000
Fiscal year 2000 request	660,000,000
Committee recommendation	640,000,000

The Committee recommends \$640,000,000 for "Migration and Refugee Assistance", an amount that is \$20,000,000 below the request and \$266,000,000 below the amount enacted for 1999. If emergency supplemental funding for the Balkans is excluded from the calculation, the recommended level is the same as the 1999 level. A limitation of \$13,800,000 is recommended for administrative expenses as requested.

TIBETAN REFUGEES

The Committee supports continued funding to assist Tibetan refugees, and expects that \$2,000,000 will be provided for this pur-

pose. 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.

RESETTLEMENT IN ISRAEL

The Committee supports \$60,000,000 for the resettlement of Russian, Eastern European and other refugees resettling in Israel, consistent with House Report No. 105-401. The Committee notes that in light of the unsettled conditions in Russia and the increased number of immigrants arriving in Israel, there is justification for future funding for this program at the current level.

EDUCATIONAL MATERIALS

The Committee supports recent Department of State efforts to remove anti-Semitic content in textbooks and curricula used in schools administered by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The Committee is aware of a joint initiative of UNRWA and the Department of State to appoint a senior-level expert to the UNRWA Education Department to review the current curricula, develop supplemental materials, and coordinate teacher training in human rights and conflict resolution skills. The Committee concurs with this initiative and directs that the appointment of the senior-level expert be made quickly. The Secretary of State is directed to submit a report to the Committee, not later than February 1, 2000, on the status of the initiative to redress anti-Semitic content in UNRWA schools.

UNACCOMPANIED CHILDREN AND WOMEN IN WAR TORN AREAS

The Committee supports continued funding for programs initiated through the United Nations High Commissioner for Refugees for unaccompanied and vulnerable refugee children. Funding has been used for the past two years by UNHCR to assist refugee children who are orphaned, separated from their parents, or have other unique needs as a result of armed conflict or other causes of forced migration. The Committee supports funding at last year's level to support the initiatives being taken by UNHCR to meet the needs of these children. The Committee is gravely concerned about refugee and displaced women from war torn areas who are survivors of assault and rape. For this reason, the Committee believes sufficient funds should be provided to this account to be used for psychological services to provide assistance to women around the world who have been victimized by the systematic use of rape as a weapon in times of conflict.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE
FUND

Fiscal year 1999 level	\$30,000,000
Emergency supplemental funding	165,000,000
Fiscal year 2000 request	30,000,000
Committee recommendation	30,000,000

The Committee recommends \$30,000,000 for the Emergency Refugee and Migration Assistance Fund, which is the same as the 1999 enacted level and the 2000 budget request. The Committee notes that it provided \$165,000,000 in emergency supplemental funding for the ERMA Fund in fiscal year 1999 to meet the urgent needs of refugees from the conflict in the Balkans. The Committee requests that the Department of State, as part of its fiscal year 2001 budget request, provide a detailed accounting of the expenditure of 1999 emergency supplemental funds.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED
PROGRAMS

Fiscal year 1999 level	\$198,000,000
Emergency supplemental funding	\$20,000,000
Fiscal year 2000 request	231,000,000
Committee recommendation	181,630,000

The Committee recommends a total appropriation of \$181,630,000 for "Nonproliferation, Anti-terrorism, Demining and Related Programs", an amount that is \$49,370,000 below the request and \$36,370,000 below the amount enacted for 1999. If emergency supplemental funding is excluded from the calculation, the recommended level is \$16,370,000 below the 1999 level.

The Committee recommendation assumes a freeze for the Nonproliferation and Disarmament Fund (NDF), Korean Peninsula Energy Development Organization (KEDO), export control assistance, and demining. Funding for the International Atomic Energy Agency (IAEA) and anti-terrorism assistance is provided at the budget request. The Committee has not included \$10,000,000 for a new counter-terrorism program since it appears to be similar to the anti-terrorism program and other programs already funded by the Department of State and other agencies.

The Committee supports the provision of \$20,000,000 for the Comprehensive Test Ban Treaty (CTBT) Preparatory Commission, as requested. However, \$4,370,000 is assumed to have been prepaid using excess funds that were available under this heading in fiscal year 1999. Thus total new budget authority of \$15,630,000 is recommended in this bill. To the extent the estimate for fiscal year 2000 is revised during the course of the year, funds should be made available for future year costs of the CTBT Preparatory Commission. The Committee has included bill language from 1999 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 1999 funding for the programs covered by this account, as well as the President's request for fiscal year 2000 and the Committee recommendation:

[In thousands of dollars]

Program	Fiscal year 1999	President's request	Committee recommendation
Nonproliferation and Disarmament Fund	15,000	15,000	15,000
Export control asst.	5,000	15,000	5,000
IAEA contribution	40,000	43,000	43,000
CTBT Preparatory Commission	28,900	20,000	20,000
Prepaid in fiscal year 1999			-4,370
KEDO	35,000	55,000	35,000

[In thousands of dollars]

Program	Fiscal year 1999	President's request	Committee recommendation
Anti-terrorism asst.	41,000	33,000	33,000
Emergency supplemental	- 20,000	.....	.....
Demining	35,000	40,000	35,000
Counter-terrorism .....	.....	10,000	.....
New budget authority	198,000	231,000	181,630

NONPROLIFERATION AND DISARMAMENT FUND

The Committee supports the Administration's request and recommends \$15,000,000 for the Nonproliferation and Disarmament Fund. The Committee strongly supports the core nonproliferation activities of the NDF which are designed to provide the Secretary of State with a flexible funding source to respond to urgent, unanticipated nonproliferation activities of immediate concern to the United States. Longer term programmatic activities should be funded separately and therefore subject to the normal conditions for legislative oversight and review.

KEDO BURDEN SHARING

The Committee is recommending \$35,000,000 for KEDO, rather than \$55,000,000 as requested by the Administration. The Committee continues to strongly believe it is essential that other nations share the financial burden in responding to the North Korean nuclear threat. The United States stations approximately 37,000 uniformed Americans in South Korea and spends over \$2,500,000,000 per year to ensure stability and peace on the Korean peninsula. The Committee fully expects other nations to do their share and help fund the heavy fuel oil component of the Agreed Framework. This matter is also addressed in section 576 of this Act.

DEPARTMENT OF THE TREASURY

DEBT RESTRUCTURING

Fiscal year 1999 level	\$33,000,000
Emergency supplemental funding	41,000,000
Fiscal year 2000 request	120,000,000
Committee recommendation	33,000,000

The Committee recommends \$33,000,000 for debt restructuring for fiscal year 2000. This is \$41,000,000 below the amount enacted in 1999, and \$87,000,000 below the request. If emergency supplemental funding is excluded from the calculation, the recommended level is the same as the 1999 level. The Committee supports the request for bilateral debt relief and provides full funding for that purpose. It also assumes \$13,000,000 will be used to implement the Tropical Forest Conservation Act of 1998.

No funding is provided for the \$50,000,000 proposed United States contribution to the Highly Indebted Poor Countries (HIPC) Initiative Trust Fund. Already, over the past four decades, the United States has provided billions of dollars to the multilateral institutions on a grant basis. The Committee urges each of the other

international financial institutions to follow the example of the World Bank Group and pay down unsustainable debt from its own resources. The Committee is unconvinced by the logic of asking the American taxpayer to repay debt owed to multilateral development banks whose own capital has been provided as a grant, without any expectation of dividends or equity appreciation.

It is the Committee's intention that \$18,000,000 be available for sub-Saharan Africa concessional debt relief totaling an estimated \$160,000,000 in face value.

The Committee requests quarterly reports on obligations made from this account, and on the purposes for which the funds are obligated. At the beginning of the fiscal year, the Administration should provide a 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 which would receive debt restructuring during fiscal year 2000. The Committee understands that credit ratings can fluctuate during the year, thus resulting in a change in the budget cost necessary to restructure debt. However, the allocation of funds suggested in the preceding paragraph is based on information provided to the Committee prior to markup. If the cost of debt relief for the poorest countries is recalculated upward, it will necessitate a decrease in the funds allocated for concessional debt relief.

In addition, at least 30 days prior to the obligation of any funds for concessional debt relief for sub-Saharan Africa, the Committee directs that the Secretary of the Treasury submit a detailed financial plan regarding such debt relief, including the criteria used to determine countries that will be eligible for such debt restructuring.

The Committee notes that section 502 of the recommended bill prohibits the use of any AID funds for the purpose of direct repayment of a foreign country's obligations to an international financial institution. The Debt Restructuring account is the sole source of funds for debt relief or debt forgiveness in this bill.

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

Fiscal year 1999 level	\$3,000,000
Fiscal year 2000 request	8,500,000
Committee recommendation	1,500,000

The Committee recommends \$1,500,000 under this heading for international technical assistance by the Department of Treasury, an amount that is \$7,000,000 less than the request and \$1,500,000 below last year's level. The Committee notes that the activities that were requested through this account are available, as in past years, by transfer from numerous accounts administered by the Agency for International Development.

UNITED STATES COMMUNITY ADJUSTMENT AND INVESTMENT PROGRAM

Fiscal year 1999 level	\$10,000,000
Fiscal year 2000 request	17,000,000
Committee recommendation .....	.....

The Committee is not recommending a new domestic program for community investment and adjustment within the United States. However, should there be an increase in the allocation for foreign operations in subsequent stages of the appropriations process, the Committee is prepared to approve an appropriation for the United States Community Adjustment and Investment Program.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

Fiscal year 1999 level	\$50,000,000
Fiscal year 2000 request	52,000,000
Committee recommendation	50,000,000

The Committee recommends \$50,000,000 for the International Military Education and Training program which represents a freeze at the fiscal year 1999 level but is \$2,000,000 below the request. Due to overall budget constraints, the Committee is not in a position to recommend the budget request of \$52,000,000. The Committee recommendation reflects its continued support for the IMET program, particularly those new programs initiated in the NIS and Central Europe since 1991.

INDONESIA AND GUATEMALA

The Committee includes prior year bill language limiting Indonesia and Guatemala to expanded IMET only, and requiring a notification for the obligation of funds for Guatemala.

The Committee emphasizes, as it did in last year's report, that it remains the Committee's belief that at the present time all military training for Indonesia should be limited only to expanded IMET.

EAST TIMOR

The Committee is seriously concerned about the high incidence of paramilitary violence in East Timor in the period leading up to the United Nations sponsored referendum. There are disturbing reports linking elements of the Indonesian military with paramilitary forces in East Timor, and the Committee urges the Secretaries of State and Defense to work with the Indonesian Government to help prevent further violence in East Timor. The Committee believes there should not be a normalization of U.S.-Indonesia military-to-military relations if violence continues and Indonesia does not abide by its responsibilities under the May 5th Agreement to help ensure the environment exists for a free and fair vote on the referendum called for under that agreement.

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

REPORT ON FOREIGN MILITARY TRAINING

The Committee has modified a general provision (sec. 575) requiring a detailed report on foreign military training. The bill language requires the Secretary of Defense and the Secretary of State to jointly provide to the Congress by January 31, 2000, a report on all overseas military training provided to foreign military personnel under programs administered by the Department of Defense and the Department of State during fiscal years 1999 and 2000, including those proposed for fiscal year 2000. This report shall include, for each such military training activity, the foreign policy justification and purpose for the training activity, the cost of the training activity, the number of foreign students trained and their units of operation, and the location of the training. The report does not cover training associated with military sales or training for personnel from countries belonging to the North Atlantic Treaty Organization. In addition, this report shall also include, with respect to United States personnel, the operational benefits to United States forces derived from each such training activity and the United States military units involved in each such training activity. This report may include a classified annex if deemed necessary and appropriate. However, the Committee emphasizes strongly that it expects this report to be unclassified and believes that the classified annex should be used only when necessary to protect intelligence sources or methods.

SCHOOL OF THE AMERICAS

While funds in this act are not the primary funding source for the School of the Americas, the Committee continues to carefully review the activities of the School of the Americas to make certain that grant IMET funds used to support students at the School are being appropriately utilized to support United States national security objectives and to improve the professionalism of Latin American militaries. As a result, the Committee includes prior year bill language which makes clear the Committee's intent that the School not engage in any inappropriate training activities. To support this objective, the Committee withholds the obligation of IMET funds to support training at the School of the Americas until the Secretary of Defense certifies that the instruction and training provided by the School of the Americas is fully consistent with training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to train United States military personnel. It is not the intent of the Committee that "fully consistent" be interpreted as identical to U.S. training. The Committee's concern is specifically with respect to human rights training, in which case the Com-

mittee believes training by the School of the Americas should be fully consistent with the United States government's statutory and executive order obligations and limitations in this area. In addition, the bill requires that the Secretary of Defense submit to the Committees on Appropriations by January 15, 2000, a report detailing the training activities of the School of the Americas and a general assessment regarding the performance of its graduates during 1997 and 1998.

IMET AVAILABILITY

The Committee has retained language from 1999 which provides that of the funds made available for IMET, \$1,000,000 may remain available until expended.

FOREIGN MILITARY FINANCING PROGRAM

GRANTS

Fiscal year 1999 level	\$3,330,000,000
Emergency supplemental funding	50,000,000
Fiscal year 2000 request	3,780,000,000
Committee recommendation	3,470,000,000

SUBSIDY APPROPRIATION

Fiscal year 1999 level	\$20,000,000
Fiscal year 2000 request .....	.....
Committee recommendation .....	.....

LOANS

Fiscal year 1999 level	(\$167,000,000)
Fiscal year 2000 request	(.....)
Committee recommendation	(.....)

The Committee recommends \$3,470,000,000 in Foreign Military Financing grants, and no subsidy appropriation for loans. This program level is \$90,000,000 more than the fiscal year 1999 level but \$310,000,000 below the President's request. If emergency supplemental funding is excluded from the calculation, the recommended level is \$140,000,000 above the 1999 level.

The funding level assumes an increase above last year's level of \$60,000,000 for Israel and \$80,000,000 for Jordan, as requested by the President. The Committee has not included funding for Israel associated with implementation of the Wye River accord.

ISRAEL

The Committee recommends a total Foreign Military Financing Program of not to exceed \$1,920,000,000 in grants for Israel. The Committee expects the Administration to provide Israel the full amount included by the Committee in the bill. These funds are to be disbursed within thirty days of enactment of this act or by October 31, 1999, 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, particularly with respect to weapons of mass destruction, has worsened. The Committee is extremely concerned that Israel's technological military edge could erode as a result of the

unrestrained sales of advanced military equipment, including nuclear and ballistic missile technology, to Israel's potential adversaries by nations such as Russia, China and North Korea.

Therefore, the Committee is convinced the United States must make every effort to carry out its long-standing 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 1999 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 not less than \$505,000,000 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 prior year levels and reflects a recognition by the Committee of Israel's need for similar annual increases over the next decade in order to provide Israel with increased flexibility in meeting the emerging security challenges in the Middle East.

EGYPT

The Committee recommends a total Foreign Military Financing Program for Egypt of not to exceed \$1,300,000,000 in Foreign Military Financing grants. The Committee fully appreciates Egypt's strategic location, its immediate proximity to Libya and Sudan both of which actively support 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.

JORDAN

The Committee strongly supports the Administration's efforts to improve Jordanian security and therefore recommends full funding of the President's request of \$125,000,000 for Jordan. Under the able leadership of the late King Hussein and the new 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.

TUNISIA

The Committee notes the strong relationship which exists between Tunisia and the United States. Given Tunisia's important role in North Africa, the Committee urges the Administration to review the military assistance program for Tunisia to determine if it can be made more effective, particularly in the areas of excess defense articles, IMET and FMF funds.

PARTNERSHIP FOR PEACE NATIONS

The Committee continues to strongly support the Partnership for Peace (PFP) program. The Committee believes the fiscal year 2000 request will continue to enhance security and stability in Europe by promoting the standardization and interoperability, as well as the continued downsizing, of the armed forces of participating nations, particularly the new members of the North Atlantic Treaty Organization (NATO). The fiscal year 2000 request of \$66,000,000 is the minimum necessary to continue this vital program in Europe, and the Committee strongly supports the provision of at least this level of funding for the European portion of PFP.

PARTNERSHIP FOR PEACE NOTIFICATION

The Committee continues prior year language which requires that no FMF grant assistance shall be available for any non-NATO country participating in the Partnership for Peace Program except through the regular notification procedures of the Committees on Appropriations.

ADMINISTRATIVE EXPENSES

The Committee has recommended a limitation on administrative expenses of \$30,495,000. This is \$805,000 less than the level requested by the Departments of State and Defense in the budget justification documents, but \$495,000 more than the level transmitted in the President's budget submission. The Committee expects the Office of Management and Budget and the Department of Defense to submit a unitary request for this activity in fiscal year 2001.

FOREIGN MILITARY FINANCING SURCHARGE

As requested in the President's budget, the Committee has included a limitation on Foreign Military Financing operating costs of \$330,000,000. This limitation may be waived pursuant to the regular notification procedures of the Committees on Appropriations. This is \$10,000,000 less than the fiscal year 1999 level.

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.

PROCUREMENT AGREEMENTS

The Committee has continued prior year language requiring recipients of Foreign Military Financing 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.

The Committee does not support the use of FMF grant funds to augment or replace the funds a country has committed from its national resources for procurement of equipment and services, particularly if such country is currently in arrears in scheduled payments through the Foreign Military Sales (FMS) program. Any funds that cannot be obligated and/or expended due to this restriction should be made available for support of the Partnership for Peace Program (PFP) in Europe.

PROHIBITIONS

The Committee has included bill language prohibiting military assistance to Sudan and Liberia. The Administration did not request military assistance for these countries for fiscal year 2000. Although the Committee notes the continued implementation of the Guatemalan peace agreement, the Committee believes it is premature to remove the prohibition on military assistance for Guatemala in fiscal year 2000.

The Committee recommends that existing special authorities be exercised to make \$2,500,000 in Foreign Military Financing pipeline funding for Guatemala available for programs to implement the Peace Accords and build democracy in that country.

PEACEKEEPING TRAINING

The Committee notes that the Administration is requesting \$10,000,000 in FMF funds to support peacekeeping related training and other peacekeeping support activities. This in addition to funds requested for fiscal year 2000 in the "Peacekeeping Operations" account.

PEACEKEEPING OPERATIONS

Fiscal year 1999 level	\$76,500,000
Fiscal year 2000 request	130,000,000
Committee recommendation	76,500,000

The Committee recommends \$76,500,000 for voluntary contributions for international peacekeeping operations. This amount is the same as the level provided in fiscal year 1999, but is \$53,500,000 below the President's request. The Committee notes that the Administration has also requested \$10,000,000 in FMF funds for peacekeeping training and activities in Africa and to support the Enhanced Peacekeeping Initiative.

The Committee notes that most of the increase requested in the President's budget is for activities of the Organization for Security and Cooperation in Europe (OSCE) in the Balkans. Sufficient funds exist within the total requested for Bosnia in "Assistance for Eastern Europe and the Baltic States" to provide for this increase in that account.

AFRICAN CRISIS RESPONSE INITIATIVE

The Committee continues to support the Administration's African Crisis Response Initiative and recommends full funding for this activity at the President's request level. The Committee remains supportive of efforts to develop an African regional capability to respond to low-intensity peacekeeping activities either in lieu of United States troops or in cooperation with them. In the past the Committee has been assured by the Administration that the command arrangements will be sub-regional, regional, possibly with United States or West European participation depending on the situation, and when appropriate or requested by African states or organizations, UN sanctioned.

WAR CRIMES TRIBUNALS

Although most funding for war crimes tribunals is provided through assessed contributions to international organizations or from other accounts in this bill, the Committee strongly supports voluntary contributions for such tribunals when necessary and appropriate. The Joint Explanatory Statement of the Committee of Conference on the amendment of the Senate to H.R. 1141, making emergency supplemental appropriations for fiscal year 1999, included language recommending up to \$13,000,000 from funds provided under "Economic Support Fund" for the International Criminal Tribunal for the Former Yugoslavia "in consultation and coordination with other donors". (House Report No. 106-143, page 79.) The recommended level was \$8,000,000 above the budget request of the President.

While the Committee supports additional assistance for war crimes tribunals, it also believes that other nations should contribute to this effort. Therefore, the Committee requests the Department of State to provide an accounting of the costs of such tribunals, and the contributions made by other nations.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE GLOBAL ENVIRONMENT FACILITY

Fiscal year 1999 level	\$192,500,000
Rescission	- 25,000,000
Fiscal year 2000 request	143,333,000
Committee recommendation	50,000,000

The Committee recommends \$50,000,000 for the Global Environment Facility (GEF), administered by the World Bank. The recommendation is \$93,333,000 below the request and \$117,000,000 below the amount enacted for 1999.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Fiscal year 1999 level	\$800,000,000
Fiscal year 2000 request	803,430,000
Committee recommendation	576,600,000

The Committee is providing \$576,600,000 toward the U.S. contribution to the Twelfth Replenishment of the International Development

opment Association, a reduction of \$223,400,000 below the 1999 enacted level. This is \$226,830,000 less than the amount requested by the Administration.

IDA AND CHINA

In last year's report, the Committee strongly urged the Administration to oppose further IDA loans to the People's Republic of China in light of its current strong economic performance and its abysmal human rights record. China was finally graduated from IDA on June 30, 1999, but the World Bank's Executive Board scrambled to provide a graduation present to China in its final days of eligibility by approving a controversial credit that is believed by many credible experts to threaten the remaining Tibetan and Mongolian inhabitants of the project area. Because of the budgetary situation and the China decision, the Committee is unable to provide the full amount requested for IDA-12.

CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE AGENCY

Fiscal year 1999 level .....	.....
Fiscal year 2000 request	\$10,000,000
Committee recommendation .....	.....

Because of its budget allocation, the Committee is unable to provide funding for a new capital replenishment at this time.

GENERAL CONCERNS ABOUT THE WORLD BANK

WORLD BANK AND THE PRIVATE SECTOR

The Committee 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 social and environmentally sustainable economic growth, including a social and environmental investment screen for World Bank Group lending that supports the private sector.

MONTENEGRO

The Committee is aware that, as a part of the Federal Republic of Yugoslavia (FRY), the Republic of Montenegro is subject to the "outer wall" of sanctions imposed on the FRY and is therefore ineligible for World Bank financing. However, the Committee strongly supports an exception to this policy for Montenegro. The current government in Montenegro is committed to a democratic, multi-ethnic society and should not be penalized due to the actions of the Federal government in Belgrade. Therefore the Committee strongly urges the Department of the Treasury and the United States Executive Director to the World Bank to take all steps necessary to persuade the Bank to modify current policy regarding the Republic of Montenegro.

ENERGY AND ENVIRONMENT AT THE WORLD BANK

The Committee is disappointed that overall the World Bank Group has failed to shift its lending portfolios toward environmentally sound and sustainable economic development, especially in the energy sector. Last year the Committee found that the World Bank was lending less than 2 percent of its portfolio to energy efficiency, demand-side management, and renewable energy development. The Committee is aware that the World Bank, with technical assistance from AID's Global Bureau, has been developing an Asia Alternative Energy Program (ASTAE) that will provide financing for energy efficiency and renewable energy projects. The Committee notes, however, that to date little actual progress has been made in that direction. The Committee urges the Secretary of the Treasury, while taking into account the limited uses for public funds in this sector, to encourage the World Bank to set annual targets for growth in its financing for energy efficiency and renewable energy projects, so as to exceed 10 percent of its portfolio by 2004.

The Committee is aware that there is ample private financing for the energy sector in most developing countries, although inappropriate 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. Africa and Central Asia are now recognized as important future alternatives to dependence on Middle East fossil fuel energy, and wind power is becoming commercially viable in many more areas. 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 sector is to link energy development with sound energy 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, and 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 the majority of United States companies that seek to protect the environment and their own reputations in their dealings with foreign leaders who demonstrate little concern for either standard.

The Committee recommends that the World Bank expand its current negative investment list to include projects that could cause irreversible harm to the environment as defined by internationally recognized standards, such as projects using persistent organic pollutants or projects within national park boundaries. The Committee urges the Secretary of the Treasury to work with the World Bank on expansion of its "negative list" and to report to the Committee on progress made on this matter no later than April 2000.

WORLD BANK AND GLOBAL AIDS EPIDEMIC

The Committee commends the World Bank for increasing its attention to the world AIDS epidemic. The Committee requests that

the Secretary of the Treasury provide the Committee with a brief, written update by February 1, 2000, on the World Bank Group's global AIDS activities. The update should respond to issues raised by the General Accounting Office regarding World Bank AIDS initiatives.

STAFF COMPLIANCE WITH SAFEGUARD POLICIES AT WORLD BANK

Although the World Bank has instituted social and environmental safeguard policies on issues including indigenous peoples, involuntary resettlement, and information disclosure, the Committee notes that implementation is uneven. The Bank's June 1999 approval of the China Western Poverty Reduction Project indicates that the institution continues to face a gap between policy and practice. The apparent rush to move the project to approval before China's IDA eligibility ended on June 30th is an example of lax enforcement of social safeguard policies. The Committee directs the Secretary of the Treasury and the U.S. Executive Director at the World Bank to work with the Bank management to create an incentives framework that includes punitive measures when staff are shown to have violated social and environmental safeguard policies.

INDEPENDENT INSPECTION PANEL

The Committee continues its interest in the functioning of the World Bank's Independent Inspection Panel. It is aware of the recent attempts by certain members of the Bank's Executive Board to reduce the Inspection Panel's effectiveness. Future support for the World Bank Group by the Committee may be linked to the Inspection Panel's ability to function in an unimpeded and effective manner.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

PAID-IN CAPITAL

Fiscal year 1999 level	\$25,610,667
Fiscal year 2000 request	25,610,667
Committee recommendation	25,610,667

(LIMITATION ON CALLABLE CAPITAL)

Fiscal 1999 level	(\$1,503,718,910)
Fiscal 2000 request	(1,503,718,910)
Committee recommendation	(1,503,718,910)

The Committee has recommended funding for Inter-regional paid-in capital of \$25,610,667 for fiscal year 2000, the same amount as the President's request for the Inter-American Development Bank. The Committee has recommended a limitation on callable capital of \$1,503,718,910 for fiscal year 2000.

FUND FOR SPECIAL OPERATIONS

Fiscal year 1999 level	\$21,152,000
Fiscal year 2000 request .....	.....
Committee recommendation .....	.....

INTER-AMERICAN INVESTMENT CORPORATION

Fiscal year 1999 level	
Fiscal year 2000 request	\$25,000,000
Committee recommendation	

The Committee is not aware of any urgency for this request. Because of its budget allocation, the Committee is unable to provide funding for a new capital replenishment.

MULTILATERAL INVESTMENT FUND

Fiscal year 1999 level	\$50,000,000
Fiscal year 2000 request	28,500,000
Committee recommendation	

The Committee has supported the Multilateral Investment Fund in prior years, but notes that the request is lower than anticipated and that concerns have been expressed about the pace of utilization of funds already provided. Because of its budget allocation, the Committee is unable to provide funding at this time.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

PAID-IN CAPITAL

Fiscal year 1999 level	\$13,221,596
Fiscal year 2000 request	13,728,263
Committee recommendation	13,728,263

(LIMITATION ON CALLABLE CAPITAL)

Fiscal year 1999 level	(\$647,858,204)
Fiscal year 2000 request	(672,745,205)
Committee recommendation	(672,745,205)

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

Fiscal year 1999 level	\$210,000,000
Fiscal year 2000 request	177,017,000
Committee recommendation	100,000,000

The Administration is requesting \$13,728,263 for paid-in capital and a limitation of \$672,745,205 on callable capital subscriptions (which do not require appropriations) of the Asian Development Bank. The Committee recommends an amount that is the same as the request and \$506,667 above the 1999 level.

The recommendation is \$110,000,000 below the amount provided in fiscal year 1999, and \$77,017,000 less than the amount requested. The reduction is made solely because of the limited budget allocation available.

AFRICAN DEVELOPMENT BANK

Fiscal year 1999 level	
Fiscal year 2000 request	\$5,100,000
Committee recommendation	

The Committee has many concerns about United States participation in the pending replenishment of the African Development Bank. Reduction of the extremely high level of unsustainable past loans by the Bank is contingent on funding of the HIPC Trust Fund. As a major claimant on any multilateral debt relief scheme,

this Bank has all but halted future lending to Sub-Saharan African member nations.

The African Development Bank has never requested or received appropriations for callable capital, as has been the case with the World Bank and the Inter-American and Asian Development Banks. As a result, the United States Treasury has no buffer of appropriated but unobligated funds if a call is made on callable capital approved by the Committee in prior years.

The Committee is aware of the reform efforts undertaken by the Bank's new president, and continues to support those reforms through funding for the soft-loan African Development Fund. As the request of \$5,100,000 for the African Development Bank is accompanied by a request to increase the contingent liability of the United States by an additional \$80,000,000 in callable capital, the Committee is unable to provide funding for a new capital replenishment.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

Fiscal year 1999 level	\$128,000,000
Fiscal year 2000 request	127,000,000
Committee recommendation	100,000,000

The recommendation for the soft-loan African Development Fund is \$100,000,000, \$28,000,000 below the amount provided in fiscal year 1999, and \$27,000,000 less than the amount requested.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

PAID-IN CAPITAL

Fiscal year 1999 level	\$35,778,717
Fiscal year 2000 request	35,778,717
Committee recommendation	35,778,717

(LIMITATION ON CALLABLE CAPITAL)

Fiscal year 1999 level	(\$123,237,803)
Fiscal year 2000 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 1999 and the same as the President's request.

NORTH AMERICAN DEVELOPMENT BANK

The Committee is aware that the North American Development Bank faces numerous challenges in financing United States-Mexico border cleanup efforts, but is concerned by the fact that few NADBank-financed projects have gone forward. The Committee requests that the Secretary of the Treasury provide the Committee with a written, detailed accounting of NADBank's use of the \$450,000,000 appropriated for its use in prior years. The report should include NADBank's strategy for achieving its primary goal of financing environmental cleanup in the border region. The report should be delivered no later than December 15, 1999.

CONTRACT COMPLIANCE

Since the 1997–98 Asian-Russian financial crisis, the Committee has been made aware that several sovereign governments or their instrumentalities have failed to meet their contractual obligations to United States corporations. In some instances, international arbitration procedures have failed thus far to result in payment, acceptable renegotiation, or other relief, or have been frustrated by the defaulting governments. Many such governments have continued to benefit from massive financial support from international financial institutions backed by U.S. contributions, notwithstanding their failure to abide by contractual agreements or arbitration procedures.

The Committee requests that the Secretary of the Treasury report to the Committee not later than April 3, 2000, on efforts by the United States Executive Directors at the International Monetary Fund, the World Bank, and the Asian Development Bank to obtain the support of international financial institutions in upholding the rule of law regarding international contracts and arbitration procedures.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Fiscal year 1999 level	\$187,000,000
Fiscal year 2000 request (under fiscal year 1999 account structure)	192,000,000
Committee recommendation	167,000,000

The Committee has recommended \$167,000,000 for International Organizations and Programs. This is \$20,000,000 below the fiscal year 1999 level and \$126,000,000 below the President's request. However, as in fiscal year 1999, the Committee has shifted the \$101,000,000 budget request for a grant to UNICEF from this account to the "Child Survival and Disease Programs Fund" under title II. Therefore, on a comparable basis, the recommendation is \$25,000,000 below the President's request.

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 UNFPA agreements that may 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 is concerned about the President's budget request which recommends a decrease in the U.S. contribution in the United Nations Development Program and urges the Secretary of State to fund UNDP at the fiscal year 1999 level.

INTERNATIONAL CONSERVATION PROGRAMS

The Committee supports the World Conservation Union (IUCN) and the important programs that it assists in implementing. As the world becomes more focused on protecting its environment, IUCN plays a critical role in developing conservation initiatives and facilitating the protection of the environment without compromising expansion of economies. The Committee recommends that the State Department continue to increase its support for IUCN within the International Conservation Programs account.

UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE

The Committee strongly supports the United Nations Voluntary Fund for Victims of Torture and recommends \$3,000,000 for the U.S. contribution to this important program. The Committee believes that 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.

TITLE V—GENERAL PROVISIONS

The Committee recommends that several of the general provisions carried in the fiscal year 1999 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, “Prohibition of Bilateral Funding for International Financial Institutions” is modified by prohibiting funds from title II of this Act from being transferred by the Agency for International Development directly to an international financial institution for the purpose of repaying a foreign country’s loan obligations to any such institution.

Sec. 515, “Notification Requirements” is modified by adding “International Affairs Technical Assistance” to the list of accounts subject to notification.

Sec. 516, “Limitation on Availability of Funds for International Organization and Programs” is modified by removing language from the 1999 act that amended permanent law.

Sec. 517, “Independent States of the Former Soviet Union” is modified by deleting subsection (h) which dealt with the imposition of customs duties.

Sec. 520, “Special Notification Requirements” is modified to delete Honduras and add Panama.

Sec. 522, “Child Survival and Disease Prevention Activities” is modified by limiting the authorities provided under the section to funds appropriated under the account “Child Survival and Disease Programs Fund”.

Sec. 526, “Democracy in China” is modified by providing authority for grants for nongovernmental organizations, and subjecting funds to the regular notification procedures of the Committees on Appropriations.

Sec. 532, "Separate Accounts" is modified by deleting the change in permanent law that was contained in subsection (a)(5).

Sec. 537, "Funding Prohibition for Serbia" is modified by replacing the language from the 1999 act with a funding prohibition on assistance to the Republic of Serbia, with an exemption for Kosova and Montenegro, and for programs to support democratization.

Sec. 544, "Prohibition on Publicity or Propaganda" is modified by removing the limitation of \$750,000 on funds to carry out the provisions of section 316 of Public Law 96-533.

Sec. 546, "Prohibition of Payments to United Nations Members" is modified by prohibiting the payment of costs for attendance of another country's delegation at international conferences.

Sec. 552, "War Crimes Tribunal Drawdown" is modified to remove the exemption for a notification regarding a drawdown for the war crimes tribunals for Rwanda and the former Yugoslavia.

Sec. 559, "Limitation on Assistance for Haiti" is modified by removing the previous conditions on assistance and substituting a policy framework and a semi-annual report regarding implementation of the policy framework.

Sec. 566, "Restrictions on Assistance to Countries Providing Sanctuary to Indicted War Criminals" is modified by listing Kosova as an entity in order to avoid the inadvertent imposition of sanctions intended for Serbia.

Sec. 567, "To Prohibit Foreign Assistance to the Government of the Russian Federation Should It Enact Laws Which Would Discriminate Against Minority Faiths" is modified by changing the section heading to refer to the Russian Federation, rather than to Russia.

Sec. 568, "Greenhouse Gas Emissions" is modified by requiring notification for programs and activities "the primary purpose of which is" promoting or assisting country participation in the Kyoto Protocol, and by requiring the Agency for International Development to report on expenditures for climate change activities by country or central program or activity.

Sec. 571, "Assistance for the Middle East" is modified by reducing the cap on Middle East spending from \$5,402,850,000 to \$5,318,150,000, but by exempting \$100,000,000 for Jordan from the calculation made to arrive at the total Middle East spending cap.

Sec. 573, "Cambodia" combines an existing general provision relating to multilateral assistance for Cambodia with language prohibiting bilateral assistance for the Government of Cambodia except humanitarian assistance, including basic education.

Sec. 574, "Authorization for Population Planning" retains a funding limitation of \$385,000,000 for population planning activities that was included in the 1999 act, but deletes a provision that would have apportioned such funds on a monthly basis at a level of not to exceed 8.34 percent of the total available for such activities.

Sec. 575, "Foreign Military Training Report" is modified by exempting training associated with Foreign military sales and for NATO members from the scope of the report.

Sec. 576, "Korean Peninsula Energy Development Organization", is modified—by limiting KEDO funding to \$35,000,000 from funds provided under "Nonproliferation, Anti-Terrorism, Demining and

Related Programs”; by removing the restriction on the obligation of funds prior to March 1; by allowing \$15,000,000 to be obligated prior to June 1, 2000, subject to a Presidential certification regarding North Korean compliance with various agreements; by allowing \$20,000,000 to be obligated after June 1, 2000 subject to a Presidential certification regarding North Korean compliance with various agreements or proposed agreements; by prohibiting the use of sections 451 or 614 of the Foreign Assistance Act to waive the provisions of the section; by allowing for a Presidential waiver of the certification requirements based on a finding that it is necessary due to vital national security interests; and by requiring a specified report from the Secretary of State on KEDO funding.

Sec. 577, “African Development Foundation” is a new general provision that authorizes the investment of grant funds by grantees, and allows for the Board of Directors to waive the \$250,000 project limitation contained in current law.

Sec. 579, “Notification on the Use of Operating Expenses” is a new general provision that prohibits the use of funds appropriated under “Operating Expenses of the Agency for International Development” to finance the construction (including architect and engineering services), purchases, or long-term lease of offices except through the regular notification procedures of the Committees on Appropriations.

Sec. 580, “Iraq Opposition” is modified by providing a funding ceiling of \$10,000,000 for assistance to the Iraq democratic opposition and limiting funding to groups authorized under the Iraq Liberation Act (Public Law 105–338).

Sec. 581, “AID Budget Submission” is a new general provision detailing requirements for AID’s fiscal year 2001 budget justification.

Sec. 583, “Kyoto Protocol” is a new general provision prohibiting funds in this Act from being used to propose or issue rules, regulations, decrees or orders for implementation of the Kyoto Protocol.

Sec. 584, “Contribution to United Nations Population Fund” is a new general provision limiting funding for UNFPA to \$25,000,000 and imposing restrictions on the use of funds in China.

PROVISIONS RETAINED FROM FISCAL YEAR 1999

The following general provisions from the fiscal year 1999 act are retained in the fiscal year 2000 act unchanged except for technical corrections, references to fiscal year 2000, 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. 505. Limitation on Representational Allowances.
- Sec. 506. Prohibition on Financing Nuclear Goods.
- Sec. 507. Prohibition Against Direct Funding of Certain Countries.
- Sec. 508. Military Coups.
- Sec. 509. Transfers Between Accounts.
- Sec. 510. Deobligation/Reobligation Authority.
- Sec. 511. Availability of Funds.
- Sec. 512. Limitation on Assistance to Countries in Default.

- Sec. 513. Commerce and Trade.
- Sec. 514. Surplus Commodities.
- 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. 523. Prohibition Against Indirect Funding to Certain Countries.
- Sec. 524. Notification on Excess Defense Equipment.
- Sec. 525. Authorization Requirement.
- Sec. 527. Prohibition on Bilateral Assistance to Terrorist Countries.
- Sec. 528. Commercial Leasing of Defense Articles.
- Sec. 529. Competitive Insurance.
- Sec. 530. Stingers in the Persian Gulf Region.
- Sec. 531. Debt-for-Development.
- Sec. 533. Compensation for U.S. Executive Directors to International Financial Institutions.
- Sec. 534. Compliance with United Nations Sanctions against Iraq.
- Sec. 535. Authorities for the Peace Corps, The Inter-American Foundation and the African Development Foundation.
- Sec. 536. Impact on Jobs in the United States.
- Sec. 538. Special Authorities.
- Sec. 539. Policy on Terminating the Arab League Boycott of Israel.
- Sec. 540. Anti-Narcotics Activities.
- Sec. 541. Eligibility for Assistance.
- Sec. 542. Earmarks.
- Sec. 543. Ceilings and Earmarks.
- Sec. 545. Purchase of American-made Equipment and Products.
- Sec. 547. Consulting Services.
- Sec. 548. Private Voluntary Organizations—Documentation.
- Sec. 549. Prohibition on Assistance to Foreign Countries that Export Lethal Military Equipment to Countries Supporting International Terrorism.
- Sec. 550. Withholding of Assistance for Parking Fines Owed by Foreign Countries.
- Sec. 551. Limitation on Assistance for the PLO for the West Bank and Gaza.
- Sec. 553. Landmines.
- Sec. 554. Restrictions Concerning the Palestinian Authority.
- Sec. 555. Prohibition of Payment of Certain Expenses.
- Sec. 556. Equitable Allocation of Funds.
- Sec. 557. Special Debt Relief for the Poorest.
- Sec. 558. Authority to Engage in Debt Buybacks or Sales.
- Sec. 560. Requirement for Disclosure of Foreign Aid in Report of Secretary of State.
- Sec. 561. Restrictions on Voluntary Contributions to United Nations Agencies.
- Sec. 562. Haiti.
- Sec. 563. Limitation on Assistance to the Palestinian Authority.
- Sec. 564. Limitation on Assistance to Security Forces.

Sec. 565. Limitations on Transfer of Military Equipment to East Timor.

Sec. 569. Withholding Assistance to Countries Violating United Nations Sanctions Against Libya.

Sec. 570. Aid to the Government of the Democratic Republic of the Congo.

Sec. 572. Enterprise Fund Restrictions.

Sec. 578. Prohibition on Assistance to the Palestinian Broadcasting Corporation.

Sec. 581. Sense of Congress Concerning the Murder of Four American Church Women in El Salvador.

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 "Agency for International Development, Development Assistance", authority is provided for the transfer of \$2,500,000 to "International Organizations and Programs" for a contribution to the International Fund for Agricultural Development (IFAD);

Under "Agency for International Development, Micro and Small Enterprise Development Program Account", authority is provided for the transfer of \$500,000 to "Operating Expenses of the Agency for International Development"; and

Under "Agency for International Development, Urban and Environmental Credit Program Account", authority is provided for the transfer of \$5,000,000 to "Operating Expenses of the Agency for International Development".

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 2000 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 which 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. Funds are provided for the Trade and Development Agency, and the agency is authorized to receive reimbursements from corporations and other entities to cover the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection and to be available for obligation until September 30, 2001, for necessary expenses.

7. Under "Child Survival and Disease Programs Fund" the bill contains authorities for the use of the fund that were contained in the 1999 act and are consistent with the Foreign Assistance Act.

8. Under "Development Assistance" the bill contains provisions relating to abortion that were carried in the 1999 act.

In addition, a transfer from this account is authorized to "International Organizations and Programs" for a contribution to the International Fund for Agricultural Development", and subjects such a transfer to the notification procedures on the Committees on Appropriations.

9. Under "Private and Voluntary Organizations", the Committee includes a provision that funds appropriated under title II should be made available to PVOs at a level which is at least equivalent to the level provided in fiscal year 1995. It also continues provi-

sions continued from last year on minimum funds from private sources.

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

11. Under "Micro and Small Enterprise Development Program Account", authority is provided to guarantee up to 70 percent of the principal amount of any loans notwithstanding existing law.

12. Under "Economic Support Fund", funds are available as cash grants to Israel and Egypt, and the cash grant to Israel shall be disbursed within 30 days of enactment or by October 31, 1999, 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.

13. 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, and up to \$2,900,000 is authorized for improvements to the foreign credit reporting system of the United States.

14. In title II, funds are provided for micro and small enterprise direct loans and loan guarantees, and administrative expenses are appropriated which may be transferred to the operating expenses account of the Agency for International Development.

15. In title II, funds are appropriated for the administrative costs of the urban and environmental credit program, and such funds may be transferred to the operating expenses account of the Agency for International Development.

16. Under "Assistance for Eastern Europe and the Baltic States", funds are made subject to section 532 of this Act.

17. Under "International Fund for Ireland", \$19,600,000 is provided, which shall be expended at the minimum rate necessary to make timely payment for projects and activities.

18. 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; and funds for Bosnia are subject to certain conditions, including limitations on funds for housing. 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.

19. 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 modified language concerning cooperation between Russia and Iran. In addition, exceptions are made to the application of section 907 of the FREEDOM Support Act; funds are authorized for Mongolia; 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 1999 act.

20. Under “International Narcotics Control”, the Department of State is provided the authority to use section 608 of the Foreign Assistance Act, without regard to its limitations, to receive excess property from an agency of the United States government for the purpose of providing it to a foreign country, subject to notification of the Committees on Appropriations.

21. Funding is provided for “Migration and Refugee Assistance”, and a limitation of \$13,800,000 is provided for administrative expenses.

22. 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.

23. 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 the notification procedures of the Committees on Appropriations.

24. 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.

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; the limitation of subsection (e) of section 411 of the Agricultural Trade Development and Assistance Act of 1954 shall not apply to sub-Saharan Africa countries; and the authority of section 572 of Public Law 100-461 shall not apply to “IDA-only” countries.

25. Under “International Military Education and Training”, the Committee provides IMET for Indonesia and Guatemala shall be only for expanded military education and training; limits obligation of funds for the School of the Americas pending a certification by the Secretary of Defense; and requires a report on the School of the Americas.

26. Under “Foreign Military Financing Program”, the Committee has provided that not to exceed \$505,000,000 in FMF grants should be available for the procurement in Israel of defense articles and defense services, and that FMF grants for any non-NATO country participating in the Partnership for Peace Program shall be subject to the Committee’s regular notification procedures.

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

28. Under title IV, funds for a number of international financial institutions are made available for contributions and 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.

29. Funds are made available for the United States share of the paid-in portion of the increase in capital stock of the Asian Devel-

opment Bank and a limitation is placed on callable capital subscriptions.

30. Under “Contribution to the European Bank for Reconstruction and Development”, the Committee has limited to \$35,778,717 the amount appropriated that may be expended for the purchase of stock during fiscal year 2000 and placed a limit on callable capital.

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

32. Under “General Provisions”:

Sec. 502, “Prohibition of Bilateral Funding for International Financial Institutions” is modified by prohibiting funds from title II of this Act from being transferred by AID directly to an IFI for the purpose of repaying a foreign country’s loan obligations to any such institution.

Sec. 515, “Notification Requirements” is modified by adding “International Affairs Technical Assistance” to the list of accounts subject to notification.

Sec. 516, “Limitation on Availability of Funds for International Organization and Programs” is modified by removing language from the 1999 act that amended permanent law.

Sec. 517, “Independent States of the Former Soviet Union” is modified by deleting subsection (h) which dealt with the imposition of customs duties.

Sec. 520, “Special Notification Requirements” is modified to delete Honduras and add Panama.

Sec. 522, “Child Survival and Disease Prevention Activities” is modified by limiting the authorities provided under the section to funds appropriated under the account “Child Survival and Disease Programs Fund”.

Sec. 526, “Democracy in China” is modified by providing authority for grants, and to specify that funds be subject to the notification procedures of the Committees on Appropriations.

Sec. 532, “Separate Accounts” is modified by deleting the change in permanent law that was contained in subsection (a)(5).

Sec. 537, “Serbia-Montenegro and Kosova” is modified by replacing the language from the 1999 act with a funding prohibition on assistance to the Republic of Serbia, with an exemption for Kosova and Montenegro, and an exemption for democratization programs.

Sec. 544, “Prohibition on Publicity or Propaganda” is modified by removing the limitation of \$750,000 on funds to carry out the provisions of section 316 of Public Law 96–533.

Sec. 546, “Prohibition of Payments to United Nations Members” is modified by prohibiting the payment of costs for attendance of another’s country’s delegation at international conferences.

Sec. 552, “War Crimes Tribunal Drawdown” is modified to remove the exemption for a notification regarding a drawdown for the war crimes tribunals for Rwanda and the former Yugoslavia.

Sec. 559, “Assistance for Haiti”, is modified to delete the conditions on assistance, and it now provides a policy framework and a semiannual reporting requirement.

Sec. 566, “Restrictions on Assistance to Countries Providing Sanctuary to Indicted War Criminals” is modified by listing Kosova

as an entity in order to avoid the inadvertent imposition of sanctions intended for Serbia.

Sec. 567, "To Prohibit Foreign Assistance to the Government of the Russian Federation Should It Enact Laws Which Would Discriminate Against Minority Faiths in the Russian Federation" is modified by changing the section heading to refer to the Russian Federation, rather than to Russia.

Sec. 568, "Greenhouse Gas Emissions" is modified by requiring notification for programs and activities "the primary purpose of which is" promoting or assisting country participation in the Kyoto Protocol, and by requiring the Agency for International Development to report on expenditures for climate change activities by country or central program or activity.

Sec. 571, "Assistance for the Middle East" is modified by reducing the cap on Middle East spending from \$5,402,850,000 to \$5,318,150,000, but by exempting \$100,000,000 for Jordan from the calculation made to arrive at the total Middle East spending cap.

Sec. 573, "Cambodia" combines an existing general provision relating to multilateral assistance for Cambodia with language prohibiting bilateral assistance for the Government of Cambodia, except for humanitarian assistance, including basic education.

Sec. 574, "Authorization for Population Planning" retains a funding limitation of \$385,000,000 for population planning activities that was included in the 1999 act, but deletes a provision that would have apportioned such funds on a monthly basis at a level of not to exceed 8.34 percent of the total available for such activities.

Sec. 575, "Foreign Military Training Report" is modified by exempting training for NATO members and training associated with foreign military sales.

Sec. 576, "Korean Peninsula Energy Development Organization", is modified—by limiting KEDO funding to \$35,000,000 from funds provided under "Nonproliferation, Anti-Terrorism, Demining and Related Programs; by removing the restriction on the obligation of funds prior to March 1; by allowing \$15,000,000 to be obligated prior to June 1, 2000, subject to a Presidential certification regarding North Korean compliance with various agreements; by allowing \$20,000,000 to be obligated after June 1, 2000 subject to a Presidential certification regarding North Korean compliance with various agreements or proposed agreements; by prohibiting the use of sections 451 or 614 of the Foreign Assistance Act to waive the provisions of the section; by allowing for a Presidential waiver of the certification requirements based on a finding that it is necessary due to vital national security interests; and by requiring a specified report from the Secretary of State on KEDO funding.

Sec. 577, "African Development Foundation" is a new general provision that authorizes the investment of grant funds by grantees, and allows for the Board of Directors to waive the \$250,000 project limitation contained in current law, subject to submitting an advance report to the Committee.

Sec. 579, "Notification on the Use of Operating Expenses" is a new general provision that prohibits the use of funds appropriated under "Operating Expenses of the Agency for International Development" to finance the construction (including architect and engi-

neering services), purchases, or long-term lease of offices except through the regular notification procedures of the Committees on Appropriations.

Sec. 580, "Iraq Opposition" is modified by providing a ceiling of \$10,000,000 for assistance to the Iraq opposition, with funding limited to organizations as authorized under the Iraq Liberation Act.

Sec. 581, "AID Budget Submission" is a new general provision that details the extent of budget justification data required by the Committee.

Sec. 583, "Kyoto Protocol", is a new general provision prohibiting funds in this Act from being used to propose or issue rules, regulations, decrees or orders for implementation of the Kyoto Protocol.

Sec. 584, "Contribution to United Nations Population Fund", is a new general provision limiting funding for UNFPA to \$25,000,000 and imposing various restrictions on the use of funds in China.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f) 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:

Overseas Private Investment Corporation
 Trade and Development Agency
 Child Survival and Disease Programs Fund
 Development Assistance
 International Disaster Assistance
 Micro and Small Enterprise Development Program Account
 Urban and Environmental Credit Program Account
 AID Operating Expenses
 AID Operating Expenses, Office of Inspector General
 Economic Support Fund
 International Fund for Ireland
 Assistance for Eastern Europe and the Baltic States
 Assistance for the Independent States of the Former Soviet Union
 Inter-American Foundation
 African Development Foundation
 Peace Corps
 International Narcotics Control
 Migration and Refugee Assistance
 Nonproliferation, Anti-Terrorism, Demining and Related Programs
 Debt Restructuring (in part)
 International Military Education and Training
 Foreign Military Financing Program
 Peacekeeping Operations
 Contribution to the International Development Association
 Contribution to the African Development Fund
 International Organizations and Programs

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]

	203(b) allocation—		This bill—	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary	12,625	13,168	12,624	13,167
Mandatory	44	44	44	44

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 2000	4,755
Fiscal year 2001	2,962
Fiscal year 2002	2,794
Fiscal year 2003	778
Fiscal year 2004	1,116

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.

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(a)(1)(b) of rule XIII of the Rules 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 20, 1999.

Measure: Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 2000.

Motion by: Mr. Callahan.

Description of Motion: To reduce the appropriation for the World Bank's International Development Association from \$776,600,000 to \$576,600,000.

Results: Adopted 30 yeas to 26 nays.

<i>Members Voting Yea</i>	<i>Members Voting Nay</i>
Mr. Aderholt	Mr. Boyd
Mr. Blunt	Mr. Clyburn
Mr. Bonila	Mr. Cramer
Mr. Callahan	Ms. DeLauro
Mr. Cunningham	Mr. Dicks
Mr. Dickey	Mr. Dixon
Mrs. Emerson	Mr. Edwards
Mr. Frelinghuysen	Mr. Farr
Ms. Granger	Mr. Hoyer
Mr. Hobson	Mr. Jackson
Mr. Kingston	Ms. Kaptur
Mr. Knollenberg	Ms. Kilpatrick
Mr. Kilbe	Mrs. Lowey
Mr. Latham	Mrs. Meek
Mr. Lewis	Mr. Mollohan
Mr. Miller	Mr. Murtha
Mr. Nethercutt	Mr. Obey
Mrs. Northup	Mr. Olver
Mr. Packard	Mr. Pastor
Mr. Regula	Ms. Pelosi
Mr. Rogers	Mr. Porter
Mr. Skeen	Mr. Price
Mr. Sununu	Ms. Roybal-Allard
Mr. Taylor	Mr. Sabo
Mr. Tiahrt	Mr. Serrano
Mr. Walsh	Mr. Visclosky
Mr. Wamp	
Mr. Wicker	
Mr. Wolf	
Mr. Young	

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(a)(1)(b) of rule XIII of the Rules 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 20, 1999.

Measure: Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 2000.

Motion by: Ms. Pelosi.

Description of Motion: To strike the prohibition on funding for the United Nations Population Fund and insert with regard to such funds: a limitation of \$25,000,000; a prohibition on use in China; conditions on availability; and a reporting requirement.

Results: Adopted 30 yeas to 26 nays.

Members Voting Yea

Mr. Boyd
 Mr. Clyburn
 Mr. Cramer
 Ms. DeLauro
 Mr. Dicks
 Mr. Dixon
 Mr. Edwards
 Mr. Farr
 Ms. Granger
 Mr. Hobson
 Mr. Hoyer
 Mr. Jackson
 Ms. Kaptur
 Ms. Kilpatrick
 Mr. Kolbe
 Mrs. Lowey
 Mrs. Meek
 Mr. Miller
 Mr. Moran
 Mr. Obey
 Mr. Olver
 Mr. Pastor
 Ms. Pelosi
 Mr. Porter
 Mr. Price
 Mr. Regula
 Ms. Roybal-Allard
 Mr. Sabo
 Mr. Serrano
 Mr. Visclosky

Members Voting Nay

Mr. Aderholt
 Mr. Blunt
 Mr. Bonilla
 Mr. Callahan
 Mr. Cunningham
 Mr. DeLay
 Mr. Dickey
 Mrs. Emerson
 Mr. Frelinghuysen
 Mr. Istook
 Mr. Kingston
 Mr. Knollenberg
 Mr. Latham
 Mr. Lewis
 Mr. Nethercutt
 Mrs. Northup
 Mr. Packard
 Mr. Rogers
 Mr. Skeen
 Mr. Sununu
 Mr. Taylor
 Mr. Tiahrt
 Mr. Wamp
 Mr. Wicker
 Mr. Wolf
 Mr. Young

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - EXPORT AND INVESTMENT ASSISTANCE					
EXPORT-IMPORT BANK OF THE UNITED STATES					
Subsidy appropriation	765,000	839,000	759,000	-6,000	-80,000
Emergency funding (by transfer)	(10,000)	.....	.....	(-10,000)	.....
(Direct loan authorization)	(1,333,000)	(1,687,000)	(1,350,000)	(+17,000)	(-337,000)
(Guaranteed loan authorization)	(12,702,000)	(13,825,000)	(10,400,000)	(-2,302,000)	(-3,425,000)
Administrative expenses	50,000	57,000	55,000	+5,000	-2,000
Y2K conversion (emergency funding)	400	.....	.....	-400	.....
Negative subsidy	-25,000	-15,000	-15,000	+10,000	.....
Total, Export-Import Bank of the United States	790,400	881,000	799,000	+8,600	-82,000
OVERSEAS PRIVATE INVESTMENT CORPORATION					
Noncredit account:					
Administrative expenses	32,500	35,000	35,000	+2,500	.....
Y2K conversion (emergency funding)	840	.....	.....	-840	.....
Insurance fees and other offsetting collections	-260,000	-303,000	-303,000	-43,000	.....
Direct loans:					
Loan subsidy	4,000	14,000	10,500	+6,500	-3,500
(Loan authorization)	(136,000)	(130,000)	(85,000)	(-51,000)	(-45,000)

Guaranteed loans:								
Loan subsidy	46,000	10,000	10,000	10,000	-36,000			
(Loan authorization)	(1,750,000)	(1,000,000)	(850,000)	(850,000)	(-900,000)			
Y2K conversion (emergency funding)	1,260				-1,260			
Total, Overseas Private Investment Corporation	-175,400	-244,000	-247,500	-247,500	-72,100			-3,500
TRADE AND DEVELOPMENT AGENCY								
Trade and development agency	44,000	48,000	44,000	44,000				-4,000
Total, title I, Export and investment assistance	659,000	685,000	595,500	595,500	-63,500			-89,500
(Loan authorizations)	(15,921,000)	(16,642,000)	(12,685,000)	(12,685,000)	(-3,236,000)			(-3,957,000)
TITLE II - BILATERAL ECONOMIC ASSISTANCE								
FUNDS APPROPRIATED TO THE PRESIDENT								
Agency for International Development								
Child survival and disease programs fund	650,000	555,000	680,000	680,000	+30,000			+125,000
Emergency funding	50,000				-50,000			
Development assistance	1,225,000	780,440	1,201,000	1,201,000	-24,000			+420,560
Central America and the Caribbean Emergency Disaster Recovery Fund (Emergency Funding)	621,000				-621,000			
Emergency funding (transfer out)	(-17,000)				(+17,000)			
Development Fund for Africa	200,000	512,560	200,880	200,880	+880			-512,560
International disaster assistance	188,000				-188,000			-19,120
Emergency funding								

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Micro & Small Enterprise Development program account:					
Subsidy appropriation	1,500	1,500	1,500	.....	.....
(Direct loan authorization)	(1,000)	.....	.....	(-1,000)	.....
(Guaranteed loan authorization)	(40,000)	(30,000)	(30,000)	(-10,000)	.....
Administrative expenses	500	500	500	.....	.....
Urban and environmental credit program account:					
Subsidy appropriation	1,500	3,000	.....	-1,500	-3,000
(Guaranteed loan authorization)	(14,000)	(26,000)	.....	(-14,000)	(-26,000)
Administrative expenses	5,000	5,000	5,000	.....	.....
Development credit authority program account:					
(By transfer) .....	.....	(15,000)	.....	.....	(-15,000)
(Guaranteed loan authorization) .....	.....	(200,000)	.....	.....	(-200,000)
Subtotal, development assistance	2,942,500	2,078,000	2,088,880	-853,620	+10,880
Payment to the Foreign Service Retirement and Disability Fund	44,552	43,837	43,837	-715	.....
Operating expenses of the Agency for International Development	479,950	507,739	479,950	.....	-27,789
Emergency funding (by transfer)	(8,000)	.....	.....	(-8,000)	.....
Y2K conversion (emergency funding)	10,200	.....	.....	-10,200	.....
Operating expenses of the Agency for International Development					
Office of Inspector General	30,750	25,261	25,000	-5,750	-261
Emergency funding (by transfer)	(1,500)	.....	.....	(-1,500)	.....
Total, Agency for International Development	3,507,952	2,654,837	2,637,667	-870,285	-17,170

Other Bilateral Economic Assistance					
Economic support fund	2,362,000	2,539,000	2,227,000	-135,000	-312,000
Emergency funding	211,500	.....	.....	-211,500	.....
Emergency funding (transfer out)	(-3,770)	.....	.....	(+3,770)	.....
International Fund for Ireland	19,600	.....	19,600	.....	+ 19,600
Assistance for Eastern Europe and the Baltic States	430,000	393,000	393,000	-37,000	.....
Emergency funding	120,000	.....	.....	-120,000	.....
Assistance for the New Independent States of the former Soviet Union	801,000	1,032,000	725,000	-76,000	-307,000
Emergency funding	46,000	.....	.....	-46,000	.....
Total, Other Bilateral Economic Assistance	3,990,100	3,964,000	3,364,600	-625,500	-599,400
INDEPENDENT AGENCIES					
Inter-American Foundation					
Appropriation	(20,000)	22,300	(5,000)	(-15,000)	-22,300
(By transfer) .....	.....	.....	.....	.....	(+5,000)
Total	(20,000)	(22,300)	(5,000)	(-15,000)	(-17,300)
African Development Foundation					
Appropriation	(11,000)	14,400	(14,400)	(+3,400)	-14,400
(By transfer)	137	.....	.....	-137	(+14,400)
Y2K conversion (emergency funding) .....	.....	.....	.....	.....	.....
Total	(11,137)	(14,400)	(14,400)	(+3,263)	.....

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Peace Corps					
Appropriation.....	240,000	270,000	240,000	.....	-30,000
Emergency funding (by transfer).....	(1,769)	.....	.....	(-1,769)	.....
Department of State					
International narcotics control and law enforcement	261,000	295,000	285,000	+24,000	-10,000
Emergency funding	255,600	.....	.....	-255,600	.....
Migration and refugee assistance	640,000	660,000	640,000	.....	-20,000
Emergency funding	266,000	.....	.....	-266,000	.....
United States Emergency Refugee and Migration Assistance Fund.....	30,000	30,000	30,000	.....	.....
Emergency funding	165,000	.....	.....	-165,000	.....
Nonproliferation, anti-terrorism, demining and related programs.....	198,000	231,000	181,630	-16,370	-49,370
Emergency funding	20,000	.....	.....	-20,000	.....
National Commission on Terrorism	840	.....	.....	-840	.....
U.S. Commission on International Religious Freedom.....	3,000	.....	.....	-3,000	.....
Total, Department of State.....	1,839,440	1,216,000	1,136,630	-702,810	-79,370

Department of the Treasury						
Debt restructuring	33,000	120,000	33,000	.....	.....	-87,000
Emergency funding	41,000	.....	.....	-41,000	.....	.....
International affairs technical assistance	3,000	8,500	1,500	-1,500	.....	-7,000
United States community adjustment and investment program	10,000	17,000	.....	-10,000	.....	-17,000
Subtotal, Department of the Treasury	87,000	145,500	34,500	-52,500	.....	-111,000
Total, title II, Bilateral economic assistance	9,664,629	8,287,037	7,413,397	-2,251,232	.....	-873,640
Appropriations	(7,675,192)	(8,287,037)	(7,413,397)	(-261,795)	.....	(-873,640)
Emergency funding	(1,994,437)	.....	.....	(-1,994,437)	.....	.....
Rescission	(-5,000)	.....	.....	(+5,000)	.....	.....
(By transfer)	(10,230)	(15,000)	(19,400)	(+9,170)	.....	(+4,400)
(By transfer) (emergency appropriations)	(11,269)	.....	.....	(-11,269)	.....	.....
(Loan authorizations)	(55,000)	(256,000)	(30,000)	(-25,000)	.....	(-226,000)

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued
(Amounts in thousands)**

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE III - MILITARY ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Military Education and Training.....	50,000	52,000	50,000	.....	-2,000
Foreign Military Financing Program:					
Grants	3,330,000	3,780,000	3,470,000	+ 140,000	-310,000
(Limitation on administrative expenses)	(29,910)	(30,000)	(30,495)	(+ 585)	(+ 495)
Direct loans:					
Subsidy appropriation.....	20,000	.....	.....	-20,000	.....
(Loan authorization)	(167,000)	.....	.....	(-167,000)	.....
FMF program level.....	(3,497,000)	(3,780,000)	(3,470,000)	(-27,000)	(-310,000)
Total, Foreign Military Financing	3,350,000	3,780,000	3,470,000	+ 120,000	-310,000
Emergency funding.....	50,000	.....	.....	-50,000	.....
Special Defense Acquisition Fund: Offsetting collections	-19,000	-6,000	-6,000	+ 13,000	.....
Peacekeeping operations	76,500	130,000	76,500	.....	-53,500
Total, title III, Military assistance	3,507,500	3,956,000	3,590,500	+ 83,000	-365,500
(Limitation on administrative expenses)	(29,910)	(30,000)	(30,495)	(+ 585)	(+ 495)
(Loan authorization).....	(167,000)	.....	.....	(-167,000)	.....

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	192,500	143,333	50,000	-142,500	-93,333
Rescission	-25,000	.....	.....	+ 25,000	.....
Subtotal, Global Environment Facility	167,500	143,333	50,000	-117,500	-93,333
Contribution to the International Development Association	800,000	803,430	576,600	-223,400	-226,830
Contribution to Multilateral Investment Guarantee Agency .....	.....	10,000	.....	.....	-10,000
(Limitation on callable capital subscriptions) .....	.....	(50,000)	.....	.....	(-50,000)
Total, World Bank Group	967,500	956,763	626,600	-340,900	-330,163
Contribution to the Inter-American Development Bank:					
Paid-in capital	25,611	25,611	25,611	.....	.....
(Limitation on callable capital subscriptions)	(1,503,719)	(1,503,719)	(1,503,719)	.....	.....
Fund for special operations	21,152	.....	.....	-21,152	.....
Contribution to the Inter-American Investment Corporation .....	.....	25,000	.....	.....	-25,000
Contribution to the Enterprise for the Americas Multilateral Investment Fund	50,000	28,500	.....	-50,000	-28,500
Total, contribution to the Inter-American Development Bank	96,763	79,111	25,611	-71,152	-53,500

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
Contribution to the Asian Development Bank:					
Paid-in capital	13,222	13,728	13,728	+ 506	.....
(Limitation on callable capital subscriptions).....	(647,858)	(672,745)	(672,745)	(+ 24,887)	.....
Contribution to the Asian Development Fund	210,000	177,017	100,000	-110,000	-77,017
Total, contribution to the Asian Development Bank.....	223,222	190,745	113,728	-109,494	-77,017
Contribution to the African Development Bank:					
Paid-in capital .....	.....	5,100	.....	.....	-5,100
(Limitation on callable capital subscriptions).....	.....	(80,000)	.....	.....	(-80,000)
Contribution to the African Development Fund	128,000	127,000	100,000	-28,000	-27,000
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)	.....	.....
Total, International Financial Institutions	1,451,264	1,394,498	901,718	-549,546	-492,780
(Limitation on callable capital subscript)	(2,274,815)	(2,429,702)	(2,299,702)	(+ 24,887)	(-130,000)

International Organizations and Programs					
Appropriation.....	187,000	293,000	167,000	-20,000	-126,000
(By transfer).....	(2,500)	(2,500)	(2,500)		
Total, title IV, Multilateral economic assistance.....	1,638,264	1,687,498	1,068,718	-569,546	-618,780
Appropriations.....	(1,663,264)	(1,687,498)	(1,068,718)	(-594,546)	(-618,780)
Rescission.....	(-25,000)			(+25,000)	
(By transfer).....	(2,500)	(2,500)	(2,500)		
(Limitation on callable capital subscript).....	(2,274,815)	(2,429,702)	(2,299,702)	(+24,887)	(-130,000)
TITLE VI					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Monetary Programs					
Loans to International Monetary Fund.....	3,361,000			-3,361,000	
United States Quota, International Monetary Fund.....	14,500,000			-14,500,000	
Total, International Monetary Programs.....	17,861,000			-17,861,000	
Grand total.....	33,330,393	14,615,535	12,668,115	-20,662,278	-1,947,420
Appropriations.....	(31,313,456)	(14,615,535)	(12,668,115)	(-18,645,341)	(-1,947,420)
Emergency appropriations.....	(2,046,937)			(-2,046,937)	
Rescission.....	(-30,000)			(+30,000)	
(By transfer).....	(12,730)	(17,500)	(21,900)	(+9,170)	(+4,400)
(By transfer) (emergency appropriations).....	(21,269)			(-21,269)	
(Limitation on administrative expenses).....	(29,910)	(30,000)	(30,495)	(+585)	(+495)
(Limitation on callable capital subscript).....	(2,274,815)	(2,429,702)	(2,299,702)	(+24,887)	(-130,000)
(Loan authorizations).....	(16,143,000)	(16,898,000)	(12,715,000)	(-3,428,000)	(-4,183,000)

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1999
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2000—Continued**
(Amounts in thousands)

	FY 1999 Enacted	FY 2000 Request	Bill	Bill vs. Enacted	Bill vs. Request
CONGRESSIONAL BUDGET RECAP					
Total mandatory and discretionary	31,246,456	14,615,535	12,668,115	-18,578,341	-1,947,420
Mandatory	44,552	43,837	43,837	-715	.....
Discretionary	31,201,904	14,571,698	12,624,278	-18,577,626	-1,947,420

ADDITIONAL VIEWS OF DAVID R. OBEY AND NANCY PELOSI

Once again the allocation of resources for the Fiscal Year 2000 Foreign Operations bill of \$12.625 billion is simply not adequate to meet our national security requirements, and will seriously impair the President's ability to carry out an effective foreign policy. This low level of funding will prevent us from confronting new challenges and will hinder the ability of the United States to maintain our leadership around the world.

It is also unfortunate that the bipartisan spirit, which characterized the Subcommittee's deliberations on this bill, was disrupted by the requirement imposed from above to cut an Administration high priority item by \$200 million at Full Committee. The Subcommittee marked up to a level of \$12.825 billion with the understanding that it represented a freeze in spending, and that it was an acceptable allocation to the Republican leadership. After subcommittee markup occurred, the mandate to reduce the bill by another \$200 million was imposed. Unfortunately, this procedure has become a pattern with many of the Appropriations bills this year. Its continuing occurrence has seriously eroded the Committee's ability to operate in a bipartisan fashion.

The total recommended of \$12.625 billion for the FY 2000 Foreign Operations bill is \$1.947 billion below the President's FY 2000 request and \$715 million below last year's level of spending, after factoring out the IMF appropriation. With all the new challenges we face throughout the world and the requirement for resources to meet those challenges this level of funding is shortsighted.

As the world continues rapidly changing, the United States has an unprecedented opportunity to enhance our national and economic security by solidifying our global leadership, through the spread of democracy with the promise of economic growth. The process of allocating our discretionary budget resources has once again this year failed to acknowledge that fundamental fact, and our foreign policy goals have been shortchanged as a result.

The programs in the bill which should be funded at higher levels include the Independent States of the Former Soviet Union, Development Assistance, AID Operating Expenses, Economic Support Funds, Debt Restructuring, Global Environment Facility, International Organizations and Programs, the International Development Association, and the Nonproliferation, Anti-terrorism, Demining and related programs account.

The Independent States of the Former Soviet Union was funded at \$725 million—well below last year and \$307 million below the amount requested. This means little or no funding for the Combined Threat Reduction Initiative, which is designed to dismantle Russian military bases in emerging Republics of the former Soviet Union, and to employ Russian scientists in peaceful and commercially productive pursuits. It also means cuts below last year for

emerging republics such as Armenia and Georgia. A reduction of this magnitude also threatens our long-term interests in the region by reducing support for small businesses, and exchange programs designed to develop a new generation of pro-reform leaders and institutional partnerships.

The increases in the bill for the Child Survival Account are welcome, however, the cuts to the Development Assistance account threaten new African initiatives and Environmental programs, limit the ability to address the financial crisis in Asia, and hinder follow up needs from the recent natural disasters in Central America. The cut to AID's operating expenses will scale back necessary security upgrades at overseas posts and will require staff reductions. Cuts to the Economic Support Fund translate into reductions to programs intended to increase political stability and democratization in Latin America, Asia and Africa. Cuts in the Non-proliferation account will limit new initiatives for Antiterrorism, Demining and Export Controls. The cuts to the International Development Association and the GEF put the US into deep arrears once again.

The cuts mentioned above do not take into account other emerging needs. For example the bill contains only \$100 million of the \$1.3 billion requested in conjunction with the WYE River Memorandum. While it may be premature to include the full funding for this package, there will be a need to address these commitments in a timely manner in tandem with implementation of the Accords by all parties. An allocation of \$12.625 billion will not enable the approval of this request.

Additionally the end of the war in Kosova has brought with it significant challenges for assisting in the recovery of Kosova itself and in helping the front line states put their economies back on track. Congress did provide a significant assistance package earlier this year; however, there will be a need for additional resources for peacekeeping and peace implementation to keep recovery efforts on track.

Finally, the bill reduces the request for Debt Restructuring from \$120 million to \$33 million, and prohibits funding for the Trust Fund for Highly Indebted Poor Countries (HIPC). This request was made before the recent historic agreements among the G-7 in Cologne, Germany. Those agreements, which have broad support from governments, multilateral institutions, and religious groups, will require additional budgetary resources beyond what is currently requested. Fully funding the US budget costs for this initiative, thereby facilitating sweeping multilateral debt relief actions for poor countries, may be the most significant poverty alleviation action we can take in a generation. The amounts currently in the bill don't even put us on the playing field.

These points have not been made with the expectation that every dime that has been cut from the request should be restored. They are made to illustrate the need for more resources in key areas. Robust and well-directed foreign assistance programs support our own national security requirements, and enjoy the support of a majority of the American people. That support is based on the realization that process of building stability throughout the world by enhanc-

ing democratization and promoting economic growth ultimately
benefits all of us, and in fact contributes to our prosperity.
NANCY PELOSI.

