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SENATE

{ REPORT  
108-106

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED  
PROGRAMS APPROPRIATION BILL, 2004

JULY 17, 2003.—Ordered to be printed

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

**REPORT**

[To accompany S. 1426]

The Committee on Appropriations reports the bill (S. 1426) making appropriations for Foreign Operations and related programs for the fiscal year ending September 30, 2004, and for other purposes, reports favorably thereon and recommends that the bill do pass.

*Amounts in new budget authority*

|  |                  |
|--|------------------|
| Fiscal year 2003 appropriations .....      | \$23,718,563,000 |
| Fiscal year 2004 budget estimate .....     | 18,932,588,000   |
| Amount of bill as reported to Senate ..... | 18,136,859,000   |
| Bill as recommended to Senate compared to: |                  |
| 2003 appropriations .....                  | - 5,581,704,000  |
| Budget estimate .....                      | - 795,729,000    |

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SUMMARY TABLE: AMOUNTS IN NEW BUDGET AUTHORITY

| Item                                | Budget request | Committee recommendation | Committee recommendation compared with budget estimate increase (+) or decrease (-) |
|-------------------------------------|----------------|--------------------------|---|
| Export Assistance .....             | -\$103,020,000 | -\$115,220,000           | -\$12,200,000   |
| Bilateral Economic Assistance ..... | 12,565,580,000 | 11,877,929,000           | - 687,651,000   |
| Military Assistance .....           | 4,600,600,000  | 4,560,600,000            | - 40,000,000  |
| Multilateral Assistance .....       | 1,869,428,000  | 1,813,550,000            | - 55,878,000  |

INTRODUCTION

In fiscal year 2003, the Committee appropriated \$23,718,563,000 for foreign operations and related programs, including supplemental appropriations. This year, the Committee has provided \$18,136,859,000, of which \$18,093,000,000 is for discretionary spending and \$43,859,000 is for mandatory spending.

TITLE I  
EXPORT AND INVESTMENT ASSISTANCE  
EXPORT-IMPORT BANK OF THE UNITED STATES  
INSPECTOR GENERAL

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     |             |
| Budget estimate, 2004 .....    | \$1,200,000 |
| Committee recommendation ..... | 1,000,000   |

ADMINISTRATIVE EXPENSES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$67,856,000 |
| Budget estimate, 2004 .....    | 75,394,668   |
| Committee recommendation ..... | 74,395,000   |

As a result of a new methodology to measure international credit risk that reduced the average subsidy cost, the administration did not request, and the Committee did not provide, a subsidy appropriation for the Export-Import Bank for fiscal year 2004. The Committee understands that the Export Import Bank will have sufficient carryover from fiscal year 2003 to increase (under the new methodology) total credit authorizations by \$1,800,000,000 to \$14,600,000,000 in fiscal year 2004.

The Committee provides \$1,000,000 for the Inspector General of the Export-Import Bank.

The Committee provides \$74,395,000 for administrative expenses, which is \$6,539,000 above the fiscal year 2003 level.

OVERSEAS PRIVATE INVESTMENT CORPORATION

SUBSIDY APPROPRIATION

DIRECT LOANS

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$23,844,000 |
| Budget estimate, 2004 .....    | 24,000,000   |
| Committee recommendation ..... | 24,000,000   |

The Committee provides a subsidy appropriation for the Overseas Private Investment Corporation [OPIC] for direct and guaranteed loan credit programs of \$24,000,000, which is equal to the budget request and \$156,000 above the fiscal year 2003 level.

ADMINISTRATIVE EXPENSES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$39,626,000 |
| Budget estimate, 2004 .....    | 42,385,000   |
| Committee recommendation ..... | 41,385,000   |

The Committee provides \$41,385,000 for administrative expenses. This level is \$1,759,000 above the fiscal year 2003 level.

## TRADE AND DEVELOPMENT AGENCY

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$46,706,000 |
| Budget estimate, 2004 .....    | 60,000,000   |
| Committee recommendation ..... | 50,000,000   |

The Committee provides \$50,000,000 for the Trade and Development Agency [TDA], which is \$3,294,000 above the fiscal year 2003 level.

The Committee appreciates the nexus between aviation safety and trade, and recommends that TDA increase support for programs and activities such as technical and on-site workshops and interactive employee training systems that help prepare countries for International Civil Aviation Organization [ICAO] audits and that correct safety and security deficiencies.

TITLE II  
 BILATERAL ECONOMIC ASSISTANCE  
 FUNDS APPROPRIATED TO THE PRESIDENT

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$4,239,154,000 |
| Emergency supplemental .....   | 258,300,000     |
| Budget estimate, 2004 .....    | 4,617,759,000   |
| Committee recommendation ..... | 4,739,959,000   |

The amounts listed in the above table for fiscal year 2003 appropriations, the fiscal year 2004 budget estimate and the Committee recommendation, include funds appropriated or requested under child survival and health programs, development assistance, USAID operating expenses, USAID Inspector General operating expenses, mandatory retirement expenses, international disaster assistance, famine fund, transition initiatives, and credit programs.

CHILD SURVIVAL AND HEALTH PROGRAMS FUND

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$1,824,563,000 |
| Emergency supplemental .....   | 90,000,000      |
| Budget estimate, 2004 .....    | 1,495,000,000   |
| Committee recommendation ..... | 1,435,500,000   |

The Committee provides \$1,435,500,000 for the Child Survival and Health Programs Fund [CSHPF] of which \$345,000,000 is for child survival and maternal health. This amount is \$23,000,000 above the fiscal year 2003 level. The Committee notes that funding for the Global Fund to Fight AIDS, Tuberculosis and Malaria, and UNICEF, have been moved out of CSHPF which explains the apparent discrepancy between the text and table above.

The CSHPF supports programs and activities to reduce child mortality and morbidity, combat infectious diseases including HIV/AIDS, and address a wide range of other public health problems around the world. The Committee reiterates its strong support for a comprehensive approach to global health, with an emphasis on building local capacity in developing countries to conduct effective surveillance and deliver basic health services.

HIV/AIDS

The Committee commends the President for his commitment to combat HIV/AIDS, and provides a total of \$1,357,000,000 for HIV/AIDS programs, which is \$10,000,000 above the fiscal year 2004 budget request. The Committee notes that this funding level will allow the President to meet his commitment to provide a total of \$15,000,000,000 for HIV/AIDS programs and activities over the next 5 years.

The Committee is keenly aware that \$3,000,000,000 is authorized to be appropriated for each of the fiscal years 2004 through 2008 in Public Law 108–25. However, the Committee has been informed that the administration intends to more gradually ramp up HIV/AIDS spending in all accounts from \$2,040,000,000 in fiscal year 2004 to \$2,540,000,000 in fiscal year 2005, \$3,090,000,000 in fiscal year 2006, \$3,690,000,000 in fiscal year 2007, and \$3,890,000,000 in fiscal year 2008.

The Committee has long recognized the national security threats posed by unchecked HIV/AIDS infection rates, and the absolute devastation caused to countries, communities, and families by this pandemic. The Committee appreciates that the budget request for HIV/AIDS in fiscal year 2004 alone exceeds the total amount appropriated in fiscal years 1993 through 2001.

The \$1,357,000,000 provided for HIV/AIDS programs and related activities in this Act is drawn from the following accounts: \$500,000,000 from the Child Survival and Health Programs Fund; an additional \$105,000,000 from the CSHPF for tuberculosis and malaria programs related to combating HIV/AIDS; \$700,000,000 from the newly established Global AIDS Initiative [GAI]; \$50,000,000 from Economic Support Fund [ESF], Assistance for Eastern Europe and the Baltic States [SEED], and Assistance for the Independent States of the Former Soviet Union [FSU]; and, \$2,000,000 from Foreign Military Financing.

The Committee provides up to \$250,000,000 for a U.S. contribution to the Global Fund to Fight AIDS, Tuberculosis, and Malaria from the GAI. The Committee encourages other donors to the Global Fund to bear their fair share and to fulfill their pledges in order to maximize the contribution by the United States. The Committee also provides \$150,000,000 for the International Mother and Child HIV Prevention Initiative under this account.

The Committee recognizes USAID's efforts to provide a steady and adequate supply of condoms to combat HIV/AIDS, and expects that USAID and the Global HIV/AIDS Coordinator will devote adequate financial resources and utilize mechanisms, such as the commodity fund established last year at USAID, to ensure the availability of such commodities in the future.

*Media Programs.*—The Committee believes that local media can play an effective role in combating HIV/AIDS. USAID has initiated a media program in Kenya and Nigeria to increase knowledge about the pandemic through accurate and unbiased media coverage of the causes and appropriate public responses to HIV/AIDS. The Committee recommends that this program be expanded to other countries and that USAID provide at least an additional \$2,000,000 in fiscal year 2004.

*Microbicides.*—The Committee is aware that women comprise half of the HIV infections in the world, and that the typical woman who is infected has only one partner, her husband. Microbicides that are under development could play a major role in protecting women from HIV. USAID's role in the development of microbicides is especially important in the preclinical and clinical evaluation of potential new products. The Committee has included \$22,000,000 for USAID for microbicide research and development.



*UNAIDS.*—The Committee supports the work of UNAIDS, which plays a key coordination role in the global effort to design national AIDS plans, expand access to HIV drugs, set standards for vaccine trials, and collect data that is critical in combating the HIV/AIDS pandemic. In light of the significant increases in funding for HIV/AIDS programs, the Committee urges the administration to increase its contribution to UNAIDS.

*Safe Blood.*—The Committee encourages USAID to support the efforts of Safe Blood for Africa, which assists African nations through training and technical assistance, to develop systems to ensure that blood supplies are screened for HIV/AIDS and other communicable diseases.

*Lott Carey International.*—The Committee again recognizes Lott Carey International's [LCI] work to establish programs to help mitigate the devastation caused by HIV/AIDS in Africa and the Caribbean, including education, building health care infrastructure, and caring for orphans, widows, and other family members affected by HIV/AIDS. The Committee expects USAID to consider and fund proposals from LCI in a timely manner.

*United Families International Stay Alive Program [UFISAP].*—The Committee urges USAID to consider supporting proposals from UFISAP to combat HIV/AIDS in Africa.

*Needle Safety.*—The Committee recognizes that the use of contaminated needles in developing countries contributes to the spread of HIV/AIDS, and supports funding for programs and activities that address this problem.

#### OTHER INFECTIOUS DISEASES

The Committee provides \$185,000,000 for programs to combat other infectious diseases, to strengthen disease surveillance, and to reduce anti-microbial resistance in developing countries. This amount is \$29,500,000 above the fiscal year 2003 level.

*Tuberculosis.*—The Committee recommends not less than \$80,000,000 to combat tuberculosis [TB], including at least \$70,000,000 from the Child Survival and Health Programs Fund and at least \$10,000,000 from the ESF, SEED, and FSU accounts. The Committee expects funds for TB from the ESF, SEED, and FSU accounts to be obligated and disbursed rapidly. The Committee supports DOTS TB programs and other multilateral efforts, including the Global Fund to Combat TB. The Committee also recommends USAID consider funding for the Global Tuberculosis Drug Facility.

*Malaria.*—The Committee recommends not less than \$85,000,000 from the Child Survival and Health Programs Fund for programs to combat malaria, a debilitating disease that afflicts an estimated 500 million people each year, of whom one million die, mostly African children. The Committee is aware of Medicines for Malaria Venture, a public-private partnership to develop new anti-malaria drugs, which are urgently needed. The Committee recommends that USAID provide direct support to this initiative. The Committee expects USAID to allocate approximately 10 percent of its funding for malaria programs to vaccine research and development, including \$3,000,000 for the Malaria Vaccine Initiative.

## IMMUNIZATIONS

The Committee is aware that at least 3 million lives could be saved each year if every child received immunizations. Last year, the Senate recommended up to \$60,000,000 for The Vaccine Fund in support of the Global Alliance for Vaccines and Immunization. Since The Vaccine Fund's inception 3 years ago, nearly \$1,000,000,000 has been committed for immunization programs in 64 countries. The Committee supports continued funding for this program, and recommends \$60,000,000 for The Vaccine Fund in fiscal year 2004.

The Committee recommends up to \$1,000,000 to support the Ukraine Childhood Immunization Information System pilot program in the Kyiv Oblast proposed by the Altarum Institute. The Committee expects the Government of Ukraine to contribute to the pilot program and follow on activities.

## IODINE DEFICIENCY DISORDERS

Iodine deficiency disorder [IDD] is the leading preventable cause of mental retardation in children. Private funds, raised by Kiwanis International and implemented by UNICEF, are preventing the mental retardation of millions of children through programs to iodize salt. The Committee recommends a total of \$3,500,000 for the Kiwanis/UNICEF IDD program, including \$2,000,000 from the Child Survival and Health Programs Fund and \$1,500,000 from the SEED and FSU accounts.

## VITAMIN A AND OTHER MICRONUTRIENTS

Each year, more than 2.8 million children under 5 years of age die in the developing world from causes related to Vitamin A deficiency. The Committee recommends that at least \$30,000,000 be provided for the overall USAID micronutrient program, of which at least \$20,000,000 should be for programs relating to Vitamin A deficiency.

## POLIO ERADICATION

The Committee again recommends \$30,000,000 for the multilateral effort to eradicate polio, an extraordinary public-private effort which is in its final years of completion.

## BLIND CHILDREN

Worldwide, one child goes blind every minute. According to the World Health Organization, 1.5 million children are blind and 7 million suffer from low vision. The Committee recognizes the work of Helen Keller Worldwide and other organizations to assist blind children and children with low vision, and again recommends \$1,500,000 for such programs in fiscal year 2004.

## DISPLACED CHILDREN AND ORPHANS FUND

The Committee again recommends \$12,000,000 for the Displaced Children and Orphans Fund, which is in addition to other funding for HIV/AIDS orphans. The Committee has provided authority to use up to \$32,500 in program funds for displaced and orphaned

children and victims of war to enable the USAID office responsible for the design and management of these programs to monitor and oversee their implementation. USAID is also encouraged to use other operating expense funds, as necessary, to further the effectiveness of the oversight of these programs.

#### FAMILY PLANNING/REPRODUCTIVE HEALTH

The Committee provides a total of \$445,000,000 for family planning/reproductive health programs, of which \$375,500,000 is made available under the Child Survival and Health Programs Fund.

The Committee is aware that unchecked population growth is a major cause of environmental degradation, and expects USAID to develop performance goals and indicators which promote cross-sectoral collaboration on community-based, population-health-environment programs, and to consult with the Committee regarding these goals and indicators.

#### CHILD SAFETY

The Committee supports the Asia Injury Prevention Foundation's "Helmets for Kids" program and recommends USAID provide up to \$500,000 to support the expansion of this program in Bangladesh, Sri Lanka, Cambodia and Nepal.

The Committee is aware of the work of the Global Peace Initiative (GPI) to assist orphans and widows and encourage USAID to consider proposals from GPI.

#### MATERNAL HEALTH

The Committee is aware that pregnancy-related deaths exceed 600,000 annually, most of which are preventable. The Committee believes that far more should be done to address this urgent need, and recommends at least \$75,000,000 for maternal health activities and that additional funding be made available specifically to reduce pregnancy-related deaths.

#### HEALTH CARE INFRASTRUCTURE

The Committee is aware of the dire situation of the JFK Memorial Hospital in Monrovia, Liberia, and urges USAID and the State Department to consult with the Committee about options for sustaining the operations of this facility.

#### PROGRAMS FOR PEOPLE WITH DISABILITIES

The Committee reiterates its strong support for programs that address the needs of people suffering from physical and mental disabilities in developing countries.

The Committee includes a provision to ensure that the needs of persons with disabilities are fully taken into account by USAID in the design and implementation of programs, projects, and activities in Afghanistan and Iraq. The Committee also expects USAID to develop, within 180 days after enactment of this Act, standards for access for people with disabilities for construction projects funded by USAID. The Committee recommends that, in the interim, USAID should consider immediately applying the standards contained in "Accessibility for the Disabled, A Design Manual for a

Barrier Free Environment,” prepared by the Urban Management Department of the Lebanese Company for the Development and Reconstruction of Beirut Central District.

The Committee commends Mental Disability Rights International’s work in Kosovo, and encourages USAID to support its programs and activities.

The Committee provides \$10,000,000 to continue support for wheelchairs for needy persons in developing countries. Of this amount, the Committee directs \$5,000,000 be provided to Wheelchairs for the World, and expects these funds to be matched by private donations on a dollar-for-dollar basis. The Committee encourages the remaining funds to be maximized by matching, in-kind contributions from recipients.

The Committee notes the work of the Center for Mind-Body Medicine [CMBM] to train mental health and other professionals to treat conflict-related trauma in the Balkans. The Committee requests USAID and the State Department to consider proposals to expand CMBM programs to other regions.

MEDICAL EQUIPMENT

The Committee supports the efforts of organizations and individuals to improve healthcare facilities in developing countries by providing medical equipment, medical supplies, hospital linens, and medical textbooks. The Committee recommends that USAID provide \$500,000 to the International Medical Equipment Collaborative for these purposes.

DEVELOPMENT ASSISTANCE

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$1,379,972,000 |
| Budget estimate, 2004 .....    | 1,345,000,000   |
| Committee recommendation ..... | 1,423,000,000   |

The Development Assistance account consists of a wide range of poverty-reduction and long-term development activities including democracy and the rule of law, free market development, agriculture and rural development, urban programs, environment and energy, basic education, and micro-credit.

WOMEN IN DEVELOPMENT

The Committee recommends \$15,000,000 in fiscal year 2004 for USAID’s Office of Women in Development [WID], and expects the Administrator of USAID to strengthen the WID Office. The Office continues to play a key role in integrating gender perspectives into USAID’s programs and policies, and providing technical support, research and implementation of initiatives focused on women’s economic status and legal rights, and girls’ education.

The Committee supports the mission of Women’s Campaign International [WCI], which works to enhance the status of women through media, leadership, business, organizational, and public-service training in developing countries. The Committee recommends at least \$2,500,000 for WCI in fiscal year 2004.

## CHILDREN'S BASIC EDUCATION

Educating children in developing countries is fundamental to long term development. The Committee believes that USAID should significantly broaden its support for these activities, and provides \$220,000,000 for children's basic education in fiscal year 2004. The Committee expects USAID to emphasize programs that expand access and quality of education for girls, enhance community and parental participation in schools, improve teacher training, and build local management capacity.

## AMERICAN SCHOOLS AND HOSPITALS ABROAD

The Committee continues to recognize the important contributions made to U.S. foreign policy by institutions funded by the American Schools and Hospitals Abroad [ASHA] program, and provides that not less than \$20,000,000 should be made available to support these institutions in fiscal year 2004. The Committee, once again, expects USAID to allocate sufficient sums to administer the ASHA program from funds provided for Operating Expenses, so it will not be necessary to expend any program funds for administrative purposes.

Although the Committee understands that ASHA funds are available for a variety of purposes, such as construction and equipment, libraries, computer technology, curriculum and staff support, and related expenses, the Committee reaffirms its intention that this assistance is not to be presumed to offer permanent budget support to ASHA recipients. The Committee strongly encourages ASHA to give priority to organizations which demonstrate a commitment to private fundraising to match government support.

The Committee continues to be impressed with the contributions to United States interests made by several institutions and believes that they warrant further ASHA support, including Lebanese American University, International College; The Johns Hopkins University's Centers in Nanjing, China and Bologna, Italy; the Tel Aviv University: American Council; the Center for American Studies at Fudan University, Shanghai; the Hadassah Medical Organization; EARTH University's Center for Sustainability and Biodiversity in Cost Rica; the American University of Beirut; the American University of Cairo; and the Feinberg Graduate School of the Weizmann Institute of Science.

## VICTIMS OF TORTURE

The Committee recommends that USAID provide up to \$11,000,000 in fiscal year 2004 for programs and activities to assist victims of torture, including for centers for victims of torture that provide services consistent with the goals of the Torture Victims Relief Reauthorization Act of 1999.

## PATRICK LEAHY WAR VICTIMS FUND

The Committee continues to strongly support the Leahy War Victims Fund, which, since 1989, has provided essential orthopedic and related medical, surgical, and rehabilitation assistance for persons who are disabled as a result of civil strife or armed conflict. In addition to enabling amputees and other people with disabilities

to regain mobility, the Committee supports USAID's efforts to increase their accessibility to mainstream educational, recreational and economic opportunities. The Committee expects USAID to provide \$12,000,000 for this program in fiscal year 2004.

The Committee continues to encourage the Fund to increase its support for initiatives in conflict-affected countries that will lead to appropriate disability laws and policies, and improvements in and the expansion of appropriate services and programs that are needed by people with conflict-related physical disabilities.

#### COMMUNITY-BASED POLICE ASSISTANCE

The Committee expects USAID to comply with the annual reporting requirement contained in section 582(b) of the fiscal year 2003 Foreign Operations, Export Financing, and Related Programs bill.

#### SPORTS PROGRAMS

The Committee is aware of the intrinsic value of sports in enhancing child health and development and building communities. Olympic Aid-Right to Play is an athlete-driven organization using sport and recreation to achieve these goals with programs in numerous countries around the world. The Committee recommends USAID and the State Department provide up to \$5,000,000 to support Olympic Aid-Right to Play's programs.

The Committee also recognizes Special Olympics' efforts to expand its international programs on behalf of the estimated 170 million people worldwide who suffer from mental retardation, and urges USAID to support these programs.

#### COOPERATIVE ASSOCIATION FOR STATES FOR SCHOLARSHIPS

The Committee reiterates its support for the work of the Cooperative Association for States for Scholarships and expects USAID to continue funding this program.

#### URBAN DEVELOPMENT

The Committee reiterates its strong support for the work of the Institute for Liberty and Democracy [ILD], which has successfully implemented a number of economic growth and poverty reduction programs in developing countries. The Committee recommends that up to \$6,000,000 be made available to support ILD programs and activities.

The Committee again recognizes the work of the International Real Property Foundation [IRPF] to create private real estate markets and promote property rights abroad. The Committee provides that up to \$3,000,000 should be made available to support expansion of IRPF's activities to Latin America, Asia, and Africa.

#### FAITH BASED ORGANIZATIONS

The Committee commends USAID for its work with faith based organizations, and encourages an expansion of efforts with groups ranging from the Alaska Interfaith Council in the Russian Far East to St. Patrick's Church and School in Haiti.

## COMMERCIAL DEVELOPMENT PROGRAMS

The Committee strongly supports microenterprise development programs for the poor, especially women, and recommends that USAID provide at least \$180,000,000 for these activities. The Committee expects USAID to preserve the viability of leading micro-finance NGO networks, including faith-based networks, by providing substantial funding to these entities so they may increase the number of people they serve. The majority of microenterprise development resources should be used to support the direct provision of services to poor microentrepreneurs through these networks. Funding for administrative, procurement, research and other support activities not directly related to the delivery and management of services should be kept to a minimum.

The Committee supports the development, in conjunction with micro-credit practitioners, of poverty measurement methods as a means of verifying that at least half these resources are targeted toward the world's poorest people. The Committee requests that USAID report to the Committee no later than 90 days after the enactment of this Act on the status of the development of these methods. The Committee recognizes the positive impact that microcredit programs have on the lives of women around the world.

The Committee strongly supports the volunteer activities of the International Executive Service Corps [IESC], and believes that USAID continues to underutilize IESC's capacity to promote economic growth by assisting small and medium sized companies. The Committee believes that aggressive use of volunteer organizations such as IESC produces positive results in development programs abroad, and shares the administration's support for greater volunteerism in America. The Committee expects USAID to provide not less than \$1,500,000 to IESC.

The Committee recognizes the important mission of the Office of Private and Voluntary Cooperation [PVC], including its role as the Secretariat for the U.S. Advisory Committee on Voluntary Foreign Aid. The Committee recommends USAID to consider a substantial increase in funding for the PVC Office, and suggests up to \$10,000,000 for programs that address the root causes of famine.

The Committee is aware of the efforts of the World Council of Credit Unions to further develop credit union systems in South Africa and Mexico in order to promote free-market principles and increase the ability of poor people to access credit and other banking services. The Committee recommends up to \$2,000,000 for this initiative.

The Committee provides \$1,000,000 for the U.S. Telecommunications Training Institute [USTTI]. USTTI is a nonprofit joint venture between the public and private sectors dedicated to providing tuition free communications and broadcast training to professionals from around the world.

## AGRICULTURE DEVELOPMENT PROGRAMS

The Committee supports USAID's renewed emphasis on agriculture, as it has long believed that agricultural development is critical to combating poverty. The Committee provides that \$40,000,000 should be made available for plant biotechnology pro-

grams, with an emphasis on research projects to improve food security and nutrition in Africa and Asia.

The Committee believes that sustainable agricultural development is a key factor in reducing poverty and alleviating food shortages, as well as promoting economic growth and political stability in developing countries. The Committee strongly supports USAID's investments in agriculture programs, and encourages a central role for these programs in USAID's future economic development and disaster relief strategies. The Committee encourages increased funding for agricultural development activities.

The Committee continues to believe that dairy development is an important component of U.S. foreign assistance programs and recommends that USAID increase funding above the current level.

#### INTERNATIONAL COFFEE CRISIS

The Committee continues to be concerned with the impact of the international coffee crisis on the livelihoods of poor coffee farmers, as well as on United States counter-narcotics and foreign assistance efforts. In fiscal year 2003, Congress appropriated \$500,000 for a contribution to the International Coffee Organization [ICO] as one way to help address this problem.

While pleased that the State Department appears to be making a careful decision concerning ICO membership, the Committee recognizes that this is only one aspect of finding a solution to the coffee crisis. The Committee is disappointed that little progress has been made in formulating a comprehensive, multilateral strategy to address this issue—as called for in S. Res. 368 and H. Res. 604, passed during the 107th Congress. The Committee, therefore, has included a provision that requires the Secretary of State, in consultation with the Administrator of USAID and the Secretary of the Treasury, to report to Congress on progress in formulating such a strategy.

The Committee also believes that finding alternative sources of income for coffee farmers in Vietnam, some of whom only recoup 40 percent of their costs, is key to a solution to this crisis and urges USAID to immediately increase resources to support these types of programs.

#### FERTILIZER DEVELOPMENT

The Committee continues to support the work of the International Fertilizer Development Center [IFDC] and provides that not less than \$2,300,000 should be made available for its core grant. The Committee also recommends an additional \$1,700,000 to support the research and development activities of IFDC.

#### COLLABORATIVE RESEARCH SUPPORT PROGRAMS

The Committee continues its strong support for the Collaborative Research Support Programs [CRSPs], and recommends that the CRSPs be considered for funding for a broad range of development-related activities.



## ENVIRONMENT PROGRAMS

The Committee has consolidated biodiversity, energy and natural resource management activities under a single heading entitled "Environment Programs." The Committee intends to provide sufficient resources to enable the United States to be at the forefront of these critical and complex global issues. To that end, the Committee provides a total of \$485,000,000 for environment programs, of which not less than \$325,000,000 is to be funded within the Development Assistance account. A total of \$165,000,000 of Development Assistance funds is for biodiversity conservation. A total of \$185,000,000 of funds in the Act is for energy conservation, energy efficiency, and clean energy programs.

*Biodiversity.*—The Committee continues to believe that USAID should give higher priority to biodiversity conservation. The Congo Basin Forest Partnership [CBFP], a comprehensive, multi-year, regional strategy to protect biodiversity in central Africa, is an example of what can be achieved by bringing together governments, timber companies, and NGOs to protect biodiversity. The Committee urges USAID to support proposals of the Jane Goodall Institute to expand its work with African communities to protect forests and wildlife.

The Committee commends the work of the Global Environment Facility [GEF], the World Conservation Union [IUCN] other NGOs and local governments to protect the Amazon Basin region, which is home to the largest and among the most biologically diverse forests in the world as well as many culturally unique indigenous groups. However, the Committee notes that an estimated 7,000 square miles of Amazon forest are being cut down each year, and believes that efforts to protect this area should be coordinated and broadened into a comprehensive, multi-year, regional action plan similar in approach to the CBFP. The Secretary of State, after consultation with the Administrator of USAID and other appropriate departments and agencies, the GEF, the IUCN and other NGOs with relevant expertise in biodiversity conservation and with the governments of Brazil, Peru, Bolivia, Colombia, Venezuela, Guyana, Suriname, and French Guiana, is to submit to the Committees on Appropriations, within 180 days after enactment of this Act, such an action plan for biodiversity conservation in the Amazon Basin. The Committee provides \$10,000,000 for implementation of the plan in fiscal year 2004. The Committee notes the effective work of the Amazon Conservation Team [ACT] in strengthening the capacity of indigenous groups, local environmental organizations and law enforcement agencies in the Brazilian Amazon to protect the biodiversity of indigenous reserves, and provides \$1,500,000 to support its work. The Committee intends that total assistance for Brazil will be \$34,233,000, including the amount requested in the Act for Brazil in fiscal year 2004 plus the additional assistance through ACT.

The Committee notes that human impact is the primary cause of environmental degradation and that unchecked population growth and poverty are key contributors to rapid biodiversity loss. The Committee continues to believe that integrated approaches to health, family planning, and environmental conservation are nec-

essary to address the needs of communities where biodiversity and endangered species are threatened. The Committee supports the efforts of USAID's Office of Population to support family planning in these areas, and expects USAID to invest other global health (including HIV/AIDS), environment and sustainable agriculture funds in the appropriate components of integrated population-health-environment programs.

*Energy.*—The Committee continues to strongly support renewable energy, energy efficiency, and clean energy programs, and provides \$185,000,000 for these activities. The Committee expects these funds to be used to assist developing countries to measure, monitor, report, verify, and reduce greenhouse gases and related activities. The Committee is concerned that the report on the administration's climate change programs, required in section 555(b) of Public Law 108-7 to be submitted "not later than 45 days after the date on which the President's fiscal year 2004 budget request is submitted to Congress," is long overdue. The Committee expects the report to be submitted promptly. Like last year, the Committee requires a report containing this same information for fiscal year 2004.

The Committee recommends \$15,000,000 for USAID's Office of Energy and Information Technology.

The Committee recommends up to \$2,000,000 to support public-private partnerships utilizing American technology to promote small and medium hydropower in developing countries. These funds should be made available to USAID's Office of Energy and Information Technology and USAID's Office of Energy Efficiency and Renewable Energy.

The Committee is aware of the Solar Electric Light Fund [SELF], which provides solar power technology to remote communities in Africa, Asia, and South America where other energy technologies may be unavailable or impractical. These low-cost, low-maintenance, non-polluting photovoltaic panels generate electricity for lighting, water pumps, health clinics, and internet access. The Committee urges USAID to support SELF's work.

#### PARKS IN PERIL

The Committee continues to support the Parks in Peril program, which matches USAID funds with private contributions to support conservation of imperiled ecosystems in Latin America and the Caribbean.

#### BIRDS OF PREY

Although best known for its efforts to recover the Peregrine Falcon, The Peregrine Fund continues to build a record of conserving birds of prey worldwide. A significant undertaking in the pursuit of preservation is the establishment of The Peregrine Fund's Neotropical Raptor Center in Panama. From this location, The Peregrine Fund would conduct all of its work in the neo-tropics. Like last year, the Committee recommends \$500,000 to support this goal, which the Committee understands will be matched by private contributions.

## INTERNATIONAL CONSERVATION PROGRAMS

The Committee supports international conservation programs that preserve endangered species and maintain their natural habitats. The Committee recommends that USAID consider funding conservation proposals and programs in Malaysia, Indonesia, Namibia, Trinidad, and Brazil.

The Committee remains concerned with the destruction of orangutan habitat in Indonesia, and expects USAID to provide at least \$2,500,000 for continued support through nongovernmental organizations, including the Orangutan Foundation and others, for activities to save the orangutan from extinction. The Committee expects these funds to be used to work with local communities to protect orangutan habitat in both Borneo and Sumatra, including, if appropriate, to support law enforcement activities, and requests to be consulted prior to the obligation of these funds.

## WATER CONSERVATION

The Committee is aware that many parts of the world do not have access to reliable sources of drinking water, forcing people to spend large amounts of time in search of clean water to meet their most basic human needs. For a small amount of funding and basic equipment, a local well can be drilled. The Committee has provided \$100,000,000 for these efforts, and expects USAID to report no later than 90 days after enactment of this Act on funding and implementation of its water projects, including the number and location of wells drilled, and the cost per well.

The Committee continues to support the efforts of International Project WET. The Committee recommends that USAID consider providing \$500,000 to support International Project WET's efforts to expand its research, development, and implementation capabilities.

The Committee is aware of the work of Water Missions International [WMI], a faith-based engineering nonprofit organization that provides safe and sustainable water systems for developing countries and disaster areas. The Committee recommends that USAID provide \$1,500,000 to WMI's water supply project for hospitals in Honduras.

The Committee supports the Red Sea Marine Peace Park Cooperative Program in the Gulf of Aqaba, a joint undertaking by Jordan, Israel, and the United States to conduct research and monitoring of the physical, chemical, and biological oceanography of the northern Gulf of Aqaba and coral reef environments. The Committee urges USAID to continue funding this important program.

## UNIVERSITY PROGRAMS

The Committee has, once again, received a large number of requests to fund specific activities at or through American institutions of higher education. The Committee strongly supports activities that advance international development and U.S. foreign policy goals. The Committee has reviewed the concepts proposed for funding, and recommends that USAID and/or the Department of State (as appropriate for the proposed project) actively consider proposals submitted by the following organizations.

Unless a proposal demonstrates a unique, innovative, or proprietary capability, or demonstrates special considerations that justify limited or non-competitive treatment, the Committee expects that competitive procedures will be applied with regard to the proposals on the list that follows. The Committee also expects USAID to give priority to proposals that have technical merit, realistic budgets, and achievable objectives.

No later than 60 days after the submission of the report required by section 653(a) of the Foreign Assistance Act, USAID should submit a report to the Committee on the status of each activity identified below. Such a report should include: (1) the status of the funding proposal by the organization associated with each activity; (2) the degree to which the proposal is consistent with and would advance international development and U.S. foreign policy goals for the country or region in which the activity would take place; (3) the degree to which matching or other funds would be provided by the organization to complement the Federal contribution; (4) to the extent known at the time, any decision by USAID or the Department of State on funding the activity, including the funding level; and (5) any other relevant information deemed important by USAID or the Department of State. The Committee also expects to receive a second report on the status of these proposals no later than July 1, 2004.

The Committee notes that USAID has not yet put in place satisfactory procedures for responding to proposals submitted by universities. The Committee continues to receive complaints from Members of Congress and universities that USAID is not devoting sufficient time and attention to these proposals. Too often, the Committee has heard that USAID Washington has referred a university to a USAID field mission, which in turn has referred the university back to Washington. Months of delay and frustration have ultimately caused these universities to seek assistance from the Committee in obtaining consideration of their proposals. The Committee expects USAID to immediately rectify this situation. Otherwise, the Committee will modify its approach for handling university proposals in fiscal year 2005.

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

*Africa-America Institute.*—A program by the African Technology for Education and Workforce Development Initiative [AFTECH] to establish a distance learning program between U.S. universities and African universities.

*Chestnut Hill College.*—A collaborative distance learning project on free markets and democracy with the Sterling Educational Institutes and the International Center for Education and Research Distance Learning Center in Kiev, Ukraine.

*Dartmouth College.*—A joint proposal with the American International Health Alliance to continue a primary medical care development project in Kosovo that focuses on family practice and preventative health care training.

*Eastern Michigan University.*—A proposal to establish a center for Middle East Studies and Research.

*Grambling University.*—A program to provide independent policy, research, and leadership training for domestic and international students, community leaders, and government officials.

*Harvard University.*—A proposal to develop future community leaders, promote democracy and economic self-sufficiency, and gender equality in Afghanistan through the Afghan Women's Leadership Training Initiative.

*Historically Black Colleges.*—A proposal to support the efforts of these institutions to develop a virtual university consortium and establish an Institute for Emerging Democracies.

*Idaho State University.*—A proposal to study the sociological, political and economic forces in the Pacific region in order to deter terrorism.

*Kansas State University.*—A proposal for the Cereals Comparative Genomics Initiative to use genomics technologies to develop grain production.

*Langston University.*—A proposal for a collaborative partnership with Oklahoma University and WorldSpace, Incorporated, to design and deliver HIV/AIDS prevention and education courses and learning materials to Nigeria's school system.

*La Roche College.*—A proposal to expand programs to educate young people from conflict, post-conflict, and developing regions of the world.

*Louisiana State University.*—A proposal to expand trade and commerce through a commercial law program with several Latin American countries.

*Louisiana State University.*—A proposal to provide independent media training to local governmental officials from Central and Eastern Europe.

*Louisiana State University.*—A proposal to develop aquaculture resources with the University of Namibia.

*Norwich University.*—A joint proposal of Norwich University and Hibernia College, Dublin, to establish an online program in criminology and policing, public administration, and international security.

*Oregon State University.*—A proposal to establish the Universities Partnership for Transboundary Waters, a consortium aimed at managing conflicts over water issues.

*South Dakota State University.*—A proposal to enhance research, exchanges and education with Russian, Chinese, and Central Asian governments and non-governmental organizations on agricultural development.

*Temple University.*—A proposal to expand judicial training programs in the People's Republic of China.

*Tulane University.*—A collaborative partnership with Xavier University to prevent and treat HIV/AIDS in the security forces of Economic Community of West African States [ECOWAS] member countries.

*University of Alaska.*—A program with Alaska Pacific University and the North Slope Borough and the Northwest Arctic Borough to provide training and technical assistance to strengthen Chukotka's economy, develop market driven systems and improve social conditions, particularly for indigenous people in the region.

*University of Arkansas Medical School.*—A collaborative effort with the Volgograd City Health Department, Volgograd Medical Academy, and other public-private partners in the community to enhance various health care delivery systems in the region.

*University of Kentucky.*—A program relating to health education in Romania.

*University of Kentucky.*—A proposal for coal mine safety programs in the former Soviet Union.

*University of Louisville.*—A project relating to drinking water systems management and maintenance in the Republic of Georgia.

*University of Louisville.*—A collaborative program with the University of Alabama-Birmingham, the Medical University of South Carolina, and Clemson University for research on plant materials in the Caribbean and Philippines.

*University of Louisville.*—A program to work with impoverished communities in South Africa on economic reform and public health.

*University of Miami.*—A proposal for the Cuba Transition Project.

*University of Montana.*—A proposal for a demonstration rule of law and legal training project in Kyrgyzstan.

*University of Nebraska.*—A proposal by the Medical Center to provide internet-based education and training for health professionals in developing countries.

*University of Nebraska, Omaha.*—A proposal to provide vocational-education training programs in Afghanistan through the Community-Based, Vocational-Education Project.

*University of Notre Dame.*—A proposal by the Kroc Institute for International Peace Studies to promote institution building in Muslim societies.

*University of Northern Iowa.*—A proposal concerning the Global Health Corps program, which trains university students to conduct community health programs in under-served areas in developing countries.

*University of Northern Iowa.*—A proposal for the Russo-American Institute to deepen cultural understanding and promote professional collaboration through exchange programs with Russian universities.

*University of Northern Iowa.*—A collaborative project to promote physical activity and proper nutrition among youth in underserved communities in Africa and Latin America through the Fitness Diplomats Program.

*University of Rhode Island.*—A collaborative project with Brown University and The George Washington University to foster democratic, participatory, and accountable governance in Liberia through the Liberian Peace-Building and Civic Accountability Project.

*University of South Alabama.*—A proposal to enhance the Birth Defects Monitoring Program in Ukraine, which will allow additional monitoring of environmentally linked birth defects.

*University of Wisconsin—Platteville.*—A proposal to form a partnership with Middle East Technical University in Ankara, Turkey to create an engineering education program.

*University of Wisconsin—Stevens Point.*—A proposal to enhance environmental and sustainable development programs in Latin America.

*Vermont Law School.*—A proposal to establish centers for environmental law education and advocacy in Russia, based on an existing partnership with Petrozavodsk State University in Karelia.

*Vermont Law School.*—A proposal to strengthen China's legal system by improving legal education, particularly in the area of environmental law, through expanding a partnership between Vermont Law School and Sun Yat-sen University, involving exchanges, training of Chinese law faculty, and the creation of the first environmental law clinic in China.

*Western Kentucky University.*—A proposal for the continued funding of an international journalist training program.

*Western Kentucky University.*—A project to develop and promote safe coal use practices and karst water resources in China, in order to protect vulnerable children.

#### COUNTRY ISSUES

##### AFGHANISTAN

The Committee provides a total of \$600,000,000 for assistance for Afghanistan in this Act, which is \$49,450,000 above the budget request. While this falls short of the levels authorized in the Afghanistan Freedom Support Act of 2002 (Public Law 107-327), the Committee is unable to make additional contributions without making deep cuts in other important international assistance programs.

The Committee notes that \$365,000,000 for assistance for Afghanistan was included in the fiscal year 2003 emergency supplemental, which included \$100,000,000 for the Kabul-Kandahar road and \$170,000,000 to train, equip, and support the Afghan National Army.

The Committee commends the efforts of those individuals involved in the reconstruction of Afghanistan, and remains concerned with the tenuous security situation that stems from external forces based in Pakistan and internal challenges from local commanders and governors disloyal to President Karzai's government. These security threats imperil humanitarian aid workers and USAID contractors, and undermine progress on large infrastructure projects, demining, and other activities important to that country's development. The Committee encourages all U.S. Government departments and agencies to coordinate efforts, including with the United Nations and other allies, to provide adequate security for the Afghan people and those working to improve their lives. Continued insecurity benefits only those internal and external forces who seek to erode the authority of President Karzai.

The Committee supports the use of fiscal year 2004 funds to continue training for the Afghan National Army and a national police force, provide for the welfare of the Afghan people, combat narcotics production and trafficking, and establish democratic and representative institutions. The Committee counsels Afghan leaders to carefully assess preparations and funding commitments for anticipated elections in 2004, and to weigh the implications to the country's development if less than credible polls are held.

The Committee remains concerned with the situation of Afghan women, who suffered extreme hardships under the Taliban and continue to face major obstacles in protecting their rights and participating in the economic and political life of the country. The Committee believes that the Afghan Ministry of Women's Affairs has a key role to play in addressing these issues, and expects USAID to support its activities and to provide technical and other assistance to the Ministry to improve its capacity and effectiveness. The Committee also believes that women-led Afghan NGOs play an indispensable role in community development, and expects USAID to provide technical and other assistance to improve the capacity of these organizations and to support their activities.

The Committee also strongly supports the Afghan Human Rights Commission and the Judicial Reform Commission. The Human Rights Commission has a vital role to play in safeguarding the basic rights and liberties of all Afghan citizens, through public education, reporting, and advocacy. The Committee particularly recognizes the need for the protection of women's rights. The Committee recommends that funds be made available for infrastructure for the Human Rights Commission's regional offices and for radio transmission equipment.

As in the fiscal year 2002 Supplemental and the fiscal year 2003 Foreign Operations Act, the Committee again provides that funds made available for relief and reconstruction in Afghanistan shall be used for assistance for Afghan communities and families that suffer losses as a result of the military operations. The Committee appreciates the assistance of the United States military in Afghanistan in helping to identify Afghan communities where American ordnance mistakenly targeted innocent civilians. The Committee intends that USAID and the Department of State, in coordination with the Provincial Reconstruction Teams and nongovernmental organizations, will continue to seek to identify families of noncombatant Afghans who were killed or injured or whose homes were damaged during the military operations, and to provide appropriate assistance. The Committee provides \$2,500,000 for this purpose.

The Committee strongly supports demining and ordnance and munitions removal programs in Afghanistan, and notes the work of No Strings, an organization that uses theater and puppetry to provide lifesaving education about landmines to Afghan children.

The Committee requests the Secretary of State to provide a report not later than 90 days after enactment of this Act on impediments to reconstruction in Afghanistan, including assistance provided by foreign nations or organizations to local and regional Afghan warlords, and fulfillment of commitments made by donors to Afghanistan.

#### BURMA

The Committee strongly condemns the May 30, 2003 assault on democracy in Burma, and deplores the senseless loss of life, injury and arrest of Burmese civilians by the repressive military junta, the State Peace and Development Council [SPDC]. The Committee believes that the attack on democracy leader Daw Aung San Suu Kyi and the National League for Democracy's [NLD] convoy under-



scores the complete disregard the junta has for the welfare, human rights, and dignity of the people of Burma.

The Committee calls for the immediate release of Suu Kyi and all other prisoners of conscience that continue to be held by the junta, and demands justice for those killed and injured. The Committee notes the Senate's recent 97-1 vote in support of the Burmese Freedom and Democracy Act of 2003, and counsels the European Union and its acceding countries, the United Nations, and regional neighbors to take similar, decisive measures to support democracy in Burma.

The Committee intends to review the response of regional neighbors to the crisis, and will consider restricting United States foreign assistance to those countries which continue to provide assistance and support to the SPDC. The Committee reiterates that Burma's myriad problems—including HIV/AIDS, drugs, and refugees—pose a clear and present security threat to the entire region.

While the Committee supports the provision of HIV/AIDS assistance to the people of Burma through nongovernmental organizations and only after consultation with the NLD, the Committee has included a reporting requirement to determine the amount of funds expended by the SPDC on HIV/AIDS programs and the extent to which nongovernmental organizations are able to conduct HIV/AIDS programs throughout Burma without interference from the SPDC. Given the ongoing crackdown against the NLD, within 30 days after enactment of this Act the Committee requests USAID and State to consult with the Committee on plans to proceed with HIV/AIDS and other programs in Burma.

In addition, the Committee requests that within 60 days after enactment of this Act, the State Department report on the effects on public health stemming from the political crisis in Burma. The Committee expects this report to be based on the findings of the U.S. Embassy in Rangoon, and to include information on how U.N. agencies whose portfolio includes providing assistance on HIV/AIDS, TB, malaria, and dysentery will continue to provide such assistance during the crisis.

The Committee provides \$15,000,000 in ESF funds to support democracy activities in Burma, along the Burma-Thailand border, for activities of Burmese student groups and other organizations located outside Burma, and for the purposes of supporting the provision of humanitarian assistance to displaced Burmese along Burma's borders. The Committee expects humanitarian assistance for displaced Burmese to be supplemented by at least \$10,000,000 from Migration and Refugee Assistance.

#### CAMBODIA

The Committee continues restrictions on assistance to the central Government of Cambodia, with a few exceptions, and remains concerned with lawlessness and impunity in that country. The Committee provides that \$7,000,000 shall be made available for assistance for democratic opposition political parties in Cambodia.

The Committee permits the extension of International Military and Education Training assistance to Cambodia only if the Secretary of State provides to the Committee a list of those individuals who have been credibly alleged to have ordered or carried out

extrajudicial and political killings that occurred during the March 1997 grenade attack against the Khmer Nation Party, the July 1997 coup d'etat, and election related violence that occurred during the 1998, 2002, and 2003 elections. The Committee recommends the State Department to consult with a broad range of organizations in creating this list, including the Federal Bureau of Investigations, and domestic and international human rights organizations.

The Committee also restricts funding to any Khmer Rouge tribunal established by the Government of Cambodia unless the Secretary of State certifies that the perpetrators of the March 1997 grenade attack and election-related killings have been arrested and prosecuted. While the Committee fully supports justice for crimes committed by Pol Pot and other Khmer Rouge insurgents, it also remains concerned that corrupt Cambodian courts and judges are incapable of delivering justice for crimes committed today.

The Committee continues to strongly support the Documentation Center of Cambodia, and recommends not less than \$275,000 to support its activities in fiscal year 2004. The Committee requests USAID to work with the Center so this assistance may be provided directly, rather than through a third party organization.

The Committee commends Global Witness for its efforts to monitor compliance with the forestry agreement entered into by the Cambodian Government and international donors. The Committee deplores the Cambodian Government's failure to honor its commitments under the agreement, and its decision to terminate Global Witness' monitoring role. The Committee was also disappointed by the World Bank's handling of this matter. The Committee believes that Global Witness continues to have an important role to play in the protection of Cambodia's forests, which are threatened by some of the same government officials who are responsible for protecting them. The Committee expects that not less than \$250,000 in ESF funds will be provided to support Global Witness' activities in Cambodia in fiscal year 2004.

#### CHINA

The Committee provides \$35,000,000 for programs to support democracy, human rights and the rule of law in China, Hong Kong, Taiwan, and Tibet, of which not less than \$15,000,000 shall be made available for programs in China to be administered by the Bureau of Democracy, Human Rights and Labor at the State Department. These funds are in addition to such sums provided to the Bureau in the President's fiscal year 2004 request. The Committee expects that of the remaining funds, up to \$10,000,000 will be provided to the National Endowment for Democracy, and the balance will be provided to nongovernmental and academic organizations to support programs relating to China, Tibet, and Hong Kong. The Committee strongly endorses activities targeted toward freedom of expression in the media and on the internet, the rule of law, labor reform, and grassroots elections in China.

The Committee is supportive of a number of important rule of law programs implemented in China by nongovernmental organizations, academic institutions, and other groups, including the American Bar Association [ABA]. The Committee urges USAID and the

State Department to seriously consider proposals by the ABA, and to give funding priority to those organizations and groups with programmatic experience in China.

#### CYPRUS

The Committee provides \$15,000,000 from the ESF account for Cyprus to be used for scholarships, bicomunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus. The Committee intends that these resources be made available to maximize leverage to improve prospects for a peaceful settlement in Cyprus and notes that this amount is \$7,500,000 above the budget request.

#### DEMOCRATIC REPUBLIC OF THE CONGO

The Committee is concerned with ongoing reports of human rights violations in Ituri province and the eastern portion of the Democratic Republic of the Congo [DRC]. The Committee believes that, because of the mounting frequency and severity of violations being committed by local and proxy militias, as well as the politicization and arming of the population in the region, immediate and sustained action by the international community is necessary.

The Committee welcomes the decision of the United Nations to deploy an Interim Emergency Multinational Force [IEMF] to Bunia town but is concerned that this force will be unable to intervene to prevent killings and massacres in Ituri province as a whole. The Committee urges the State Department to consider how best the United States can help address the underlying causes of instability and insecurity there.

The Committee requests the Secretary of State to submit a report, not later than 90 days after enactment of this Act, describing any continuing links between Ugandan and Rwandan security forces with the arming and mobilization of local militias in the DRC.

#### DEMOCRATIC REPUBLIC OF TIMOR-LESTE

Like last year, the Committee provides \$25,000,000 in ESF assistance for East Timor. The Committee intends that, in a shift of emphasis from prior years, these funds will be used to address conditions of poverty through programs to support subsistence agriculture and other income generating opportunities, expand basic education and vocational training especially for unemployed youth, strengthen the judiciary, promote good governance and the sustainable use of natural resources, and improve health care and other basic human services and physical infrastructure. The Committee is aware of negotiations between East Timor and Australia over petroleum reserves, which will be of critical importance to the future economic development and security of East Timor. The Committee urges both governments to engage in good faith negotiations to resolve their maritime boundary expeditiously in accordance with international legal principles. The Committee is aware of concerns regarding accountability in East Timor for future petroleum reve-

nues, and supports the early establishment of mechanisms to prevent corruption and ensure that these revenues are used effectively to improve the lives of the people of East Timor.

#### GUATEMALA

The Committee continues to be concerned with the unsolved murders of American citizens in Guatemala, including Larry Lee, Steven Michael Gartman, Juan Antonio Zimeri, David James Erf, Robert Orville Edeleman, Sister Barbara Ann Ford, Carlos Humberto Melgar, and Suzanne Spalding Hendricks. The Committee again requests the State Department to make every effort to obtain the cooperation of Guatemalan law enforcement authorities in bringing to justice the perpetrators of these crimes.

#### HAITI

The Committee notes the work of Aid to Artisans, which has helped to improve the quality and increase sales of Haitian arts and crafts, and believes that funding for this program should be continued.

#### INDONESIA

The Committee appreciates the Indonesian Government's efforts to combat terrorism, and deplores the recent bombing of the Indonesian parliament. The Committee is pleased that suspected Islamic militants continue to be apprehended and that ammunition, chemicals and explosives were recently seized by the Indonesian police. The Committee supports the continued provision of counterterrorism [CT] assistance to a police CT unit. The Committee recognizes the serious danger Jemaah Islamiya poses to Indonesian and American interests in that region.

The Committee remains concerned with the situation in Aceh and reports of internally displaced persons that are being prevented by the Indonesian military from receiving humanitarian assistance from international relief organizations. The Committee expects the State Department to use its influence with the Indonesian government to ensure that relief and human rights organizations receive unimpeded access to this area. The Committee believes that this conflict will only be resolved through a political process, and urges Indonesian President Megawati Sukarnoputri to use maximum restraint in military operations in Aceh in order to safeguard the lives of innocent civilians.

The Committee continues to closely follow progress in the investigation into the attack in Papua on August 31, 2002 that murdered Americans Ted Burgon and Rick Spier and Indonesian Bambang Riwanto. The Committee expects President Megawati to use the full authority of her office to bring to justice the perpetrators of this crime. The Committee is also concerned that the Ad Hoc Human Rights Court on East Timor has failed to deliver justice for crimes committed by the Indonesian military against the people of East Timor. The Committee expects the Indonesian Government to cooperate with the U.N.-East Timor Serious Crimes Unit.

The Committee is deeply disappointed by President Megawati's lack of effort and interest to promote political, economic, legal and military reforms in Indonesia. This failure of leadership may empower segments of Indonesian society disinterested in reforms, including Islamic extremists and the Indonesian military, which could have adverse effects on regional security and stability.

The Committee remains concerned that a large portion of the Indonesian military's budget comes from business enterprises, including illegal activities, which contributes significantly to corruption within the armed forces. The Committee has continued conditions on FMF and licenses for export of lethal defense articles for the Indonesian armed forces.

The Committee expects the State Department to provide increased assistance for democracy and rule of law programs in Indonesia, and believes that President Megawati must not allow upcoming parliamentary and presidential elections to become missed opportunities in that country's political democratic development.

#### IRAN

The Committee remains concerned with Iran's intention to develop capabilities to produce weapon-grade fissile material that could be used in nuclear weapons, and with reports of the final testing of the Shahab-3 missile, which has a range that endangers American troops in the Gulf and threatens the security of Israel. The Committee strongly encourages the administration to take effective measures to address this clear and present danger.

The Committee is also concerned with Iran's potential influence on emerging political processes in Iraq and on Iraqi public opinion toward the Coalition. The Committee notes that a stable and prosperous Iraq is in the interests of all Middle East countries.

The Committee supports the efforts of those in Iran seeking political and economic freedom, and has again provided the authority for funding of programs and activities to advance democracy and human rights in Iran.

#### IRAQ

The Committee provided \$2,475,000,000 for relief and reconstruction assistance for Iraq in Public Law 108-11. The Committee provides authority to use ESF funds in this Act for assistance for Iraq, and an additional \$6,500,000 for democracy programs for Iraq is made available from the Bureau of East Asia and Pacific's ASEAN Regional and Regional Democracy accounts. Given that Bureau's consistent lack of support for democracy activities in Asia, the Committee believes that these funds are better spent in Iraq.

The Committee directs the State Department to report within 90 days after enactment of this Act on plans to dispose of equipment and other material assistance (for which title is vested in the Government of the United States) provided through previous Foreign Operations Appropriations Acts to opposition Iraqi groups. The Committee believes that such equipment—or proceeds from the sale thereof—may be useful to reconstruction efforts in Iraq.

The Committee strongly believes that, to the maximum degree possible, American companies and expertise should be utilized in the reconstruction of Iraq. In awarding contracts and subcontracts,

USAID and its prime contractors should give preference to American companies and should set aside a portion of work for minority and disadvantaged businesses including 8(a) certified companies.

The Committee has included a provision which calls for the use of funds appropriated for Iraq in this Act or prior appropriations Acts for the removal and safe disposal in Iraq of unexploded ordnance, low level radioactive waste such as depleted uranium, and other environmental hazards. The Committee believes that the health and environmental dangers posed by these remnants of war should be promptly and properly disposed of to avoid further casualties.

The Committee believes that vocational training for Iraqi youth is an essential element in efforts to rebuild that country's educational system, and to establish and maintain stability in Iraq. The Committee notes that the U.S. Job Corps program may serve as an appropriate and effective model in preparing Iraqi youth for the workforce, and recommends that USAID and the State Department consider support for vocational training programs in Iraq.

#### KENYA

The Committee recommends at least \$10,000,000 from the ESF account for assistance for Kenya, and commends the democratic transition taking place in that country. The Committee believes that additional assistance is warranted to consolidate the achievements of the December 2002 polls that brought in new leadership committed to Kenya's democratic and economic development—and to combat HIV/AIDS. The Committee directs that additional assistance be provided for democracy and governance programs and activities.

#### LAOS

The Committee recommends that USAID provide \$2,000,000 in Child Survival and Health Programs Fund and Development Assistance to Laos—one of the world's poorest and most repressive countries—through non-governmental organizations. The Committee intends that these funds will not be used to offset or substitute INL funding that would otherwise go to Laos.

The Committee is concerned by the actions of the regime in Laos, which continues to be responsible for serious human rights abuses. The Committee is also concerned by the recent detention and trial of an American citizen and two foreign journalists in Laos. While the Committee is pleased that these individuals have recently been released, it is deeply troubled that the fate of four Laotian citizens accompanying the journalists is still unknown.

#### LEBANON

The Committee believes that economic development in Lebanon should be a priority for United States foreign policy in the Middle East, and provides \$35,000,000 in ESF assistance for Lebanon. However, assistance for the central Government of Lebanon is subject to prior notification.

The Committee supports the work of American educational institutions in Lebanon and provides not less than \$4,000,000 for scholarships and direct support of these institutions.

The Committee is deeply disappointed that past efforts to secure the return of American children abducted to Lebanon have been unsuccessful. The Committee is aware of cases in which the Lebanese Government has failed to enforce the orders of the Lebanese civil courts. These unresolved cases will continue to be an obstacle to closer relations between the United States, Lebanese and Syrian governments. The Committee calls on the Lebanese Government to ensure that the rule of law is upheld.

#### LIBERIA

The Committee is disturbed by reports of al-Qaeda and other Middle Eastern terrorists in Liberia for the purposes of buying gemstones, and shares the widespread international criticism of Liberian President Charles Taylor for his corrupt and repressive rule. The Committee strongly supports programs and activities that promote human rights, democracy and the rule of law in Liberia, and encourages greater linkages between Liberian opposition political parties and civil society and American organizations and academic institutions. The Committee notes the courageous work of NGOs in Liberia, such as the Archdiocese of Monrovia and the Justice and Peace Commission chaired by Archbishop Michael Kpakala Francis.

The Committee encourages the State Department to be prepared to address a wide range of political and economic development issues, should Charles Taylor abdicate power.

#### MOLDOVA

The Committee notes with concern irregularities that marred recent elections in Moldova, including the arrest and harassment of opposition candidates, intimidation and suppression of independent media, and state run media bias in favor of candidates backed by the Moldovan Government. The Committee condemns efforts to reverse economic, political, media and judicial reforms, and is wary of authoritarian recidivism in Moldova.

The Committee requests the State Department to provide increased assistance to democracy and media programs in Moldova.

#### MONGOLIA

The Committee supports full funding for the budget request for Mongolia, and intends to continue to closely follow political developments in that country. The Committee is troubled by the actions of the Mongolian Government late last year to crack down on peaceful demonstrators in Ulaan Baatar and to restrict freedom of the press.

The Committee observes with concern the economically destabilizing demands by the Russian Federation on Mongolia to settle inflated debt claims. The Committee views these demands as an extortionate attempt to force Mongolia to pay for the cost of its occupation by the former Soviet Union from 1922 to 1992.

## NEPAL

The Committee condemns the acts of terrorism waged by Maoist rebels against the people of Nepal, and calls for continued efforts to secure a political solution to the ongoing conflict. The Committee underscores the importance of providing human rights education and training to military and police personnel, and expects the Nepalese government to conduct credible investigations and prosecutions of those responsible for human rights violations against innocent civilians.

## NICARAGUA

The Committee believes that President Enrique Bolanos of Nicaragua deserves strong support for launching a courageous anti-corruption campaign, including issuing indictments against the former President, several of his closest relatives and associates and many high ranking former government officials. The Bolanos government has worked with the assistance of the Department of Justice on several of these investigations. Despite these welcome steps, Nicaragua remains among the most severely impoverished countries in this hemisphere. Unemployment is widespread. Subsistence farmers are facing increased hardships. The collapse in coffee prices has exacerbated an already dire situation. The Committee requests USAID and the State Department to review United States assistance programs for Nicaragua with a view toward more substantially and effectively addressing these urgent needs, and to consult with the Committee as it prepares its fiscal year 2005 budget request for Nicaragua.

The Committee recognizes the important work of the Fabretto Children's Foundation, which provides essential opportunities for children in Nicaragua to escape poverty. The Committee recommends that USAID provide up to \$2,600,000 to support the Fabretto Education for Employment Initiative.

## NIGERIA

The Committee notes that the April 2003 presidential elections in Nigeria marked the first transfer of power from one civilian government to another in that country's history. However, the Committee believes that this strategically important West African nation has much progress to make in entrenching democracy (as demonstrated by the widespread reports of irregularities and fraud during the recent elections), the rule of law and increasing respect for human rights.

As few of Nigeria's nascent political parties were established prior to 2002, the Committee directs USAID to adequately fund programs that strengthen political parties in Nigeria. In addition, the Committee supports activities targeted toward the development of a vibrant civil society in Nigeria that will promote transparency and accountability within that country.

The Committee remains concerned with the human rights situation in Nigeria, particularly with abuses committed by the Nigerian armed forces. The Committee believes that progress by the Nigerian Government to hold accountable those in the armed forces responsible for violations would help demonstrate a commitment to



human rights and build confidence in the United States-Nigerian security assistance relationship. The Committee commends the administration's careful approach to security assistance for Nigeria, in accordance with section 557 of Public Law 108-7, and has included an identical provision in this Act.

#### NORTH KOREA

The Committee condemns North Korea for its continued belligerence, and recognizes the growing threat to the region posed by North Korea's nuclear program, narcotics trafficking, and proliferation of weapons and weapons technology. The Committee directs the State Department to submit a report to the Committee, in classified form if necessary, no later than 90 days after enactment of this Act on the extent of North Korea's narcotics trafficking (including countries impacted or directly, or indirectly, involved in the drug trade), a listing of nations or organizations that have requested or received North Korean weapons or weapons technology, and the implications of a North East Asia nuclear arms race.

The Committee remains concerned with the plight of the North Korean people, and directs the State Department to increase assistance programs that provide humanitarian relief to North Korean refugees. The Committee again recommends the State Department and USAID to provide \$10,000,000 to safeguard the human rights and dignity of North Korean refugees and asylum seekers, whether through the establishment of camps, contributions to organizations, or other means.

#### PAKISTAN

The Committee appreciates the continued efforts of the Government of Pakistan to combat international terrorism, and encourages greater investment by Pakistan in programs that deprive and undermine support for extremists. The Committee notes that these activities include increased security and patrolling of Pakistan's borders, and contributions to health, education, good governance, democracy, and rule of law programs.

While the Committee supports the budget request for Pakistan, it recommends continued vigilance by USAID and the State Department on the use of United States foreign assistance in Pakistan.

The Committee is troubled by reports of Taliban activity inside of Pakistan's borders, and shares the concerns of Afghan President Hamid Karzai that cross-border attacks contribute to an insecure environment in Afghanistan.

The Committee provides that, of the funds made available under the heading Economic Support Fund, not less than \$10,000,000 should be made available to support programs and activities conducted by indigenous organizations that seek to further educational, health, employment, and other opportunities for the people of Pakistan. The Committee provides \$4,000,000 for programs implemented by the Pakistan Human Development Fund, and \$1,000,000 for education programs conducted by the Amanut Society.

## SIERRA LEONE

The Committee notes that the United States has devoted substantial resources to help bring stability and relief to Sierra Leone through the United Nations Mission in Sierra Leone and Operation Focus Relief. Accordingly, the Committee believes that this progress should be enhanced through additional assistance for Sierra Leone, targeted to improve access to education, reduce poverty, and combat corruption. The Committee requests USAID to consult with the Committee on the feasibility of establishing a mission in Sierra Leone to more effectively implement and monitor United States assistance programs.

The Committee commends the work of the Special Court for Sierra Leone, which has moved swiftly and efficiently to indict key figures—including Charles Taylor—alleged to be responsible for atrocities in Sierra Leone and to facilitate the reconciliation process in that country. The Committee continues to believe that Charles Taylor should be brought to justice before the Special Court.

While the United States has fulfilled its contribution to the Special Court, the Committee notes that the State Department, in prior fiscal years, ignored directives from Congress to accelerate the funding schedule for its contribution in order to more effectively meet the front-loaded costs of establishing the Court. As a result, there are key areas, including security, transportation, and outreach, that remain seriously under-funded. Because of this and the fact that the Special Court could become a successful model for prosecuting others accused of war crimes elsewhere, the Committee has provided \$2,500,000 to help meet these costs. The Committee expects that these funds will not come from ESF funds that would otherwise be available for Africa.

## THAILAND

The Committee condemns the Thai Government's crack down on Burmese democracy activists in Thailand, and deplores the deportation of Burmese to Burma. The Committee is concerned with the fate of these individuals at the hands of the repressive military junta.

The Committee is alarmed at reports of Thai authorities hampering the delivery of humanitarian assistance to Burmese seeking refuge in Thailand. The Committee expects the State Department to more aggressively engage the Thai Government in order that the plight of people in Thailand who have fled political, economic, and ethnic repression is more effectively addressed.

While the manufacturing and trafficking of narcotics in Burma directly and substantially contributes to Thailand's drug crisis, the Committee shares the State Department's concern with extra-judicial killings associated with Thailand's campaign against narcotics traffickers and drug users. The Committee counsels Thailand's elected leaders to respect the rule of law in the conduct of anti-narcotics programs and activities.

## TIBET

The Committee recommends \$3,000,000 in ESF assistance for programs that provide training and education to Tibetans in de-

mocracy and human rights, preserve cultural traditions, and promote economic development and environmental conservation in the Tibetan Autonomous Region and in other Tibetan communities in China where such activities are underway. The Committee believes that the Office of the Special Coordinator for Tibetan Issues should be closely consulted on the allocation of these funds. The Committee is aware of the unique role of the Bridge Fund and the work that The Mountain Institute and other groups have provided to support local livelihoods and educational, cultural, and natural resource conservation projects in Tibet. The Committee urges the administration to support the Bridge Fund and other organizations with a proven track record working in Tibet.

UGANDA

The Committee is aware of Uganda’s support to combat international terrorism, as well as its ongoing struggle against the Lord’s Resistance Army [LRA], which is designated as a foreign terrorist organization by the State Department. The Committee encourages the State Department to consider providing non-lethal, counter-terrorism surveillance assistance for Uganda.

The Committee commends efforts to formulate a strategy to mitigate the humanitarian crisis in Northern Uganda which has killed or displaced hundreds of thousands of Ugandan and Sudanese civilians. The Committee recognizes that security conditions have severely hampered humanitarian relief efforts and urges the State Department to work with Acholi religious leaders and others to help facilitate a peaceful resolution to the 16-year old conflict. The Committee believes that, if security conditions permit, USAID should significantly increase funding from Disaster Assistance, the Famine Fund, and other accounts to meet critical humanitarian needs. The Committee requests to be consulted on this issue by USAID within 60 days after enactment of this Act.

The Committee is increasingly concerned about the slow pace of democratic reform in Uganda, and expects the administration to make this a priority in its relations with the Museveni government and to support the development of democratic political parties in Uganda.

INTERNATIONAL DISASTER ASSISTANCE

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$288,115,000 |
| Emergency supplemental .....   | 143,800,000   |
| Budget estimate, 2004 .....    | 235,500,000   |
| Committee recommendation ..... | 235,500,000   |

The Committee provides \$235,500,000 for International Disaster Assistance programs, which is equal to the budget request. The Committee expects these funds to be used to meet the urgent needs of humanitarian emergencies, including in Afghanistan and Iraq.

The Committee is disappointed that USAID has done little to implement section 3013 of Public Law 107–171 concerning the nutrient content of United States food aid. The Committee notes that USAID may be funding “food aid development and enhancement projects” pursuant to section 3013, and is concerned that these projects may have little to do with improving standards and controls for nutrient quality and content. The Committee believes that

one approach to improving performance is to have USAID's Office for Food for Peace administer this program. The Committee also urges USAID to work with SUSTAIN to follow up on the issues highlighted in the 2001 Compliance Review, which was specifically mentioned in section 3013.

#### FAMINE FUND

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     |               |
| Budget estimate, 2004 .....    | \$200,000,000 |
| Committee recommendation ..... | 100,000,000   |

The Committee provides \$100,000,000 for famine prevention and relief, including for the mitigation of the effects of famine.

#### TRANSITION INITIATIVES

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$49,675,000 |
| Budget estimate, 2004 .....    | 55,000,000   |
| Committee recommendation ..... | 55,000,000   |

The Committee continues to support the work of USAID's Office of Transition Initiatives [OTI], which is on the ground in countries around the world providing essential assistance to bridge the gap between emergency relief and long-term development.

The Committee recognizes OTI's important contributions to reconstruction efforts in Iraq.

#### DEVELOPMENT CREDIT AUTHORITY

##### OPERATING EXPENSES

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     | \$7,542,000 |
| Budget estimate, 2004 .....    | 8,000,000   |
| Committee recommendation ..... | 8,000,000   |

##### PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$45,200,000 |
| Budget estimate, 2004 .....    | 43,859,000   |
| Committee recommendation ..... | 43,859,000   |

The Foreign Service retirement and disability fund is a mandatory expense of USAID.

##### OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$568,282,000 |
| Emergency supplemental .....   | 24,500,000    |
| Budget estimate, 2004 .....    | 604,100,000   |
| Committee recommendation ..... | 604,100,000   |

The Committee provides \$604,100,000 for operating expenses of the United States Agency for International Development. The Committee remains concerned about USAID's deficient financial, procurement, and personnel management systems, and recognizes that solving these problems will be costly. The Committee is also concerned that USAID is severely understaffed and is unable to effectively implement its programs. The Committee expects the fiscal year 2005 budget request to address this problem.

## CAPITAL INVESTMENT FUND

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$42,721,000 |
| Budget estimate, 2004 .....    | 146,300,000  |
| Committee recommendation ..... | 100,000,000  |

The Committee provides \$100,000,000 for the Capital Investment Fund. The Committee expects priority to be placed on overseas requirements in Cambodia, Uganda, Guinea, Armenia, and Mali.

## OPERATING EXPENSES OF THE OFFICE OF THE INSPECTOR GENERAL

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$33,084,000 |
| Budget estimate, 2004 .....    | 35,000,000   |
| Committee recommendation ..... | 35,000,000   |

The Committee provides \$35,000,000 for operating expenses of the Office of the Inspector General.

## OTHER BILATERAL ECONOMIC ASSISTANCE

## ECONOMIC SUPPORT FUND

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$2,255,244,000 |
| Emergency supplemental .....   | 2,422,000,000   |
| Budget estimate, 2004 .....    | 2,535,000,000   |
| Committee recommendation ..... | 2,415,000,000   |

## MIDDLE EAST COUNTRIES

In 1998, the United States reached agreements with the Governments of Israel and Egypt to reduce the levels of ESF assistance for these countries over a 10-year schedule. In accordance with this schedule, the Committee provides \$480,000,000 for Israel and \$575,000,000 for Egypt for fiscal year 2004. The Committee provides \$250,000,000 for assistance for Jordan, which reflects the amount requested by the administration. The Committee supports \$75,000,000 for assistance to the Palestinian people in the West Bank and Gaza, as requested by the administration, and notes that restrictions on the use of funds provided under the Act remain unchanged from prior years.

The Committee remains concerned with the situation in the Middle East, and, in particular, with the welfare of the Israeli and Palestinian people. The Committee encourages continued efforts by all parties to achieve lasting peace in the region.

The Committee believes that political, legal, and economic reform programs should continue in the West Bank and Gaza. The Committee recognizes that calls for reform already exist within Palestinian civil society, and supports the provision of assistance to those groups and associations, including from the United States, advocating greater transparency, accountability, and political pluralism. The Committee notes that rule of law programs would enhance these reforms and provides that \$1,000,000 should be used to further legal reforms in the West Bank and Gaza.

The Committee recognizes that Egypt is a vital and strategic ally of the United States and plays an important role in the Middle East peace process. However, the Committee remains concerned with challenges to the rule of law, human rights, and democracy in Egypt. The Committee commends the State Department for undertaking a review of assistance programs for Egypt.

The Committee regrets that the U.S.-Israel Cooperative Development Program will no longer be funded, and urges USAID to explore ways of continuing to utilize the expertise accumulated by this program, including that of Israel's Center for International Cooperation [MASHAV]. The Committee also supports the ongoing Cooperative Development Research programs and the CDR/Central Asian Republic program, and expects that these activities will be funded at their current levels.

The Committee supports the efforts of the International Arid Lands Consortium to make arid and semi-arid lands more productive and habitable. The Committee recommends that up to \$2,500,000 be provided to the Consortium for programs in, among other countries, Afghanistan, Pakistan, Iraq, and India.

The Committee requests USAID to provide funding for the First Regional Cooperative Program for Health to be conducted by the Hebrew University's Kuvim Center and Al-Quds University.

#### MIDDLE EAST PARTNERSHIP INITIATIVE

The Committee supports the budget request of \$145,000,000 for the Middle East Partnership Initiative, including for scholarships for needy Muslim students at the American University of Beirut.

#### DEMOCRACY PROGRAMS

The Committee strongly supports democracy programs and activities conducted by nongovernmental organizations. In particular, the Committee supports programs that strengthen democratic political parties, develop an active civil society, and promote legal reforms and free markets.

The Committee believes that linkages between democracy and development are undeniable. While United States foreign assistance serves many purposes, its uses are maximized when foreign governments have the political will—checked by a loyal opposition, active civil societies, and responsible press—to apply that aid in an effective and transparent manner in which it was intended to be used. The impact of any assistance, however well intentioned or delivered, is severely restricted in countries burdened by authoritarian and corrupt leadership—such as in Zimbabwe, Burma and Cambodia. In those countries, democracy promotion should be the top priority for both the State Department and USAID.

The Committee recognizes that in addition to sufficient funding, furthering freedom abroad requires long term commitment and vigilance by donors and implementers. The role of the State Department, in particular, is critical in ensuring that voices calling for freedoms are not silenced in closed and transitional countries. The Committee recommends that the State Department and USAID more thoroughly include democracy promotion in country strategies, and better coordinate activities among various Bureaus to ensure consistency in the implementation and support of these programs. The Committee expects the State Department to take an active, principled, forceful, and public position in those countries where democracy activists are threatened.

As in fiscal year 2003, the Committee remains concerned with the inconsistent application of democracy programs by the State Department and USAID, and the lack of coordination of these pro-

grams within, and between, the agencies. The Committee again recommends that the State Department and USAID centralize oversight and coordination of democracy programs within the Bureau of Democracy, Human Rights, and Labor. The Committee also recommends that grants and cooperative agreements be the preferred funding mechanism for democracy promotion efforts.

The Committee suggests that nongovernmental organizations be utilized to a greater extent in the promotion of democracy abroad, and recognizes the important contributions to the cause of freedom made by, among other organizations, the National Democratic Institute, the International Republican Institute, the Center for International Private Enterprise, the International Foundation for Elections Systems, the American Center for International Labor Solidarity, the National Endowment for Democracy, and Partners for Democratic Change.

The Committee notes the success of USAID's CEPPS mechanism as a means of funding democracy programs, and recommends that it be utilized to a greater extent in the future. The Committee directs that CEPPS core funds be increased over prior year levels in order to allow USAID to respond more quickly and effectively to urgent democracy building opportunities. The Committee requests USAID to report to the Committee not later than 90 days after enactment of this Act on anticipated contributions to the CEPPS funding mechanism from all accounts.

#### CONFLICT RESOLUTION

The Committee provides \$15,000,000 in ESF and SEED funds to support conflict resolution programs and activities which bring together individuals of different ethnic, religious, and political backgrounds from areas of civil conflict and war. The Committee notes the strong bipartisan congressional and public interest in programs which promote understanding and reconciliation in the Middle East and elsewhere, and intends that the State Department and USAID will establish an efficient and effective mechanism for evaluating and funding proposals for the use of these funds. The Committee believes that the following organizations are among those deserving of consideration and support—

- The Arava Institute for Environmental Studies, which manages programs that bring college age Arabs and Israelis together to promote better relations and solve common environmental problems;
- Seeds of Peace, a widely respected organization which promotes understanding between teenagers in the Middle East, Cyprus, and the Balkans;
- Jerusalem International YMCA, which brings together Christian, Jewish and Muslim youth in a positive environment that promotes peace, respect and understanding;
- The International Crisis Group, whose reports analyze the causes of conflict and whose recommendations assist in the formulation of policies and programs by the United States, United Nations, and others;
- Center for Human Dignity Museum of Tolerance Jerusalem (a Simon Wiesenthal Center project), which will promote greater

awareness of racism, bigotry, anti-Semitism and intolerance through both historical and contemporary contexts; and  
 —Interns for Peace, which unites youth, women and diverse ethnic groups in cooperative development in the Middle East and elsewhere.

The Committee provides \$3,000,000 to support the Foundation for Security and Sustainability, a public institute chartered to further understanding about resource scarcity and environmental problems and provide opportunities to avert and better prepare for potential crises.

#### TERRORISM IN SOUTHEAST ASIA

The Committee remains concerned with the ability of terrorists to gain footholds in Muslim communities throughout Southeast Asia, including in Indonesia, Malaysia, southern Thailand, the Philippines, and Cambodia. The Committee strongly recommends USAID and the State Department to fund programs that bolster the efforts of Asian democratic political parties, nongovernmental organizations and individuals to further economic, political, social and legal reforms that may serve as a bulwark against terrorism.

The Committee expects that not less than \$2,000,000 be made available to support the Alliance for Reform and Democracy in Asia [ARDA]. The Committee commends the membership of ARDA for their collective commitment to further freedom and liberty throughout Asia.

#### WAR CRIMES TRIBUNALS

The Committee continues to support the war crimes tribunals in Yugoslavia, Rwanda, and Sierra Leone. The Committee expects the administration to ensure that the tribunals have sufficient budgets, staff, and equipment, and provides \$30,000,000 in drawdown authority for war crimes tribunals established or authorized by the U.N. Security Council with U.S. support, including the tribunal in Sierra Leone. The Committee also urges the administration, where appropriate, to support commissions or judicial bodies that complement the activities of these tribunals. The Committee notes that drawdowns made under this section are unrelated to the establishment of an international criminal court.

The Committee notes that in Public Law 108–11, Congress appropriated \$10,000,000 for a contribution to an Iraq War Crimes Tribunal or investigations into allegations of war crimes, crimes against humanity, or genocide committed by Saddam Hussein or other Iraqis. The Committee requests the State Department to inform the Committee about the status of these funds no later than 30 days after enactment of this Act.

#### DEMOCRACY, TRANSPARENCY, AND THE RULE OF LAW IN ISLAMIC COUNTRIES

The Committee provides \$25,000,000 for programs and activities which foster democracy, human rights, civic education, women's development, press freedoms, and the rule of law in countries with a significant Muslim population. Of these funds, the Committee provides \$15,000,000 for the Human Rights and Democracy Fund



of the Bureau of Democracy, Human Rights and Labor and \$5,000,000 for the National Endowment for Democracy. The Committee again includes \$3,000,000 for professional training for journalists.

#### FREE AND INDEPENDENT MEDIA

The Committee continues to support programs to promote free, independent and professional media in developing nations. The Committee expects USAID and the State Department to fund new, and bolster ongoing, media programs and activities in predominately Muslim countries, including Iraq, Afghanistan, Pakistan, Egypt and Indonesia. The Committee expects that funding will be used primarily to support programs that provide skills development and promote a deeper understanding of the United States. The Committee believes that free, independent and professional media will provide objective news and credible information throughout the Muslim world, which may help to counterbalance political and religious extremism and terrorism.

#### CONFLICT DIAMONDS

The Committee notes that important steps have recently been taken, including the establishment of the Kimberley Process Certification Scheme [KPCS] and the enactment of the Clean Diamond Trade Act [CDTA], to curtail the flow of conflict diamonds. Despite this progress, much more needs to be done to fully implement the CDTA, ensure that the KPCS is effective and prevent revenue from both rough and polished diamonds from contributing to conflict.

The Committee believes that one of the immediate goals of the United States and the international community should be to strengthen KPCS, which is in need of resources to better address issues central to the Kimberley process, including monitoring, membership criteria, statistics collection, and coordination. In fiscal year 2003, Congress provided funds to help implement and enforce KPCS but believes that more assistance will be required to make KPCS a viable mechanism to effectively inhibit the flow of conflict diamonds. The Committee provides \$2,500,000 for this purpose for fiscal year 2004 and urges the administration to request funding for this purpose next year.

The Committee urges foreign governments, the diamond industry, and NGOs to make substantial contributions to ensure the success of the KPCS and other measures to curb the trade in conflict diamonds.

The Committee is aware that regulations pursuant to the CDTA must be issued, implemented, and reviewed by the Kimberley Process by July 31, 2003 in order for the United States to effectively participate in the KPCS. The Committee believes that is extremely important that this deadline is met.

#### PARTNERSHIP TO ELIMINATE SWEATSHOPS

The Committee supports the Partnership to Eliminate Sweatshops, which facilitates cooperation among corporations, consumers, non-governmental organizations, universities, organized labor, and others to address unacceptable working conditions

around the world through a variety of approaches. The Committee recommends that \$3,000,000 be made available for this program.

#### GLOBAL AIDS INITIATIVE

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     |               |
| Budget estimate, 2004 .....    | \$450,000,000 |
| Committee recommendation ..... | 700,000,000   |

The Committee provides \$700,000,000 for the Global AIDS Initiative [GAI], of which up to \$250,000,000 may be made available for a United States contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria. This is an increase of \$150,000,000 above the budget request and equivalent to the fiscal year 2003 level.

The Committee provides \$150,000,000 for the International Mother and Child HIV Prevention Initiative under this account.

Of the funds made available under the GAI, not more than \$8,000,000 is made available for administrative expenses of the office of "Coordinator of United States Government Activities to Combat HIV/AIDS Globally" at the State Department. The Committee expects that the budget submission for the State Department for fiscal year 2005 will include funding for the administrative costs of the Coordinator's office as part of the Department's request for "Diplomatic and Consular Programs."

#### ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$521,587,000 |
| Budget estimate, 2004 .....    | 435,000,000   |
| Committee recommendation ..... | 445,000,000   |

The Committee provides \$445,000,000 for Eastern Europe and the Baltic States, which is \$10,000,000 above the budget request. While the Committee supports and encourages the graduation of countries from receiving U.S. foreign assistance, several countries in this region, which are vital to U.S. interests, continue to require substantial support to further implement critically needed democratic reforms and to promote economic development.

#### INTERNATIONAL LEGAL AND ECONOMIC INITIATIVES

The Committee supports the efforts of the American Bar Association [ABA] and its CEELI programs to strengthen democracy and the rule of law in Central and Eastern Europe. The Committee expects funding for CEELI's programs to remain at not less than the funding level provided in fiscal year 2003, and recommends that these programs continue to be funded only through cooperative agreements. The Committee requests that the State Department and USAID consider providing \$2,000,000 for the renovation of the CEELI Institute in Prague.

The Committee notes the work of the Center for Economic Research and Graduate Education Institute, which promotes economic growth and reform in Central and Eastern Europe.

#### KOSOVO

The Committee continues to support reconstruction, reform, and reconciliation efforts in Kosovo, and recommends that not less than \$85,000,000 should be made available for assistance for Kosovo

under the heading Assistance for Eastern Europe and the Baltic States.

YOUTH PROGRAMS

The Committee provides that not less \$1,000,000 should be made available for a program to promote greater understanding and interaction among youth in Albania, Kosovo, Montenegro and Macedonia. Given the success of its women's development program in Kosovo, the Committee expects the National Albanian American Council to conduct this program.

SERBIA

The Committee is pleased that reform efforts in Serbia were not adversely impacted by the murder of Prime Minister Zoran Djindjic earlier this year, as some had ominously predicted. The Committee urges Serbian authorities to continue and accelerate political, economic, legal and military reforms that are essential to Serbia's long term recovery and reconciliation with its neighbors.

The Committee notes that some progress has been made in cooperating with the International Criminal Tribunal for the Former Yugoslavia [ICTY], but believes that more must be done. All remaining indictees should be arrested and transferred to The Hague, including Rattko Mladic, and access to archives and witnesses should not be obstructed or delayed. The Committee is willing to reconsider the annual certification contained in this Act if, by the date of conference with the House of Representatives, substantial progress is made in cooperating with ICTY, including the apprehension and transfer of Mr. Mladic to The Hague.

The Committee commends the political will demonstrated by Serbian authorities in the crackdown against organized crime. The Committee underscores the need to afford those arrested all rights and responsibilities guaranteed under Serbian law.

The Committee is concerned that almost 3 years after Serbia chose the path of democracy, the Serbian Government has no strategy for ensuring that independent media can function effectively and efficiently. The Committee believes that the new Public Information Act should be modified to address several provisions which may result in unwarranted press censorship and that the transfer of ownership of state-owned media needs to be expedited. The Committee also notes that there is no agency to regulate the distribution of radio frequencies and television channels.

The Committee expects that State Department to continue to consult with the Committee on linkages between Yugoslav defense companies and the former regime in Iraq.

Like last year, the Committee recommends increased assistance for Serbia, above the fiscal year 2004 request of \$95,000,000 from the SEED account.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$755,060,000 |
| Budget estimate, 2004 .....    | 576,000,000   |
| Committee recommendation ..... | 596,000,000   |

The Committee provides \$596,000,000 for Assistance for the Independent States of the Former Soviet Union, which is \$20,000,000 above the budget request.

#### RUSSIA

The Committee is concerned that the administration's proposed \$75,000,000 cut in foreign assistance for Russia will jeopardize the success of ongoing health, economic, political, and legal reform programs. The Committee recommends a more measured reduction of activities, and directs that not less than \$93,000,000 be made available for assistance for Russia. This amount is \$20,000,000 above the budget request. The Committee expects that a significant portion of this funding increase will be targeted toward democracy and rule of law programs in Russia.

The Committee joins with the State Department in its condemnation of the harassment of Americans involved in cooperative programs in Russia by that country's security services. The Committee notes that the Peace Corps, coordinators of Russian Far East programs, and other groups and individuals involved in foreign assistance programs in Russia have been targets of official harassment.

The Committee recommends that the State Department and USAID provide at least \$1,000,000 for Communities for International Development, a new non-profit organization dedicated to promoting cooperative programs and activities between sister cities in the United States and Russia. The Committee supports activities that reinforce the Cooperative Threat Reduction Initiative and urges the relevant agencies to work to eliminate unnecessary overlap that may be occurring with respect to the implementation of these programs.

#### RUSSIAN FAR EAST

The Committee is particularly disturbed by the potential impact of reduced assistance to successful economic development programs in the Russian Far East [RFE], and provides that \$20,000,000 shall be made available solely for this region. The Committee also provides that not less than \$3,000,000 shall be made available for technical assistance for the RFE. In conducting programmatic and other assessments, the Committee instructs USAID and the State Department to more closely consult its partners who have over a decade of development experience in the region.

#### PUBLIC HEALTH PROGRAMS

The Committee is aware of the Primary Health Care Initiative of the World Council of Hellenes, which was instituted in the former Soviet republics to provide desperately needed basic health care. This program, which is alleviating suffering of people through thousands of visits each month, also enhances U.S. relations with these countries. The Committee recommends \$2,500,000 for this program in fiscal year 2004, and directs that these funds be allocated by the State Department.

The Committee continues to support the work of the Eurasian Medical Education program of the American College of Physicians,

which relies on the volunteer partnership contribution of American physicians who share medical skills and knowledge with Russian physicians. The Committee expects that funding for this program in fiscal year 2004 will be at least the amount provided in fiscal year 2003.

#### ORPHANS

The Committee continues to support USAID's Russian orphans strategy, which focuses on programs to reduce the number of children entering state orphanages and works with orphanage officials to meet the immediate medical and basic needs of these children. The Committee applauds the work of Holt International Children's Services and Mercy Corps International.

The Committee supports the work of KIDSsave International for Children of the Former Soviet Union, and expects that \$200,000 will be provided to support interventions that help countries move children without parents into permanency.

The Committee expects USAID to work with non-profit groups, especially those with contacts in the Russian Far East, including Rotary International, the Anchorage Interfaith Council, and the Municipality of Anchorage. The Committee recommends \$7,000,000 for these groups in fiscal year 2004.

#### DEMOCRACY AND LEGAL EDUCATION

The Committee strongly supports USAID's rule of law and human rights programs in Russia, which funds programs conducted by the Russian American Judicial Partnership and the Russian American Rule of Law Consortium. These cost effective activities—implemented through the volunteer services of hundreds of American lawyers, judges and law professors—have played a key role in the development of a more sound legal system which is critical to attracting and maintaining local and foreign investment that will enable a strong market economy to flourish. The Committee believes that as assistance to Russia declines, adequate funding to maintain these programs should be a high priority.

The Committee also supports the USAID-funded program for distance learning legal education that has been initiated in the Central and East European region, and recommends continued funding for this program. The Committee is also aware of the potential to provide distance learning legal studies into Central Asia and urges USAID to expand the program to that region.

The Committee notes the important work being done by American University-Central Asia in promoting stability, moderation and democratic values in Kyrgystan and throughout the region. The University's graduates will form the core of the next generation of leadership in Central Asian countries. The Committee supports funding for the University in fiscal year 2004 on a public-private matching basis.

#### ARMENIA

The Committee provides \$75,000,000 under the heading Assistance for the Independent States of the Former Soviet Union for assistance for Armenia, which is \$25,500,000 above the budget re-

quest. The Committee appreciates the administration's efforts to graduate specific countries from receiving United States foreign assistance, but believes the \$40,500,000 reduction proposed for Armenia in fiscal year 2004 will prematurely terminate ongoing development programs.

The Committee continues to closely follow political and economic developments in the region, particularly efforts to secure a peaceful resolution to the Nagorno-Karabakh conflict. The Committee reiterates its support for a mutually acceptable negotiated solution, and continues to endorse confidence-building measures among all parties to the conflict.

The Committee provides that \$2,500,000 shall be made available for Armenia in the Foreign Military Financing account, and directs that not less than \$900,000 be made available in International Military Education and Training funds. The Committee recommends that military assistance provided to Armenia be used to enhance communications capabilities. The Committee regrets that Armenia was not more supportive of Operation Iraqi Freedom.

#### UKRAINE

While the Committee appreciates Ukraine's support of military operations in Iraq, it remains concerned with the democratic development of that country. The Committee notes that similar concerns were expressed by the people of Ukraine through demonstrations earlier this year calling for President Kuchma's resignation.

The Committee notes the importance of the 2004 presidential election in Ukraine and the need for a free and fair electoral process. The Committee continues to strongly support the development of a multi-party system in that country, and expects the Ukrainian Government to permit political parties and civic organizations to conduct election observation activities to ensure the integrity of the polls. The Committee also urges Ukrainian authorities to register, without delay, international organizations seeking to support democratic institutions and processes. Moreover, the Committee believes that the Ukrainian Government should not be given the authority by USAID or the State Department to approve, interfere with, or shape U.S. democracy assistance programs.

The Committee commends the State Department for reassessing assistance for Ukraine, and renewed emphasis on democracy and rule of law programs. The Committee remains concerned with an investment climate that is less than favorable to foreign businesses, particularly the lack of transparency and fair resolution of business disputes.

The Committee provides not less than \$20,000,000 shall be made available for nuclear reactor safety initiatives, of which \$14,000,000 should be for simulator-related projects. The Committee notes these safety programs are in the security interests of the United States. The Committee again provides funding for coal mine safety programs.

#### GEORGIA

The Committee provides \$75,000,000 for assistance for Georgia. The Committee strongly supports continuation of successful programs targeted toward enhancing border security, and recommends

that the State Department provide sufficient funding for the democracy and rule of law programs.

The Committee remains concerned about mob attacks against non-Orthodox religious communities in Georgia, and is troubled by the apparent inability or unwillingness of the Georgian Government to ensure the safety of religious groups. The Committee expects the Georgian Government to stop these attacks, and to arrest and punish those responsible. In addition, the Committee urges the State Department to raise this matter with relevant Georgian authorities. Progress on the protection of religious freedom in Georgia must be measured by concrete actions, and not words alone.

NAGORNO-KARABAKH

The Committee directs that not less than \$5,000,000 should be made available for humanitarian and relief assistance for Nagorno-Karabakh. The Committee strongly supports the provision of such assistance to meet basic human needs, including drinking water programs. The Committee expects USAID to consult with the Committee within 60 days after the enactment of this Act on plans for disbursement of these funds.

POLLUTION IN CENTRAL ASIA

The Committee is concerned about the extensive environmental pollution in the Central Asia region, and its severe, adverse effects on public health, particularly on the health of children. Toxic chemical waste, power plant emissions, mining tailings, oil pollution, and other environmental hazards are pervasive threats. The Committee believes USAID should strongly support efforts, such as those of the Institute for Sustainable Communities, to mitigate the effects of environmental pollution on human health. These efforts should focus on strengthening the capacity of local government and civil society to address these problems by increasing knowledge, improving policies, building partnerships, and identifying specific environmental health improvements and developing strategies to implement and replicate them.

TRUST FUND

The Committee supports, in principle, the concept of a trust fund to support democratic reforms in Russia under the leadership of the Eurasia Foundation. The Committee requests the State Department and USAID to consult with the Committee on the feasibility of establishing and financing such a fund, which would have a life span of up to 10 years. The Committee believes that such a trust fund should support aggressive, cutting edge programs and activities that promote democracy and civil society in Russia.

INDEPENDENT AGENCIES

INTER-AMERICAN FOUNDATION

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$16,095,000 |
| Budget estimate, 2004 .....    | 15,185,000   |
| Committee recommendation ..... | 16,334,000   |

The Committee provides \$16,334,000 for the Inter-American Foundation [IAF]. The Committee again commends the progress the IAF has made in addressing past management deficiencies.

#### AFRICAN DEVELOPMENT FOUNDATION

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$18,568,000 |
| Budget estimate, 2004 .....    | 17,689,000   |
| Committee recommendation ..... | 18,689,000   |

The Committee provides \$18,689,000 for the African Development Foundation [ADF]. The Committee commends the work of the ADF, which provides critical, small-scale support for projects which benefit some of sub-Saharan Africa's most impoverished communities.

#### PEACE CORPS

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$295,069,000 |
| Budget estimate, 2004 .....    | 359,000,000   |
| Committee recommendation ..... | 310,000,000   |

The Committee continues to support the important mission of the Peace Corps, and provides \$310,000,000, which is \$14,931,000 above the fiscal year 2003 enacted level. The Committee also provides authority to apportion \$20,000,000 from the GAI account to the Peace Corps.

The Committee supports efforts to increase the number of Peace Corps volunteers and expects assistance provided in this Act to provide for the continued expansion of existing programs and initiation of activities in new countries.

The Committee commends the emphasis on safety and security for all Peace Corps volunteers, and recommends continued vigilance as the war on international terrorism continues.

#### DEPARTMENT OF STATE

##### INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$195,720,000 |
| Emergency supplemental .....   | 25,000,000    |
| Budget estimate, 2004 .....    | 284,550,000   |
| Committee recommendation ..... | 284,550,000   |

The Committee provides \$284,550,000 for International Narcotics and Law Enforcement [INL], which is equal to the budget request, and \$88,830,000 above the fiscal year 2003 enacted level.

##### TRAFFICKING IN PERSONS

The Committee provides \$20,000,000 in INL funds for programs and activities to counter trafficking in persons. The Committee remains strongly committed to assisting women and children who are the most innocent victims of this gross human rights violation, which also contributes to the spread of HIV/AIDS. The Committee believes that these funds should be used to combat all three components of anti-trafficking: addressing the root causes of trafficking, protecting and providing services for victims, and prosecuting traffickers.



## INTERNATIONAL LAW ENFORCEMENT ACADEMIES

The Committee recognizes and supports the important contributions of the International Law Enforcement Academy [ILEA] program to combat crime, corruption, and terrorism abroad. The Committee provides \$7,105,000 for ILEA Roswell, New Mexico, which includes the fiscal year 2004 budget request of \$5,000,000 and an additional \$2,105,000 for construction of a new facility. The Committee expects to be consulted within 30 days after enactment of this Act on the State Department's plans to provide such assistance to ILEA Roswell.

## ANDEAN COUNTERDRUG INITIATIVE

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$695,450,000 |
| Emergency supplemental .....   | 34,000,000    |
| Budget estimate, 2004 .....    | 731,000,000   |
| Committee recommendation ..... | 660,000,000   |

The Committee provides \$660,000,000 for the Andean Counterdrug Initiative [ACI], and the authority for the transfer of up to an additional \$37,000,000 from the International Narcotics Control and Law Enforcement account for the ACI. With this transfer authority, total funding for the ACI is \$697,000,000, a slight increase over the fiscal year 2003 enacted level. The Committee provides a total of \$250,000,000 for alternative development/institution building programs under the ACI, which shall be apportioned directly to USAID.

## COLOMBIA

The Committee appreciates the commitment of Colombian President Uribe to tackle the threats of terrorism and narcotics in Colombia. The Committee recognizes the significant human and material resources devoted by the Colombian Government to the search for U.S. citizens taken hostage by Colombian guerillas.

The Committee hopes that under President Uribe's leadership, Colombia can make significant progress against guerillas and paramilitaries that threaten to undermine democracy and the rule of law.

The Committee continues to strongly support programs that bolster political and legal reforms in Colombia, and that provide alternative development opportunities in remote areas. The Committee includes \$165,000,000 for alternative development/institution building activities for Colombia. Of this amount, not less than \$25,000,000 is made available for judicial reform; not less than \$2,500,000 for the protection of human rights defenders; not less than \$2,500,000 for the U.N. Office of the High Commissioner for Human Rights in Colombia; not less than \$10,000,000 for the Colombian Attorney General's Human Rights Unit; and not less than \$2,500,000 for the human rights unit of the Colombian Procuraduria.

The Committee continues certification requirements on aerial fumigation activities, and understands that the program is entering a new phase that may heighten security risks to spray pilots and accompanying support aircraft. The Committee understands that smaller plots of coca and poppy may be sprayed in the future, and

that the guerillas may be more aggressive in protecting their illicit crops. The Committee recommends the State Department and contractors review security guidelines to ensure, to the maximum extent possible, the safety of personnel and equipment during spray missions. The Committee expresses its condolences to the families of those who have been killed during missions in Colombia. The Committee also continues the cap on United States personnel in Colombia, and the restrictions on United States military personnel and contractors from participating in combat.

The Committee notes the significant progress made by the Colombian National Police [CNP] in reasserting its presence throughout the countryside. The Committee provides \$17,000,000 in the FMF account for three DC-3 aircraft to increase the CNP's mobility. The Committee strongly encourages the Colombian Government to consolidate its control in the countryside by providing social and economic services in areas secured by the police or military.

The Committee remains concerned with the lack of reform of the Colombian Armed Forces, and hopes that the President and the Minister of Defense will swiftly complete their review of the military and initiate the process of reform. The Committee views the Colombian military as a particularly weak link in the fight against terrorism and narcotics, and continues restrictions on assistance to the military on progress in investigating and prosecuting human rights abuses and progress by the military in severing links with paramilitary groups.

The Committee directs that not less than 90 days after enactment of this Act and 90 days thereafter, the Secretary of State shall submit a report to the Committee, including a classified annex if necessary, describing: (1) the budgetary impact for fiscal year 2004 and each fiscal year thereafter for the next 3 fiscal years of State Department and other relevant agency programs and activities funded pursuant to Plan Colombia and the Andean Counterdrug Initiative, including the projected cost per year of maintaining and operating equipment, including aircraft, that the United States has provided to Colombia; (2) progress, to date, that the United States has made in turning over management and implementation of Plan Colombia and Andean Counterdrug Initiative programs and activities from United States personnel or contractors to the Colombian Government; and (3) the exit strategy that would transfer such programs and activities to the Colombian Government.

#### NARCOTICS SPILLOVER

The Committee remains concerned with the spillover effect of narcotics, guns and guerillas to countries bordering Colombia. Given Constitutional restrictions by some countries to conduct fumigation of illicit crops—and the absence of political will by others to address the narcotics problem head on—the Committee recommends the State Department prepare a contingency plan to address increases in coca or poppy growth in ACI countries. The Committee is concerned that absent such a plan, the spillover effect will quickly overwhelm the ability of countries bordering Colombia to maintain domestic security and stability.

## VENEZUELA

The Committee is alarmed by reports of cooperation and collusion between Venezuelan authorities and Colombian terrorists. The Committee includes a provision that restricts assistance to Venezuela, excluding democracy assistance, if the Secretary of State certifies that Venezuela is assisting, harboring, or providing sanctuary for Colombian terrorist organizations. The Committee provides not less than \$5,000,000 for democracy and rule of law assistance for Venezuela.

## HOUSING

The Committee is aware of the Ultimate Building Machine [UBM] system, which has a record of constructing housing in a number of regions around the world. The Committee notes that UBM system could be used for a range of purposes, including responding to humanitarian emergencies in the Andean region, and other nations where appropriate.

## MIGRATION AND REFUGEE ASSISTANCE

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$781,885,000 |
| Budget estimate, 2004 .....    | 760,197,000   |
| Committee recommendation ..... | 760,197,000   |

The Committee provides \$760,197,000 for the Migration and Refugee Assistance account, which is equal to the budget request.

## RESETTLEMENT IN ISRAEL

The Committee provides not less than \$50,000,000 for the resettlement of migrants from the former Soviet Union, Eastern Europe, and other areas to Israel. The Committee notes that while Israel has accepted more than 1 million refugees since 1989, over the past year there has been a modest decline in the number of refugees from the former Soviet Union resettling in Israel. The Committee understands that a significant increase in the number of refugees arriving from Ethiopia is anticipated, and expects funding for these activities to be sustained in fiscal year 2005 to meet these needs.

## CHECHNYA

The Committee condemns and deplores the actions of the Russian Government to force and coerce the return of displaced Chechen civilians to conflict and combat areas. The Committee recommends the State Department to proactively and publicly engage the Russian Government to immediately terminate forced returns, provide additional assistance to those Chechens impacted by Russian efforts to force or coerce returns, and secure accountability for gross human rights violations—including rape and torture—committed by Russian forces against Chechen civilians.

## TIBETAN REFUGEES

Like last year, the Committee supports continued funding to assist Tibetan refugees and recommends not less than \$2,000,000 for this purpose.

The Committee notes with concern the situation of Tibetan refugees transiting through Nepal en route to resettlement in India. The Committee condemns the imprisonment of these refugees—including young children—and requests the relevant authorities in Nepal to provide safe passage to Tibetans fleeing repression in their homeland, and to continue to treat these refugees as “persons of concern”.

The Committee deplores the recent decision by the Nepalese Government to forcibly repatriate Tibetan refugees to China, where they face harsh prison sentences or worse. The Committee has included a provision that limits assistance to the central Government of Nepal until the Secretary of State certifies that Nepalese authorities are cooperating with the U.N. High Commissioner for Refugees and other international organizations on issues concerning the protecting of refugees from Tibet.

REFUGEES AND INTERNALLY DISPLACED PERSONS IN AFRICA

The Committee notes the dire situation of millions of refugees and IDPs throughout Africa living in deplorable conditions. The Committee urges the administration to work with international organizations, including the World Food Program and UNHCR, as well as other governments to provide additional assistance to the region in fiscal year 2003.

EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$25,831,000 |
| Emergency supplemental .....   | 80,000,000   |
| Budget estimate, 2004 .....    | 40,000,000   |
| Committee recommendation ..... | 40,000,000   |

The Committee provides \$40,000,000 for the Emergency Refugee and Migration Assistance fund. The Committee notes that an additional \$40,000,000 was provided for this account in the emergency supplemental to meet unforeseen emergency needs.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING, AND RELATED PROGRAMS

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$304,408,000 |
| Emergency supplemental .....   | 28,000,000    |
| Budget estimate, 2004 .....    | 385,200,000   |
| Committee recommendation ..... | 385,200,000   |

The Committee provides \$385,200,000 for the Nonproliferation, Anti-terrorism, Demining, and Related Programs [NADR] account, and an additional \$15,000,000 by transfer from the Foreign Military Financing account. The Committee continues its strong support for these programs which are critical to efforts by the United States to combat the proliferation of weapons of mass destruction, prevent and respond to international terrorism, and help improve border security. The Committee provides the following funding levels to the NADR accounts listed below:

|  |              |
|--|--------------|
| Nonproliferation and Disarmament Fund .....  | \$45,000,000 |
| Export Control/Related Border Security ..... | 40,000,000   |
| Science Centers/Bio-Redirection .....        | 59,000,000   |
| IAEA Voluntary Contribution .....            | 53,000,000   |
| International Monitoring System (CTBT) ..... | 19,300,000   |

|  |             |
|--|-------------|
| Anti-Terrorism Assistance .....            | 106,400,000 |
| Terrorist Interdiction Program .....       | 11,000,000  |
| CT Engagement .....                        | 2,500,000   |
| Humanitarian Demining Program .....        | 50,000,000  |
| International Trust Fund .....             | 10,000,000  |
| Small Arms/Light Weapons Destruction ..... | 4,000,000   |

ANTI-TERRORISM ASSISTANCE

The Committee directs the State Department to utilize to the fullest extent practicable the facilities of the U.S. Army’s Aberdeen Proving Grounds, the New Mexico Institute of Mining and Technology in Socorro, New Mexico, Louisiana State University and the Louisiana State Police facilities in Baton Rouge, Louisiana, in carrying out the ATA program.

SMALL ARMS AND LIGHT WEAPONS

The Committee supports the administration’s efforts to destroy stockpiles of small arms and light weapons [SA/LW] that would otherwise threaten United States forces and undermine development efforts around the world. As large caches of weapons have been discovered in Iraq, and the SA/LW program is expanding its efforts to target man-portable air defense systems, the Committee provides \$4,000,000 for this program.

TERRORIST INTERDICTION PROGRAM

The Committee supports the Terrorist Interdiction Program, but is concerned with the management structure of the program. The Committee directs the State Department to submit a report not later than 60 days after enactment of this Act describing in detail the management structure of the program, including the role of contractors and the level of active participation by the Office of the Coordinator for Counterterrorism. The report may be submitted in classified form, if necessary. The Committee expects the State Department to consult on the form that this report will take.

COMPREHENSIVE NUCLEAR TEST BAN TREATY COMMISSION

The Committee supports the fiscal year 2004 request for a United States contribution to the Comprehensive Nuclear Test Ban Treaty Preparatory Commission [CTBT], and includes a provision that requires that any funding, which is made available for the CTBT but not used for that purpose, to be transferred to the International Atomic Energy Agency.

INTERNATIONAL ATOMIC ENERGY AGENCY

The Committee supports the work of the International Atomic Energy Agency [IAEA] to promote nuclear safety, protect the environment, and curb the proliferation of nuclear weapons technology. The Committee supports the administration’s efforts to increase funding for IAEA’s Safeguards System, but recognizes that negotiations on this issue could take time. In the interim, the Committee believes it is critical, especially in light of recent developments in Iran, that the IAEA receive adequate funding from the United States and other donors. The Committee, therefore, provides

\$53,000,000 for a voluntary contribution to the IAEA, which is \$3,000,000 above the budget request.

NUCLEAR SAFETY

The Committee recommends the State Department consider providing up to \$5,000,000 for the Idaho National Engineering and Environmental Laboratory to support the efforts of the Republic of Poland to mitigate chemical contamination, improve safeguards for storage of nuclear materials and enhance radiological detection capabilities.

HUMANITARIAN DEMINING

The Committee supports the State Department's Humanitarian Demining Program to clear landmines and other unexploded ordnance that continue to endanger people in over 60 countries. The Committee provides \$60,000,000 for these activities. Of this amount, funds may be made available for the International Trust Fund, on a dollar-for-dollar matching basis.

The Committee notes that the State Department has developed public-private partnerships with nongovernmental organizations, foundations, and private companies, in support of mine action activities. To enhance the effectiveness of these public-private partnerships, the Committee provides the State Department with authority to enter into grants and cooperative agreements. To the maximum extent feasible, grants and cooperative agreements should be used to support mine action activities of nongovernmental organizations. The State Department is to implement this authority in compliance with all statutory and regulatory guidelines governing grants and cooperative agreements.

The Committee notes that several country recipients of demining funds from the NADR account also receive large amounts of assistance from the ESF, SEED, or FSU accounts. The Committee is concerned about pressures on the NADR budget which contains a limited amount of humanitarian demining funds, and believes that demining programs in these countries should be funded jointly from both NADR and these other accounts.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL TRAINING

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$10,730,000 |
| Budget estimate, 2004 .....    | 14,000,000   |
| Committee recommendation ..... | 12,000,000   |

The Committee supports the Department of the Treasury's International Affairs Technical Assistance program and provides \$12,000,000 for fiscal year 2004.

DEBT RESTRUCTURING

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | .....         |
| Budget estimate, 2004 .....    | \$395,000,000 |
| Committee recommendation ..... | 195,000,000   |

The Committee provides a total of \$195,000,000 for debt restructuring, of which \$75,000,000 is for the Heavily Indebted Poor Coun-

tries [HIPC] Trust Fund, \$100,000,000 is to fund bilateral debt reduction for the Democratic Republic of Congo [DROC] under the HIPC initiative, and \$20,000,000 is for the Treasury Debt Restructuring account for debt reduction under the Tropic Forest Conservation Act.

The Committee notes the progress toward the formation of a new government in the DROC, and recognizes that significant challenges remain in efforts to improve the lives of the Congolese people. The Committee supports debt relief to the DROC, but has adopted a measured approach. While \$100,000,000 is provided for this purpose, the balance of funds in the budget request is distributed to a number of accounts (including Child Survival and Health Programs Fund and Development Assistance) that will more immediately address pressing needs in Africa. The Committee supports additional debt relief for the DROC in future Foreign Operations Appropriations acts.

TITLE III  
MILLENNIUM CHALLENGE ASSISTANCE  
FUNDS APPROPRIATED TO THE PRESIDENT  
MILLENNIUM CHALLENGE ASSISTANCE

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | .....           |
| Budget estimate, 2004 .....    | \$1,300,000,000 |
| Committee recommendation ..... | 1,000,000,000   |

The Committee provides \$1,000,000,000 for Millennium Challenge Assistance, which is \$300,000,000 below the fiscal year 2004 request.

The Committee fully supports the concept and intentions of this new initiative, and has included language in the Act that broadly authorizes the establishment of the program. However, the Committee expects authorizing language for this program to be considered and acted upon by Congress prior to enactment of this Act.



TITLE IV  
MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$79,480,000 |
| Budget estimate, 2004 .....    | 91,700,000   |
| Committee recommendation ..... | 91,700,000   |

The Committee continues its strong support for the International Military Education and Training [IMET] program and provides \$91,700,000 for this account. This is \$12,220,000 above the fiscal year 2003 allocation.

The Committee notes that Public Law 108-7 includes a provision that requires the administration to submit a report to Congress on progress toward improving the performance evaluation procedures for the IMET program and implementing section 548 of the Foreign Assistance Act. The Committee commends the State Department's Bureau of Political Military Affairs and the Defense Security and Cooperation Agency for consulting on the scope and content of the report. While the Committee believes that the number of people trained under IMET is one important element in measuring the success of the program, other factors—such as the effect that sustained IMET assistance is having on professionalizing a foreign military, ensuring respect for civilian authority and the rule of law, and improving interoperability with United States forces—should also be considered.

The Committee commends the administration for issuing new guidance for the implementation of the Informational Program [IP], and believes that, while this is a good first step, more needs to be done to ensure that the IP is implemented in a manner that maximizes the goals of the IMET program. The Committee requests the Secretary of State to submit a report not later than 120 days after enactment of this Act on the status of the IP guidance and the impact this has had on making the IP program more consistent with the goals of the IMET program.

FOREIGN MILITARY FINANCING

GRANT PROGRAM LEVEL

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$4,045,532,000 |
| Emergency supplemental .....   | 2,059,100,000   |
| Budget estimate, 2004 .....    | 4,414,000,000   |
| Committee recommendation ..... | 4,384,000,000   |

The Committee provides \$4,384,000,000 in Foreign Military Financing grant programs for fiscal year 2004, which is \$338,468,000 above the fiscal year 2003 enacted level.

## LIMITATION ON ASSISTANCE TO SECURITY FORCES

The Committee commends the State Department, particularly the Bureaus of Political-Military Affairs and Democracy, Human Rights, and Labor, for issuing a new cable on implementation of the "Leahy Amendments" (section 553 of Public Law 108-7 and section 8080 of Public Law 107-248). The Committee notes that this cable requires personnel posted at U.S. embassies to be more proactive in investigating and reporting on allegations of human rights violations by foreign security forces. This is consistent with what the Committee has urged in the past. The Committee requests the State Department to inform Congress if additional resources are needed to effectively implement this and other directives in the cable.

## MIDDLE EAST COUNTRIES

The Committee provides the administration's request of \$2,160,000,000, for Israel \$1,300,000,000 for Egypt, and \$206,000,000 for Jordan.

## OPERATION IRAQI FREEDOM

The Committee notes with the appreciation the support of numerous nations in the liberation of Iraq, including Albania, El Salvador, Macedonia, Mongolia, the Democratic Republic of Timor-Leste, and Uganda. The Committee recommends increased FMF support for these countries, specifically not less than \$6,500,000 for Albania and \$12,000,000 for Macedonia.

## THE PHILIPPINES

The Committee notes with appreciation the cooperation between the United States and the Philippines to counter terrorism, and recommends \$20,000,000 in FMF for the Philippines, which reflects a modest increase above the budget request. The Committee also supports full funding of the budget request for IMET assistance for the Philippines.

The Committee urges the administration to support a Comprehensive Security Review of the Philippine military, which will assist in determining how the United States can best support modernization and reform. The Committee also supports increasing the mobility of the Philippine military.

## ROMANIA

The Committee appreciates the steps Romania has taken to support common security interests, including in Iraq. As Romania prepares to join NATO, the Committee encourages the administration to provide additional assistance in order to strengthen military, economic, and political ties to that country.

## TUNISIA

The Committee supports the administration's request of \$10,000,000 in FMF and \$1,750,000 in IMET assistance for Tunisia.

## ORDNANCE DISPOSAL

The Committee is concerned that FMF funds were used to pay costs related to the training of Panamanian personnel to disarm and dispose of World War II munitions at a former United States military testing facility on San Jose Island, Panama. The Committee does not believe that FMF funds should be used for the clearance of unexploded ordnance at such facilities, and has included a provision to this effect.

## PEACEKEEPING OPERATIONS

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$114,252,000 |
| Emergency supplemental .....   | 100,000,000   |
| Budget estimate, 2004 .....    | 94,900,000    |
| Committee recommendation ..... | 84,900,000    |

The Committee provides \$84,900,000 for Peacekeeping Operations, which is \$10,000,000 below the budget request. The Committee is concerned about maintaining adequate funding for peacekeeping operations in Africa, and recommends full funding of the budget request for these programs.

TITLE V  
MULTILATERAL ECONOMIC ASSISTANCE

INTERNATIONAL FINANCIAL INSTITUTIONS SUMMARY

|                                |                 |
|--------------------------------|-----------------|
| Appropriations, 2003 .....     | \$1,295,781,000 |
| Budget estimate, 2004 .....    | 1,554,878,000   |
| Committee recommendation ..... | 1,499,000,000   |

The Committee recommends the total amount of paid-in capital funding shown above to provide for contributions to the International Development Association, Multilateral Investment Guarantee Agency, the Global Environment Facility [GEF], the Inter-American Development Bank's Inter-American Investment Corporation and Multilateral Investment Fund, the Asian Development Fund, the African Development Bank and Fund, the European Bank for Reconstruction and Development, and the International Fund for Agriculture Development.

*Oversight.*—The Committee is concerned with reports of the misuse of funds and insufficient oversight at the multilateral development banks, and has therefore included a provision which requires the Secretary of the Treasury to ensure that these institutions are implementing regular, independent, external audits of their internal management controls and procedures for meeting operational objectives, complying with Bank policies, and preventing fraud, and making reports describing the scope and findings of such audits available to the public on at least an annual basis. In addition, to ensure transparency and accountability, the Secretary is to ensure that, at least 45 days prior to consideration by the board of directors of the institution, proposed loans, credits, or grant agreements have been published and include the resources and conditionality necessary to ensure that the borrower complies with applicable laws. Finally, due to concerns about the treatment of and retaliation against whistle blowers, the Secretary is to ensure that these institutions are implementing effective procedures, consistent with those in United States and international law, for the receipt, retention, and treatment of complaints regarding fraud, accounting, mismanagement, internal accounting controls, or auditing matters and of the confidential, anonymous submission by employees of concerns regarding fraud, accounting, mismanagement, internal accounting controls, or auditing matters.

*World Bank.*—While the Committee appreciates the myriad programs administered by the World Bank, it notes that absent the political will to hold foreign governments accountable for their actions, investments in development and monitoring activities are directly undermined. The Committee regrets the failure of the World Bank to adequately support forestry monitor Global Witness prior to its termination by the Government of Cambodia.

The Committee reiterates its concerns with the World Bank's efforts to reform internal grievance procedures, and will continue to closely follow this matter.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

GLOBAL ENVIRONMENT FACILITY

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$146,852,000 |
| Budget estimate, 2004 .....    | 184,997,000   |
| Committee recommendation ..... | 170,997,000   |

INTERNATIONAL DEVELOPMENT ASSOCIATION

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$844,475,000 |
| Budget estimate, 2004 .....    | 976,825,000   |
| Committee recommendation ..... | 976,825,000   |

MULTILATERAL INVESTMENT GUARANTEE AGENCY

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     | \$1,620,000 |
| Budget estimate, 2004 .....    | 4,002,000   |
| Committee recommendation ..... | 1,124,000   |

INTER-AMERICAN DEVELOPMENT BANK

INTER-AMERICAN INVESTMENT CORPORATION

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$18,233,000 |
| Budget estimate, 2004 .....    | 30,898,000   |
| Committee recommendation ..... | 8,898,000    |

MULTILATERAL INVESTMENT FUND

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$24,431,000 |
| Budget estimate, 2004 .....    | 32,614,000   |
| Committee recommendation ..... | 30,614,000   |

ASIAN DEVELOPMENT BANK

ASIAN DEVELOPMENT FUND

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$97,250,000 |
| Budget estimate, 2004 .....    | 151,921,000  |
| Committee recommendation ..... | 136,921,000  |

AFRICAN DEVELOPMENT BANK

|                                |             |
|--------------------------------|-------------|
| Appropriations, 2003 .....     | \$5,071,000 |
| Budget estimate, 2004 .....    | 5,105,000   |
| Committee recommendation ..... | 5,105,000   |

AFRICAN DEVELOPMENT FUND

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$107,371,000 |
| Budget estimate, 2004 .....    | 118,081,000   |
| Committee recommendation ..... | 118,081,000   |

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$35,572,000 |
| Budget estimate, 2004 .....    | 35,431,000   |
| Committee recommendation ..... | 35,431,000   |

## INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

|                                |              |
|--------------------------------|--------------|
| Appropriations, 2003 .....     | \$14,906,000 |
| Budget estimate, 2004 .....    | 15,004,000   |
| Committee recommendation ..... | 15,004,000   |

## INTERNATIONAL ORGANIZATIONS AND PROGRAMS

|                                |               |
|--------------------------------|---------------|
| Appropriations, 2003 .....     | \$193,882,000 |
| Budget estimate, 2004 .....    | 314,550,000   |
| Committee recommendation ..... | 314,550,000   |

The Committee provides \$314,550,000 for the “International Organizations and Programs” account. This amount is \$120,668,000 above the fiscal year 2003 level.

## WORLD FOOD PROGRAM

Like last year, the Committee provides \$6,000,000 for the World Food Program [WFP] from International Disaster Assistance funds managed by USAID’s Bureau for Democracy, Conflict, and Humanitarian Assistance under section 634 of this Act.

The Committee commends the WFP’s work to combat global hunger. The Committee continues to be alarmed with famine in sub-Saharan Africa, where a number of factors (including drought, HIV/AIDS, conflict and failed government policies) have placed more than 40,000,000 people at risk of starvation. An additional 100,000,000 people are malnourished. While additional emergency food aid is needed, the Committee believes it must be complemented with strategies to address long-term development needs in the region, such as health care, water, education, and agricultural production.

## UNITED NATIONS CHILDREN’S FUND

The Committee supports efforts to reach the child survival goals set by the World Summit for Children, the Millennium Development Goals, and the 2002 U.N. Special Session on Children. The United Nations Children’s Fund [UNICEF] is an essential partner of the United States in achieving these goals. The Committee endorses the budget request of \$120,000,000 for UNICEF from this account, but notes that this should not preclude USAID from providing additional funding for specific UNICEF projects as may be appropriate.

## UN-HABITAT

The Committee supports the efforts of the U.N. Center for Human Settlements [UN-HABITAT] to improve the lives of slum dwellers and ameliorate urban problems around the world, and provides \$1,000,000 for a contribution to UN-HABITAT.

TITLE VI  
GENERAL PROVISIONS

- SEC. 601. Obligations During Last Month of Availability.
- SEC. 602. Private and Voluntary Organizations.
- SEC. 603. Limitation on Residence Expenses.
- SEC. 604. Limitation on Expenses.
- SEC. 605. Limitation on Representational Allowances.
- SEC. 606. Prohibition on Financing Nuclear Goods.
- SEC. 607. Prohibition Against Direct Funding for Certain Countries.
- SEC. 608. Military Coups.
- SEC. 609. Transfers.
- SEC. 610. Deobligation/Reobligation Authority.
- SEC. 611. Availability of Funds.
- SEC. 612. Limitation on Assistance to Countries in Default.
- SEC. 613. Commerce and Trade.
- SEC. 614. Surplus Commodities.
- SEC. 615. Notification Requirements.
- SEC. 616. Limitation on Availability of Funds for International Organizations and Programs.
- SEC. 617. Independent States of the Former Soviet Union.
- SEC. 618. Prohibition on Funding for Abortions and Involuntary Sterilization.
- SEC. 619. Export Financing Transfer Authorities.
- SEC. 620. Special Notification Requirements.
- SEC. 621. Definition of Program, Project, and Activity.
- SEC. 622. Child Survival and Health Activities.
- SEC. 623. Afghanistan.
- SEC. 624. Notification on Excess Defense Equipment.
- SEC. 625. Authorization Requirement.
- SEC. 626. Democracy Programs.
- SEC. 627. Prohibition on Bilateral Assistance to Terrorist Countries.
- SEC. 628. Debt-For-Development.
- SEC. 629. Separate Accounts.
- SEC. 630. Compensation for United States Executive Directors to International Financial Institutions.
- SEC. 631. Discrimination Against Minority Religious Faiths in the Russian Federation.
- SEC. 632. Authorities for the Peace Corps, Inter-American Foundation and African Development Foundation.
- SEC. 633. Impact on Jobs in the United States.
- SEC. 634. Special Authorities.
- SEC. 635. Arab League Boycott of Israel.
- SEC. 636. Administration of Justice Activities.
- SEC. 637. Eligibility for Assistance.

- SEC. 638. Earmarks.
- SEC. 639. Ceilings and Earmarks.
- SEC. 640. Prohibition on Publicity or Propaganda.
- SEC. 641. Prohibition of Payments to United Nations Members.
- SEC. 642. Nongovernmental Organizations—Documentation.
- SEC. 643. Prohibition on Assistance to Foreign Governments that Export Lethal Military Equipment to Countries Supporting International Terrorism.
- SEC. 644. Withholdings of Assistance for Parking Fines Owed by Foreign Countries.
- SEC. 645. Limitation on Assistance for the PLO for the West Bank and Gaza.
- SEC. 646. War Crimes Tribunal Drawdown.
- SEC. 647. Landmines.
- SEC. 648. Restrictions Concerning the Palestinian Authority.
- SEC. 649. Prohibition of Payment of Certain Expenses.
- SEC. 650. Tibet.
- SEC. 651. Haiti.
- SEC. 652. Limitation on Assistance to the Palestinian Authority.
- SEC. 653. Limitation on Assistance to Security Forces.
- SEC. 654. Environment Programs.
- SEC. 655. Regional Programs for East Asia and the Pacific.
- SEC. 656. Zimbabwe.
- SEC. 657. Nigeria.
- SEC. 658. Burma.
- SEC. 659. Enterprise Fund Restrictions.
- SEC. 660. Cambodia.
- SEC. 661. Foreign Military Training Report.
- SEC. 662. Enterprise Fund in the Middle East Region.
- SEC. 663. Palestinian Statehood.
- SEC. 664. Colombia.
- SEC. 665. Illegal Armed Groups.
- SEC. 666. Prohibition on Assistance to the Palestinian Broadcasting Corporation.
- SEC. 667. Iraq.
- SEC. 668. West Bank and Gaza Program.
- SEC. 669. Indonesia.
- SEC. 670. Restrictions on Assistance to Governments Destabilizing West Africa.
- SEC. 671. Special Debt Relief for the Poorest.
- SEC. 672. Authority to Engage in Debt Buybacks or Sales.
- SEC. 673. Contributions to United Nations Population Fund.
- SEC. 674. Central Asia.
- SEC. 675. Commercial Leasing of Defense Articles.
- SEC. 676. War Criminals.
- SEC. 677. User Fees.
- SEC. 678. Funding for Serbia.
- SEC. 679. Multilateral Development Bank Accountability.
- SEC. 680. Cooperation with Cuba on Counter-Narcotics Matters.
- SEC. 681. Community-Based Police Assistance.
- SEC. 682. Overseas Private Investment Corporation and Export-Import Bank Restrictions.
- SEC. 683. American Churchwomen and Other Citizens in El Salvador and Guatemala.



- SEC. 684. Conflict Resolution.
- SEC. 685. Nicaragua.
- SEC. 686. Report on International Coffee Crisis.
- SEC. 687. Venezuela.
- SEC. 688. Disability Access.
- SEC. 689. Thailand.
- SEC. 690. Modification on Reporting Requirements.
- SEC. 691. Assistance for Foreign Nongovernmental Organizations.

**COMPLIANCE WITH PARAGRAPH 7, RULE XVI OF THE  
STANDING RULES OF THE SENATE**

Rule XVI, paragraph 7 requires that every report on a general appropriation bill filed by the Committee must identify each recommended amendment, with particularity, which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.

Items providing funding for fiscal year 2004 which lack authorization are as follows:

|   | Amount          |
|---|-----------------|
| Child Survival and Health Programs Fund .....                           | \$1,435,500,000 |
| Development Assistance .....  | 1,423,000,000   |
| International Disaster Assistance .....                                 | 235,500,000     |
| Famine Fund .....   | 100,000,000     |
| Transition Initiatives .....  | 55,000,000      |
| Development Credit Authority .....                                      | 8,000,000       |
| USAID Operating Expenses .....  | 604,100,000     |
| USAID Operating Expenses, Office of Inspector General .....             | 35,000,000      |
| USAID Capital Investment Fund .....                                     | 100,000,000     |
| Economic Support Fund .....   | 2,415,000,000   |
| Global AIDS Initiative .....  | 700,000,000     |
| Assistance for Eastern Europe and the Baltics .....                     | 445,000,000     |
| Assistance for the Independent States of the Former Soviet Union .....  | 596,000,000     |
| Inter-American Foundation .....   | 16,334,000      |
| African Development Foundation .....                                    | 18,689,000      |
| Peace Corps .....   | 310,000,000     |
| International Narcotics Control and Law Enforcement .....               | 284,500,000     |
| Migration and Refugee Assistance .....                                  | 760,197,000     |
| Emergency Migration and Refugee Assistance .....                        | 40,000,000      |
| Nonproliferation, Anti-Terrorism, Demining and Related Assistance ..... | 385,200,000     |
| Treasury Technical Assistance .....                                     | 12,000,000      |
| Debt Restructuring .....  | 195,000,000     |
| Millennium Challenge .....  | 1,000,000,000   |
| International Military Education and Training .....                     | 91,700,000      |
| Foreign Military Financing Program .....                                | 4,384,000,000   |
| Peacekeeping Operations .....   | 84,900,000      |
| International Organizations and Programs .....                          | 314,550,000     |
| International Development Association .....                             | 976,825,000     |
| Asian Development Fund .....  | 136,921,000     |
| African Development Fund .....  | 118,081,000     |

**COMPLIANCE WITH PARAGRAPH 7(C), RULE XXVI, OF THE  
STANDING RULES OF THE SENATE**

Pursuant to paragraph 7(c) of rule XXVI, on July 17, 2003, the Committee ordered reported en bloc: S. 1427, an original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2004; S. 1424, an original bill making appropriations for Energy and Water Development for the fiscal year ending September 30, 2004; and S. 1426, an original bill mak-

ing appropriations for Foreign Operations, Export Financing, and related programs for the fiscal year ending September 30, 2004; each subject to amendment and each subject to the budget allocations, by a recorded vote of 29–0, a quorum being present. The vote was as follows:

| Yeas             | Nays |
|------------------|------|
| Chairman Stevens |      |
| Mr. Cochran      |      |
| Mr. Specter      |      |
| Mr. Domenici     |      |
| Mr. Bond         |      |
| Mr. McConnell    |      |
| Mr. Burns        |      |
| Mr. Shelby       |      |
| Mr. Gregg        |      |
| Mr. Bennett      |      |
| Mr. Campbell     |      |
| Mr. Craig        |      |
| Mrs. Hutchison   |      |
| Mr. DeWine       |      |
| Mr. Brownback    |      |
| Mr. Byrd         |      |
| Mr. Inouye       |      |
| Mr. Hollings     |      |
| Mr. Leahy        |      |
| Mr. Harkin       |      |
| Ms. Mikulski     |      |
| Mr. Reid         |      |
| Mr. Kohl         |      |
| Mrs. Murray      |      |
| Mr. Dorgan       |      |
| Mrs. Feinstein   |      |
| Mr. Durbin       |      |
| Mr. Johnson      |      |
| Ms. Landrieu     |      |

#### COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee report on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman.

With respect to this bill, it is the opinion of the Committee that it is necessary to dispense with these requirements in order to expedite the business of the Senate.

## BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

|   | Budget authority                  |                | Outlays                           |                     |
|---|-----------------------------------|----------------|-----------------------------------|---------------------|
|   | Committee allocation <sup>1</sup> | Amount of bill | Committee allocation <sup>1</sup> | Amount of bill      |
| Comparison of amounts in the bill with Committee allocations to its subcommittees of amounts in the Budget Resolution for 2004: Subcommittee on Foreign Operations: |                                   |                |                                   |                     |
| Discretionary .....   | 18,093                            | 18,093         | 20,303                            | <sup>1</sup> 20,294 |
| Mandatory .....   | 44                                | 44             | 44                                | <sup>1</sup> 44     |
| Projection of outlays associated with the recommendation:   |                                   |                |                                   |                     |
| 2004 .....  |                                   |                |                                   | <sup>2</sup> 6,534  |
| 2005 .....  |                                   |                |                                   | 6,311               |
| 2006 .....  |                                   |                |                                   | 2,553               |
| 2007 .....  |                                   |                |                                   | 1,411               |
| 2008 and future years .....   |                                   |                |                                   | 1,148               |
| Financial assistance to State and local governments for 2004 .....  | NA                                |                | NA                                |                     |

<sup>1</sup> Includes outlays from prior-year budget authority.

<sup>2</sup> Excludes outlays from prior-year budget authority.

NA: Not applicable.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2004  
[In thousands of dollars]

| Item   | 2003 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) |                 |
|--|--------------------|-----------------|--------------------------|--|-----------------|
|  |                    |                 |                          | 2003 appropriation                                     | Budget estimate |
| <b>TITLE I—EXPORT AND INVESTMENT ASSISTANCE</b>        |                    |                 |                          |  |                 |
| <b>EXPORT-IMPORT BANK OF THE UNITED STATES</b>         |                    |                 |                          |  |                 |
| Subsidy appropriation .....                            | 509,566            | .....           | .....                    | -509,566   | .....           |
| Administrative expenses .....                          | 67,856             | 75,395          | 74,395                   | +6,539   | -1,000          |
| Inspector General .....                                | .....              | 1,200           | 1,000                    | +1,000   | -200            |
| Negative subsidy .....                                 | -13,000            | -34,000         | -34,000                  | -21,000  | .....           |
| Total, Export-Import Bank of the United States .....   | 564,422            | 42,595          | 41,395                   | -523,027   | -1,200          |
| <b>OVERSEAS PRIVATE INVESTMENT CORPORATION</b>         |                    |                 |                          |  |                 |
| Noncredit account:                                     |                    |                 |                          |  |                 |
| Administrative expenses .....                          | 39,626             | 42,385          | 41,385                   | +1,759   | -1,000          |
| Insurance fees and other offsetting collections .....  | -306,000           | -272,000        | -272,000                 | +34,000  | .....           |
| Subsidy appropriation .....                            | 23,844             | 24,000          | 24,000                   | +156   | .....           |
| Total, Overseas Private Investment Corporation .....   | -242,530           | -205,615        | -206,615                 | +35,915  | -1,000          |
| <b>FUNDS APPROPRIATED TO THE PRESIDENT</b>             |                    |                 |                          |  |                 |
| Trade and development agency .....                     | 46,706             | 60,000          | 50,000                   | +3,294   | -10,000         |
| Total, title I, Export and investment assistance ..... | 368,598            | -103,020        | -115,220                 | -483,818   | -12,200         |
| <b>TITLE II—BILATERAL ECONOMIC ASSISTANCE</b>          |                    |                 |                          |  |                 |
| <b>FUNDS APPROPRIATED TO THE PRESIDENT</b>             |                    |                 |                          |  |                 |
| United States Agency for International Development     |                    |                 |                          |  |                 |
| Child survival and health programs fund .....          | 1,824,563          | 1,495,000       | 1,435,500                | -389,063   | -59,500         |
| UNICEF .....   | (120,000)          | .....           | .....                    | (-120,000)   | .....           |
| (Transfer out) .....                                   | (-5,961)           | .....           | (-6,000)                 | (-39)  | (-6,000)        |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2004—Continued

[In thousands of dollars]

| Item  | 2003 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) |                 |
|---|--------------------|-----------------|--------------------------|--|-----------------|
|   |                    |                 |                          | 2003 appropriation                                     | Budget estimate |
| Emergency supplemental (Public Law 108-11) .....  | 90,000             | 450,000         | 700,000                  | -90,000  | +250,000        |
| Global AIDS initiative .....  | .....              | .....           | (-20,000)                | +700,000   | (-20,000)       |
| (Transfer out) .....  | .....              | .....           | 1,423,000                | (-20,000)  | +78,000         |
| Development assistance .....  | 1,379,972          | 1,345,000       | (-21,000)                | +43,028  | .....           |
| (Transfer out) .....  | .....              | .....           | 235,500                  | (-21,000)  | .....           |
| International disaster assistance .....   | 288,115            | 235,500         | .....                    | -52,615  | .....           |
| Emergency supplemental (Public Law 108-11) .....  | 143,800            | 200,000         | 100,000                  | -143,800   | -100,000        |
| Famine fund .....   | .....              | 55,000          | 55,000                   | +100,000   | .....           |
| Transition Initiatives .....  | 49,675             | (21,000)        | (21,000)                 | +5,325   | .....           |
| Development Credit Program:   | .....              | 8,000           | 8,000                    | (+21,000)  | .....           |
| (By transfer) .....   | 7,542              | .....           | .....                    | +458   | .....           |
| Administrative expenses .....   | .....              | .....           | .....                    | .....  | .....           |
| Subtotal, development assistance .....  | 3,783,667          | 3,788,500       | 3,957,000                | +173,333   | +168,500        |
| Payment to the Foreign Service Retirement and Disability Fund .....                                   | 45,200             | 43,859          | 43,859                   | -1,341   | .....           |
| Operating expenses of the U.S. Agency for International Development .....                             | 568,282            | 604,100         | 604,100                  | +35,818  | .....           |
| Emergency supplemental (Public Law 108-11) .....  | 24,500             | .....           | .....                    | -24,500  | .....           |
| (By transfer) .....   | (5,961)            | .....           | (6,000)                  | (+39)  | (+6,000)        |
| Emergency supplemental (Public Law 108-11) (Transfer to U.S. AID Office of Inspector General) .....   | (-3,500)           | .....           | .....                    | (+3,500)   | .....           |
| Capital Investment Fund .....   | 42,721             | 146,300         | 100,000                  | +57,279  | -46,300         |
| Operating expenses of the U.S. Agency for International Development Office of Inspector General ..... | 33,084             | 35,000          | 35,000                   | +1,916   | .....           |
| Emergency supplemental (Public Law 108-11) (By transfer) .....  | (3,500)            | .....           | .....                    | (-3,500)   | .....           |
| Total, U.S. Agency for International Development .....  | 4,497,454          | 4,617,759       | 4,739,959                | +242,505   | +122,200        |
| Other Bilateral Economic Assistance .....   | .....              | .....           | .....                    | .....  | .....           |
| Economic support fund:  | .....              | .....           | .....                    | .....  | .....           |
| Camp David countries .....  | 1,207,102          | 1,055,000       | 1,055,000                | -152,102   | .....           |
| Other .....   | 1,048,142          | 1,480,000       | 1,360,000                | +311,858   | -120,000        |
| Economic support fund (Public Law 108-11) .....   | 2,422,000          | .....           | .....                    | -2,422,000   | .....           |

|   |             |           |           |  |  |  |  |  |              |
|---|-------------|-----------|-----------|--|--|--|--|--|--------------|
| Pakistan debt relief .....  |             |           |           |  |  |  |  |  |              |
| Loan guarantees to Egypt: (Limitation on guaranteed loans) (Public Law 108-11) .....  | (2,000,000) |           |           |  |  |  |  |  | (-2,000,000) |
| Loan guarantees to Turkey: (Limitation on guaranteed loans) (Public Law 108-11) ..... | (8,500,000) |           |           |  |  |  |  |  | (-8,500,000) |
| Subtotal, Economic support fund .....   | 4,677,244   | 2,535,000 | 2,415,000 |  |  |  |  |  | -2,262,244   |
| International Fund for Ireland .....  | 24,837      |           |           |  |  |  |  |  | -24,837      |
| Assistance for Eastern Europe and the Baltic States .....                             | 521,587     | 435,000   | 445,000   |  |  |  |  |  | -76,587      |
| Assistance for the Independent States of the former Soviet Union .....                | 755,060     | 576,000   | 596,000   |  |  |  |  |  | -159,060     |
| U.S. emergency fund for complex international crises .....                            |             | 100,000   |           |  |  |  |  |  | -100,000     |
| Iraq relief and reconstruction fund (Public Law 108-11) .....                         | 2,475,000   |           |           |  |  |  |  |  | -2,475,000   |
| (Transfer authority) (Public Law 108-11) .....  | (200,000)   |           |           |  |  |  |  |  | (-200,000)   |
| Loan guarantees to Israel: (Limitation on guaranteed loans) (Public Law 108-11) ..... | (9,000,000) |           |           |  |  |  |  |  | (-9,000,000) |
| Total, Other Bilateral Economic Assistance .....                                      | 8,453,728   | 3,646,000 | 3,456,000 |  |  |  |  |  | -4,997,728   |
| INDEPENDENT AGENCIES  |             |           |           |  |  |  |  |  |              |
| Inter-American Foundation   | 16,095      | 15,185    | 16,334    |  |  |  |  |  | +239         |
| Appropriation .....   |             |           |           |  |  |  |  |  | +1,149       |
| African Development Foundation  | 18,568      | 17,689    | 18,689    |  |  |  |  |  | +1,000       |
| Appropriation .....   |             |           |           |  |  |  |  |  |              |
| Peace Corps   | 295,069     | 359,000   | 310,000   |  |  |  |  |  | -49,000      |
| Appropriation .....   |             |           | (20,000)  |  |  |  |  |  | (+20,000)    |
| (By transfer) .....   |             |           |           |  |  |  |  |  |              |
| Millennium Challenge Corporation  |             | 1,300,000 | 1,000,000 |  |  |  |  |  | -300,000     |
| Appropriation .....   |             |           |           |  |  |  |  |  |              |
| Department of State   | 195,720     | 284,550   | 284,550   |  |  |  |  |  | +88,830      |
| International narcotics control and law enforcement .....                             |             |           | (-37,000) |  |  |  |  |  | (-37,000)    |
| (Transfer out) .....  |             |           |           |  |  |  |  |  |              |
| Emergency supplemental (Public Law 108-11) .....                                      | 25,000      |           |           |  |  |  |  |  | -25,000      |
| Andean Counterdrug Initiative .....   | 695,450     | 731,000   | 660,000   |  |  |  |  |  | -35,450      |
| Emergency supplemental (Public Law 108-11) .....                                      | 34,000      |           |           |  |  |  |  |  | -34,000      |
| (By transfer) .....   | (92,396)    |           | (54,000)  |  |  |  |  |  | (-38,396)    |
| Emergency supplemental (Public Law 108-11) (By transfer) .....                        | (20,000)    |           |           |  |  |  |  |  | (-20,000)    |
| Migration and refugee assistance .....  | 781,885     | 760,197   | 760,197   |  |  |  |  |  | -21,688      |
| United States Emergency Refugee and Migration Assistance Fund .....                   | 25,831      | 40,000    | 40,000    |  |  |  |  |  | +14,169      |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2004—Continued

[In thousands of dollars]

| Item  | 2003 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) |                 |
|---|--------------------|-----------------|--------------------------|--|-----------------|
|   |                    |                 |                          | 2003 appropriation                                     | Budget estimate |
| Emergency supplemental (Public Law 108-11)                                    | 80,000             | .....           | .....                    | - 80,000   | .....           |
| Nonproliferation, anti-terrorism, demining and related programs (By transfer) | 304,408            | 385,200         | 385,200                  | + 80,792   | .....           |
| Emergency supplemental (Public Law 108-11)                                    | 28,000             | .....           | (15,000)                 | (+ 15,000)   | (+ 15,000)      |
| Subtotal, Department of State   | 2,170,294          | 2,200,947       | 2,129,947                | - 40,347   | - 71,000        |
| Department of the Treasury  |                    |                 |                          |  |                 |
| International Affairs Technical Assistance                                    | 10,730             | 14,000          | 12,000                   | + 1,270  | - 2,000         |
| Debt restructuring  | .....              | 395,000         | 195,000                  | + 195,000  | - 200,000       |
| Subtotal, Department of the Treasury  | 10,730             | 409,000         | 207,000                  | + 196,270  | - 202,000       |
| Total, title II, Bilateral economic assistance                                | 15,461,938         | 12,565,580      | 11,877,929               | - 3,584,009  | - 687,651       |
| Appropriations  | (10,139,638)       | (12,565,580)    | (11,877,929)             | (+ 1,738,291)  | (- 687,651)     |
| Emergency appropriations  | (5,322,300)        | .....           | .....                    | (- 5,322,300)  | .....           |
| (By transfer)   | (121,857)          | (21,000)        | (116,000)                | (- 5,857)  | (+ 95,000)      |
| (Transfer out)  | (- 9,461)          | (- 21,000)      | (- 84,000)               | (- 74,539)   | (- 63,000)      |
| TITLE III—MILITARY ASSISTANCE   |                    |                 |                          |  |                 |
| FUNDS APPROPRIATED TO THE PRESIDENT   |                    |                 |                          |  |                 |
| International Military Education and Training                                 | 79,480             | 91,700          | 91,700                   | + 12,220   | .....           |
| Foreign Military Financing Program:   |                    |                 |                          |  |                 |
| Grants:   |                    |                 |                          |  |                 |
| Camp David countries  | 3,377,900          | 3,460,000       | 3,460,000                | + 82,100   | .....           |
| Other   | 667,632            | 954,000         | 924,000                  | + 256,368  | - 30,000        |
| Emergency supplemental (Public Law 108-11)                                    | 2,059,100          | .....           | .....                    | - 2,059,100  | .....           |
| (Transfer out)  | .....              | .....           | (- 32,000)               | (- 32,000)   | (- 32,000)      |
| Subtotal, grants  | 6,104,632          | 4,414,000       | 4,384,000                | - 1,720,632  | - 30,000        |



|  |             |             |             |               |            |
|--|-------------|-------------|-------------|---------------|------------|
| (Limitation on administrative expenses)  | (38,000)    | (40,000)    | (40,000)    | (+ 2,000)     |            |
| (Transfer out)   | (- 92,396)  |             |             | (+ 92,396)    |            |
| Emergency supplemental (Public Law 108-11) (Transfer out)  | (- 20,000)  |             |             | (+ 20,000)    |            |
| Associated outlays:  |             |             |             |               |            |
| Israel   |             |             |             |               |            |
| Egypt  |             |             |             |               |            |
| Other  |             |             |             |               |            |
| Total, Foreign Military Financing  | 6,104,632   | 4,414,000   | 4,384,000   | - 1,720,632   | - 30,000   |
| Peacekeeping operations  | 114,252     | 94,900      | 84,900      | - 29,352      | - 10,000   |
| Emergency supplemental (Public Law 108-11)   | 100,000     |             |             | - 100,000     |            |
| Total, title III, Military assistance  | 6,398,364   | 4,600,600   | 4,560,600   | - 1,837,764   | - 40,000   |
| Appropriations   | (4,239,264) | (4,600,600) | (4,560,600) | (+ 321,336)   | (- 40,000) |
| Emergency appropriations   | (2,159,100) |             |             | (- 2,159,100) |            |
| (Transfer out)   | (- 112,396) |             |             | (+ 80,396)    | (- 32,000) |
| (Limitation on administrative expenses)  | (38,000)    | (40,000)    | (40,000)    | (+ 2,000)     |            |
| TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE  |             |             |             |               |            |
| FUNDS APPROPRIATED TO THE PRESIDENT  |             |             |             |               |            |
| International Financial Institutions   |             |             |             |               |            |
| World Bank Group   |             |             |             |               |            |
| Contribution to the International Bank for Reconstruction and Development: Global Environment Facility | 146,852     | 184,997     | 170,997     | + 24,145      | - 14,000   |
| Contribution to the International Development Association  | 844,475     | 976,825     | 976,825     | + 132,350     |            |
| Contribution to Multilateral Investment Guarantee Agency   | 1,620       | 4,002       | 1,124       | - 496         | - 2,878    |
| (Limitation on callable capital subscriptions)   | (7,610)     | (16,340)    | (16,340)    | (+ 8,730)     |            |
| Total, World Bank Group  | 992,947     | 1,165,824   | 1,148,946   | + 155,999     | - 16,878   |
| Contribution to the Inter-American Development Bank:   |             |             |             |               |            |
| Contribution to the Inter-American Investment Corporation  | 18,233      | 30,898      | 8,898       | - 9,335       | - 22,000   |
| Contribution to the Enterprise for the Americas Multilateral Investment Fund                           | 24,431      | 32,614      | 30,614      | + 6,183       | - 2,000    |
| Total, inter-American Development Bank   | 42,664      | 63,512      | 39,512      | - 3,152       | - 24,000   |
| Contribution to the Asian Development Bank: Contribution to the Asian Development Fund                 | 97,250      | 151,921     | 136,921     | + 39,671      | - 15,000   |
| Contribution to the African Development Bank:  |             |             |             |               |            |
| Paid-in capital  | 5,071       | 5,105       | 5,105       | + 34          |            |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2003 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL  
FOR FISCAL YEAR 2004—Continued  
(In thousands of dollars)

| Item  | 2003 appropriation | Budget estimate | Committee recommendation | Senate Committee recommendation compared with (+ or -) |                 |
|---|--------------------|-----------------|--------------------------|--|-----------------|
|   |                    |                 |                          | 2003 appropriation                                     | Budget estimate |
| (Limitation on callable capital subscriptions)                        | (79,610)           | (79,610)        | (79,610)                 | (+7)   |                 |
| Contribution to the African Development Fund                          | 107,371            | 118,081         | 118,081                  | +10,710  |                 |
| Total, African Development Bank                                       | 112,442            | 123,186         | 123,186                  | +10,744  |                 |
| Contribution to the European Bank for Reconstruction and Development: |                    |                 |                          |  |                 |
| Paid-in capital   | 35,572             | 35,431          | 35,431                   | -141   |                 |
| (Limitation on callable capital subscriptions)                        | (123,328)          | (122,085)       | (122,085)                | (-1,243)   |                 |
| Contribution to the International Fund for Agricultural Development   | 14,906             | 15,004          | 15,004                   | +98  |                 |
| Total, International Financial Institutions                           | 1,295,781          | 1,554,878       | 1,499,000                | +203,219   | -55,878         |
| International Organizations and Programs                              | 193,882            | 314,550         | 314,550                  | +120,668   |                 |
| Total, title IV, Multilateral economic assistance                     | 1,489,663          | 1,869,428       | 1,813,550                | +323,887   | -55,878         |
| (Limitation on callable capital subscript)                            | (210,541)          | (218,035)       | (218,035)                | (+7,494)   |                 |
| Grand total:  |                    |                 |                          |  |                 |
| New budget (obligational) authority                                   | 23,718,563         | 18,932,588      | 18,136,859               | -5,581,704   | -795,729        |
| (By transfer)   | (121,857)          | (21,000)        | (116,000)                | (-5,857)   | (+95,000)       |
| (Transfer out)  | (-121,857)         | (-21,000)       | (-116,000)               | (+5,857)   | (-95,000)       |
| (Limitation on administrative expenses)                               | (38,000)           | (40,000)        | (40,000)                 | (+2,000)   |                 |
| (Limitation on callable capital subscript)                            | (210,541)          | (218,035)       | (218,035)                | (+7,494)   |                 |

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