

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED
 PROGRAMS APPROPRIATIONS BILL, 2001

JULY 10, 2000.—Committed to the Committee of the Whole House on the State of
 the Union and ordered to be printed

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

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 4811]

The Committee on Appropriations submits the following report in
 explanation of the accompanying bill making appropriations for
 Foreign Operations, Export Financing, and Related Programs, and
 for sundry independent agencies and corporations for the fiscal
 year ending September 30, 2001, and for other purposes.

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SUMMARY OF THE BILL

The Committee has recommended foreign assistance and export financing funding at a level that is \$1,851,094,000 below the Administration's fiscal year 2001 request of \$15,132,068,000 in discretionary budget authority, excluding emergency funding. The resulting total of \$13,280,974,000 in discretionary appropriations (excluding emergency funding) is needed to meet the essential requirements of the United States and its President in conducting foreign policy and meeting urgent humanitarian needs abroad.

The section 302(b) allocation for foreign operations, export financing, and related programs is \$13,281,000,000 in discretionary budget authority. The Committee recommendation of \$13,280,974,000 in discretionary budget authority (excluding emergency funding) is slightly below the section 302(b) allocation. On a comparative basis (excluding emergency supplemental appropria-

tions and including scoring adjustments) the Committee recommendation is \$151,124,000 below the 2000 level.

COMMITTEE RECOMMENDATIONS

For export and investment assistance programs the Committee has recommended a gross total of \$994,000,000, which is partially offset by collections and a negative subsidy totaling \$298,000,000. The subsidy appropriation for the Export-Import Bank is \$825,000,000, and the Trade and Development Agency is funded at \$46,000,000. The Committee has provided \$24,000,000 for subsidy appropriations requested on behalf of the Overseas Private Investment Corporation.

The Committee has recommended \$823,179,000 of the \$1,353,916,000 requested for the international financial institutions. The overall reduction is \$291,839,000 below the fiscal year 2000 enacted level and \$530,737,000 below the request.

For development and humanitarian assistance, the Committee has recommended a total of \$2,887,484,000 of which \$834,000,000 is for child survival and disease prevention programs. Another \$1,258,000,000 is for longer-term development assistance. The Committee has also included \$165,000,000 for disasters worldwide and \$40,000,000 for transition initiatives previously funded from disaster assistance. The Committee has included \$82,400,000 for debt restructuring for poor countries and a new tropical forestry debt relief program.

The Committee has continued its highly effective Child Survival and Disease Programs Fund. It is designed to ensure that there will not be reductions in these vital programs as the overall bilateral assistance program is constrained. The emphasis is on programs that directly affect younger children, including basic education, and on accelerating efforts to eradicate diseases that threaten younger children and caregivers alike. The account does not include population assistance, which will be funded through the Development Assistance account. It does provide for a grant to UNICEF at a level of \$110,000,000.

The Committee has included a total of \$740,000,000 in assistance to the Independent States of the Former Soviet Union, and \$535,000,000 for Eastern Europe and the Baltic States.

The Committee has recommended a total of \$657,500,000 for refugee programs.

For economic assistance under the Economic Support Fund, the Committee has recommended a total of \$2,208,900,000.

The Committee has recommended \$241,600,000 for a Non-proliferation, Anti-terrorism and Demining account which includes funding for the Nonproliferation and Disarmament Fund, anti-terrorism assistance, demining activities, United States participation in the Korean Energy Development Organization (KEDO), and the U.S. voluntary contribution to the International Atomic Energy Agency (IAEA).

For Foreign Military Financing, the Committee has recommended a grant program of \$3,510,000,000.

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

SUBSIDY APPROPRIATION

Fiscal year 2000 level	\$759,000,000
Fiscal year 2001 request	963,000,000
Committee recommendation	825,000,000

ADMINISTRATIVE EXPENSES

Fiscal year 2000 level	\$55,000,000
Fiscal year 2001 request	63,000,000
Committee recommendation	62,000,000

The Committee is recommending a subsidy appropriation for the Export-Import Bank of \$825,000,000 and an appropriation of \$62,000,000 for administrative expenses. Taken together, the recommended appropriation for the Eximbank is \$73,000,000 above the fiscal year 2000 level and \$139,000,000 less than the request.

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

The Committee provided no additional funds for a tied-aid “war chest”. The estimated \$315,000,000 remaining “war chest” balance for tied-aid purposes may be used to support loans. If more funds are needed for the war chest, the Committee will promptly consider any additional requests from the President. The Committee remains concerned about the potential impact of Eximbank decisions on United States foreign policy and human rights objectives. It reiterates language on mechanisms to provide greater transparency with regard to those concerns that was included in last year’s report.

EXPORT-IMPORT BANK AND THE CLEAN ENERGY INITIATIVE

The Committee believes that Export-Import Bank funds should not be designated in advance by the President or by Congress for specific sectors of the economy. Once such a precedent is established, the character of the Eximbank will be adversely changed. None of the subsidy appropriation provided under this heading in this Act and in prior-year acts may be reserved or set aside for a clean energy initiative or any similar purpose.

OVERSEAS PRIVATE INVESTMENT CORPORATION

ADMINISTRATIVE EXPENSES

Fiscal year 2000 level	\$35,000,000
Fiscal year 2001 request	39,000,000
Committee recommendation	37,000,000

SUBSIDY APPROPRIATION

Fiscal year 2000 level	\$24,000,000
Fiscal year 2001 request	24,000,000
Committee recommendation	24,000,000

The Committee is recommending a subsidy appropriation of \$24,000,000 for the Overseas Private Investment Corporation’s

(OPIC) direct and guaranteed loan credit programs, and it is recommending \$37,000,000 for administrative expenses.

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

The Committee's concerns about the management and exposure of OPIC-guaranteed emerging market investment funds have been addressed by the information on the investment funds provided by OPIC and the General Accounting Office this year. In order to promote future accountability, the Committee directs OPIC to continue to provide on a semi-annual basis written reports including the following information for each investment fund: the identity, selection process, and professional background of current and past managers; the fees and compensation currently provided to senior management; the amount of OPIC guarantees and actual investments made at the end of the previous month; and any additional observations that OPIC may want to include.

OPIC AND THE ENVIRONMENT

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

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

Fiscal year 2000 level	\$44,000,000
Fiscal year 2001 request	54,000,000
Committee recommendation	46,000,000

The Committee is recommending \$46,000,000 for the Trade and Development Agency (TDA), an increase of \$2,000,000 above the 2000 level and \$8,000,000 below the request. In collaboration with the U.S. National Institute of Standards and Technology, TDA is encouraged to support United States participation in the development of national technical standards compatible with American goods and services in key transition country markets.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

The Committee provides two accounts for longer-term development assistance programs managed by the Agency for International Development. As in fiscal year 2000 and as requested in the President's budget, the bill includes an account for child survival, children's basic education, and disease prevention and treatment activities and a separate general development assistance ac-

count for other development programs in Africa, Latin America and Asia.

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

There are three other structural changes from the budget request. Continuing long-standing practice, the Committee again includes a contribution to the United Nations Children's Fund (UNICEF) in the Child Survival and Disease Programs Fund. The President's request proposed to fund the voluntary contribution for UNICEF in "International Organizations and Programs".

As it has for the past five years, the Committee again includes funding for long-term development assistance in sub-Saharan Africa, other than child survival and health programs, in the global "Development Assistance" account. The President's budget proposed carving out from the global Development Assistance account a separate "Development Fund for Africa" (DFA) account. The DFA would not have included activities in Africa currently funded under the "Child Survival and Disease Programs Fund".

Finally, new authority for the United States to contribute to an international fund for children's vaccines is included in the Committee recommendation for the Child Survival and Disease Programs Fund. The President requested funding for a contribution to the Global Alliance for Vaccines and Immunizations (GAVI) by the United States under the heading "International Organizations and Programs".

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

Fiscal year 2000 level	\$715,000,000
Fiscal year 2001 request (under fiscal year 2000 account structure)	769,250,000
Committee recommendation	834,000,000

The Committee recommends \$834,000,000 for the "Child Survival and Disease Programs Fund", an amount that is \$64,750,000 above the request under the fiscal year 2000 account structure and \$119,000,000 above the amount enacted for 2000. The recommendation includes authority for a United States contribution to the Global Alliance for Vaccine and Immunization (GAVI).

The Child Survival and Disease Programs Fund is a Congressional initiative that the President now includes in the budget request. As a Committee priority this year, a detailed justification of the recommended increase is presented below.

EXPLANATION FOR INCREASE ABOVE FISCAL YEAR 2000 LEVEL

The Committee's recommendation is higher than the 2000 level because of three major developments over the past year. First, there is a growing willingness in many poor and developing nations to address the threat each faces from tuberculosis/HIV/AIDS and other infectious diseases. A few more cases are being reported of nations reversing the spread of HIV/AIDS, but AID appears to place too little attention on, and provides minimal support for halt-

ing, emerging epidemics. The Committee urges AID to focus on emerging concentrations of TB/HIV, applying actual lessons learned from nations that halted and reversed the number of victims.

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

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

ESSENTIAL ROLE OF FREE MARKET ECONOMIC GROWTH IN DEVELOPMENT

As popular as the Child Survival and Disease Programs Fund is with the American people, the Committee has resisted appeals to increase its funding faster. The Child Survival account is only one part of the U.S. effort to help others work toward the standards of living most Americans have achieved already. The Committee recognizes that the long-term benefits of the Fund are limited unless there are future jobs and income for the children we help when they grow up to be adults. Continuing AID support for free market approaches to economic growth remains essential to complete the work of child survival. In each poor country helped by American child survival activities, a balanced assistance program also requires cooperation to provide reasonably priced and reliable food, water, cleaner power, and communications as well as credit.

ALLOCATION OF CHILD SURVIVAL AND DISEASE PROGRAMS FUND

Unless modifications are subsequently notified and agreed to by the Committees on Appropriations, fiscal year 2001 appropriations for the Child Survival and Disease Programs Fund are deemed to be allocated as follows:

<i>Category</i>	<i>Allocation</i>
Child Survival and Maternal Health	\$290,000,000
Vulnerable children	¹ 30,000,000

<i>Category</i>	<i>Allocation</i>
HIV/AIDS	202,000,000
Other Infectious Diseases	¹ 99,000,000
Children's basic education	103,000,000
Grant to UNICEF	110,000,000
Total in this account	834,000,000
Basic education in Economic Support Fund	15,000,000
Other CSD activities in ESF	55,000,000
CSD activities in regional accounts	45,000,000
Total in all bilateral accounts	949,000,000

¹The two categories indicated include undetermined amounts for TB prevention among persons with HIV/AIDS and care of AIDS orphans that could also be included in the HIV/AIDS category.

DEFINITION OF THE BUDGET CATEGORIES WITHIN THE CHILD SURVIVAL AND DISEASE (CSD) PROGRAMS FUND

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

1. CHILD SURVIVAL AND MATERNAL HEALTH

Primary causes of morbidity and mortality for children and mothers

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

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

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

Micronutrients

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

Polio eradication

Partnering to strengthen polio eradication and vaccination programs;

Supplemental polio immunization campaigns and improving routine immunization; and

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

2. VULNERABLE CHILDREN ¹

Care and protection of children who are displaced or vulnerable with an emphasis on strengthening family and community capacity

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

in identifying and responding to special physical, social, educational, and emotional needs including:

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

Children affected by but not necessarily diagnosed with HIV/AIDS;

Blind children;

Orphanages in Europe and Eurasia;

Trafficking of young women and children; and

Child labor.

3. HIV/AIDS

Prevention

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

Preventing and managing sexually transmitted diseases (STDs);

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

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

Care

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

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

Caring for children with HIV/AIDS.

Surveillance

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

4. OTHER INFECTIOUS DISEASES

Tuberculosis (TB)

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

Developing and testing alternative approaches for TB control;

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

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

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

Malaria

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

Antimicrobial resistance and infectious diseases surveillance

Improving interventions to reduce the spread of antimicrobial resistance; and

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

5. CHILDREN'S BASIC EDUCATION

Expanding access to, completion of, and/or quality of basic education.

NOTE: In general, two key principles—"direct impact" and "optimal use of funds"—are used when determining whether activities are an appropriate use for the Child Survival and Disease Programs Fund. Within each budget category delineated above, activities can include interventions such as:

- Development of management capacity and service delivery in both public and private sectors;
- Provider training, quality assurance, and improved supervision;
- Information, education and communication (IEC) activities;
- Data collection, analysis, and evaluations (at a reasonable cost) for decision making;
- Operations and applied research;
- Assistance in securing a stable and diversified financial base;
- More rational management and use of essential drugs/commodities; and
- Improving monitoring and surveillance capabilities.

Health systems and human capacity strengthening are inherent elements of all programming aspects. Without them, the effectiveness, quality, equity and sustainability of child survival and maternal health, HIV/AIDS and infectious disease programs are questionable.

PROMOTING THE INTEGRITY OF THE CHILD SURVIVAL FUND

The Committee's effort to promote the integrity of the Child Survival and Disease Programs Fund has made some headway within AID's Office of Health and its Policy Planning Bureau. New guidance for child survival and disease activities was issued after consultation with the Committee. As a result, every AID employee, contractor, and grantee has been given direction on permissible uses of child survival and disease funds. The rules are now clear. The Administrator has appointed a coordinator of activities related to the Child Survival and Disease Programs Fund, as the Committee directed last year.

More remains to be done by AID management. The budget justification proposes numerous activities that clearly separate CSD obligations from other accounts, but fail to make a similar distinction in the budget narrative accompanying the budget tables. This practice is counter to the express direction of the Committee.

As the Committee has already informed the Administrator, proposed activities included in the fiscal year 2001 budget justification that combine programs, projects, and activities funded from this account with programs, projects, and activities funded from other funding sources will not be accepted as valid for purposes of section 515 until supplemental budget narratives and tables are transmitted to the Committee in the proper form.

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

specific foreign policy goals, funds are available through the "Economic Support Fund".

CHILD SURVIVAL AND MATERNAL HEALTH: FORMER SOVIET UNION

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

CHILD SURVIVAL AND MATERNAL HEALTH: MICRONUTRIENTS

The Committee supports continuation of programs for vitamin A and C deficiency, iodine deficiency and other micronutrient deficiencies and supports continuing these programs at least at the request level of \$25,000,000, including a significant increase in the amount of funding provided for Vitamin A.

The Committee notes that iodine deficiency disorder is the leading preventable cause of mental retardation in children. The major remaining regions with iodine deficiency are in the former Soviet Union and southeast Europe. The Committee recommends that the Administrator of AID and the coordinators of assistance to those regions in the Department of State consider providing from other accounts at least \$2,500,000 in cooperation with Kiwanis International and UNICEF to help eliminate iodine deficiency in the former Soviet Union and Central and Eastern Europe. The provision from the Fund of up to \$2,250,000 in other regions would help Kiwanis International complete its global campaign against iodine deficiency disorder.

CHILD SURVIVAL AND MATERNAL HEALTH: POLIO ERADICATION

The Committee recommendation includes within the child survival and maternal health allocation not less than \$25,000,000 for the final phases of the program initiated by the Committee in fiscal year 1996 to eradicate polio. Funds should be used to provide for the delivery of vaccines, for the development of the infrastructure necessary to implement the program and to help support routine immunization. This funding is meant to be in addition to the resources for the regular immunization program of the Agency for International Development. Rotary International and other collaborators in this effort have informed the Committee that polio may not be eradicated before the year 2002 because of the difficulty of access in war-torn parts of Africa.

CHILD SURVIVAL AND MATERNAL HEALTH: VACCINES AND IMMUNIZATION

The Committee has funded procurement of polio and other childhood vaccines directly through AID and indirectly through the grant to UNICEF over many years. As discussed earlier, private

American foundations and international commercial vaccine producers are now working with AID, the World Health Organization, and UNICEF to save children by reducing the cost and increasing the supply of vaccines that are currently used mostly in industrial countries because of expense. Although the United States has been the leading donor in child health, in order to encourage private and other governmental donations, the Committee provides authority for up to \$37,500,000 to be transferred by AID as a matching grant to a fund established for this purpose by the new public/private Global Alliance for Vaccines and Immunizations (GAVI). The allocation for the child survival and maternal health budget category has been adjusted to include GAVI. The budget request included \$50,000,000 for GAVI under the title IV heading, "International Organizations and Programs".

VULNERABLE CHILDREN

The Committee directs AID to allocate \$30,000,000 for displaced children and orphans and blind children in fiscal year 2001. A substantial part of these and other available resources are to be used in Romania, the former Yugoslavia, Moldova, Ukraine, Russia, and Mongolia. AID has recently initiated innovative programs in most of these countries at the urging of Congress, and the Committee directs AID to adequately fund these programs in fiscal year 2001.

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

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

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

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

HIV/AIDS PREVENTION

The Committee for several years has provided funding and encouragement to limit impact of the global HIV/AIDS epidemic in the developing world and Eastern and Central Europe. However,

recent epidemiological reports indicate that the pandemic continues to worsen dramatically, particularly in south Asia and southern Africa. In response, several other donor nations are increasing their global AIDS activities and international institutions, notably the World Bank, are moving AIDS and other infectious diseases to their priority list.

The fight against HIV/AIDS in poor countries cannot be defined by the U.S. government only in terms of assistance provided. If the Administration considers this virus a threat to national security, then combating it requires an integrated U.S. strategy involving various federal agencies. This strategy should be communicated directly to the Committees on Appropriations by the senior officials of the Department of State, the Centers for Disease Control, and AID. Further, U.S. embassies in countries where HIV is an emerging threat should develop strategies to address the issue diplomatically.

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

The United States has long led the world's response to HIV/AIDS and will expand its financial commitment as effective methods of halting and reversing the worsening pandemic emerge. For fiscal year 2001, the Committee urges AID to increase funding for all of its international AIDS and related TB activities from \$175,000,000 in 2000 to at least \$202,000,000 in 2001. Funding for UNAIDS should also be maintained at least at its current level. Priority uses of the additional resources should include microbicides, mother-child transmission, support for affected orphans, and TB. As in past years, AID should utilize to the maximum extent community-based, nongovernmental organizations that have "on the ground" prevention and care programs.

The Committee believes it is essential that increased funding for HIV/AIDS be tied to measurable results. Among the five year goals proposed by the Administration and UNAIDS, the Committee is especially supportive of two:

- (1) That by 2005, 50 percent of HIV infected pregnant women in developing countries will have access to interventions to reduce mother-to-child HIV transmission, and
- (2) That by 2005, orphans affected by HIV/AIDS will have access to education and food on an equal basis with their non-orphaned peers.

The Committee requests that AID report, not later than March 15, 2001 on progress to date in achieving these and other measurable results in its HIV/AIDS and related child survival and disease programs, and the Agency's expectations as to whether and when these goals will be met.

The U.S. Department of State should begin documenting HIV/AIDS-related human rights abuses for inclusion in its annual coun-

try human rights reports; take high level diplomatic action publicly condemning such violations when they occur; and coordinate such human rights issues within the United States Government.

The Committee has been urged by many members of Congress and public witnesses to allocate between \$60,000,000 and \$100,000,000 for the prevention and control of tuberculosis, active cases of which are increasing as a result of opportunistic infections by persons with HIV, known as TB/HIV. The Committee's limited allocation and the need for balance among competing needs precludes it from providing \$100,000,000 for TB this year. However, based on information from health providers in Africa, the Committee estimates that a significant component of the current HIV/AIDS program is directly related to TB/HIV. If AID provides the Committee with better estimates for its TB/HIV funding at a later stage of the appropriations process, the Committee will take them into consideration.

In addition to accounting for the close link between TB and HIV, the Committee recognizes that there is an urgent need for HIV and Sexually Transmitted Disease (STD) prevention methods within the personal control of women. Since the early 1990s, "topical microbicides" have emerged as a promising new technology for preventing STDs, including HIV. AID and the National Institutes of Health have been active participants in the International Working Group on Microbicides that coordinates microbicide research and maximizes its impact. Currently, AID invests only \$2,300,000 annually on microbicides. The Committee is aware that approximately 20 potential products are in various stages of development and that funds are urgently needed to conduct clinical trials. The Committee concludes that microbicides should be given a higher priority within the bilateral HIV/AIDS prevention program, and directs AID to devote not less than \$10,000,000 from all accounts to microbicides research and development, emphasizing the special circumstances of drug delivery in developing nations.

In addition to microbicides, the Committee urges AID to use the additional funds provided in fiscal year 2001 to promptly address emerging concentrations of TB/HIV, regardless of region, applying actual lessons learned from nations that halted and reversed the number of victims. Not less than \$5,000,000 is provided from the Fund and, as available, from regional accounts for emerging epidemics in Ukraine, Russia, Central Asia, and southeast Europe. Also, the Committee supports efforts to provide a safer blood supply in the Republic of South Africa and other advanced developing and transition countries impacted by HIV/AIDS. These efforts should include evaluation of promising blood decontamination technologies.

The Committee anticipates that at least \$8,000,000 will be funded from the Economic Support Fund and accounts administered by the Bureau for Humanitarian Response and a minimum of \$202,000,000 from the Child Survival and Disease Programs Fund. The Committee directs that AID include all HIV/AIDS-related activities, such as TB/HIV tuberculosis prevention programs, in its reports on achieving these targets.

HIV/AIDS: INTERNATIONAL CENTER FOR HEALTH AND DEVELOPMENT IN AFRICA

The Committee remains concerned about the implications of the growing health crisis in sub-Saharan Africa and recommends that the Centers for Disease Control (CDC) and the Agency for International Development give priority attention to a detailed proposal by the Morehouse School of Medicine. It is the Committee's understanding that Morehouse seeks federal funding to strengthen its International Center for Health and Development, to train African health care workers, and to conduct vital research on methods to improve the long-term health care infrastructure in Africa. Partnerships in medical training and education, research, and technical assistance in field services could be particularly beneficial to those African countries devastated by TB/HIV. The overseas activities of the Center are compatible with AID policy objectives. The Committee requests that AID reserve at least \$2,000,000 for this purpose until it makes a final decision on its relevant component of the Morehouse Medical School proposal. AID should provide the Committee with a copy of its written response to the Morehouse proposal not later than July 31, 2000.

OTHER INFECTIOUS DISEASES: MALARIA

The Committee includes not less than the budget request of \$27,000,000 for the prevention of malaria, a re-emerging global killer of children and major impediment to economic development in many poor countries. The Bureau of Humanitarian Response is urged to provide not less than \$2,600,000 for malaria from its grant program for private voluntary organizations, consistent with current practice.

The challenges posed by resurgent malaria are most evident in Africa. The recent Abuja conference of African heads of state in support of the global Roll Back Malaria campaign demonstrated Africa's own commitment to the common effort against malaria. The Committee urges AID to increase its role in helping African partners meet the Abuja goals of saving 500,000 children from malaria each year and protecting 15 million pregnant women from malaria-related complications during pregnancy, especially low birth weight babies. Through an expanded partnership with the private/commercial sector and rapid expansion of existing child and maternal health programs, AID can prepare itself for future funding increases in this vital area.

The Committee is aware that programs protecting pregnant women from malaria and responding to the emergence of drug resistant strains of malaria can also be counted against maternal health and antimicrobial resistance targets. It has no objection to AID adjusting its coding system to account for these dual purpose activities.

OTHER INFECTIOUS DISEASES: TUBERCULOSIS

The Committee recognizes that tuberculosis (TB) is the major infectious killer of adults in the world, killing between two and three million each year. This disease could result in the deaths of up to 30,000,000 people in the next decade. TB kills more women than any cause of maternal mortality and is the major killer of persons

with AIDS. Many of these will be parents, whose orphans will be a burden on already stressed societies. In addition, the Committee notes the threat to the United States from this disease due to international travel and immigration. An estimated 15 million Americans are currently infected with the TB bacteria. Therefore the Committee includes in the allocation for other infectious diseases \$55,100,000 for programs for the prevention, treatment, control of, and research on tuberculosis. At least \$4,900,000 is available as requested in the regional account for the independent states of the former Soviet Union. These amounts do not include activities to prevent and manage opportunistic TB among those with HIV/AIDS and their caregivers that are funded under the HIV/AIDS allocation.

The Committee notes that the Agency for International Development is collaborating with the Gorgas Memorial Institute to promote regional TB control initiatives designed to address the global TB epidemic—training, operational improvement, and new approaches to disease control. The Committee strongly supports the continuation of this initiative. At least \$2,000,000 is available for these activities during fiscal year 2001.

In its last two reports, the Committee requested AID to assist Texas and Mexico combat a particularly threatening outbreak of tuberculosis along their border. The Agency has been more responsive this year, and the Committee urges continued cooperation with the Texas Department of Health and relevant offices of the federal and state governments of Mexico.

OTHER INFECTIOUS DISEASES: ANTIMICROBIAL RESISTANCE AND SURVEILLANCE

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

INFECTIOUS DISEASES: COLLABORATIVE RESEARCH BY UNIVERSITY MEDICAL SCHOOLS

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

The Agency for International Development and multilateral health and child survival agencies benefiting from this bill are urged to give every consideration, and report back promptly in writing to the Committee, on its response to detailed proposals submitted by, among others:

The International Health Learning Center at Loma Linda University;
 The Gorgas Memorial Institute;
 The Tulane University School of Public Health's Department of Tropical Medicine; and
 The University of Notre Dame.

The Committee notes the ongoing dialogue between AID and George Mason University regarding cooperation on health programs in Latin America. The Committee directs AID to provide not less than \$1,000,000 to support a proposal from George Mason for this purpose.

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

BASIC EDUCATION FOR CHILDREN AND CHILD LABOR

The Committee is keenly aware that a child's education provides an enduring opportunity for a healthier, more productive life. An educated and well-trained population directly contributes to sustained economic growth, poverty alleviation, and the creation of democratic institutions. Often, the highest poverty rates are found in nations with the lowest education and literacy levels. Despite progress in expanding access to basic education, more than 130 million children around the world do not attend school, and there are great educational disparities between boys and girls. There is ample evidence in research and practice that investment in basic education, particularly in girls' education, provides the critical link to improved family health, enhanced status of women, reduced child labor, and greater political participation. Education also builds the capacity countries require to benefit fully from trade and development opportunities. Such investments achieve key components of U.S. development strategy.

The Committee recommends that the Secretary of State and the Administrator of AID establish a target funding level for children's basic education of \$118,000,000, of which \$103,000,000 would be derived from the Child Survival and Disease Programs Fund and the remainder from the Economic Support Fund and regional accounts.

Studies made available to the Committee have demonstrated that in developing countries the greatest progress has been made in reducing exploitative child labor where free and compulsory schooling is widely available. Over the past two years, the Committee has urged AID to commit at least \$10,000,000 to programs designed to expand universal access to free and compulsory basic education for children who are trapped in exploitative child labor. This year the Committee recommends that AID consider a proposal to provide \$1,500,000 to support Alfalit International, a private voluntary organization with decades of experience providing free basic education to children in Latin America and Africa.

The Committee has been informed that an Executive branch decision was made to assign management and funding of programs aimed at reducing foreign exploitative child labor to the Department of Labor, a domestic agency. The Department of Labor's fiscal

year 2001 budget request includes \$55,000,000 and 17 federal job equivalent positions “to help developing countries with high levels of abusive child labor to enroll and retain these children in basic education”. None of the funds provided in this bill may be used for programs managed by the Department of Labor.

GRANT TO UNITED NATIONS CHILDREN’S FUND (UNICEF)

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

The Committee requests that the Secretary of State, in consultation with UNICEF, provide the Committee not later than September 15, 2000, a detailed financial breakout of the child survival and disease programs benefiting from United States contributions to UNICEF between 1996 and 1999, utilizing the categories and subcategories defined above, as well as general headquarters costs.

DEVELOPMENT ASSISTANCE

Fiscal year 2000 level	\$1,228,000,000
Fiscal year 2001 request	948,822,000
Committee recommendation	1,258,000,000

The Committee recommends \$1,258,000,000 for a general account for development assistance. The amount recommended is \$309,178,000 above the budget request and \$30,000,000 above the fiscal year 2000 level.

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

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

The Committee recommends the transfer of up to \$2,000,000, from the “Development Assistance” account, to support development credit activities.

AFRICAN DEVELOPMENT FOUNDATION

Within the “Development Assistance” account, the Committee recommends funding for the African Development Foundation (ADF) at the budget request level of \$16,000,000, which is an increase of \$1,600,000 above the fiscal year 2000 level. The Committee has once again included bill language allowing ADF grantees to hold funds in interest bearing accounts provided that any interest earned be used for the same purposes as the grant. Also, the Committee has provided ADF with authority to make project grants in excess of \$250,000 provided that the Committee be notified in advance. The Committee expects the ADF will only exercise this authority in rare instances.

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

INTER-AMERICAN FOUNDATION

The Committee recommends up to \$10,000,000 for the Inter-American Foundation from within the "Development Assistance" account, \$10,000,000 below the budget request. The Committee believes the grassroots development objectives of the Foundation, established in 1969, are now adequately integrated into the programs of AID and through the work of nongovernmental organizations throughout the hemisphere.

RESTRICTIONS ON USE OF POPULATION FUNDS

The Committee has continued prior year language in the bill that requires that none of the funds appropriated in this bill, or any unobligated balances, be made available to any organization or program which, as determined by the President, supports and participates in the management of a program of coercive abortion or involuntary sterilization. The bill language also states that funds cannot be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. Further, the language indicates that in order to reduce reliance on abortions in developing countries, population funds shall be available only to voluntary family planning projects which offer, either directly or through referral, information about access to a broad range of family planning methods and services. An additional provision in the bill requires that in awarding grants for natural family planning under section 104 of the Foreign Assistance Act, no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning.

The Committee also has continued prior year language that states that nothing in the Development Assistance account portion of the bill is to alter any existing statutory prohibitions against abortion which are included under section 104 of the Foreign Assistance Act. Further, the Committee has continued prior year language which states that project service providers or referral agents cannot implement or be subject to quotas or other numerical targets of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning. This provision is identical to language in the fiscal year 2000 Act.

PERU POPULATION PROGRAM

The Committee is concerned by reports by an independent group and by the Peruvian human rights ombudsman's office (Defensoria del Pueblo), that informed-consent problems still persist in Peru after the implementation of the "Tiahrt amendment" in fiscal year 1999. The Committee directs the AID Office of Inspector General

to investigate, report and make recommendations on this matter not later than March 1, 2001.

The Committee was disturbed that AID failed to report to Congress the violations involving coercive family planning practices documented by the human rights ombudsman's office simply because AID funds being used (from fiscal year 1998) were not subject to Tiahrt restrictions. The Committee expects that all population funds should be held to the standard of current law and that, in the future, AID should err on the side of informing the Committee too often, rather than too rarely.

Finally, the Committee is concerned about the continued relationship between population service providers and other welfare service providers (i.e. food, clothing, general health care). These services should be provided separately to ensure that women are not unduly pressured to accept population services in exchange for welfare service.

The Committee believes that, as the largest single donor to Peru's population program, AID has a special responsibility for ensuring that these programs are truly voluntary. The Committee is pleased with the various protections AID is putting in place to ensure that the Tiahrt amendment will be enforced in Peru and directs AID to implement these same protections in the other countries receiving population funding from AID. The Committee is encouraged by the publication of the norms and by eliminating as an indicator of success or failure the number of family planning acceptors, both of which should be a model for other countries in which AID carries out population programs. Also, the Committee is encouraged by the planned expansion of AID funding to the human rights ombudsman's office not only to investigate cases brought to its attention but also to undertake "outreach" to victims who have not come forward.

In order to regain confidence in AID's resolution to monitor and report Tiahrt amendment violations, the Committee directs AID to provide biannual reports, beginning not later than March 1, 2001, on the following:

- Its efforts to implement recommendations of the Inspector General.
- Its efforts to monitor and improve Peruvian family planning programs, in addition to the existing statutory reporting requirements of Tiahrt violations. These monitoring efforts shall include: regular contact with implementing partners; field visits; client surveys; and regular audits and inspections by AID's Inspector General, the human rights ombudsman's office and, as directed by Congress, the General Accounting Office.
- Its efforts to implement similar protections in other countries receiving population assistance.
- Its efforts to implement new protections and any reported allegations of Tiahrt amendment violations in the AID program in Peru.
- The steps taken to work with the Peruvian Ministry of Health to implement changes that ensure that population programs and other welfare services are provided separately.

GLOBAL ISSUES: AID GLOBAL BUREAU PROGRAMS

The Committee directs AID to reserve sufficient funds from its discretionary Development Assistance budget for the Global Bureau's Centers for Economic Growth and Agricultural Development; Environment, Energy and Infrastructure; and Democracy and Governance. In order for the Bureau to remain AID's technical center for excellence and mission support, the Committee has included core funding for each Center and component office at not less than the FY 2000 level. The Committee intends that each Global Bureau Center and office should be in a position to respond to emerging opportunities, reward exceptional performance, and test cost-effective development approaches not otherwise included in Executive branch and Congressional directives. In addition, each Center and office should use core funding to ensure that new, small, minority and disadvantaged contractors, cooperating institutions, and grantees are fully and fairly considered for task orders and awards.

GLOBAL ISSUES: HUMAN RIGHTS AND DEMOCRACY

The Committee expects AID to give adequate weight to the human rights and governance practices of recipient countries, including as reported in the Department of State's annual Country Reports on Human Rights Practices. Although the Committee believes that need and U.S. foreign policy goals should be the primary criteria for determining whether or not a country should receive assistance, the Committee also believes that the assistance—whether through nongovernmental organizations or directly through official channels—will have a far greater chance of truly helping the citizens in those countries which respect the rule of law and the rights of their people. The Committee notes the disturbing recent trend by leaders of long-time foreign assistance recipients—in Peru, Zimbabwe, and Haiti, for example—to undercut democratic processes and to curtail respect for human rights. Further, a number of traditional aid recipients are currently involved in military conflicts and have restricted the basic freedoms of their citizens. AID should continue to give significant weight to the record of human rights and democratic development of proposed recipient countries in the distribution of assistance provided under this Act.

GLOBAL ISSUES: LITERACY AND EDUCATION

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

GLOBAL ISSUES: ENERGY

The Committee urges that AID's Office of Environment, Energy, and Infrastructure be funded at a robust level. AID projects should continue to be developed and carried out in collaboration with U.S. industry, taking into account future energy resource development and United States energy security requirements. Projects should be undertaken in countries with the greatest potential for success, regardless of the presence of AID field missions. Included in these efforts should be reform, project design, innovative project financing, trade and reverse trade missions, training, and technology transfer and collaboration.

The Committee supports AID programs designed to develop the commercial energy sector in Africa. Africa has great economic potential, which has been stifled, in part, by lack of adequate and reliable energy. The Committee encourages AID to work with committed African governments and private entities to bring about sectoral, legal, and regulatory changes, as well as the institutional capacity, necessary to develop commercial energy opportunities.

GLOBAL PROGRAMS: THE ROLE OF GIRLS AND WOMEN IN DEVELOPMENT

The Committee recognizes the importance of improving the economic and social situation of women and girls through respect for legal rights and expanded access to educational opportunities, adequate health care, and credit. The Committee supports the work of AID's Office of Women in Development in these areas. Therefore, the Committee recommends at least \$15,000,000 for AID's Women in Development programs, including funds transferred to central offices from overseas missions. Although AID is to be commended for previously devoting considerable attention to the needs of women and girls, additional attention is needed.

The Committee commends the work of the AID Advisory Committee on Voluntary Foreign Assistance (ACVFA) and its efforts in monitoring the implementation of AID's Gender Plan of Action. As a result of ACVFA's work, an assessment of the Gender Plan of Action will be carried out and completed before the end of this calendar year. The Committee looks forward to learning about the findings of this assessment. Further, the Committee supports the work of Women's Campaign International (WCI) in training women in political processes in emerging democracies and encourages AID to work with WCI in developing countries in which AID undertakes governance programs.

GLOBAL ISSUES: BIODIVERSITY

The Committee applauds the accomplishments of AID in integrating biodiversity and forest management in its economic and social development programs. The Committee urges AID to consider biodiversity a high priority and is pleased with the Administration's budget request for biodiversity programs for fiscal year 2001. The Committee directs AID to provide not less than \$70,000,000 in fiscal year 2001 for its biodiversity programs. Further, the Committee continues to support the use of nongovernmental organizations through cooperative agreements and other innovative, cost-effective financing vehicles. The Committee also urges AID to pursue

conservation and tropical forest management in all geographic regions where globally outstanding habitat and species are threatened, including border regions and in so-called AID “non-presence” countries.

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

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

GLOBAL ISSUES: KYOTO PROTOCOL

Once again, the Committee has included a general provision, section 577, prohibiting the use of funds for the purpose of implementation, or in preparation for implementation, of the Kyoto Protocol.

This provision shall not be read to restrict the President’s constitutional authority to negotiate international agreements and shall not apply to any activities authorized under existing United States law.

The Committee notes that the ratified United Nations Framework Convention on Climate Change (UNFCCC) is not self-executing. The Committee also notes that mechanisms found solely in the Kyoto Protocol have never been authorized.

The Byrd-Hagel Resolution (S. Res. 105–98), which passed with a vote of 95–0 in July 1997, remains the clearest statement of the will of the Senate with regard to the Kyoto Protocol. Through the prohibition contained herein, the Committee is committed to ensuring that the Administration not implement the Kyoto Protocol without prior Congressional consent, including approval of any implementing legislation, regulation, programs, or initiatives.

To the extent that technical assistance and training, research and policy analysis, dissemination of findings of research and policy analysis, and the sponsoring of conferences are approved by Congress and funded by the American taxpayer, these activities must be balanced. Balance does not mean merely that there is an acknowledgment of viewpoints different from those of the Administration, but that qualified viewpoints are included in numbers equal to those representing the Administration’s positions.

The Committee encourages the commercial export of United States technology that has positive effects on energy use and the environment.

The Committee notes with disapproval that nearly three years after the Kyoto Protocol was adopted on December 11, 1997, it still has not been submitted to the Senate for advice and consent as to ratification. The Committee also notes that the Kyoto Protocol has not yet entered into force pursuant to Article 25 of the Protocol.

ECONOMIC GROWTH: OVERVIEW

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

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

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

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

Microenterprise, while unable to alter economic indicators on a national scale, can significantly improve personal and family incomes, thus providing money for school fees, health supplies, and more nutritious food, and stimulating economic growth at the community level. Also, programs of collateral importance to economic growth, such as girls' and women's education and training programs, can assist in opening the marketplace to females.

ECONOMIC GROWTH: AGRICULTURE

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

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

The Committee recommends AID consider supporting the establishment of a Center to Promote Biotechnology in International Agriculture at Tuskegee University. This center will promote extension and outreach aimed at policymakers, media, farmers and consumers in cooperation with local scientists with an emphasis on agricultural genetic technology applications designed to reduce hunger, malnutrition, and improving rural incomes in developing nations.

The Committee also recommends that USAID provide \$2,000,000 for non-governmental organizations such as Food for the Poor to develop sustainable farming programs in Haiti.

ECONOMIC GROWTH: MICROENTERPRISE

Microenterprise has proven its effectiveness in promoting economic growth in many of the poorest countries and allowing poor people, especially women, to lift themselves out of poverty and to create and expand micro businesses which raise living standards. The Committee recognizes that microenterprise cannot lift an entire nation out of poverty—broad policy reforms and responsible stewardship of resources at the national level are essential—but microenterprise programs can complement sound macroeconomic policies by providing increased incomes at the community level. The Committee recommends that microenterprise funding, including the use of local currencies, be provided at least at the program level provided in 2000. The Committee believes that AID should make its best effort to reach a program level of \$152,000,000. Of these funds, the Committee expects AID will devote at least fifty percent to poverty lending programs. The Committee directs AID to report in writing not later than March 1, 2001, on the proposed fiscal year 2001 funding level for microenterprise and on AID's efforts to meet the Committee's other directives regarding the microenterprise program.

The Committee has modified existing bill language by directing that not less than one-half of all funds appropriated under this Act for the Microenterprise Initiative shall be for programs providing loans in the following amounts to very poor people, especially women, or for institutional support for organizations primarily engaged in making microenterprise loans: \$1,000 or less in the Europe and Eurasia region, including North Africa; \$400 or less in the Latin America region; and \$300 or less in the rest of the world.

ECONOMIC GROWTH: THE INSTITUTE FOR LIBERTY AND DEMOCRACY

The Committee supports the work of the Institute for Liberty and Democracy (ILD), which provides technical assistance for the establishment of property rights as a means of maximizing capital

formation in the developing world. A major obstacle to free market economic growth throughout much of the developing world is the absence of legal instruments that are critical for the production of capital. As ILD, based in Lima, Peru, has documented extensively, many of the poor already possess the assets they need to make a success of capitalism. However, the poor hold these resources in what the Institute characterizes as “defective” forms: houses built on land whose ownership rights are not adequately recorded, or unincorporated businesses that do not have legal instruments as mechanisms for raising investment capital.

The Committee recognizes that the concepts promoted by the Institute for Liberty and Democracy can make significant contributions to free market economic development in much of the developing world and encourages AID to increase its support for ILD’s work. ILD programs have proven successful in Peru, Egypt, the Philippines and Haiti, and the Committee believes similar technical assistance programs can be initiated in many other developing countries.

ECONOMIC GROWTH: DEVELOPMENT OF CREDIT UNIONS AND COOPERATIVES

The Committee continues its support for credit union and cooperative development in which U.S. cooperatives share their self-help business approaches with developing and market transition countries. Cooperatives are a means to lift low-income people out of poverty through their own efforts by mobilizing equity and savings for community-based economic growth.

African credit union movements in more than 28 countries represent an excellent opportunity to provide microcredit and safe savings to millions of Africans. The Committee encourages AID to use this network to greatly expand microfinance programs, particularly in South Africa where the poor majority have had limited access to community-based financial services.

The Committee is concerned that AID has not provided sufficient support for rural electric and telecommunications cooperatives that serve rural people in developing countries. AID must consider the importance of rural electrification and telecommunications for small business growth, and not focus resources solely on national policy initiatives that mostly benefit urban residents.

ECONOMIC GROWTH: INTERNATIONAL INTELLECTUAL PROPERTY INSTITUTE

The Committee encourages AID to provide \$1,000,000 to support the International Intellectual Property Institute (IPI) in its efforts to help developing countries establish the minimum international standards necessary to protect and attract U.S. intellectual property industries. The past decade has seen tremendous economic growth in intellectual property industries such as software, music and pharmaceuticals. Yet, because of an inability to provide protection for such property, developing countries have been largely unable to participate in this economic expansion. AID support for IPI training and technical assistance programs can promote sound intellectual property systems which protect American businesses and which foster free economic growth in developing countries.

LATIN AMERICA AND THE CARIBBEAN: OVERVIEW

The Committee is pleased the Agency for International Development responded to report language from previous years urging that greater emphasis be provided for programs in Latin America and the Caribbean. The Committee reiterates its intention that the allocation of funds for this region through this account and through the "Economic Support Fund" should be at least at the combined fiscal year 2000 level, excluding emergency supplemental funding.

The Committee directs that AID provide not less than \$10,000,000 of the funds dedicated to Latin America and the Caribbean for grassroots programs and projects to promote equitable, responsive, and participatory self-help development. The goal of this assistance should be to focus on human development, foster self-reliance, and improve the quality of life for the people in the region.

LATIN AMERICA AND THE CARIBBEAN: DEMOCRACY

The Committee is concerned about political stability and democracy in Latin America and the Caribbean. In recent years, democratic processes, rule of law, and more transparent government institutions have emerged. In fact, it is widely known that during much of the 1990s, the entire hemisphere, except for Cuba, had democratically elected governments. These improvements have been brought about, in part, by U.S. diplomacy and assistance. Unfortunately, as this past year's events in Ecuador, Peru, Haiti, Venezuela, Paraguay and elsewhere have shown, democratic institutions throughout Latin America remain fragile. These weak institutions undercut American security, economic and political goals. The Committee urges AID's Latin America and Global Bureaus to refocus their attention on democracy and governance in the region to ensure that the gains of the past decade are not lost. Further, to help ensure that Cuba's future transition from a centrally planned to a market-based economy can be achieved rapidly and peacefully, the Committee encourages AID to support the University of Miami's Institute for Cuban and Cuban-American Studies through its Cuba Transition Project (CTP).

LATIN AMERICA AND THE CARIBBEAN: MEXICO

The Committee calls on the Secretary of State to encourage the government of Mexico and Zapatista National Liberation Army (EZLN) to take steps which create conditions for good faith negotiations that address the social, economic, and political causes of the conflict in Chiapas, Mexico, to achieve a peaceful resolution to the conflict. The Committee urges the Government of Mexico to give higher priority to criminal justice reforms that protect human rights including arbitrary detention, torture, disappearances, attacks against human rights monitors, extrajudicial killings and the failure to prosecute individuals responsible for these crimes. In addition, the Committee urges the Government of Mexico to implement the recommendations of the Inter-American Commission on Human Rights, particularly with regard to U.S. citizens and others who have been expelled from Mexico in violation of Mexican and international law. Further, the Committee was pleased that the United Nations High Commissioner for Human Rights (UNHCHR) visited Mexico last year and the Committee looks forward to the

prompt conclusion of a technical cooperation agreement between the Mexican Government and the UNHCHR.

LATIN AMERICA AND THE CARIBBEAN: CENTRAL AMERICA INITIATIVES

The Committee continues to support U.S. assistance to Guatemala to enhance implementation of the peace accords. However, the Committee is concerned about a lack of progress in certain areas, such as strengthening Guatemala's criminal justice system. The Committee urges the Government of Guatemala to ensure diligent investigations and prosecutions of human rights cases, including the assassinations of Bishop Juan Gerardi and anthropologist Myrna Mack and the wide-scale intimidation of SITRABI union members. The Committee congratulates the Government of Guatemala for its recent acceptance of state responsibility for a number of cases pending before the Inter-American Commission on Human Rights, and its commitment to follow the recommendations of the Commission in this regard.

The Committee has been made aware of the United States-Honduran Presidential Program of Investments Alliance (USHPPIA) and encourages AID to provide at least \$3,000,000 to support this initiative. The Administrator of AID is urged to work with the Metro Vision Economic Partnership for the implementation of this program. AID shall report to the Committee not later than March 1, 2001, regarding this program and is encouraged to include the USHPPIA in its fiscal year 2002 budget request.

The Committee recognizes the important humanitarian gesture by the Government of Costa Rica to accept more than 135,000 migrants from Nicaragua in recent years, the majority of whom have arrived as a result of economic problems following Hurricane Mitch. The Committee directs the use of AID resources, through a mix of grants and innovative non-sovereign credit programs, to support the Government of Costa Rica's \$84,171,000 plan to provide an integrated housing, infrastructure and microcredit program in Costa Rica. AID's Latin America and Global Bureaus are directed to consult with the Committee during the development of this program.

LATIN AMERICA AND THE CARIBBEAN: PARKS IN PERIL

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

2000”, a renewed program that seeks to extend the influence of Parks in Peril more broadly.

LATIN AMERICA AND THE CARIBBEAN: CORPS OF ENGINEERS

The Committee is pleased that the State Department and AID have begun to utilize the planning, engineering and design, environmental, and technical capabilities of the U.S. Army Corps of Engineers, particularly in Latin America where the Corps has existing field offices in Honduras, El Salvador, Panama, Colombia, Bolivia, and Peru. A partnership between the Corps and AID that takes advantage of these capabilities can significantly contribute to the strategic interests of the United States. The Committee intends that the State Department and AID use the Corps to a greater extent to support such activities as child survival (water and sanitation); development assistance; disaster assistance; Transition Initiatives; and narcotics control and interdiction. Further, the Committee expects that the Department of State and AID will not establish additional engineering capabilities for activities that can be accomplished by the Corps. The Committee requests that AID and the Department of State report separately within 60 days of enactment into law of this Act regarding plans to develop programs with the Corps during fiscal year 2001, including steps to develop a Memorandum of Agreement with the Corps.

LATIN AMERICA AND THE CARIBBEAN: JAMAICA

The Committee urges the government of Jamaica to take all steps necessary to determine the whereabouts and well being of a young American travel reporter, Ms. Claudia Kirschhoch, who has been missing since she was last seen on May 27, 2000, in Negril, Jamaica. Further, the Committee urges the government of Jamaica to cooperate fully with and avail itself to the assistance of the U.S. Federal Bureau of Investigation in this case.

AFRICA: OVERVIEW

The past year has not been kind to sub-Saharan Africa. In fact, Africa today faces huge obstacles to achieving long-term economic and social development. These include:

- Natural disasters, including famine in the Horn and floods in southern Africa, devastating Mozambique, which enjoyed Africa’s highest annual growth rate.
- Conflicts involving the governments of Angola, Burundi, Congo, Eritrea, Ethiopia, Liberia, Rwanda, Sierra Leone, Sudan, Uganda, and Zimbabwe, which divert national treasuries away from social and economic development programs.
- Diseases, especially HIV and tuberculosis, which are destroying millions of lives today and whose long-term economic toll may not be known for years. For example, Botswana, among the most stable and wealthy nations in Africa, faces HIV infection rates of more than 35 percent.
- Rulers, from Kenya to Liberia to Zimbabwe, who thwart the democratic wishes of their people and who misuse national wealth.

While these obstacles are daunting, they are not insurmountable. And the United States is helping. In fiscal year 2000, Africa continued to receive the largest percentage of AID development resources

of any region. Further, the Committee again directs AID that funding allocations from within the unified "Development Assistance" account for sub-Saharan Africa in fiscal year 2001 be at least equal to the allocation provided in 2000. Also, the Committee expects that a significant portion of the resources provided in the "Child Survival and Disease Programs Fund", especially funds for infectious diseases, including HIV and TB, will directly assist the peoples of Africa.

The following is an estimate of the development, transition, and humanitarian assistance recommended in the fiscal year 2001 bill for sub-Saharan Africa.

*Assistance for sub-Saharan Africa*¹

Development Assistance	\$506,667,000
Child Survival and Disease Programs Fund	294,673,000
African Development Foundation	16,000,000
International Disaster Assistance	114,000,000
AID Office of Transition Initiatives	12,500,000
Peace Corps	55,000,000
Refugee and Migration programs	135,000,000
UNICEF ²	54,000,000
African Development Fund	72,000,000
International Development Association ³	288,000,000
African Development Bank	3,100,000
Total	\$1,550,940,000

¹ In addition to the accounts included in this table, the Committee expects significant funding for sub-Saharan Africa from the security-related accounts in the bill, including the Economic Support Fund, Foreign Military Financing program, International Military Education and Training account, International Narcotics Control and Law Enforcement program, humanitarian demining funds, and the Peacekeeping Operations account. In addition, AID expects to provide up to \$161,450,000 in P.L. 480 food assistance to Africa in fiscal year 2001 and from Debt Restructuring funds in this bill.

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

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

The Committee directs AID to continue its programs to address each of the challenges described above, with special attention to programs which lead directly to economic growth and increased incomes. These include agriculture, technical assistance for policy reform and privatization, and microenterprise. The Committee expects that AID funding for the broad range of programs in Africa will be balanced, so resources are available to support an integrated approach to development. AID programs in population, family planning, and child and maternal health, while valuable, do not lead directly to increased incomes. As such, the benefit of development dollars provided for these activities will be limited unless African nations can achieve long-term economic growth which creates new jobs and increases incomes of the majority of their citizens.

The Committee does not recommend a separate account for the "Development Fund for Africa", but notes that authorities available for the "Development Fund for Africa" apply in providing assistance to sub-Saharan Africa through the "Development Assistance" account.

AFRICA: HORN OF AFRICA

The Committee remains concerned about the fragile food security situation in the Horn of Africa. Famine conditions threaten more than 16 million people in Ethiopia, Sudan, Somalia, Kenya, Ugan-

da and Djibouti. Conflict has exacerbated these famine conditions by hindering the delivery of humanitarian assistance and by creating scores of internally displaced people and refugees.

The Committee supports the efforts of The International Research Institute for Climate Prediction (IRI) to provide assistance to AID's Office of Foreign Disaster Assistance in predicting likely effects of weather patterns on Africa—especially the Greater Horn of Africa region. To further this important work, the Committee recommends that AID commit \$500,000 for the implementation of a modeling effort focused on climate impacts on water, including water supply, water-borne diseases, and agriculture, in collaboration with the Nairobi Drought Monitoring Center. The Committee believes these efforts can help achieve greater food security and stability in the region. The Committee encourages AID to consider a similar climate prediction monitoring program for southern Africa.

AFRICA: ERITREA AND ETHIOPIA

The Committee is concerned by the military conflict between Ethiopia and Eritrea and is disappointed that these nations again returned to war, rather than peacefully resolving this territorial dispute. In the past year, famine has swept through much of Ethiopia endangering the lives of millions, but the Ethiopian Government continues to obstruct the delivery of international humanitarian assistance. Meanwhile, these two nations—among the poorest in the world—continue to spend significant resources on this conflict. Recent reports estimate that the two nations combined spent more than \$800,000,000 on their militaries in 1999. These resources could have been directed toward social development and economic growth. The Committee does not support continued high levels of assistance, especially nonproject assistance, to nations whose governments choose to dedicate scarce national resources to waging war instead of funding programs beneficial to their citizens.

Further, the Committee is concerned that this conflict has undercut regional initiatives in the Horn of Africa which are mutually beneficial to the U.S. and countries in the region. The Committee has made assistance to Eritrea and Ethiopia subject to notification (section 520) and expects that the Executive Branch will not engage in programs directly with either government, especially those involving nonproject assistance or debt relief, until it can be demonstrated that these governments have ceased offensive military action and have discontinued the allocation of scarce budget resources to purchase weaponry.

AFRICA: ASSISTANCE TO SOUTHERN SUDAN

The Committee believes that the Administration can and should do more to support the democratic opposition in Sudan with the ultimate goal of bringing peace to the people of southern Sudan. The Committee supports the inclusion of Sudan on the list of terrorist nations and encourages the Administration to step up efforts to isolate the Khartoum regime. Further, the Committee is deeply concerned about the allegations of trafficking of human beings and slavery in Sudan. The Committee directs that the Secretary of State provide a complete and comprehensive report about these al-

legations, and the efforts by the Department of State to investigate these allegations, not later than January 15, 2001.

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

The Committee also supports AID's Sudan Transitional Assistance for Rehabilitation (STAR) program, begun in 1998, to assist in the establishment of functioning local government and in the operation of small-scale municipal projects. The existing STAR program has supported training for leaders in the National Democratic Alliance in the role of local government administration and in human rights. The Committee directs that not less than \$5,000,000 be made available to promote democratization and peace and reconciliation initiatives in the opposition controlled territories of southern Sudan during fiscal year 2001. The purpose of these funds should be for improved local civilian administration and governance and to reduce conflict and ensure peace and unity in southern Sudan.

Priority should be given to implement the framework agreed upon at the Yambio Economic Governance Conference. Emphasis shall be placed on good governance practices such as taxation, transparency, and accountability.

The Committee notes also that the Wunlit, Wat and Liliir peace and reconciliation conferences held under the auspices of the New Sudan Council of Churches (NSCC), have been major successes in overcoming longstanding distrust between various ethnic groups in southern Sudan. Much of the humanitarian suffering in southern Sudan can be traced to south/south conflict. In order to consolidate these peace and reconciliation efforts both STAR and BHR programs should be expanded to these areas focusing on:

- Expansion of road rehabilitation to encourage the restoration of trade and economic activities in all areas of southern Sudan controlled by the opposition.
- Extension of agricultural rehabilitation, community development councils, and democracy and governance programs, including the training of local administrators to these areas.
- Provision of health care training and capacity building, and teacher training and school rehabilitation.
- Provision of humanitarian assistance to those internally displaced by the fighting in the oil field areas of southern Sudan.

The Committee also encourages AID to support up to \$5,000,000 for assistance to the National Democratic Alliance (NDA) in Sudan. Such funds shall support:

- NDA involvement in the peace process, including support to the political settlement committee, the transitional arrangements committee and specific negotiation sessions.
- Enhanced NDA communications, including radio capacity community organizing and publications.

- Ongoing expenses of the NDA civilian wing, including transport costs, rent and offices in the region.

AFRICA: GHANA

The Committee recognizes that throughout Africa, agricultural losses due to spoilage and infestation continue to contribute to food insecurity and loss of economic opportunity in domestic and export markets. It is estimated that up to half of Ghana's gross domestic product is lost every year because of inadequate food processing and preservation systems. The Committee encourages AID to support a food irradiation pilot project in Ghana which is consistent with AID's existing free market economic growth objectives in that country. This project should serve as a model for other African nations in the areas of food irradiation and related management, marketing, and transportation.

The Committee notes also that poor infrastructure hinders economic growth in Ghana. The Committee encourages AID to consider providing funds to the U.S. Army Corps of Engineers for planning, designing, and construction services for renovation of the Accra-Cape Coast road which serves as a vital economic corridor linking Ghana and Cote d'Ivoire.

AFRICA: SIERRA LEONE

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

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

Finally, the Committee supports the use of funds under this Act to promote human rights generally and to bring to justice Foday Sankoh, Sam Bokarie, and other individuals responsible for the gross violations of human rights in Sierra Leone.

AFRICA: HIGHER EDUCATION

The Committee considers children's basic education the priority for scarce AID education resources in Africa. However, the Committee recognizes the importance of higher education to economic growth and supports the work of AID through its Advanced Train-

ing for Leadership and Skills (ATLAS) program which brings African students to American colleges and universities. The Committee is pleased that AID will soon begin an open and competitive procurement for the continuation of its ATLAS program in Africa. The Committee is interested also in the development of indigenous African colleges and universities and requests AID to consider the merits of supporting the creation of a new women's university in Africa, designed to train African women in health sciences, education, agriculture, and business.

ASIA: OVERVIEW

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

The Committee believes that programs to support sound economic growth and promote U.S. trade and investment in Asia should continue to be a high priority for AID and directs the Agency to make available \$60,000,000 for this purpose, as requested. The Agency is urgent to provide sufficient operating expenses to effectively manage and oversee economic growth and other programs in Asia, especially those in countries where AID does not have a field mission presence.

The Committee notes the ongoing collaboration between AID's Bureau for Asia and the Near East and Boise State University in establishing the business school at the National Economic University in Vietnam. The business school is designed to teach the free market principles of the U.S. economy to Vietnamese students.

The Committee commends the Vietnamese dissident movement for its attempts to start an independent media in Vietnam. Although both freedom of the press and freedom of expression are enshrined in the constitution of Vietnam, the underground newspaper "Freedom Forum" met a violent reaction from authorities. Currently, thousands of dissidents remain under arrest for their efforts to bring freedom of the press and democracy to their homeland. These dissidents, including Professor Doan Viet Hoat, have been an example of great moral strength and courage for other political prisoners, refusing offers of freedom in exchange for a renunciation of personal and political beliefs. The Committee commends their dedication to the cause of freedom and democracy in Vietnam.

PRIVATE AND VOLUNTARY ORGANIZATIONS

The Committee has continued prior year language that requires that private voluntary organizations (PVOs) obtain not less than 20 percent of their total funding from sources other than the United States Government. Special consideration should be extended to those PVOs that obtain private donations for more than half of their total funding. The Committee has included new language requiring that prior to waiving the restrictions on funds to PVOs not

obtaining 20 percent of funding from sources other than the U.S. government, the Administrator of AID must notify the Committees on Appropriations. In addition, the Committee has continued language from the fiscal year 2000 Act stating that support for private voluntary organizations should be made available at a level at least equivalent to that provided in fiscal year 1995.

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

The Committee continues its strong support for adequate funding for AID's Office of Private and Voluntary Cooperation (PVC) in fiscal year 2001 at its current level of \$48,000,000 with \$6,000,000 for cooperatives. PVC manages competitive grants for child survival, microenterprise, economic growth, cooperative development and the Farmer-to-Farmer program. In particular, PVC supports capacity-building by PVOs and cooperatives and their local partners that, in turn, leads to major innovations in effective delivery of assistance and leverages non-AID resources.

PVC is central to the AID/PVO partnership and houses the Advisory Committee on Voluntary Foreign Assistance (ACVFA). The Committee looks to ACVFA to provide advice on critical development issues and welcomes its perspective on the future of foreign assistance.

AMERICAN SCHOOLS AND HOSPITALS ABROAD (ASHA)

The Committee directs AID to provide \$15,000,000 from the funds provided in this Act for the American Schools and Hospitals Abroad (ASHA) program in fiscal year 2001. The Committee directs that none of these funds be reserved for programming in any future fiscal year. All funds are to be allocated and obligated in fiscal year 2001. The Committee further expects that support will be continued, as new resources are needed, for traditional recipients in countries such as Lebanon, Israel, and Egypt. The Committee expects AID to keep it currently informed regarding institutions which have received ASHA funding in previous years, but which continue to have significant unexpended balances. In addition, funds should be made available for other deserving institutions as part of a competitive process, including City University, of Bellevue, Washington, to support its ongoing programs in Slovakia and Bulgaria and Seton Hill College, of Greensburg, Pennsylvania, for its proposed collaboration with Yad Vashem's International School for Holocaust Studies in Israel.

CASS SCHOLARSHIP PROGRAM

The Committee continues to support the work of the Cooperative Association of States for Scholarships (CASS) and supports funding for CASS at the level contained in its cooperative agreement with AID.

COLLABORATIVE RESEARCH SUPPORT PROGRAMS

The Committee supports the continuation of the collaborative research support programs (CRSPs) and expects AID to increase funding for the CRSPs in fiscal year 2001. The Committee is concerned that for fiscal year 2000, AID intends to provide only \$20,000,000 for CRSPs, which is significantly below the Committee's recommended funding level. The Committee believes that CRSPs are clearly one of AID's best investments, funding for which should be increased rather than reduced. The Committee notes that agricultural research and development has led to greater economic development, increased income, and a more available food supply for the world's poor. The CRSPs have a significant domestic benefit as well: every dollar invested in agricultural research by the United States is estimated to be worth four dollars of expanded markets for U.S. goods and services overseas.

INTERNATIONAL FERTILIZER DEVELOPMENT CENTER

The committee strongly supports the fertilizer-related research and development being conducted by the International Fertilizer Development Center (IFDC) and directs the Administrator of AID to make at least \$2,200,000 available for the core grant to IFDC.

HOUSING, SHELTER, AND URBAN ACTIVITIES

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

DAIRY DEVELOPMENT

The Committee continues to support dairy development and recommends AID funding of \$8,000,000 in fiscal year 2001, the same level as fiscal year 2000. The Committee reiterates that this program is designed to help the U.S. dairy industry become more competitive as domestic and international subsidies decline. The program has twin objectives. First, it is to assist small dairy producers, cooperatives and small and medium enterprise dairy plants in developing and market transition countries to meet the nutritional needs of their consumer by increasing the availability of higher-quality and value added dairy products in their local markets. Second, the program directly engages the U.S. dairy industry by helping it access new markets, promote American technology and expose dairy industry leaders to the international marketplace through participation in technical assistance and training overseas and in the United States.

The Committee notes with favor that many U.S. dairy companies have participated in the program. One significant result has been the creation of joint ventures on the sale of feeds, seeds, dairy equipment, genetics, packaging technology and other dairy-related products. The program has helped create strong local partners for the benefit of the U.S. industry while increasing incomes for small dairy farmers, spurring cooperative formation and enhancing the

status of women dairy herd caretakers. The Committee directs that the competitive grant process under the program continue to benefit from U.S. dairy industry involvement as well as meeting local development needs.

COMMUNITY-OWNED TELECOMMUNICATIONS

The Committee believes that ensuring that developing countries, especially rural areas of these countries, have access to modern methods of communications is important to economic growth. The Committee notes that community-owned telecommunications systems, as have been successfully built in rural America, are effective in providing this access. The Committee therefore, recommends that AID provide funding for community-owned telecommunications projects, especially where viable in South and Central America through programs like the Power Line Communication Rural Electric initiative, and that it rely upon the direct experience of U.S. telephone cooperatives.

AGENCY RESPONSE TO REQUESTS FOR INFORMATION

The Agency for International Development and the Department of State are directed to respond within 15 days to requests by the Committee for additional information regarding programs, projects, and activities in the budget justification, reprogramming requests, or the report required by section 568(b). Such information may include the identification of and funding provided to domestic and foreign cooperators, grantees, and contractors under programs, projects, and activities that are managed by regional and other central bureaus, missions, and embassies. The Committee expects AID to maintain a publicly accessible electronic database that reflects current information and financial data regarding its activities.

INTERNATIONAL EXECUTIVE SERVICE CORPS

The Committee supports the work of the International Executive Service Corps (IESC), which since 1964 has undertaken more than 22,000 projects in 120 nations by utilizing volunteers to assist in business development, economic growth, and technology transfer. The Committee is concerned that AID has underutilized the IESC as a development partner in recent years and directs AID to renew its commitment to the IESC to ensure expansion of its projects in sub-Saharan Africa and in Latin America and the Caribbean. Further, the Committee urges AID to reemphasize its commitment to economic development through its support for small and medium-sized enterprise development, business support organizations and associations with priority for direct firm-level assistance.

U.S./ISRAEL COOPERATIVE PROGRAMS

The Committee continues to support funding for the U.S./Israel Cooperative Development Program (CDP). However, while the Committee agrees with the proposal of the Agency for International Development to phase-out funding for the core grant for this program over four years, further consultation with the Committee has resulted in a decision to begin the reduction in the coming fiscal year rather than in fiscal year 2000. Even with the phase-out of the core grant, the Committee expects that institutions partici-

pating in this program will continue to be eligible for competitive grants from AID.

TORTURE TREATMENT CENTERS

Last year, the Committee recommended \$7,500,000 for AID to support foreign treatment centers for torture victims and requested a report on implementation of its torture treatment program. The Committee was pleased to learn from this report that AID would award a \$1,500,000 grant to support capacity building programs for foreign treatment centers. However, apart from this initiative, AID's report does not indicate any further support for treatment centers. Furthermore, the report details AID's assistance to victims of war-related atrocities and displacement from civil conflicts, but does not indicate that there has been much support for those Congress intended to help in passing the Torture Victims Relief Act—victims of torture, as traditionally understood.

Supporting treatment centers as permanent national institutions is the best way of providing treatment services to torture victims and advocating for the elimination of torture globally. Accordingly, the Committee recommends \$10,000,000 for AID to support foreign treatment centers for victims of torture as authorized by the Torture Victims Relief Act and the Torture Victims Relief Reauthorization Act of 1999. In keeping with the intent of this legislation, the Committee recommends these funds be used primarily for direct treatment services to victims of torture, as traditionally understood. The Committee directs AID to report on implementation of this recommendation not later than February 1, 2001.

INTERNATIONAL DISASTER ASSISTANCE

Fiscal year 2000 level	\$202,880,000
Fiscal year 2001 request (under new account structure)	165,000,000
Committee recommendation	165,000,000

The Committee recommends \$165,000,000 for the International Disaster Assistance account, \$37,880,000 below the request. However, the Committee notes that it has recommended establishment of a separate account for AID's Office of Transition Initiatives (OTI). Therefore, the Committee's recommendation for the International Disaster Assistance account provides the full requested amount for AID's Office of Foreign Disaster Assistance (OFDA) which will ensure that AID has adequate resources to meet all existing and projected disaster needs in fiscal year 2001. The Committee notes that section 492(b) of the Foreign Assistance Act provides the President with the authority to obligate up to \$50,000,000 from other development assistance accounts including the Economic Support Fund in order to provide disaster assistance, if necessary.

The Committee recognizes that improved disaster prevention, mitigation, and preparedness techniques are central to reducing the need for disaster assistance in future years. The Committee directs AID to work with Florida International University's International Hurricane Center and its Global Emergency Management Institute to collaborate on a program to train and educate foreign government officials in disaster preparedness, prevention and mitigation activities. Further, the Committee believes AID's response to international disasters can be improved by the establishment of a

centralized distribution point for shipment of a wide variety of commodities urgently needed in crisis situations, such as food, shelter equipment, and medicine. To achieve efficiencies in distribution, the Committee urges AID to work with interested parties to develop a center for coordination of humanitarian response efforts.

SCHOOL FEEDING PROGRAMS FOR CHILDREN

The Committee supports school feeding programs carried out by AID's Bureau for Humanitarian Response, through private voluntary organizations and the World Food Program. These programs help improve children's basic diet and nutrition, increase enrollment, especially among girls, and support community-led health and nutrition education programs. The Committee notes that in fiscal year 2000, AID-supported school feeding programs assisted more than 1.5 million children in 21 countries in south Asia, Latin America and sub-Saharan Africa. The value of this support totaled \$56,500,000.

For fiscal year 2001, the Committee supports continuation of these programs and directs AID to consider initiating a school feeding program in Sierra Leone to boost nutrition and school attendance in this war-ravaged country.

OFDA COORDINATION WITH DEPARTMENT OF STATE REFUGEE PROGRAMS

The Committee notes that, in recent years, the Office of Foreign Disaster Assistance (OFDA) has become increasingly involved in responding to war and other man-made disasters. As a result, OFDA's beneficiaries in many cases overlap with groups traditionally assisted by the Department of State's Bureau of Population, Refugees, and Migration (PRM). The Committee commends the coordination between OFDA and PRM at the peak of the Kosovo crisis, in particular their practice of discussing project proposals with each other before making funding decisions. The Committee considers such coordination essential to ensure optimal use of taxpayer funds. The Committee directs OFDA and PRM to jointly develop standard operating procedures for cooperation whenever both agencies are responding to the same crisis or are present in the same geographic area, and methods for ensuring that these procedures become institutionalized. The Committee requests a report on these procedures not later than March 1, 2001.

TRANSITION INITIATIVES

Fiscal year 2000 level .....	.....
Fiscal year 2001 request (under new account structure)	\$55,000,000
Committee recommendation	\$40,000,000

In its fiscal year 2000 report, the Committee noted that AID's Office of Transition Initiatives (OTI) activities were consuming an ever-increasing part of the International Disaster Assistance account. AID allocated to the Office of Transition Initiatives \$50,000,000 in fiscal years 1999 and 2000 from within the International Disaster Assistance account. The Committee recognizes that AID's OTI activities can have considerable impact, with small amounts of money, in key transition countries. Therefore, for fiscal year 2001 the Committee has created an account for AID's transi-

tion activities. This will help ensure necessary transition activities as well as true disaster aid are adequately funded. The Committee recommends \$40,000,000 for this account, compared to the budget request of \$55,000,000. The Committee does not preclude AID's Office of Transition Activities from using resources transferred from other development accounts in this Act. Also, the Committee requests that AID report on a semi-annual basis the expenditure and specific use of funds by OTI.

The Committee supports AID's reconstruction efforts that include community-based reconstruction activities after the immediate disaster response and relief activities. The Committee supports the inclusion of these community-based development practices, which include credit unions and cooperatives, that not only provide immediate relief, but also increase long-term access to safe, affordable housing, community services and finance. Further, the Committee is pleased that AID is utilizing U.S. cooperatives as part of hurricane recovery efforts in Central America and political turmoil in East Timor and the Balkan region including Montenegro and Kosovo.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM

SUBSIDY APPROPRIATION

Fiscal year 2000 level	\$1,500,000
Fiscal year 2001 request .....	.....
Committee recommendation	1,500,000

ESTIMATED LEVEL OF DIRECT AND GUARANTEED LOANS

Fiscal year 2000 level	\$30,000,000
Fiscal year 2001 request .....	.....
Committee recommendation	30,000,000

ADMINISTRATIVE EXPENSES

Fiscal year 2000 level	500,000
Fiscal year 2001 request .....	.....
Committee recommendation	500,000

The Committee recommends \$1,500,000 in a subsidy appropriation and \$500,000 for administrative expenses for the Micro and Small Enterprise Development program, the same as the fiscal year 2000 enacted level. The budget request proposed merging this account into a consolidated development credit program.

DEVELOPMENT CREDIT PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

PROGRAM ACCOUNT

Fiscal year 2000 level	(3,000,000)
Fiscal year 2001 request	(15,000,000)
Committee recommendation	1,500,000
(by transfer)	(2,000,000)

ADMINISTRATIVE EXPENSES

Fiscal year 2000 level .....	.....
Fiscal year 2001 request	\$8,000,000
Committee recommendation	6,495,000

For fiscal year 2001, the budget request proposes merging AID's three existing credit programs into one consolidated Development Credit account. This single program would include a consolidated credit administrative budget. The Committee supports consolidation of the Urban and Environmental (UE) credit program as well as administrative expenses associated with management of the existing Development Credit Authority and recommends \$6,495,000 for operating expenses, \$1,505,000 below the requested level. The Committee does not support consolidation of the Micro and Small Enterprise Development (MSED) account.

The Committee recommends a direct appropriation of \$1,500,000 and has provided legislative authority to support continued urban credit programs. The Committee supports the use of up to \$2,000,000, transferred from the "Development Assistance" account, to support development credit activities under this heading. The Committee is aware that AID has made a considerable effort, with the assistance of Congress and the Office of Management and Budget, to ensure that this new consolidated credit program has sound management. The Committee supports the use of development credit for an integrated municipal infrastructure and housing program in Costa Rica. The Committee notes that AID has undertaken similar activities in South Africa.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Fiscal year 2000 level	\$43,837,000
Fiscal year 2001 request	44,489,000
Committee recommendation	44,489,000

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

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Fiscal year 2000 level	\$520,000,000
Fiscal year 2001 request	520,000,000
Committee recommendation	509,000,000

The Committee has recommended funding for Agency for International Development operating expenses at a level of \$509,000,000 which is \$11,000,000 below the Administration's request. The Committee has once again included a provision requiring AID to notify the Committee in advance of opening any new mission overseas and of any capital construction of missions or purchase or long-term lease of offices.

USE OF PERSONAL SERVICE CONTRACTORS

The Committee notes the continued use by AID of personal service contractors (PSCs). The Committee has traditionally supported this method of employing qualified individuals for short and medium term program implementation. However, the Committee notes the trend toward employing PSCs over a period of many years at the Agency, who carry out functions similar to career personnel of the Civil Service and the Foreign Service, but who lack comparable health, retirement, and other benefits. The Committee

requests AID report in narrative form not later than March 1, 2001, on the total number of PSCs employed by the Agency, the average length of employment, the typical benefits provided to PSCs (compared to those provided to career Civil and Foreign Service employees), and the justification for the disparity in benefits.

FAIRNESS IN CONTRACTING

The Committee is concerned about AID's existing procedures regarding minimum awards under multiple award contracts. Current management practices on certain existing multiple award contracts do not allow small businesses to fairly compete for work.

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

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

Should AID not quickly initiate policies and training for managers of the innovative and time-saving multiple award contracts so as to better protect the opportunities for small, new, and disadvantaged contractors to fairly compete for task orders, the Committee is prepared to impose a legislative remedy or prohibit multiple award contracts. Not later than September 5, 2000, AID is directed to report in writing to the Committee on its efforts to modify its existing procedures regarding multiple award contracts.

The Committee is aware that AID has established a task force to examine the reported decrease in participation by small business (including disadvantaged businesses and women-owned businesses) in grant, cooperative agreement, and contract awards. The Committee urges the Agency to expand the task force to include mid-level Agency staff who have current experience in the award or technical management of acquisition and assistance mechanisms. Not later than 6 months after submission of the September report on fairness in multiple award contracts and task orders, the Committee directs the Administrator to submit a more comprehensive report to the Committee. The second report will summarize the results of the task force's efforts, including its analysis of the problem and the administrative options that can be taken to increase the participation of small business in AID acquisition and assistance. The report may include comments by the Office of Management and Budget and proposed legislation to promote fairness in contracting.

WORKING CAPITAL FUND

The Committee has provided limited authority for AID to establish a working capital fund, without fiscal year limitation, for expenses of the International Cooperative Administrative Support Services (ICASS) and for rebates from the use of U.S. Government credit cards. The Committee views this fund as a pilot project, the long-term viability of which will be evaluated during fiscal year 2001. The Committee further expects this activity will be undertaken primarily by those AID missions in which AID has already determined that it is best suited to serve as the ICASS provider. The Committee understands that the creation of this fund will allow AID to receive an estimated \$250,000 in credit card rebates in fiscal year 2001, which are to be credited to the Agency's "Operating Expenses" account. AID's Chief Financial Officer is directed to consult with the Committee on a quarterly basis on the development and implementation of this fund in fiscal year 2001.

VOLUNTARY SEPARATION INCENTIVES

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

COMMITTEE OVERSIGHT CHALLENGES

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

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

The Committee directs AID to continue to report on a quarterly basis on the status of its computer systems, including the cumulative costs associated with design and implementation of its computer systems. Any costs for computer systems above those originally projected for fiscal year 2001 shall be subject to prior review by the Committees on Appropriations. To address its computer systems deficiencies, the Committee requests that AID report on the viability of acquiring and implementing an internet-based project management solution that is adaptable, available for immediate use and supports a substantial number of software programs. In addition, the Committee directs that the Agency's fiscal year 2002 budget justification will clearly identify the amounts requested for the AID computer operations.

AID BUDGET SUBMISSION

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

In its initial fiscal year 2001 budget justification, AID experimented with several new approaches to displaying the President's request for AID-managed appropriations. The Committee welcomed new financial tables, additional mission staffing information, and more ample justification of the AID Operating Expenses and International Disaster assistance requests. The Committee rejects the experiment in aggregating the vast majority of AID-managed programs, projects, and activities by Agency "objectives". In practice, AID objectives often group together projects and activities that are conceptually or operationally distinct. Well known activities such as the Leland Initiative and the ATLAS program, to use two examples in Africa, can not be located or are concealed under impenetrable bureaucratic jargon. In many instances, an objective is proposed for funding by two or more appropriations accounts, but the accompanying budget narratives fail to distinguish among the component activities of the objective or link component activities with multiple appropriations accounts.

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

The Committee again includes a general provision, section 576, that would require the Agency to submit an annual budget that contains detailed data about past, current, and requested financial and personnel resources for each Bureau, Central Office, and Field Mission. The Committee expects a draft budget format to be submitted for approval by the Committees on Appropriations not later than October 31, 2000.

AID PHYSICAL SECURITY

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

including the Department of State and the Office of Management and Budget, to address physical security issues.

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

Fiscal year 2000 level	\$25,000,000
Fiscal year 2001 request	27,000,000
Committee recommendation	27,000,000

The Committee has recommended \$27,000,000 for the Office of the Inspector General of AID for fiscal year 2001, the same as the budget request and \$2,000,000 above the fiscal year 2000 level. The Committee again requests that the Inspector General consult with the Committee no less than four times per year on its activities with regard to the Government Performance and Results Act.

DEVELOPMENT FUND FOR AFRICA

Fiscal year 2000 level .....	.....
Fiscal year 2001 request	\$532,928,000
Committee recommendation .....	.....

The administration requested \$532,928,000 for the Development Fund for Africa. The Committee provides no funds under this account heading. However, as stated earlier in this report, the Committee recognizes that development needs in sub-Saharan Africa are great and expects AID to continue to provide a significant percentage of all development funds, including "Development Assistance", "Child Survival and Disease Programs Fund", and humanitarian assistance resources, to the region.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

Fiscal year 2000 level	\$2,345,500,000
Emergency supplemental funding	450,000,000
Fiscal year 2001 request	2,313,000,000
Committee recommendation	2,208,900,000

The Committee recommends a total of \$2,208,900,000 for the Economic Support Fund, an amount that is \$104,100,000 below the request and \$586,600,000 below the amount enacted for 2000. If emergency supplemental funding is excluded from the calculation, the recommended level is \$136,600,000 below the 2000 level.

The Committee recommendation assumes a reduction of \$160,000,000 in economic support for the Camp David countries. Funding for non-Camp David countries is recommended at a level of \$673,900,000. Support for non-Camp David countries and activities in this account has risen from \$344,600,000 in fiscal year 1996 to \$673,900,000 in fiscal year 2001, an increase of \$329,300,000 or approximately 96 percent.

IRELAND

The Committee strongly supports continued funding to implement the Irish Peace Process Cultural and Training Program Act of 1998 and has provided the budget request of \$5,000,000 for this purpose. This Congressional initiative brings youths from Northern

Ireland and designated disadvantaged areas to the United States for job training and related activities.

ISRAEL

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

The Committee is also convinced that the emerging security threats in the Middle East are significant and warrant increasing military assistance to Israel by \$60,000,000 in fiscal year 2001. However, with respect to this recommended increase in military assistance, the Committee must be very clear that it cannot commit future Congresses to the future appropriation of funds. Therefore, future increases in military assistance will require the annual review of the Congress and will necessarily be based upon an assessment of the security situation at the time.

The Committee therefore recommends that not to exceed \$840,000,000 in economic support shall be provided for Israel, which is \$120,000,000 less than the fiscal year 2000 level and the same as the President's budget request. The Committee also requires in bill language that these funds be provided to Israel as a cash grant and that funds be disbursed within 30 days of enactment or by October 31, 2000, whichever is later.

The Committee has retained an overall limit on Middle East spending (section 568) at a level of \$5,221,150,000. The reduction of \$100,000,000 from the fiscal year 2000 ceiling represents the net result of a decrease of \$160,000,000 in economic support for the Camp David countries and an increase of \$60,000,000 in military assistance for Israel. The Committee intends to continue the phased reduction in the Middle East cap next year, a reduction that will correspond to the declining assistance levels for Israel and Egypt. The Committee believes this will provide the Administration with increased flexibility in the allocation of funds in the foreign operations budget for priority activities in other areas of the world.

EGYPT

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

The Committee therefore recommends that not to exceed \$695,000,000 in economic support be provided for Egypt on a grant basis, which is \$40,000,000 less than the fiscal year 2000 level and the same as the President's budget request. A cash transfer may be provided with the understanding that Egypt will continue to implement significant economic reforms. The Committee also strongly

recommends that not less than \$200,000,000 of the funds allocated for Egypt be available for Commodity Import Program assistance.

The Committee is troubled by the maintenance of discriminatory taxes on certain United States branded consumer products, particularly soft drinks. Exorbitant taxes on American goods discourage investment, risk closure of United States owned facilities, and retard employment and revenue growth. The Administrator of AID is directed to report to the Committee no later than November 1, 2000 on steps taken by the agency with the Government of Egypt to undertake economic market reform aimed at correcting this discriminatory tax situation.

CAMP DAVID ACCORDS

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

NON-MILITARY EXPORTS

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

ECONOMIC BOYCOTT OF ISRAEL

The Committee has once again included language in the bill addressing the Arab League boycott of Israel under section 539 of this Act. This language has been modified to urge that Arab League members normalize relations with Israel.

JORDAN

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

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

MIDDLE EAST DESERTIFICATION

The Committee expresses strong support for the initiation of a Middle East and Mediterranean desert development program to significantly increase efforts to expand regional cooperation in combating growing desertification in the Middle East and southern Mediterranean region. The Committee believes that such a program would be environmentally viable and mutually beneficial to nations in this region. Therefore, the Committee directs that \$3,200,000 be made available for this activity from the Economic Support Fund, development assistance or any other appropriate funds made available by this Act.

CONFLICT RESOLUTION

The Committee recognizes the importance of youth training in conflict resolution as a tool for creating a climate of peace in regions of conflict. Organizations such as Interns for Peace can play an important role in this regard, and the Committee urges support for its programs. The Committee also commends Seeds of Peace for its commitment to helping future leaders of the Middle East and other regions (such as Cyprus, the Balkans, and South Asia) to overcome prejudice, fear, and other obstacles to peace, and urges AID and the Department of State to provide \$1,000,000 in fiscal year 2001 to support the important work of this organization.

WEST BANK AND GAZA

The Committee supports assistance to the West Bank and Gaza. The Committee continues to believe that support by the United States for the economic and social development of Palestinians is an important contribution to the peace process. However, the Committee is aware this program received an emergency supplemental appropriation of \$400,000,000 in fiscal year 2000. In addition, the Department of State allocated \$85,000,000 for this program from nonemergency economic support in fiscal year 2000, despite direction from Congress that the program be maintained at an ongoing level of \$75,000,000. Therefore the Committee believes that funding for the West Bank and Gaza in fiscal year 2001 should not exceed the amount allocated for fiscal year 1999. The Committee notes that funding for this program is included in the ceiling on Middle East assistance contained in section 568, and that any decision by the Administration to allocate additional resources for the West Bank and Gaza will necessitate decreases in funding in other programs of importance in the Middle East.

The Committee remains concerned that incitement to violence in the West Bank and Gaza remains one of the primary obstacles to achieving a true peace in the Middle East. The Trilateral Anti-Incitement Committee, established by the Wye River Memorandum, should be an important mechanism for the parties to work together to address the problem of incitement. The Committee directs the Secretary of State to provide, no later than 90 days after the enactment of this Act, a report on the activity of the Trilateral Anti-Incitement Committee, and an analysis of its effectiveness as a tool for monitoring and preventing incitement within the context of the Israeli-Palestinian peace process.

PALESTINIAN AUTHORITY AND UNRWA

The Committee is concerned that the United Nations Relief and Works Agency for Palestinian Refugees (UNRWA) has faced growing budget deficits and repeated cash flow problems in recent years. These difficulties are due in part to a growing refugee population, rising inflation costs, and exchange rate fluctuations. However, of particular concern to the Committee is the fact that the Palestinian Authority (PA) is responsible for almost half of UNRWA's annual deficit. As of April 30, the PA owed UNRWA over \$26,400,000 for reimbursement of value added taxes (VAT), port charges, and interest. Despite its publicly stated willingness to reimburse UNRWA, the PA has paid only a token sum.

The PA's failure to pay UNRWA hurts the Palestinian refugee community, since UNRWA is the primary provider of education, health, and social relief services to Palestinian refugees. The PA's debt also places additional financial demands on UNRWA's donors. The United States has contributed \$77,000,000 to \$80,000,000 annually to UNRWA in recent years, roughly twenty to twenty-five percent of UNRWA's general program budget. The Committee urges the Administration to engage with the PA to ensure that it makes its payments in a timely fashion.

LEBANON FUNDING

The Committee believes support for the people of Lebanon continues to be in the United States national interest. The Committee supports at least level funding for Lebanon from both the development assistance and Economic Support Fund accounts for fiscal year 2001. In that regard, the Committee strongly opposes the reduction of \$3,000,000 for Lebanon that is contained in the President's budget request, and has retained bill language from fiscal year 2000 that directs that not less than \$18,000,000 should be made available for Lebanon.

The Committee recommendation includes an increase of \$3,000,000 above the fiscal year 2000 level in order to allow the Agency for International Development to expand its development activities into the southern portion of Lebanon.

The Committee is aware of the key role the Lebanese American University, American University of Beirut, and International College play training leaders in the region and directs that not less than \$4,000,000 be provided for scholarships and direct support of the American educational institutions in Lebanon.

IRAQ OPPOSITION

The Committee supports the President's request of \$10,000,000 for support to Iraq opposition groups, and has included bill language in section 575 that authorizes up to \$8,000,000 for such assistance pursuant to the provisions of the Iraq Liberation Act (Public Law 105-338), and up to \$2,000,000 for groups and activities seeking the prosecution of Saddam Hussein and other Iraqi government officials for war crimes.

YEMEN

The Committee strongly supports the budget request of \$4,000,000 for assistance for Yemen. Yemen is one of the world's least developed countries and suffers from high illiteracy rates, high infant mortality, low worker skills, and an undiversified labor force structure. Despite these problems, Yemen has evolved into a multi-party democracy and has also embarked on an ambitious IMF-sanctioned economic reform program. These funds will assist in this transition. The Committee supports using a portion of these funds to ensure that the election process is modernized, including updating the lists of eligible voters.

MONGOLIA

The Committee includes the \$12,000,000 requested for Mongolia under this heading and is recommending bill language to endorse

this allocation. The Committee expects that the Mongolia program will include a Free Market Scholarship Program. The Office of Foreign Disaster Assistance is commended for its response to the recent natural disasters in Mongolia, and is urged to continue its support. In addition, the Committee intends that funds be made available to continue support at the current level for the Hovsgol National Park Improvement Program.

INDONESIA

The Committee is concerned about the slow pace of Indonesia's transition to a more genuine democracy and free market economy. Indonesia's transition needs to be accelerated as much as possible, consistent with political will, in order to keep pace with the high expectations for change among a restive populace.

A significant number of governmental institutions need to be radically altered in order to be more democratic, effective and accountable, requiring changed institutional structures and better trained personnel with a different work ethic. This is particularly true in the banking, power, and forestry sectors. Renewed economic growth depends on rapid progress in reform.

Decentralization has vastly increased the complexity of achieving a successful democratic and economic transition in Indonesia. The decision to devolve certain key authorities below province level means that, in order to make the transition successful, AID cannot work solely with national level governmental institutions. Assistance to local governmental bodies and parliaments also will be essential.

The Committee urges that support for strengthening local and national governmental institutions not be undertaken at the expense of continued support for nongovernmental organizations; NGOs continue to have a role in monitoring the government's transition. NGOs are also needed to provide technical support and advice to governmental institutions that are being changed, especially at the local level.

The Committee is supportive of the higher budget requests for Indonesia in the Economic Support Fund, and in other AID accounts as available, for the following reason:

- new governmental institutional strengthening activities should not unduly disrupt the traditional NGO-based programs supported over several years;
- Indonesia's move to decentralize requires simultaneous work at local and national levels; and
- funding flexibility is needed to respond to Indonesia's still volatile environment, particularly in regions such as Aceh and East Indonesia, where intensive, broad based assistance may be needed to help resolve conflicts and demonstrate the benefits of peace.

EAST TIMOR

The Committee recognizes that the violence following East Timor's August, 1999, independent referendum destroyed a large part of its infrastructure and housing and forced large numbers of East Timorese to take refuge in West Timor. As East Timor, under the auspices of the United Nations Transitional Administration, rehabilitates its physical infrastructure, creates new govern-

mental and legal structures, and prepares for full independence, continued United States support is critical. The Committee concludes that the \$10,000,000 requested by the Administration for East Timor is insufficient, and therefore recommends that \$25,000,000 from the Economic Support Fund and Transition Initiatives accounts be made available to support income producing projects and other reconstruction activities in East Timor.

The Committee applauds the efforts of the Office of Transition Initiatives (OTI) which has been the primary manager of resources for East Timor. The Committee strongly recommends that as OTI phases out its activities in East Timor, AID devote sufficient operating expenses to establish a regular AID presence in East Timor that is sufficient to develop programs to meet East Timor's longer term development needs.

CHINA

The Committee is recommending modification of a general provision (section 526) which authorizes the use of funds from the Economic Support Fund to provide general support and grants for nongovernmental organizations located outside China that have as their primary purpose fostering democracy in that country. From fiscal year 2000 funds already appropriated for this purpose, the Committee directs the State Department to make available \$1,000,000 for the democracy project being administered by the Jamestown Foundation. In addition, \$1,000,000 shall be made available for other projects related to China, including support for nongovernmental organizations through the National Endowment for Democracy. The Committee would also support rule of law programs for law students.

The President's budget request included \$28,000,000 to compensate China for the damage done to the Chinese Embassy in Belgrade during the Kosovo air campaign. The Committee is not recommending funds for this purpose. In addition, the President's request for bill language that would authorize such funds is not included in the Committee recommendation. Without such authorization, the Committee does not believe the provisions of chapter 4 of part II of the Foreign Assistance Act allow for such a transfer of funds to the Government of China.

TIBET

The Committee recommends that \$250,000 be made available through a nongovernmental organization, such as the National Endowment for Democracy, for the purpose of providing training and education of Tibetans in democracy activities, and monitoring the human rights situation in Tibet. In addition, language has been included in section 526 to allow for a continuation in funding for activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities. The Committee is aware of the valuable assistance the Bridge Fund has provide to promote Tibetan-owned and operated businesses and educational, cultural, and natural resource conservation projects in Tibet, and urges that \$1,000,000 be provided for Fund programs.

BURMA

The Committee continues to be concerned about the severe repression faced by democratic activists in Burma, and notes with alarm the intensification of the military regime's campaign of harassment and detention of persons engaged in peaceful political activities. In particular, the Committee is alarmed by reports that citizens of Burma are arrested for listening to radio broadcasts by Radio Free Asia and the Voice of America or for possession of opposition newspapers. The Committee also expresses its concern about the precarious situation of the Burmese activists and refugees currently living in Thailand. The Committee commends the Thai government for its efforts to care for and protect the refugees. However, the Committee notes with alarm the recent upsurge in the Thai government's harassment of Burmese political activists based in Thailand and calls upon the State Department to work with the activists and the appropriate persons in the Thai government to provide a greater measure of security for the pro-democracy activists.

CAMBODIA

The Committee has continued bill language (section 570) from the fiscal year 2000 appropriations act that prohibits funding for the central Government of Cambodia.

The Committee is very concerned about allegations of corruption at the Cambodian Mine Action Center (CMAC). Reports have circulated that senior government officials, as well as former Khmer Rouge officials responsible for the murders of foreign tourists, were the recipients of funds illegally transferred from CMAC accounts. The Committee directs that prior to the obligation of funds for CMAC from this account or from "Nonproliferation, Anti-terrorism, Demining, and Related Programs", the Administration should notify the appropriate committees of the Congress regarding the status of CMAC finances. At a minimum an independent audit should be conducted of CMAC accounts, those responsible for waste, fraud and abuse should be dismissed, and appropriate oversight mechanisms should be established. Absent significant changes at CMAC, the Committee believes that any future demining funds for Cambodia should be provided through independent nongovernmental organizations.

CYPRUS

The Committee supports the budget request of \$15,000,000 for educational and other bicomunal projects in Cyprus. These funds provide a basis for mutual cooperation and preparation for the two communities of Cyprus to live together harmoniously by increasing inter-communal contacts.

LATIN AMERICA AND THE CARIBBEAN

With the exception of the Administration's request for Haiti, the Committee expects the Administration to fund programs for Latin America at least at the fiscal year 2000 level. (Haiti is addressed separately below.) It remains the Committee's strong belief that given the importance of the region and the long history of United States support, it is essential that aid levels not be reduced fur-

ther. In that regard, the Committee fully supports the budget request of \$5,000,000 for the Cuba democracy program and its goal of promoting a peaceful transition to democracy in that country.

The Committee continues to be concerned about the resolution of the cases involving the terrorist bombings of the Israeli Embassy and the AMIA Jewish Community Center in Buenos Aires, Argentina. While the Committee is pleased by the developments over a year ago that resulted in the announcement by Argentine officials that linked Iran to the unresolved bombings and led to a downgrading of Argentina's relationship with that country, the Committee urges the Secretary of State to continue to work with the Government of Argentina to ensure that progress is made in these cases, and to offer technical law enforcement assistance where appropriate to bring to justice the perpetrators of these terrorist acts.

HAITI

The Committee is disappointed at the results of United States attempts to improve the lives of the poor majority in Haiti. Democratic reforms have stalled for more than two years and violence has escalated in Haiti. The Committee is particularly concerned about the dismal performance of major elements of the Haiti National Police and the related emergence of Haiti as a major transshipment point for illicit drugs into the United States. The Committee continues to be fully supportive of humanitarian assistance to the people of Haiti, and commends the private organizations through which such aid is distributed.

Section 558 of the recommended bill would condition assistance to the Government of Haiti on two certifications: that Haiti has held free and fair elections and that it is fully cooperating with the United States in efforts to interdict the transshipment of illicit drugs.

The bill does not include a dollar ceiling on the level of assistance in fiscal year 2000, but the Committee notes that the actual dollar amount made available for Haiti or any other Latin American or Caribbean nation is limited by section 558(b).

HUMAN RIGHTS AND DEMOCRACY FUND

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

TUNA TREATY

The Treaty on Fisheries between the United States and the governments of certain Pacific Island states, popularly known as the South Pacific Regional Fisheries Treaty, requires that \$14,000,000 in economic assistance be provided annually to the South Pacific states. Therefore, the Committee recommends that the treaty obligation be met through the payment of the full \$14,000,000 in fiscal year 2001, as requested by the President.

AVAILABILITY OF FUNDS

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

NOTIFICATION FOR CENTRAL PROGRAMS

The Committee is concerned that over the past few years, and in the fiscal year 2001 budget request, the Administration has increased the number and size of regional and global programs funded through the Economic Support Fund. Many of these programs are managed by the Department of State rather than the Agency for International Development. The Committee is concerned that the Department does not have the institutional capacity to properly manage these programs, and that they have not been fully justified in terms of program content. Therefore, in order to facilitate the oversight responsibilities of the Committee, bill language is recommended to require that such programs be subject to the regular notification requirements of the Committees on Appropriations.

INTERNATIONAL FUND FOR IRELAND

Fiscal year 2000 level	\$19,600,000
Fiscal year 2001 request	(19,600,000)
Committee recommendation	25,000,000

The Committee recommends \$25,000,000 for the International Fund for Ireland in support of the Anglo-Irish Accord. Funding of this amount was requested for this activity through the Economic Support Fund, but the Committee recommendation would continue a separate account for assistance to Ireland. The amount represents an increase of \$5,400,000 over the fiscal year 2000 level and the President's budget request. The Committee recommendation is being made in order to express support for implementation of the Good Friday Agreement.

The International Fund for Ireland plays an important role in promoting peace and stability in Northern Ireland. In addition to supporting governmental efforts to implement the Good Friday Agreement and encouraging investment and trade, the Committee recognizes the importance of community-based initiatives which build civil society and promote peace and reconciliation and it encourages the International Fund for Ireland to support such community-based efforts. Such activities could include support for the Northern Ireland Voluntary Trust and for Project Children, and the Committee urges the International Fund for Ireland to support the work of these organizations, if appropriate.

The Committee also urges the Department of State to consider funding up to \$250,000 for Project Children through the Economic Support Fund, if the International Fund for Ireland is not able to address the needs of this organization. However, most funding for bilateral assistance for Ireland should be provided through the International Fund for Ireland, which was specifically established for this purpose.

The Committee strongly urges the International Fund for Ireland to take every step possible to ensure that all recipients of Fund support are promoting equality of opportunity and non-discrimination in employment. The Committee further urges the Fund to focus on those projects that hold the greatest potential for job cre-

ation and equal opportunity for the Irish people, regardless of class, creed, gender, or ethnicity.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

Fiscal year 2000 level	\$535,000,000
Fiscal year 2001 request	610,000,000
Committee recommendation	535,000,000

The Committee recommends \$535,000,000 for Assistance for Eastern Europe and the Baltic States, an amount that is the same as the amount enacted for fiscal year 2000 but \$75,000,000 below the budget request.

While the Committee is recommending level funding for this account, it is also recommending language that will allow the Administration to utilize local currency that has been generated by the loan program in Bosnia for programs in Eastern Europe and the Baltic States. This local currency is denominated in German Marks, and therefore can be used in Bosnia, Montenegro, Kosovo, and in other countries and regions of Eastern Europe. The Committee anticipates that through this mechanism the U.S. dollar equivalent of \$50,000,000 will be available in fiscal year 2001 to augment the budget authority contained in this appropriations account. Therefore a program level of \$585,000,000 is being recommended for this account. The Committee recommendation assumes a reduction of at least \$25,000,000 in the request of \$175,000,000 for assistance for Kosovo.

The Committee intends that funding for democracy programs through the National Endowment for Democracy continue at least at the fiscal year 2000 level, and be provided as a transfer of funds pursuant to section 632(a) of the Foreign Assistance Act.

Notifications pursuant to section 515 of this Act for the funds appropriated under this heading should continue to be provided to the Committee in the manner and under the same conditions in which such notifications were provided during fiscal year 2000.

BURDEN SHARING FOR KOSOVO

The Committee remains concerned about the slow pace at which European donors are fulfilling their pledges for reconstruction in Kosovo. While the United States has disbursed its funds quickly, the European Commission and some European governments have lagged. The Committee finds these delays troubling, because timely disbursements of assistance are critical in maintaining and reinforcing stability in this region.

The Committee notes that European donors have increased the pace of their disbursements in recent months. However, a gap remains. As of May 30 of this year, the United States had deployed 98 percent of the officers it had pledged to the international police force and had paid 100 percent of its pledge to the budget managed by the United Nations Interim Administration Mission in Kosovo (UNMIK). The comparable figures for other NATO and EU members were 64 percent for police and 79 percent for the UNMIK budget. These levels remain unsatisfactory.

The Committee recommendation includes sufficient funds for the United States to contribute its fair share to the international effort in Kosovo; it does not include funds that would compensate for

delays by other donors. In that regard, bill language had been included that limits assistance for Kosovo to 15 percent of the total pledged by all donors for 2001, and further limits assistance to the fiscal year 2000 level of \$150,000,000. In addition, funding is prohibited for large scale physical infrastructure reconstruction.

BOSNIA AND HERZEGOVINA

The Committee has recommended the same bill language as in the fiscal year 2000 Act that prohibits the use of funds for the construction or repair of housing or residences, unless directly related to the efforts of United States troops to promote peace in Bosnia and Herzegovina; requires the written approval of the Administrator of AID for loans and projects under the Economic Reconstruction Program; and authorizes the President to withhold funds for economic revitalization for Bosnia if he determines that Bosnia is not in compliance with the Dayton Accord regarding the presence of foreign forces and has not terminated intelligence cooperation with Iranian officials. All funds are subject to the provisions of section 532 of this Act.

SERBIA

The Committee intends that none of the funds provided under this heading, or in this Act, may be made available for reconstruction or development activities for the Republic of Serbia, outside of Kosovo. The Committee supports a continuation of democratization activities in Serbia. The Committee is recommending continuation of a general provision, section 537, that would prohibit funds from being made available for assistance other than democratization assistance for the Republic of Serbia. Such assistance is not appropriate at the present time.

The Committee would also support the allocation of \$350,000, either from this account or from "Peacekeeping Operations", as a voluntary contribution to the Organization for Security and Cooperation in Europe (OSCE) and the OSCE Parliamentary Assembly to facilitate contacts with democratic forces in Serbia and Montenegro and strengthen democracy-building efforts on a multilateral basis.

MONTENEGRO

The Committee strongly supports assistance for the Republic of Montenegro, and urges the Administration to make every effort to assist the Government of the Republic. Such assistance should include balance of payments support, as well as ongoing and new initiatives to help make the economy of Montenegro less dependent on trade with Serbia. The Committee strongly supports the President's budget request of \$55,000,000 for Montenegro for fiscal year 2001, an increase of \$20,000,000 over the fiscal year 2000 level. In addition, the Committee notes that on March 30, 2000, the House of Representatives passed H.R. 3908, the 2000 Emergency Supplemental Appropriations Act, by a vote of 263 to 146. That legislation contains \$34,000,000 in supplemental funds for Montenegro.

THE BALTIC STATES

The Committee has included bill language that recommends that \$5,000,000 should be provided for assistance for the Baltic States.

Although these countries no longer have AID missions, they are still emerging from decades of dominance by the Soviet Union and continue to need United States technical assistance in order to emerge into the community of Western nations. The Committee is also concerned that the Department of State has focused resources from this account almost exclusively on southeast Europe and the Balkans to the detriment of the Baltic states and the other nations of central Europe.

The Committee intends that these resources be used in the Baltics for the following purposes:

- Regional energy programs, including the privatization of state-owned energy sector, assisting United States energy companies interested in the region, and helping to create regional grids which support the closure of the Chernobyl-type reactor in Lithuania;

- Regional environment programs, such as dealing with the heavy metals and nuclear waste in both the civilian and military sectors;

- Anticrime and anticorruption programs, including efforts to combat the Russian mafia and other organized crime organizations; and

- Rule of law programs, including professional training for members of judiciary and prosecutors.

The Committee intends that activities to combat regional health problems also be supported for the Baltics, but the Administration should also consider funding such programs through the "Child Survival and Disease Programs Fund".

The Committee directs that the Department of State and the Agency for International Development report to the Committees on Appropriations by February 1, 2001, on plans to implement these programs in the Baltics. The Committee does not believe the maintenance of such programs will require AID to open missions in any of these countries. Such programs can and should be managed on a regional basis.

Other regional programs are appropriate as well. In Poland, for instance, the Committee encourages AID to support the efforts of the National Center for Computational Hydroscience and Engineering (NCCHE) as it develops processes which can be applied to water and soil resources issues. It is the Committee's understanding that the Polish Government believes that such problems create barriers to economic development and therefore has pledged to share the cost of developing these technologies at the NCCHE. Therefore the Committee requests that funds be provided to transfer this technology to the Polish Academy of Sciences.

INSTITUTION OF HIGHER EDUCATION IN MACEDONIA

The Committee supports the establishment of an international institution of higher education in Macedonia that is fully accredited by the Macedonian Government. The Administration should ensure, to the greatest extent possible, that the curriculum includes courses in the English language, particularly in business administration. It should also emphasize public administration and technology, with degrees recognized by the Macedonian national educational system. The institution should be developed in conjunction with other donors and its policies should reflect the recommenda-

tions of the Organization for Security and Cooperation in Europe's High Commissioner for National Minorities. The Committee expects the Administration to provide \$5,000,000 over two years for the establishment and support of the faculty and programs of such an institution and for related costs, including the implementation of necessary changes in the legal framework.

TREATMENT OF ORPHANS

The Committee continues to be very concerned by the condition of orphaned children in the Federation of Bosnia and Herzegovina. While Bosnian families have been reluctant to adopt many of these children, American families have shown an interest in adopting Bosnian children. Unfortunately, legislative barriers within the Federation have prevented foreign adoptions, and the Committee is very disturbed that little action has been taken to modify these provisions. The Committee strongly encourages the Government of the Federation of Bosnia and Herzegovina to enact legislation that will expedite the adoption of Bosnia children by foreign families, and directs the Secretary of State to report not later than December 1, 2000, on the steps that have been taken both by Bosnia and by the Department to encourage passage of such legislation.

LEGAL INITIATIVES AND THE RULE OF LAW

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

Through a variety of program components, CEELI is making available legal expertise to assist countries that are in the process of modifying or restructuring their laws or legal systems. CEELI emphasizes long-term engagement country-by-country and supports projects that facilitate extensive consultations with policy-makers, legal scholars, judges, and attorneys. CEELI has focused work in several critical priority areas: constitutional reform; judicial restructuring; bar reform; commercial law; criminal law and procedure; and legal education reform, and has helped develop and/or institutionalize self-sustaining indigenous nongovernmental organizations (NGOs). The Committee encourages support for this type of private sector involvement.

The Committee acknowledges the efforts the Czech Republic has taken to move toward a market economy. However, it is concerned by reports that some investors and companies have not been provided treatment consistent with the rule of law. Of particular concern are reports that the investors and managers of NOVA-TV (Central European Media Enterprises) have not been treated fairly by officials of the Czech Republic. The Committee requests that the Government of the Czech Republic ensure that contracts are enforced, and that resolution of this matter be dealt with in a timely manner.

In furtherance of efforts to establish the rule of law in central Europe and in the former Soviet Union, the Committee urges the Administration to fund a distance learning program of instruction in basic legal principles for students and professionals in the re-

gion. Such a program has been proposed by Florida State University, and the Committee urges that \$2,000,000 be provided for this effort in fiscal year 2001. This should help advance the goal of assisting emerging democracies in building open societies through improved legal education.

In addition, the Committee requests that AID review and fund, if appropriate, the proposal to initiate the Romanian American Trade Development Center which is coordinated by George Mason University, James Madison University, the Software Association of Romania, and the Romanian Research and Development Technology Center.

TRAINING AND EXCHANGES IN THE FORMER SOVIET UNION AND
CENTRAL EUROPE

The Committee continues to support training, exchanges, and partnerships between the United States and the nations of Eurasia, Central Europe, and the southern tier of Europe. These programs are in the interest of the United States and important to sustaining democracies. The Committee recommends the Administration provide funding for the Russian, Eurasian, and East European Research and Training Program (Title VIII) at the fiscal year 1999 level.

The Committee recommends the East Central European Scholarship Program (ECESP) be continued at least at the same level as fiscal year 2000 to allow the program to continue to address the needs of the countries in the southern tier of Central Europe. The Committee also urges funding of the proposal of the University of Northern Iowa to replicate its success with the Orava Project in other countries in the region.

WOMEN'S PROGRAMS

The Committee recognizes the important role women play in building democratic societies and lasting peace in regions of conflict. Women are often at the forefront of these efforts in the Balkans: women's organizations in Kosovo, Bosnia, Croatia, and elsewhere have a history of working collaboratively across borders to find regional solutions to social and economic problems. USAID has contributed to peace building and civil society development in the region by supporting women leaders and women's organizations. The Committee encourages AID to continue its support for programs that involve women in conflict resolution.

In this regard, the Committee is aware of the expertise of Women's Campaign International and World Learning's STAR Network and urges support for these organizations to the fullest extent possible.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET
UNION

Fiscal year 2000 level	\$839,000,000
Fiscal year 2001 request	830,000,000
Committee recommendation	740,000,000

The Committee recommends \$740,000,000 for Ukraine, the Southern Caucasus states, Russia, and the Central Asian republics

of the former Soviet Union. This is \$90,000,000 less than the request and \$99,000,000 less than the enacted fiscal year 2000 level.

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

CHILD SURVIVAL AND INFECTIOUS DISEASES

The Committee continues to be concerned about the low priority assigned to declining maternal and environmental health conditions and the increasing incidence of TB/HIV/AIDS in Russia, Ukraine, and the Central Asian Republics. The positive results achieved with the small amounts already spent for such programs in recent years have been dramatic. The health and child survival sector can effectively absorb increased resources, with an immediate and personal impact on the demographically-stressed citizens of these nations. In order to demonstrate its support for these high priority activities that directly affect the citizens of these countries, the Committee has included bill language allocating not less than the request level of \$45,000,000 for them.

The Committee is aware of and commends the Birth Defects Monitoring Program recently instituted in Ukraine to detect the incidence of birth defects related to the Chernobyl accident. The Committee recommends that \$1,000,000 be provided for this purpose in fiscal year 2001. The Committee also commends AID for its efforts to prevent the trafficking of young women from the region and expects successful programs to be expanded. A new program, the Primary Health Care Initiative of the World Council of Helenes, has come the attention of the Committee. Funded by the Coordinator's Office of Humanitarian Assistance in fiscal year 2000 at a level of \$1,000,000, this project merits consideration, based on its success, for \$3,000,000 in 2001.

HEALTHCARE INTERNATIONAL AND COMMUNITY PARTNERSHIPS IN EURASIA

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

An example of a successful partnership between the Volgograd State Medical Academy in Russia and the University of Arkansas for Medical Sciences has been brought to the Committee's attention. This program has been mutually beneficial to Russia and the United States as young medical professionals from Russia receive advanced medical training delivered in a rural setting while the people of Southern Arkansas benefit from improved access to health providers. The Committee strongly recommends that AID extend and expand this program at an annual cost of \$500,000, matched by non-Federal contributions.

The Committee notes the collaboration between the AIHA and Carelift International, and the fact that AID has committed \$3,700,000 over the past 12 months to Carelift International to provide medical equipment and related training to AIHA partners. The Committee understands that less than half of the initial two year obligation of \$1,500,000 for Carelift International has been expended to date and that AID has announced its intent to obligate an additional \$2,200,000 from fiscal year 2000 funds for expenditure in 2001–2002. The Committee appreciates the humanitarian work of Carelift as it uses its remaining \$2,750,000 over the two years, and anticipates that the multiyear collaboration between AIHA and Carelift International may require \$7,000,000, including future year appropriations.

RUSSIA-IRAN

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

CHECHNYA

The Committee is very concerned about continuing military actions by the Russian Federation in and around Chechnya. In addition to possible human rights violations by the forces of the Russian Federation, this large military presence is a violation of article V of the Treaty on Conventional Armed Forces in Europe. Therefore the Committee is recommending bill language that prohibits assistance for the Government of the Russian Federation until the Secretary of State certifies that the Russian Federation is in compliance with article V of the Treaty on Conventional Armed Forces in Europe regarding forces deployed in the flank zone in and around Chechnya.

The Committee does not intend that assistance to combat infectious diseases, child survival and non-proliferation activities, support for regional and municipal governments, and partnerships between United States hospitals, universities, judicial training institutions and environmental organizations and counterparts in Russia would be affected by this provision.

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

Again this year, the Committee designates as a high priority U.S. assistance to the victims of the Nagorno-Karabagh conflict, both those residing in and displaced from Nagorno-Karabagh. With regard to the former, the Committee directs, without further delay, that the remainder of the \$20,000,000 in humanitarian assistance initially provided in the fiscal year 1998 Act be released for obligation. With regard to the latter, the Committee requests the Secretary of State to report in writing to the Committee within 15 days of the enactment of this bill on the amounts of assistance provided by the United States, other bilateral donors, and international organizations to such displaced persons in 1998 and 1999, the estimates for 2000, and the projections for 2001, the gap between requirements and projected donor totals in 2001, and measures taken by the United States to meet its share of any projected gap in 2001 between requirements and projected resources for such displaced persons.

SUPPORT OF PEACEFUL RESOLUTION OF SOUTH CAUCASUS CONFLICTS

The Committee reiterates themes included in its last three reports:

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

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

The Committee remains concerned that the important Office of Special Negotiator for Nagorno-Karabagh and NIS Regional Conflicts within the U.S. State Department has often lacked timely support from the Department of State. Given the lack of progress in settling the conflicts in Nagorno-Karabagh and Abkhazia, the Committee again urges the Secretary of State to move forthwith to appoint a high-level, long-term Special Negotiator to facilitate direct negotiations and any other contacts that will bring peace to the people of the South Caucasus. The Secretary is further urged to remain engaged in the regional peace process.

The Committee has been apprised that on May 18, 2000, the Minsk Group convened a meeting of 19 international organizations to assess their ability to respond effectively and efficiently to a peace settlement between Armenia and Azerbaijan. This "reference group" agreed that, if peace could be achieved, hundreds of millions of dollars would become available for reconstruction and resettlement. The reference group is preparing to send a needs assessment

team to the region to develop an accurate technical analysis of the funding requirements in the event of a peace settlement.

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

The Committee also reiterates the statement contained in prior year reports on this bill that its actions regarding Armenia and Azerbaijan are not meant to express a view on the political status of Nagorno-Karabagh.

ARMENIA

The Committee recommends continuation of current law providing that not less than a fixed percentage of the funds appropriated under this heading is allocated for Armenia. For 2001, the percentage is 12.5 or one-eighth. The Committee intends that a significant part of the assistance for Armenia continue to support small enterprises and housing in the 1988 earthquake zone. The Committee is aware of the work of the Armenian Technology Group in assisting the Armenian private sector in a seed multiplication program. The Committee supports the expansion of these efforts in additional countries in the Central Asia region.

GEORGIA

The Committee recommends continuation of current law providing that not less than a fixed percentage of the funds appropriated under this heading is allocated for Georgia. For 2001, the percentage is 12.5 or one-eighth. The Committee intends that that a significant part of the assistance for Georgia continue to be provided for technical security assistance for border and export control.

AZERBAIJAN

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

UKRAINE

The Committee notes that one of the most important elements of private sector development is agriculture and rural industry based on agriculture. The Committee supports continuing efforts to help emerging small, private farms and independent private suppliers and marketing operations in the independent states. The survival of viable smaller private enterprises where few or none have ex-

isted before will be a benchmark for AID's decade-long involvement in Ukraine and the entire region.

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

The Committee supports consideration of a terminal three year grant of up to \$5,000,000 to enable the Ukrainian Land and Resource Management Center to complete its goal of becoming self-sustaining.

EXPANDED THREAT REDUCTION

The request included \$141,000,000 for the second year of an Expanded Threat Reduction (ETR) program, of which \$87,000,000 is requested under this heading and \$54,000,000 is requested from the "Nonproliferation, Anti-terrorism, Demining, and Related Activities" account. The Committee includes \$78,000,000 for programs justified as part of the ETR, including \$14,000,000 for the bilateral U.S. Civilian Research and Development Foundation (CRDF) in this account, and not less than the request of \$15,000,000 for the Georgia Border Security and Related Law Enforcement Assistance Program.

The Committee recommends that of the amounts provided for ETR activities, up to \$2,000,000 be made available for collaborative research grants for American and Russian scholars concerning the enhancement of verification of arms control and nonproliferation agreements, confidence-building measures to enhance international security, and economic and political studies of defense conversion. The Committee recommends that the Department of State make use of such organizations as the National Council for Eurasian and East European Research in establishing and administering this program.

DETENTION OF EDMOND POPE IN RUSSIA

The Committee notes with deep concern the imprisonment of Edmond Pope by the Government of the Russian Federation. A retired U.S. Navy Captain, Mr. Pope was in Russia on behalf of the Applied Research Lab at the Pennsylvania State University to arrange for a new testing facility contract for a high-speed underwater technology project. Based on the facts as they have been presented to the Committee, this was a legitimate, open business transaction and the technology being purchased has been declared to be available through commercial sale. The Committee expresses its strong support for his immediate release. Until the charges are dismissed and Mr. Pope is released from prison, the Committee recommends that the Administration sharply curtail new financial support for Russia and technological exchanges with the Russian Federation.

ENTERPRISE FUNDS

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

ern NIS Enterprise Fund in fiscal year 2000 were inadequate. The Committee urges the State Department and AID to provide not less than \$50,000,000 to TUSRIF over the fiscal years 2000 and 2001, as the Fund demonstrates its ability to promote the development of a market economy in Russia. The Committee commends the Fund's innovative housing mortgage program. In return for a more rapid rate of Federal investment in TUSRIF, the Committee expects it to work more closely with United States companies and investors and with businesses located in the vicinity of U.S. regional investment cities.

The Committee welcomed the return of \$40,000,000 to the U.S. Treasury by the Fund's companion enterprise fund in Poland, and anticipates the receipt of an additional \$80,000,000 in fiscal years 2000 and 2001. The Committee expects that more rapid capitalization of the U.S. Russian Investment Fund may lead over time to a similar repatriation of foreign aid funds to the U.S. Treasury.

VIOLENCE AGAINST WOMEN

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

RELIGIOUS FREEDOM IN RUSSIA

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

The recommended bill again includes language addressing this matter that is identical with language in the 1999 and 2000 Acts.

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

INDEPENDENT AGENCIES

INTER-AMERICAN FOUNDATION

Fiscal year 2000 level	(\$5,000,000)
Fiscal year 2001 request	20,000,000
Committee recommendation	(10,000,000)

The Committee recommends up to \$10,000,000 for the Inter-American Foundation, provided through the "Development Assistance" account. This is \$10,000,000 below the budget request.

AFRICAN DEVELOPMENT FOUNDATION

Fiscal year 2000 level	(\$14,400,000)
Fiscal year 2001 request	16,000,000
Committee recommendation	(16,000,000)

The Committee recommends funding for the African Development Foundation at a level of \$16,000,000, provided through the

“Development Assistance” account. This is the mechanism used in fiscal year 2000, instead of a separate account as requested by the President. This is an increase of \$1,600,000 above the fiscal year 2000 level.

PEACE CORPS

Fiscal year 2000 level	\$245,000,000
Fiscal year 2001 request	275,000,000
Committee recommendation	258,000,000

The Committee recommends \$258,000,000 for the Peace Corps, an amount that is \$17,000,000 less than the budget request and \$13,000,000 above the amount enacted for fiscal year 2000. Prior year language addressing purchase of motor vehicles, abortion, and availability of funds has been continued in the bill. The Committee supports the work of the Peace Corps and of its volunteers who currently work in 77 countries.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

Fiscal year 2000 level	\$305,000,000
Fiscal year 2001 request	312,000,000
Committee recommendation	305,000,000

The Committee recommends \$305,000,000 for “International Narcotics Control and Law Enforcement”. This is \$7,000,000 below the budget request and the same as the fiscal year 2000 level. The Committee has included bill language requiring that all funds in this account for anti-crime activities be notified in advance to the Committees on Appropriations, including those which make use of “notwithstanding” authority. The Committee notes that section 520 of the bill applies to the use of Narcotics Control and Law Enforcement funds for Colombia. The Committee supports the use of up to \$10,000,000 from funds under this heading for Law Enforcement Training and Demand Reduction programs.

The Committee continues to support a strong U.S. counter-narcotics assistance program in order to protect U.S. communities from the ravages of drugs, and believes INL has considerable resources, made available through annual and supplemental appropriations, to meet these challenges.

COLOMBIA

The Committee commends the continued efforts of the democratically elected Colombian Government to advance a peace process to resolve the conflict in Colombia. President Pastrana’s decision to seek a negotiated settlement with the Revolutionary Armed Forces of Colombia (FARC) guerrilla group—known for its ruthless policies of kidnapping, extortion and murder of innocent civilians—will be lengthy and difficult. The Committee urges all sides in the Colombian conflict to make renewed efforts to achieve a peaceful, negotiated settlement, and encourages the U.S. State Department to continue to support these difficult efforts.

The Committee is concerned about reports of serious violations of basic human rights and urges all parties to adhere to recognized standards of international humanitarian law. The Committee be-

lieves that the Government of Colombia must move decisively to carry out arrest warrants for paramilitary leaders and to ensure that any links between official security forces and paramilitary activities are ended.

The Committee calls on the Department of State to ensure that all U.S. laws regarding human rights, including section 564 of this Act, are strictly applied in Colombia. In addition, the Committee requests that the Secretary of State submit to the Appropriations Committees a semi-annual report beginning not later than March 1, 2001, with respect to Colombia. Each report shall include an accounting of all aircraft, vehicles, boats and lethal equipment (other than ammunition) transferred to Colombia's military or police with funds made available under this title. Further, the report shall contain an accounting of the number of U.S. Armed Forces personnel deployed or assigned to duty in Colombia at any time during the preceding 180 days with funds made available under this title, the length and purpose of the deployment or assignment, and the associated costs and force protection risks.

The Committee directs the Department of State to report not later than March 1, 2001, on the use of funds appropriated in Public Law 106-31 for counterdrug research and development and specifically on the uses of funds for mycoherbicide research, development, and use.

PERU

The Committee continues to be concerned about the serious setbacks to democracy, human rights and the rule of law in Peru under the government of President Alberto Fujimori. The April 9, 2000, and May 29, 2000, presidential and congressional elections in Peru were tainted by widespread irregularities and fraud. Pre-election monitoring delegations by the Carter Center and National Democratic Institute determined that "the conditions for a fair election campaign have not been established. Irreparable damage to the integrity of the electoral process has already been done." The Committee notes the systematic harassment—largely attributed to the Peruvian National Intelligence Service (SIN)—faced by journalists in Peru. The Committee is also concerned about the Fujimori government's tight control over the judiciary and the continued imprisonment of hundreds of Peruvians on terrorism charges.

The Committee directs the Secretary of State to urge the Government of Peru to accept the ruling of the Organization of American States' Inter-American Court of Human Rights, to restore freedom of the press in Peru, including the return to Baruch Ivcher of both his Peruvian citizenship and channel 2 television station and to ensure a prompt and fair review of the hundreds of Peruvians in jail on terrorism charges.

BOLIVIA

The Committee is pleased with the extraordinary success of the Bolivian government's program, known as the "Dignity plan", to eradicate illegal coca leaf production and completely end the country's illegal drug trade by 2002. This effort represents one of the most ambitious elements of our hemisphere's war on drugs and should be seen as a model for other nations to follow. The Bolivian government has put forward a comprehensive fiscal year 2001

budget and program to continue to eradicate and interdict illegal coca, provide alternative development for Bolivia’s agricultural sector and bolster drug prevention programs. The Committee expects the State Department to provide Bolivia with the highest level of funding possible in order to assist Bolivia meet its ambitious goals under its “Dignity plan”.

DUE PROCESS OF LAW IN ECUADOR

The Committee requests the Secretary of State to submit a report to the Committees on Appropriations not later than February 1, 2001, which shall evaluate the Ecuadoran judicial process including arrests, prosecution, full trial process, and sentencing and confirmation process with respect to United States citizens prosecuted in that country since January 1, 1996. The evaluation shall determine whether actions in these stages have been in compliance with the Ecuadoran Constitution and legal code and shall evaluate the impact of U.S. foreign assistance to Ecuador on the effectiveness and lawfulness of the Ecuadoran judicial system.

PHILIPPINES

The Committee is concerned with the increasing illegal drug trafficking into the United States from East Asia, especially in Vietnam, Cambodia and the Philippines. The Committee continues to support International Narcotics Control programs in East Asia designed to strengthen law enforcement institutions so they can better deal with increases in drug trafficking. Further, the Committee encourages INL to enhance its existing regional counter-drug cooperation programs in this region. The Committee is aware of current steps being taken by the Philippine National Police to effectively combat narcotics trafficking, but notes that the National Police lack resources to meet these requirements. Therefore, the Committee supports the use of INL resources to upgrade Philippine National Police equipment, including maritime and air assets and surveillance equipment, to support mutually beneficial counter-drug programs.

ASSISTANCE TO PLAN COLOMBIA

Fiscal year 2000 Emergency Supplemental request	\$818,000,000
Fiscal year 2001 request	256,000,000
Committee recommendation .....	.....

The Committee has not provided funding in its fiscal year 2001 recommendation for Plan Colombia. The budget request for fiscal year 2001 for assistance for Plan Colombia is \$256,000,000. The Committee has addressed both the fiscal year 2000 emergency supplemental appropriation budget request and the fiscal year 2001 budget request for Plan Colombia separately.

The Committee continues to support Plan Colombia, the Colombian Government’s effort to halt the flow of drugs into the United States and to aid Colombian local and national governing ability. While funding for Plan Colombia is addressed separately, funds from the “International Narcotics Control and Law Enforcement” account in this Act will directly support Plan Colombia. The Committee directs INL to consider purchasing American-made mobile field hospitals to support the existing Colombian Army counter-

narcotics battalion in Southern Colombia. The Committee believes that these field hospitals also can serve as health clinics for rural communities, providing health care to underserved regions. The Committee directs that up to \$10,000,000 from funds under this heading and from any funds made available to support Plan Colombia for this purpose.

To help improve human rights and to strengthen democracy, the Committee encourages up to \$1,200,000 for the University of Notre Dame from the "International Narcotics Control and Law Enforcement" account and from any funds made available to support Plan Colombia. These funds will support Notre Dame's program of human rights, democracy, and conflict resolution training for a broad spectrum of Colombian Government and civic leaders. The Committee expects Notre Dame to receive private funding to complement the U.S. Government's commitment to this activity and to conduct the essential elements of this program in Colombia.

MIGRATION AND REFUGEE ASSISTANCE

Fiscal year 2000 level	\$625,000,000
Fiscal year 2001 request	658,212,000
Committee recommendation	645,000,000

The Committee recommends \$645,000,000 for "Migration and Refugee Assistance", an amount that is \$13,212,000 below the request but is \$20,000,000 more than the amount enacted for fiscal year 2000. A limitation of \$14,852,000 is recommended for administrative expenses, as requested.

TIBETAN REFUGEES

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

RESETTLEMENT IN ISRAEL

The Committee supports \$60,000,000 for the resettlement of Russian, Eastern European and other humanitarian migrants in Israel, consistent with House Report No. 105-401. The Committee notes that the resurgence of anti-Semitism in Russia has led to a significant increase in Jewish emigration to Israel in the past eighteen months. In light of the unsettled conditions in Russia and the increased number of immigrants arriving in Israel, the Committee believes that this level of funding should be sustained to ensure a continuation of the programs now serving this population.

UNACCOMPANIED AND AT-RISK CHILDREN

The Committee supports funding for programs for unaccompanied and at-risk refugee children. The Committee recommends that the Department of State provide funding through nongovernmental organizations and United Nations agencies for children who

are orphaned, separated from their parents, or have other special needs as a result of armed conflict or other causes of forced migration. This funding should support programs whose principal goal—rather than merely a collateral benefit—is to assist children in these situations.

AFRICA REFUGEE ADMISSIONS AND ASSISTANCE

The Committee commends the Department of State for increasing the refugee admissions program's focus on refugees most in need of rescue, particularly those from sub-Saharan Africa. Admissions of refugees from Africa increased from 7,000 in fiscal year 1998 to 13,000 in fiscal year 1999, an increase of approximately 85 percent. The Department of State has informed the Committee that it expects to admit 18,000 refugees from Africa in fiscal year 2000, an increase of more than 70 percent. The Committee encourages the Department of State to continue giving priority to refugees most in need of rescue, including those from Africa.

The Committee is concerned about significant disparities in funding for assistance to refugees in different regions of the world. In the past decade, while refugee programs in Europe have received strong support, many programs in Africa have been severely underfunded.

The Committee is aware that the Department of State traditionally contributes twenty to twenty-five percent of the funds required for refugee programs managed by the United Nations High Commissioner for Refugees and certain other international relief agencies. The Committee encourages the Department to exercise more flexibility, where appropriate, to compensate for the disparities noted above. So, for example, the United States might contribute 10 percent to a program in Europe that attracts substantial funding from other governments but 50 percent to an effective program in Africa that is being neglected by other donors.

STAFFING

The Committee supports appropriate staffing to ensure effective management of the funds in this account. For this reason, the Committee has endorsed the Department of State's request for an increase in administrative funds, which will pay for additional personnel in the Bureau of Population, Refugees, and Migration. The Committee recognizes that the Bureau's work has become more labor-intensive in recent years as it has channeled more funds through nongovernmental organizations and increased refugee admissions from locations that are difficult to access. Still, the Committee is concerned that, because the current staffing pattern has evolved in part in response to crises, it may be skewed toward certain areas of the world. While the Bureau's staffing must adjust for crises, it should not be crisis-driven.

The Committee requests the Bureau to compare the numbers of staff members working on different issues and geographic areas with the Bureau's responsibilities in those areas and, if appropriate, to make adjustments. In assessing its responsibilities in a geographic area, the Bureau should consider criteria such as the number of countries/crises grouped together; the amount of assistance resources flowing there; the number of organizations receiving Bureau funds in that area; the volume of admissions from that re-

gion; and political reporting requirements. In assessing its staffing level, it should consider all categories of personnel, including Washington and field-based, direct hire and contractors, American and foreign nationals, etc. The Committee directs the Bureau to develop a plan for shifting additional staff as required when crises emerge and reducing their numbers when the crises subside. The Committee requests that the Bureau report to the Committee not later than March 1, 2001, on both of these directives.

COORDINATION WITH OFDA

The Committee notes that, in recent years, the Bureau of Population, Refugees, and Migration (PRM) has increased its direct funding of nongovernmental organizations. As a result, it is now using many of the same implementing partners as AID's Office of Foreign Disaster Assistance (OFDA) to carry out similar activities. The Committee commends the coordination between PRM and OFDA at the peak of the Kosovo crisis, in particular their practice of discussing project proposals with each other before making funding decisions. The Committee considers such coordination essential to ensure optimal use of taxpayer funds. The Committee directs PRM and OFDA to jointly develop standard operating procedures for cooperation whenever both agencies respond to the same crisis or are present in the same geographic area, and methods for ensuring that these procedures become institutionalized. The Committee requests a report on the implementation of these directives not later than March 1, 2001.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

Fiscal year 2000 level	\$12,500,000
Fiscal year 2001 request	20,000,000
Committee recommendation	12,500,000

The Committee recommends \$12,500,000 for the Emergency Refugee and Migration Assistance (ERMA) Fund, which is the same as the 2000 enacted level and \$7,500,000 below the 2001 budget request.

The Committee notes that, as of June 1, 2000, the ERMA Fund maintained a balance of \$145,309,659. This balance is more than twice the amount the ERMA Fund has carried forward into any previous fiscal year. The Committee considers it appropriate for the ERMA Fund to maintain a sizable balance, since the purpose of this account is to facilitate a quick response to humanitarian emergencies. Still, the Committee believes that, with the current balance in the Fund, a larger appropriation to this account cannot be justified.

The Committee is concerned that the Administration may be using an overly stringent standard in judging whether to draw down the ERMA Fund. The primary criterion for the use of these resources should be the emergency needs of refugees and other persons who fall within the mandate of the ERMA Fund. The Committee directs the Administration to use this Fund when these populations face serious threats to their security or physical well-being and other resources are not available to address these threats. The Committee does not wish to see a situation in which critical hu-

manitarian needs go unmet while a large fund created to address these needs remains untouched.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED
PROGRAMS

Fiscal year 2000 level	\$216,600,000
Fiscal year 2001 request	346,740,000
Committee recommendation	241,600,000

The Committee recommends a total appropriation of \$241,600,000 for “Nonproliferation, Anti-terrorism, Demining and Related Programs”, an amount that is \$105,140,000 below the request but \$25,000,000 above the fiscal year 2000 enacted level.

The Committee recommendation funds the President’s budget request for this account with three major exceptions:

Funding for the Korean Peninsula Energy Development Organization (KEDO) is recommended at the fiscal year 2000 enacted level of \$35,000,000, a reduction of \$20,000,000 from the President’s request;

Funding for a new Center for Antiterrorism and Security Training (CAST) has not been provided, a reduction of \$30,000,000 from the President’s request; and

Funding for Science Centers is provided at a level of \$25,000,000, rather than \$45,000,000 as requested by the President.

In addition, the Committee has not addressed the request of \$41,240,000 associated with funding for the Lockerbie bombing trial in the Netherlands (including \$6,000,000 in advance appropriations). The budget amendment containing this funding proposal was received on Monday, June 5, 2000, and the Committee has had little opportunity to review the merits of the request. The Committee notes that one of the proposed offsets for this additional funding is not under the jurisdiction of the Subcommittee on Foreign Operations, Export Financing, and Related Programs, and the other offset proposed would not be scored as negative budget authority by the Congressional Budget Office. Thus the Administration has not proposed legitimate offsets for this additional spending that are available for use by the Subcommittee on Foreign Operations.

Funding for the proposed Center for Antiterrorism and Security Training (CAST) has not been provided, both due to budget constraints and due to the fact that funding for domestic law enforcement training is not under the jurisdiction of the Subcommittee on Foreign Operations, Export Financing, and Related Programs. Although the proposal for CAST includes training for foreign law enforcement purposes, the Committee believes that these needs can be met by training at existing facilities and encourages the Department of State to coordinate with the Federal Law Enforcement Training Center (FLETC) and the Department of Justice in this regard. To the extent that other Federal entities were seeking to participate in the proposed training facility, such needs should be pursued through the proper subcommittees of jurisdiction.

The Committee has included bill language from 2000 that imposes the requirement for notice prior to the obligation of funds for the CTBT Preparatory Commission.

The Committee strongly encourages the Department of State to consult with the Government of Pakistan on efforts to increase anti-terrorism and anti-crime cooperation. Increased activities in this regard would benefit both the United States and Pakistan.

The following is a chart that indicates fiscal year 2000 funding for the programs covered by this account, as well as the President's request for fiscal year 2001 and the Committee recommendation:

(In thousands of dollars)

Program	Fiscal year 2000	President's request	Committee recommendation
Nonproliferation and Disarmament Fund	15,000	15,000	15,000
Export control assistance	14,530	14,000	14,100
IAEA contribution	43,000	47,000	47,000
CTBT Preparatory Commission	14,000	21,500	21,500
KEDO	35,000	55,000	35,000
Anti-terrorism assistance	33,000	38,000	38,000
Center for Antiterrorism and Security Training		30,000	
Terrorist Interdiction Program	1,250	4,000	4,000
Demining	40,000	40,000	40,000
Small Arms Destruction		2,000	2,000
Science Centers	(¹)	45,000	25,000
Lockerbie trial costs		41,240	
Minus advance appropriations		-6,000	
New budget authority	216,600	346,740	241,600

¹ (Science Center program funded in the account "Assistance for the Independent States of the Former Soviet Union" in fiscal year 2000).

NONPROLIFERATION AND DISARMAMENT FUND

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

KEDO BURDEN SHARING

The Committee is recommending \$35,000,000 for KEDO, rather than \$55,000,000 as requested by the Administration. The Committee continues to strongly believe it is essential that other nations share the financial burden in responding to the North Korean nuclear threat. The United States stations approximately 37,000 uniformed Americans in South Korea and spends over \$2,500,000,000 per year to ensure stability and peace on the Korean peninsula. The Committee fully expects other nations to do their share and help fund the heavy fuel oil component of the Agreed Framework. This matter is also addressed in section 572 of this Act.

The Committee is also concerned by reports that North Korea does not have the personnel to effectively or safely operate a nuclear reactor, or the infrastructure to deliver the electricity to the North Korean people. Without progress in these areas, North Korea will be incapable of using the light water reactors as was intended in the Agreed Framework. Therefore the Committee requests that the Department of State report by January 15, 2001, on the

progress North Korea is making, if any, to build the infrastructure capable of distributing electricity and train the personnel necessary to operate two light water nuclear reactors.

DEPARTMENT OF THE TREASURY

DEBT RESTRUCTURING

Fiscal year 2000 level	\$123,000,000
Fiscal year 2001 request	262,000,000
Committee recommendation	82,400,000

The Committee recommends \$82,400,000 for debt restructuring for fiscal year 2001. This is \$40,600,000 below the amount enacted in 2000, and \$179,600,000 below the request. The Committee supports the request for bilateral debt relief and provides funding for that purpose. It also directs that \$13,000,000 be used to implement the Tropical Forest Conservation Act of 1998, the same as the amount made available in fiscal year 2000, but \$24,000,000 less than the request for that purpose.

The Committee recommendation gives the Secretary of the Treasury flexibility to use the appropriations provided under this heading, other than the \$13,000,000 reserved for implementation of the Tropical Forest Conservation Act, for bilateral debt relief or as a United States contribution to certain multilateral development banks that lack sufficient resources to fund debt relief commitments made to heavily indebted poor countries.

HIPC TRUST FUND

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

The following table indicates the current financial status of the HIPC Trust Fund:

[As of May 22, 2000, amounts in millions of U.S. dollars]

	Contributions re- ceived	Pledges	Total
Australia	12	.....	12
Austria .....	.....	19	19
Belgium	4	36	40
Canada	102	.....	102
Denmark	26	35	61
Finland	15	11	26
France .....	.....	199	199
Germany	24	219	243
Greece	1	9	10
Ireland	15	4	19
Italy .....	.....	162	162
Japan	10	190	200
Luxembourg	1	2	3
Netherlands	131	38	169
New Zealand	2	.....	2
Norway	42	.....	42

[As of May 22, 2000, amounts in millions of U.S. dollars]

	Contributions re- ceived	Pledges	Total
Portugal	15	7	22
Spain	15	113	128
Sweden	28	20	48
Switzerland	30	30	60
United Kingdom	36	280	316
United States		600	600
Total	509	1,974	2,483

The Committee supports the noble mission undertaken by vast numbers of private citizens, civic organizations, and religious leaders to forgive poor country debt during the jubilee millennium year of 2000. It is the Committee's view, based on more than a half century of experience in funding foreign assistance, that the elaborate HIPC Initiative will be extremely difficult to implement. Public and private vigilance will be required to ensure that domestic budgetary savings resulting from reduced sovereign debt payments under the HIPC Initiative will, in fact, be used by poor country governments solely for economic growth and social/health activities aimed at poverty alleviation. The Committee has found itself unable to obtain from official sources basic information about HIPC, such as the amount of actual cash flow savings by participants. Instances of questionable expenditures by initial HIPC participants, such as Uganda's lease-purchase of an advanced corporate jet aircraft for its president, have reinforced the Committee's deliberate and cautious approach to funding for the HIPC Trust Fund.

CONDITIONS ON CONTRIBUTIONS TO HIPC TRUST FUND

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

The Committee also has recommend bill language that conditions funding for the HIPC Trust Fund on Agreement that new lending to HIPC participants by beneficiary multilateral development banks be deferred for up to 30 months. It is the Committee's intent that debt reduction under the enhanced HIPC Initiative not be taken as a signal for renewed lending by international financial institutions or export financing agencies. In the short-term, these countries should take a "time out" from sovereign lending.

BOLIVIA AND MOZAMBIQUE

The Committee is familiar with the progress made by the two countries named in bill language, Bolivia and Mozambique, and supports their efforts to escape from the multilateral debt trap and provide better economic and social opportunities for their citizens. The large increase recommended for this account is a vote of confidence in the leaders and people of Bolivia and Mozambique, who have earned special consideration because of the reforms they have undertaken with some success. Based on information the Committee has received from the Department of the Treasury, it is

highly likely that all of the appropriations provided for debt reduction will be needed for Bolivia and Mozambique.

ACCOUNTABILITY AND FUTURE SUPPORT FOR THE HIPC INITIATIVE

The Committee again requests quarterly reports on obligations made from this account, and on the purposes for which the funds are obligated. During the first quarter of the fiscal year, the Department of the Treasury should continue to report to the Committee pursuant to the regular notification procedures of the Committees on Appropriations on the intended use of the funds provided in this account. Such report should specify the countries that would receive debt restructuring during fiscal year 2001. The Committee understands that credit ratings can fluctuate during the year, thus resulting in a change in the budget cost necessary to restructure debt. If the cost of debt relief for the poorest countries is recalculated upward, it will necessitate a decrease in the funds allocated for concessional debt relief.

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

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

Fiscal year 2000 level	\$1,500,000
Fiscal year 2001 request	7,000,000
Committee recommendation	2,000,000

The Committee recommends \$2,000,000 under this heading for international technical assistance by the Department of the Treasury, an amount that is \$5,000,000 less than the request and \$500,000 above last year's level.

UNITED STATES COMMUNITY ADJUSTMENT AND INVESTMENT PROGRAM

Fiscal year 2000 level	\$10,000,000
Fiscal year 2001 request	10,000,000
Committee recommendation .....	.....

The Committee is not recommending additional appropriations at this time for a domestic program for community investment and adjustment within the United States.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

Fiscal year 2000 level	\$50,000,000
Fiscal year 2001 request	55,000,000
Committee recommendation	52,500,000

The Committee recommends \$52,500,000 for the International Military Education and Training program, which represents an increase of \$2,500,000 above the fiscal year 2000 level but is \$2,500,000 below the requested level.

INDONESIA AND GUATEMALA

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

EXPANDED IMET

The Committee strongly supports the continuation of Expanded IMET (E-IMET) programs. In that regard, the Committee notes that part of the success of the E-IMET programs is dependent on appropriate equipment critical to the learning process. For example, equipment that enhances simultaneous translation capacity or remote or distance learning teleconferencing could greatly advance the reach and efficiency of E-IMET programs. Yet, there is no consideration within the program budget for such needs. Consequently, the Committee requests that the Administration make funds available within the E-IMET program as needed to support equipment and other infrastructure requirements of E-IMET programs.

The Committee is aware of a proposal by the Center for Civil-Military Relations (CCMR) at the Naval Postgraduate School for a peacebuilding curriculum that would provide the expertise, problem-solving and management skills for a cadre of peacebuilding experts who would plan for and conduct peacekeeping and post-peacekeeping development operations. The Committee urges the Department of Defense and the Department of State to consider funding the costs of foreign students attending CCMR for this purpose.

REPORT ON FOREIGN MILITARY TRAINING

The Committee has continued a general provision (sec. 571) requiring a detailed report on foreign military training. The bill language requires the Secretary of Defense and the Secretary of State to jointly provide to the Congress by March 1, 2001, a report on all overseas military training provided to foreign military personnel under programs administered by the Department of Defense and the Department of State during fiscal years 2000 and 2001, including those proposed for fiscal year 2001. This report shall include, for each such military training activity, the foreign policy justification and purpose for the training activity, the cost of the training activity, the number of foreign students trained and their units of operation, and the location of the training. The report does not cover training associated with military sales or training for personnel from countries belonging to the North Atlantic Treaty Organization. In addition, this report shall also include, with respect to United States personnel, the operational benefits to United States forces derived from each such training activity and the United States military units involved in each such training activity. This report may include a classified annex if deemed necessary and appropriate. However, the Committee emphasizes strongly that it expects this report to be unclassified and believes that the classified annex should be used only when necessary to protect intelligence sources or methods.

SCHOOL OF THE AMERICAS

While funds in this Act are not the primary funding source for the School of the Americas, the Committee continues to carefully review the activities of the School of the Americas to make certain that grant IMET funds used to support students at the School are being appropriately utilized to support United States national security objectives and to improve the professionalism of Latin American militaries. As a result, the Committee includes prior year bill language which makes clear the Committee's intent that the School not engage in any inappropriate training activities. To support this objective, the Committee withholds the obligation of IMET funds to support training at the School of the Americas until the Secretary of Defense certifies that the instruction and training provided by the School of the Americas is fully consistent with training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to train United States military personnel. It is not the intent of the Committee that "fully consistent" be interpreted as identical to U.S. training. The Committee's concern is specifically with respect to human rights training, in which case the Committee believes training by the School of the Americas should be fully consistent with the United States Government's statutory and executive order obligations and limitations in this area. In addition, the bill requires that the Secretary of Defense submit to the Committees on Appropriations by January 15, 2001, a report detailing the training activities of the School of the Americas and a general assessment regarding the performance of its graduates during 1998 and 1999.

In order to provide an even higher level of assurance that funds provided for the School of the Americas are used in a manner that is in accordance with American values, a new proviso is recommended that prohibits funding for the School of the Americas until the Secretary of State, without delegation, certifies that the instruction and training provided by the School of the Americas is consistent with United States foreign policy objectives and helps support the observance of human rights in Latin America.

IMET AVAILABILITY

The Committee has retained language from fiscal year 2000 which provides that, of the funds made available for IMET, \$1,000,000 may remain available until expended.

FOREIGN MILITARY FINANCING PROGRAM

Fiscal year 2000 level	\$3,420,000,000
Emergency supplemental funding	1,375,000,000
Fiscal year 2001 request	3,538,200,000
Committee recommendation	3,510,000,000

The Committee recommends \$3,510,000,000 in Foreign Military Financing grants. This program level is \$1,285,000,000 below the fiscal year 2000 level and \$28,200,000 below the President's request. If emergency supplemental funding is excluded from the calculation, the recommended level is \$90,000,000 above the fiscal

year 2000 level. The funding level assumes an increase above last year's level of \$60,000,000 for Israel, as requested by the President.

ISRAEL

The Committee recommends a total Foreign Military Financing (FMF) Program of not to exceed \$1,980,000,000 in grants for Israel which shall be available within 30 days of enactment or by October 31, 2000, whichever is later.

It is the Committee's view that while Israel's economy has improved significantly in recent years, the security situation in the Middle East may have worsened. Therefore, the Committee is convinced the United States must make every effort to carry out its long-standing policy of ensuring that Israel's technological edge is maintained. As a result, the Committee has provided an increase of \$60,000,000 above the fiscal year 2000 level, as requested by the President. The Committee also believes that a sustained military improvement program will be required over the next ten years, at an annual rate of approximately \$60,000,000, to assist Israel in responding to these emerging security challenges. However, with respect to this recommended increase in military assistance, the Committee must be very clear that it cannot commit future Congresses to the future appropriation of funds. Therefore, future increases in military assistance will require the annual review of the Congress and will necessarily be based upon an assessment of the security situation at the time.

The Committee also recommends that, to the extent that the Government of Israel requests that FMF grant funds for Israel be used for such purposes, and as agreed by Israel and the United States, funds may be made available for advanced weapons systems of which \$520,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development. This represents a \$15,000,000 increase over the fiscal year 2000 level and reflects a recognition by the Committee of Israel's need for similar annual increases over the next few years in order to provide Israel with increased flexibility in meeting the emerging security challenges in the Middle East.

PHALCON

The Committee is very disturbed by reports that Israel is preparing to provide China with an airborne radar system that could threaten both the forces of democratic Taiwan and the United States in the region surrounding the Taiwan Strait. The Committee intends to revisit this issue as the appropriations process moves forward.

JORDAN

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

EGYPT

The Committee recommends a total of not to exceed \$1,300,000,000 in Foreign Military Financing grants for Egypt.

Pursuant to the President's budget request bill language is recommended that would require that funds estimated to be outlayed for Egypt during fiscal year 2001 shall be disbursed within 30 days of enactment of this Act or by October 31, 2000, whichever is later. The Committee fully appreciates Egypt's strategic location, its immediate proximity to Libya and Sudan both of which have supported international terrorism; its critical contribution during the Gulf War in resisting Iraqi aggression; and its essential role in the Middle East peace process. The Committee is convinced that continued military cooperation between Egypt and the United States remains in the national security interests of both countries. Nevertheless, the Committee is concerned about ongoing violence experienced by the Christian minority in Egypt. The Committee urges Egypt to expedite the investigations of the murders of 2000 and 1998 in Al-Kosheh, and of the 1998 interrogations.

THE BALTICS

The Committee supports continued provision of sufficient assistance through this account and through "International Military Education and Training" for Estonia, Latvia, and Lithuania. Previous years' funding has significantly supported the commendable efforts of these countries to attain Western military standards and to improve their capacities to contribute to international security through the provision of peacekeepers to international peacekeeping missions. The Committee urges continued support for the Baltic states at least at the fiscal year 2000 level.

PARTNERSHIP FOR PEACE NATIONS

The Committee strongly supports funding for the Partnership for Peace (PFP) program, and intends that most of the non-Camp David increase of \$30,000,000 provided in this account should be allocated for PFP and for the North Atlantic Treaty Organization (NATO) accession countries, as well as for programs in Africa.

PARTNERSHIP FOR PEACE NOTIFICATION

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

ADMINISTRATIVE EXPENSES

The Committee has recommended a limitation on administrative expenses of \$30,495,000. This is \$2,505,000 less than the level requested by the President and the same as the fiscal year 2000 level. If additional resources become available as the appropriations process continues, the Committee will revisit this issue.

FOREIGN MILITARY FINANCING SURCHARGE

The Committee has included a limitation on Foreign Military Financing operating costs of \$340,000,000. This limitation may be waived pursuant to the regular notification procedures of the Committees on Appropriations. This is \$10,000,000 more than the fiscal year 2000 level and \$5,000,000 more than the request, but reflects updated estimates of operating costs for the coming fiscal year.

FMF EXPENDITURE RATE

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

PROCUREMENT AGREEMENTS

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

PROHIBITIONS

The Committee has included bill language prohibiting military assistance to Sudan and Liberia. The Administration did not request military assistance for Sudan or Liberia for fiscal year 2001. However, the Committee is concerned that funds requested under the Africa Regional Stability program, which the Committee supports, could be made available for these countries. Therefore, the Committee expects that the report required by section 653(a) of the Foreign Assistance Act will specify the countries which would receive allocations under the Africa Regional Stability program funded from this account.

Although the Committee notes the continued implementation of the Guatemalan peace agreement, the Committee believes it is premature to remove the prohibition on military assistance for Guatemala in fiscal year 2001.

PEACEKEEPING OPERATIONS

Fiscal year 2000 level	\$153,000,000
Fiscal year 2001 request	134,000,000
Committee recommendation	117,900,000

The Committee recommends \$117,900,000 for voluntary contributions for international peacekeeping operations. This amount is \$35,100,000 below the level provided in fiscal year 2000, and is \$16,100,000 below the President's request.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE GLOBAL ENVIRONMENT FACILITY

Fiscal year 2000 level	\$35,800,000
Fiscal year 2001 request	175,567,000
Committee recommendation	35,800,000

The Committee recommends \$35,800,000 for the Global Environment Facility (GEF), administered by the World Bank. The recommendation is \$139,767,000 below the request and the same as the amount enacted for 2000.

In arriving at its recommendation, the Committee notes that concerns about the GEF serving as a “back door” means of securing developing country participation in the Kyoto Protocol to the Framework Convention on Climate Change appear to be unfounded. GEF predates the Kyoto Protocol by 6 years, and more than two-thirds of GEF projects support cross-border activities in the areas of biodiversity, clean water, and ozone layer protection. Almost all of its “climate change” program supports energy efficiency and clean energy projects.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Fiscal year 2000 level	\$775,000,000
Fiscal year 2001 request	835,570,000
Committee recommendation	576,600,000

The Committee is providing \$576,600,000 for an additional U.S. contribution to the Twelfth Replenishment of the International Development Association (IDA), a reduction of \$198,400,000 below the 2000 enacted level. This is \$258,970,000 less than the amount requested by the Administration.

In order to protect heavily indebted poor countries (HIPC) from falling back into the debt trap and to reduce the demand for additional appropriations requests for multilateral debt relief, the Committee has included language withholding from immediate obligation part of the appropriation for IDA. Release of these withheld funds is linked to IDA-12 making substantial resources available for grants in lieu of loans to countries that meet the HIPC scheme criteria for debt reduction based on economic and social development strategies.

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

IDA AND IRAN

Recently the World Bank resumed lending to Iran, ignoring the opposition of the United States and Iran’s support for terrorist groups in the Middle East. Because of the budgetary situation and

the Bank's decision to resume lending to Iran, the Committee is unable to provide the full amount requested for IDA-12.

CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE
AGENCY

Fiscal year 2000 level	\$4,000,000
Fiscal year 2001 request	16,000,000
Committee recommendation	4,900,000

The Committee is providing \$4,900,000 for an additional U.S. payment to the World Bank's Multilateral Investment Guarantee Agency, an increase of \$900,000 above the 2000 enacted level. This is \$11,100,000 less than the amount requested by the Administration.

GENERAL CONCERNS ABOUT THE WORLD BANK GROUP
PRIVATE SECTOR STRATEGY

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

MONTENEGRO

The Committee is aware that, as a part of the Federal Republic of Yugoslavia, the Republic of Montenegro currently is unable to access World Bank financing. The World Bank's charter prohibits use of its regular resources for the benefit of non-members. However, in cases that its Board determines to be exceptional (e.g. Kosovo, West Bank/Gaza), the Bank can provide grants from its net income, administer and coordinate bilateral resources, and provide technical assistance. The Committee believes Montenegro is an exceptional case and should be deemed so by the World Bank Board. The current government in Montenegro is committed to a democratic, multi-ethnic society and should not be penalized due to the actions of the federal government in Belgrade. The Committee strongly urges the Department of the Treasury and the United States Executive Director at the World Bank to take all steps necessary to persuade the Bank to provide grant aid and technical assistance to the Republic of Montenegro.

ENVIRONMENT AND ENERGY

The Committee continues to be disappointed that overall the World Bank Group has failed to shift its lending portfolios toward environmentally sustainable economic development. AID data show a decrease in lending for environmental projects since 1994, while projects with potentially irreversible environmental impacts continue to dominate the portfolio.

The Committee recommends that the Bank expand its current negative investment list to include projects that cause potentially irreversible harm to the environment as defined by internationally recognized standards, such as projects using persistent organic pollutants (POP). The exclusion list maintained by the Overseas Private Investment Corporation could be used as a model. The Committee directs the Secretary of the Treasury to work with the World Bank on expansion of its "negative list" and to report to the Committee on progress made on this matter not later than March 1, 2001.

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

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

EDUCATION

The Committee commends the World Bank for its renewed commitment to education lending, as articulated at the World Education Forum in Senegal. The World Bank's efforts to help developing countries attain the goal of universal, free basic education by 2015 will be critical if these countries are to meet this objective. The Committee directs the Secretary of the Treasury to report to the Committee not later than March 15, 2001, on the progress of the World Bank's education sector programs.

ENVIRONMENTAL AND SOCIAL ASSESSMENT OF STRUCTURAL ADJUSTMENT PROGRAMS

The Committee notes that more than three-eighths of the World Bank's portfolio supports structural adjustment. This type of lending is exempt from the environmental assessment guidelines that cover individual projects. An internal World Bank study concluded that the Bank rarely considers the environmental and social impacts of these loans when they are in the design process. The Committee directs the Secretary of the Treasury and the U.S. Executive

Director at the World Bank to work with management to institute a dynamic, participatory process to assess the environmental and social impacts of structural adjustment loans, and to report to the Committee on progress toward this goal not later than June 15, 2001.

THE GLOBAL AIDS EPIDEMIC

The Committee commends the World Bank for increasing its attention to the world AIDS epidemic. The Committee requests that the Secretary of the Treasury provide the Committee with a brief, written update by February 1, 2001, on the World Bank Group's global AIDS activities. The update should focus on how the Bank is measuring the success of its programs relative to the five year goals on prevention and care promulgated by the UNAIDS program.

ENVIRONMENTAL AND SOCIAL SAFEGUARD POLICIES

Although the World Bank has instituted social and environmental safeguard policies on issues including indigenous peoples, involuntary resettlement, and information disclosure, the Committee notes that implementation has not been consistent. The Bank's approval of the China Western Poverty Reduction Project in June, 1999, indicates that the institution continues to face a gap between policy and practice. The Committee directs the Secretary of the Treasury and the U.S. Executive Director at the World Bank to work with the Bank management to create an incentives framework to ensure that these policies are implemented in a consistent manner throughout the Bank.

The Committee is aware that the Executive Board of the World Bank recently approved a Chad-Cameroon petroleum project, a public-private partnership which is expected to help the people of Chad by increasing annual revenues for Chad by up to 50 percent. The Committee expects the World Bank to provide fair compensation, both for lost income and lost property, to families who may be displaced when oil production begins. In order to promote full implementation of the exceptional environmental and social safeguards associated with this project, the Committee recommends that the World Bank establish an independent evaluation panel, including a balanced cross-section of affected, indigenous organizations in Chad and Cameroon and the public/private partners in the project. The evaluation panel would allow for ongoing, informal and unimpeded public consultation on the costs and benefits associated with the project.

INSPECTION PANEL

The Committee continues its interest in the functioning of the World Bank's Independent Inspection Panel. Future support for the World Bank Group by the Committee may be linked to the Inspection Panel's ability to function in an unimpeded and effective manner.

The Committee urges World Bank management to publicly disclose the Inspection Panel's findings on its investigation of the China Western Poverty Reduction Project in advance of action by the Executive Board to proceed with implementation of the project.

INTER-AMERICAN DEVELOPMENT BANK GROUP

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

INTER-AMERICAN INVESTMENT CORPORATION

Fiscal year 2000 level	\$16,000,000
Fiscal year 2001 request	34,000,000
Committee recommendation	8,000,000

The Committee recommends an appropriation of \$8,000,000 of the scheduled annual United States purchase of share capital of the Inter-American Investment Corporation. The recommendation is \$26,000,000 less than the request and \$8,000,000 less than the 2000 enacted level. Because of budgetary constraints, the Committee is unable to provide funds for purchases of equity capital that are past due.

For the past 10 years, the Inter-American Investment Corporation has supported small and medium private enterprises in Latin America and the Caribbean through strategic equity investments and loans. The small and medium enterprise sector is the major source of new jobs and economic growth in the region, but is generally overlooked by multilateral banks that focus on the public sector and bilateral donor agencies that focus on microenterprise credit. The current policy of limiting loans and equity investments to companies owned by Latin American and Caribbean entrepreneurs is under review. The Committee commends the Corporation for its efforts to promote investment in the Caribbean region.

MULTILATERAL INVESTMENT FUND

Fiscal year 2000 level	
Fiscal year 2001 request	\$25,900,000
Committee recommendation	10,000,000

The Committee recommends an appropriation of \$10,000,000 for the Multilateral Investment Fund, a level that is \$15,900,000 less than the request. An additional \$10,000,000 from the United States will release a substantial part of the \$140,000,000 already made available by other member countries.

ASIAN DEVELOPMENT BANK GROUP

There is no request in the 2001 budget for paid-in or callable capital stock of the Asian Development Bank.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

Fiscal year 2000 level	\$77,000,000
Fiscal year 2001 request	125,000,000
Committee recommendation	72,000,000

The Committee recommends an appropriation of \$72,000,000 for the concessional Asian Development Fund, an amount that is \$5,000,000 below the amount provided in fiscal year 2000 and \$53,000,000 less than the amount requested.

AFRICAN DEVELOPMENT BANK

Fiscal year 2000 level	\$4,100,000
Fiscal year 2001 request	6,100,000
Committee recommendation	3,100,000

The Committee recommends an appropriation of \$3,100,000 for the African Development Bank, an amount that is \$1,000,000 below the amount provided in fiscal year 2000 and \$3,000,000 below the amount requested for fiscal year 2001.

(LIMITATION ON CALLABLE CAPITAL)

Fiscal year 2000 level	(\$64,000,000)
Fiscal year 2001 request	(95,983,000)
Committee recommendation	(49,574,000)

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

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

Fiscal year 2000 level	\$128,000,000
Fiscal year 2000 request	100,000,000
Committee recommendation	72,000,000

The recommendation for the soft loan African Development Fund is \$72,000,000, \$56,000,000 below the amount provided in fiscal year 2000, and \$28,000,000 less than the amount requested.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

PAID-IN CAPITAL

Fiscal year 2000 level	\$35,778,717
Fiscal year 2001 request	35,778,717
Committee recommendation	35,778,717

(LIMITATION ON CALLABLE CAPITAL)

Fiscal year 2000 level	(\$123,237,803)
Fiscal year 2001 request	(123,237,803)
Committee recommendation	(123,237,803)

The Committee is recommending \$35,778,717 for the European Bank for Reconstruction and Development. This amount is identical to the appropriation provided in fiscal year 2000 and the same as the President's request.

CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Fiscal year 2000 level	(\$5,000,000)
Fiscal year 2001 request	(5,000,000)
Committee recommendation	5,000,000

The Committee is restoring a separate appropriation for the International Fund for Agricultural Development, reflecting the assumption of responsibility for this multilateral institution by the Department of the Treasury in February, 2000. The fiscal year 2001 recommendation is \$5,000,000, the same as the request and the amount provided in 2000, equally divided between the "Development Assistance" and "International Organizations and Programs" accounts.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Fiscal year 2000 level	\$183,000,000
Fiscal year 2001 request (under fiscal year 2000 account structure)	199,000,000
Committee recommendation	183,000,000

The Committee has recommended \$183,000,000 for International Organizations and Programs. This is the same as the fiscal year 2000 level. As in fiscal year 2000, the Committee recommends \$110,000,000 for a grant to UNICEF in the "Child Survival and Disease Programs Fund" under title II. Further, the Committee is recommending funding for the Global Alliance for Vaccines and Immunizations (GAVI) in the "Child Survival and Disease Programs Fund" account as well. Therefore, on a comparable basis, the recommendation is \$16,000,000 below the President's request.

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

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

UNITED NATIONS DEVELOPMENT PROGRAM

The Committee supports efforts by the new administrator of the United Nations Development Program (UNDP) to reform and focus the institution on a limited number of achievable goals, principally on improving governance in poor and developing countries. The Committee's recommendation supports the budget request of \$90,000,000 for UNDP.

INTERNATIONAL CONSERVATION PROGRAMS

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

UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE

The Committee supports not less than \$3,000,000 for the U.S. contribution to the UN Voluntary Fund for Victims of Torture. Assisting these centers not only reinforces U.S. opposition to human rights violations but has proven to be an effective method for lessening the incidence of torture and promotes human rights and democracy abroad.

TITLE V—GENERAL PROVISIONS

The Committee recommends that several of the general provisions carried in the fiscal year 2000 act be deleted. These provisions are either addressed elsewhere in permanent law, have been considered by the appropriate authorizing committee, or are no longer necessary.

The Committee recommends the following new and revised general provisions.

Sec. 508, “Military Coups” is modified to specify that funds shall be prohibited for any country whose duly elected head of government is deposed by decree or military coup; prior year language could have been read to apply only to situations in which a military coup or military decree resulted in a leader being deposed.

Sec. 510, “Deobligation/Reobligation Authority” is modified by removing subsection (a), which would have allowed the deobligation and reobligation of funds appropriated to carry out the Foreign Assistance Act of 1961; this provision is no longer used. Subsection (b), regarding funds appropriated to carry out the Arms Export Control Act, would be retained.

Sec. 511, “Availability of Funds” is modified to add funds appropriated to carry out chapter 12 of part I of the Foreign Assistance Act to the list of funds that may remain available until expended if obligated before the expiration of their periods of availability, and to nullify the final proviso of title VI of the fiscal year 2000 appropriations act.

Sec. 517, “Independent States of the Former Soviet Union” is modified by deleting subsection (b), and by modifying the notification requirement with regard to independent states other than Russia and Ukraine.

Sec. 520, “Special Notification Requirements” is modified to delete Pakistan and Panama and add Eritrea, Ethiopia, and Zimbabwe.

Sec. 522, “Child Survival and Disease Prevention Activities” is modified by deleting the final proviso that would have allowed funds made available for family planning activities to be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act.

Sec. 526, “Democracy in China” is modified by adding language to allow for grants to be made to the National Endowment for Democracy (NED) in a manner consistent with section 503(a) of the National Endowment for Democracy Act and certain Comptroller General decisions; to allow NED to be deemed the “awarding agency” for purposes of implementing OMB Circular A-122; to allow up to \$1,000,000 for support of nongovernmental organizations located outside China to support activities which preserve cultural traditions and promote sustainable development and environmental con-

servation in Tibetan communities in that country; and to modify language from the fiscal year 2000 Act to allow for a grant to the Jamestown Foundation.

Sec. 527, "Prohibition on Bilateral Assistance to Terrorist Countries" is modified by deleting a provision that would have waived all other provisions of law.

Sec. 528, "Report on Implementation of Supplemental Appropriations" is a new general provision requiring four quarterly reports from the Secretary of State on the use of funds appropriated under title VI of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000.

Sec. 530, "Stingers in the Persian Gulf Region" is modified to allow the United States to sell or make available Stingers to any country bordering the Persian Gulf in order to replace, on a one-for-one basis, Stingers previously furnished to such a country, provided that the Stingers to be replaced are nearing the scheduled expiration of their shelf-life.

Sec. 538, "Special Authorities" is modified to remove the references to Romania and Kosovo, which are no longer necessary, and to extend the authority of chapter 4 of part II of the Foreign Assistance Act to subsection (b).

Sec. 539, "Policy on Terminating the Arab League Boycott of Israel and Normalizing Relations with Israel" is modified by changing the title; by adding language noting that only three Arab League nations have full diplomatic relations with Israel; by adding language asking the President to urge Arab countries to normalize their relations with Israel; and requiring an annual report to Congress on the specific steps being taken by the United States and the progress achieved to end the Arab League boycott of Israel and to expand the process of normalizing ties between Arab League countries and Israel.

Sec. 540, "Administration of Justice Activities" is modified by changing the heading from "Anti-Narcotics Activities".

Sec. 541, "Eligibility for Assistance" is modified to add funds appropriated to carry out chapter 12 of part I of the Foreign Assistance Act to the list of funds that may be used to provide assistance to nongovernmental organizations notwithstanding other restrictions on assistance to a country.

Sec. 553, "Landmines" is modified by deleting a proviso that changed permanent law.

Sec. 558, "Limitation on Assistance for Haiti" is modified by conditioning assistance to the Government of Haiti on the holding of free and fair elections and full cooperation with United States efforts to halt the transshipment of illicit drugs through Haiti to the United States.

Sec. 561, "Haiti" is modified by deleting the Haitian National Police from the organizations in Haiti that are eligible to purchase defense articles and services.

Sec. 568, "Assistance for the Middle East" is modified by reducing the cap on Middle East spending from \$5,321,150,000 to \$5,221,150,000.

Sec. 572, "Korean Peninsula Energy Development Organization" is modified by limiting funds for KEDO to \$35,000,000 with one rather than two branches of funding, and providing certification requirements similar to those included in the fiscal year 2000 act.

Sec. 575, "Iraq Opposition" is modified by authorizing rather than mandating up to \$8,000,000 for Iraqi democratic opposition groups and up to \$2,000,000 for groups and activities seeking to prosecute Saddam Hussein and other Iraqi officials for war crimes; in addition, no funds may be made available for administrative expenses of the Department of State.

Sec. 576, "Agency for International Development Budget Justification", is modified to clarify terms and establish a linkage with section 515 of the Act.

Sec. 579, "Indonesia" is modified by conforming the restriction on "International Military Education and Training" with the limitation on Indonesia included under that heading and by updating subsection (4) to reflect the termination of UNTERFET.

Sec. 580, "Man and the Biosphere" is modified by removing the limitation on programs in the United States.

Sec. 582, "Restriction on United States Assistance for Certain Reconstruction Efforts in Central Europe" is modified by applying the provision on the procurement of United States origin articles and services to all of Eastern Europe, rather than just southeast Europe, and removing the subsection on definitions.

Sec. 583, "Restrictions on Assistance to Governments Destabilizing Sierra Leone" is a new provision regarding the prohibition of funds to governments engaged in certain activities involving rebels in Sierra Leone.

Sec. 584, "Voluntary Separation Incentives" amends existing law to provide additional authority for the Agency for International Development to extend voluntary separation incentives to certain employees.

Sec. 585, "Working Capital Fund", is a new provision that allows the Agency for International Development to establish a working capital fund.

Sec. 588, "American Churchwomen in El Salvador", is modified to delete the reporting requirement.

Sec. 589, "HIPC Trust Fund Conditions", is a new section that provides that beginning in fiscal year 2002, funds shall be appropriated for the HIPC Initiative only under certain specified conditions.

Sec. 590 is a new general provision providing that none of the funds made available in this Act may be used to pay for the performance of abortion or to lobby for or against abortion.

Sec. 591, "Procurement and Financial Management Reform", is a new section that withholds funds from international financial institutions until the Secretary of the Treasury certifies that the institution is implementing certain anti-corruption measures.

PROVISIONS RETAINED FROM FISCAL YEAR 2000

The following general provisions from the fiscal year 2000 Act are retained in the fiscal year 2001 Act unchanged except for technical corrections, references to fiscal year 2001, and new section numbers where appropriate:

Sec. 501. Obligations During Last Month of Availability.

Sec. 502. Prohibition of Bilateral Funding for International Financial Institutions.

Sec. 503. Limitation on Residence Expenses.

Sec. 504. Limitation on Expenses.

- Sec. 505. Limitation on Representational Allowances.
- Sec. 506. Prohibition on Financing Nuclear Goods.
- Sec. 507. Prohibition Against Direct Funding of Certain Countries.
- Sec. 509. Transfers Between Accounts.
- Sec. 512. Limitation on Assistance to Countries in Default.
- Sec. 513. Commerce and Trade.
- Sec. 514. Surplus Commodities.
- Sec. 515. Notification Requirements.
- Sec. 516. Limitation on Availability of Funds for International Organizations and Programs.
- Sec. 518. Prohibition on Funding for Abortions and Involuntary Sterilization.
- Sec. 519. Export Financing Transfer Authorities.
- Sec. 521. Definition of Program, Project, and Activity.
- Sec. 523. Prohibition Against Indirect Funding to Certain Countries.
- Sec. 524. Notification on Excess Defense Equipment.
- Sec. 525. Authorization Requirement.
- Sec. 529. Competitive Insurance.
- Sec. 531. Debt-for-Development.
- Sec. 532. Separate Accounts.
- Sec. 533. Compensation for U.S. Executive Directors to International Financial Institutions.
- Sec. 534. Compliance with United Nations Sanctions against Iraq.
- Sec. 535. Authorities for the Peace Corps, The Inter-American Foundation and the African Development Foundation.
- Sec. 536. Impact on Jobs in the United States.
- Sec. 537. Funding Prohibition for Serbia.
- Sec. 542. Earmarks.
- Sec. 543. Ceilings and Earmarks.
- Sec. 544. Prohibition on Publicity and Propaganda.
- Sec. 545. Purchase of American-made Equipment and Products.
- Sec. 546. Prohibition of Payments to United Nations Members.
- Sec. 547. Consulting Services.
- Sec. 548. Private Voluntary Organizations—Documentation.
- Sec. 549. Prohibition on Assistance to Foreign Countries that Export Lethal Military Equipment to Countries Supporting International Terrorism.
- Sec. 550. Withholding of Assistance for Parking Fines Owed by Foreign Countries.
- Sec. 551. Limitation on Assistance for the PLO for the West Bank and Gaza.
- Sec. 552. War Crimes Tribunals Drawdown.
- Sec. 554. Restrictions Concerning the Palestinian Authority.
- Sec. 555. Prohibition of Payment of Certain Expenses.
- Sec. 556. Special Debt Relief for the Poorest.
- Sec. 557. Authority to Engage in Debt Buybacks or Sales.
- Sec. 559. Requirement for Disclosure of Foreign Aid in Report of Secretary of State.
- Sec. 560. Restrictions on Voluntary Contributions to United Nations Agencies.
- Sec. 562. Limitation on Assistance to the Palestinian Authority.
- Sec. 563. Limitation on Assistance to Security Forces.

Sec. 564. Restrictions on Assistance to Countries Providing Sanctuary to Indicted War Criminals.

Sec. 565. To Prohibit Foreign Assistance to the Government of the Russian Federation Should it Enact Laws Which Would Discriminate Against Minority Religious Faiths in the Russian Federation.

Sec. 566. Greenhouse Gas Emissions.

Sec. 567. Aid to the Government of the Democratic Republic of the Congo.

Sec. 569. Enterprise Fund Restrictions.

Sec. 570. Cambodia.

Sec. 571. Foreign Military Financing Report.

Sec. 573. African Development Foundation.

Sec. 574. Prohibition on Assistance to the Palestinian Broadcasting Corporation.

Sec. 577. Kyoto Protocol.

Sec. 578. West Bank and Gaza Program.

Sec. 581. Consultations on Arms Sales to Taiwan.

Sec. 586. Contributions to United Nations Population Fund.

Sec. 587. Authorization for Population Planning.

TITLE VI—MOZAMBIQUE, MADAGASCAR AND SOUTHERN AFRICA REHABILITATION AND RECONSTRUCTION

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

Fiscal year 2000 level .....	.....
Fiscal year 2000 emergency supplemental budget request	\$200,000,000
Committee recommendation	160,000,000

The Committee recommends \$160,000,000 for emergency supplemental appropriations for Mozambique, Madagascar, and southern Africa rehabilitation and reconstruction in the aftermath of cyclones Gloria, Eline, and Hudah. These funds are provided for the “International Disaster Assistance” account. The emergency supplemental budget request, transmitted to Congress on April 21, 2000, totaled \$200,000,000, to be provided through the “Economic Support Fund”, “International Disaster Assistance” and AID “Operating Expenses” accounts. All of these funds are made available only to the extent that the President makes an official budget request that includes designation of the entire amount as an emergency requirement.

In addition to these funds, the Committee has been made aware that the overall United States Government commitment to Mozambique, Madagascar, and the rest of the region so far totals more than \$40,000,000 and AID intends to reprogram \$32,000,000 in existing funds for regional rehabilitation and reconstruction efforts. Therefore, including funds recommended under this title, the United States response to these cyclones is expected to total more than \$232,000,000 as described below.

UNITED STATES SUPPORT FOR MOZAMBIQUE, MADAGASCAR, AND
SOUTHERN AFRICA RECONSTRUCTION AND REHABILITATION

AID Office of Foreign Disaster Assistance	\$19,174,279
AID Existing Funds Reprogrammed	32,000,000
Department of Defense	21,000,000
Committee Emergency Supplemental recommendation	160,000,000
	232,174,279
Total	232,174,279

The Committee expects that the majority of funds will be provided for Mozambique and Madagascar, which suffered the most damage from these cyclones and the resultant flooding. The Committee expects AID to provide funding to Mozambique, Madagascar, and Botswana at the requested level. Funds for other countries in the region and support for the Southern Africa Development Community (SADC) are not the priority for these supplemental funds. The Committee directs that no funds be made available to the government of Zimbabwe. Further, the Committee has included bill language prohibiting the use of funds under this title for nonproject assistance. Also, to ensure that projects can proceed without interruption, the Committee allows up to \$12,000,000 of the funds appropriated under this title to be charged to obligations of previously appropriated funds. The Committee provides that up to \$5,000,000 of the funds under this title may be used for administrative purposes, and may be merged with AID's operating expenses budget.

The Committee commends the efforts of the Agency for International Development, the Department of Defense and the Department of State for their immediate response to the humanitarian crisis created by these cyclones. However, the Committee is concerned about the United States Government's ability to swiftly engage in longer-term rehabilitation efforts in Mozambique, Madagascar and southern Africa. The Committee notes that AID's reconstruction efforts in Central America have progressed very slowly. In fact, the majority of emergency supplemental funds appropriated in response to Hurricane Mitch in Central America more than one year ago have not yet been expended.

The Administrator of AID is directed to report in writing to the Committees on Appropriations prior to the obligation of any funds under this title. The report shall include a detailed plan regarding a description of the projects and programs to be carried out with these funds; the exact uses of administrative expenses; and the Bureau within AID primarily responsible for carrying out these projects. The Committee supports the Administration's proposal that AID develop a detailed implementation plan, which includes project milestones, against which progress can be measured, and expects these milestones to be included in AID's report to the Committee. AID is directed to consult with the Committee at the earliest date regarding the proposed uses of funds under this title.

HOUSE OF REPRESENTATIVES REPORT REQUIREMENTS

TRANSFER OF FUNDS

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following is submitted describing the trans-

fer of funds provided in the accompanying bill. There are no transfers recommended in the accompanying bill.

RESCISSIONS

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

CONSTITUTIONAL AUTHORITY

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

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

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

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

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

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3(f), rule XIII of the Rules of the House of Representatives, the following statements are submitted describing the effects of provisions in the accompanying bill which directly or indirectly change the application of existing law. Most of the language has been provided in previous measures including supplementals for the departments and agencies carried in the accompanying bill.

1. The bill contains appropriations for a number of items for which authorizations for fiscal year 2001 have not yet been enacted. The bill allows funds appropriated in the bill to be obligated in the absence of a prior authorization of appropriations.

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

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

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

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

by transfer from the noncredit account. Finally, funds are authorized for administrative expenses by transfer from the noncredit account.

6. Under "Child Survival and Disease Programs Fund" the bill contains authorities for the use of the fund that were contained in the fiscal year 2000 Act and are consistent with the Foreign Assistance Act; in addition, funds may be made available for nonproject assistance only for ongoing health programs; in addition, language is provided that indicates how the funds should be allocated among various activities, and up to \$37,500,000 is authorized to be made available for a contribution to the Global Fund for Children's Vaccines; in addition, \$19,000,000 is designated as emergency funding.

7. Under "Development Assistance" the bill contains provisions relating to abortion and family planning that were carried in the fiscal year 2000 Act; in addition, up to \$10,000,000 may be made available for the Inter-American Foundation and up to \$16,000,000 may be made available for the African Development Foundation, and funds are apportioned directly to those organizations; in addition, no funds may be made available for any activity which is in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES); in addition, not to exceed \$25,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of programs for displaced and orphaned children and victims of war; in addition, of funds made available for the Microenterprise Initiative, not less than one-half should be made available for programs providing loans in the specified amounts (in 1995 United States dollars) to very poor people, particularly women, or for institutional support of organizations engaged in making such loans (\$1,000 or less in the Europe and Eurasia region, including North Africa; \$400 or less in the Latin America region; and \$300 or less in the rest of the world).

8. Under "Private and Voluntary Organizations", the Committee includes a provision that funds appropriated under title II should be made available to PVOs at a level which is at least equivalent to the level provided in fiscal year 1995. It also continues provisions continued from last year on minimum funds from private sources.

9. Under "International Disaster Assistance", funds are made available for relief, rehabilitation and reconstruction assistance; in addition, a new account entitled "Transition Initiatives" is established with similar authorities, including assistance to develop, strengthen, or preserve democratic institutions and processes, revitalize basic infrastructure, and foster the peaceful resolution of conflict; in addition, the new account requires a report at least 5 days prior to beginning a program of assistance.

10. Under "Development Credit Programs", authority is provided to guarantee up to 70 percent of the principal amount of any loans notwithstanding existing law; in addition, a separate account "Micro and Small Enterprise Development Program Account" is retained with the same authorities as the fiscal year 2000 Act.

11. Under "Economic Support Fund", funds are available as cash grants to Israel and Egypt. Funds for Israel are made available within 30 days of enactment or by October 31, 2000, whichever is later. In addition, the cash grant to Egypt is provided with the un-

derstanding that significant economic reforms will be undertaken, and the cash grant to Israel is provided with direction to the President that he ensure that the level of assistance does not cause an adverse impact on the level of non-military exports from the United States to such country and that Israel enter into a side letter agreement equivalent to 1999.

12. Under "Debt Restructuring", funds are authorized for purposes consistent with existing law, except that funds appropriated for concessional debt relief are authorized for "IDA-only" countries; in addition, funds may be paid to the "Heavily Indebted Poor Countries Trust Fund" for the U.S. share of repayment of debt owed by Bolivia and Mozambique; in addition, any international financial institution in receipt of such U.S. contributions is required to notify the Secretary of the Treasury that no new loans or credits will be extended to such member country for a period of up to 30 months; in addition, the Secretary of the Treasury is required to provide to the Committees on Appropriations full documentation relating to commitments by such countries to redirect resources to poverty alleviation or economic growth programs; and in addition, any limitation of subsection (e) of section 411 of the Agricultural Trade Development and Assistance Act of 1954 shall not apply to funds appropriated under this heading.

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

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

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

16. Under "Assistance to Eastern Europe and the Baltic States", funds are provided notwithstanding any other provision of law for economic assistance; funds are made available as if they were considered economic assistance under the Foreign Assistance Act; funds for Bosnia are subject to certain conditions, including limitations on funds for housing. Funds available for an Enterprise Fund are authorized to be deposited in interest-bearing accounts, and shall be expended at the minimum rate necessary to make timely payments for projects and activities; in addition, assistance for Kosovo is limited to 15% of the total pledges made by all donors as of January 1, 2001; in addition, notwithstanding certain provisions of law, local currencies generated by, or converted from, funds appropriated by this Act and by previous appropriations Acts for Bosnia may be made available for purposes of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, subject to notification.

17. Under "Assistance for the Independent States of the Former Soviet Union", the Committee has included a limitation on the amount of assistance that may be made available for any one country in the region; it has also retained language concerning cooperation between Russia and Iran; in addition, exceptions are made to the application of section 907 of the FREEDOM Support Act; funds for the Government of Russia are subject to certain limitations; and

certain authorities are granted for the use of funds appropriated for Enterprise Funds that were carried in the fiscal year 2000 Act; in addition, no funds are available for the Government of the Russian Federation if the Secretary of State cannot certify that they are in compliance with the flank zone limitations of the Treaty on Conventional Armed Forces in Europe.

18. Under “International Narcotics Control and Law Enforcement”, anti-crime programs are subject to notification.

19. Funding is provided for “Migration and Refugee Assistance”, and a limitation of \$14,852,000 is provided for administrative expenses.

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

21. Under “Nonproliferation, Anti-terrorism, Demining, and Related Programs”, funds are made available to countries other than the Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States; funds are made available notwithstanding any other provision of law; and the use of funds is made subject to the notification procedures of the Committees on Appropriations; funds are authorized to be made available for the IAEA, KEDO, and the CTBT Preparatory Commission, and funds are authorized for IAEA only to the extent Israel is not being denied its right to participate in the activities of that Agency.

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

23. Under “International Military Education and Training”, the IMET for Indonesia and Guatemala shall be only for expanded military education and training and funds for Indonesia will be subject to notification; the language limits obligation of funds for the School of the Americas pending certifications by the Secretary of Defense and Secretary of State; and requires a report on the School of the Americas.

24. Under “Foreign Military Financing Program”, the Committee has provided that not less than \$520,000,000 in FMF grants should be available for the procurement in Israel of defense articles and defense services, and that FMF grants for any non-NATO country participating in the Partnership for Peace program shall be subject to the Committee’s regular notification procedures.

25. Under “Foreign Military Financing Program”, funds estimated to be outlayed for Egypt in fiscal year 2001, and funds appropriated for Israel, shall be disbursed within 30 days of enactment or by October 31, 2000, whichever is later; in addition, funds are nonrepayable notwithstanding section 23 of the Arms Export Control Act; in addition, certain authorities that were contained in the fiscal year 2000 Act are continued in this Act.

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

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

available for the United States share of the paid-in portion of the increase in capital stock of certain institutions; and limitations are placed on callable capital subscriptions.

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

29. Under "Contribution to the International Development Association", \$10,000,000 is withheld from obligation until the Secretary of the Treasury notifies the Committees on Appropriations that agreement has been reached by the Executive Board of the International Bank for Reconstruction and Development that future assistance to member countries participating in debt reduction through HIPC shall, to the extent allowed by Bank policy and resources, be on a grant basis.

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

31. Under "General Provisions":

Sec. 508, "Military Coups" is modified to specify that funds shall be prohibited for any country whose duly elected head of government is deposed by decree or military coup; prior year language could have been read to apply only to situations in which a military coup or military decree resulted in a leader being deposed.

Sec. 510, "Deobligation/Reobligation Authority" is modified by removing subsection (a), which would have allowed the deobligation and reobligation of funds appropriated to carry out the Foreign Assistance Act of 1961; this provision is no longer used. Subsection (b), regarding funds appropriated to carry out the Arms Export Control Act, would be retained.

Sec. 511, "Availability of Funds" is modified to add funds appropriated to carry out chapter 12 of part I of the Foreign Assistance Act to the list of funds that may remain available until expended if obligated before the expiration of their periods of availability, and to nullify the final proviso of title VI of the fiscal year 2000 Appropriations Act.

Sec. 517, "Independent States of the Former Soviet Union" is modified by deleting the proviso under subsection (b) which provided the President with the authority to waive the restriction of that subsection if it is in the national security interest of the United States, and by modifying the notification requirement with regard to independent states other than Russia and Ukraine.

Sec. 520, "Special Notification Requirements" is modified to delete Pakistan and Panama and add Eritrea, Ethiopia, Zimbabwe.

Sec. 522, "Child Survival and Disease Prevention Activities" is modified by deleting the final proviso that would have allowed funds made available for family planning activities to be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act.

Sec. 526, "Democracy in China" is modified by adding language to allow for grants to be made to the National Endowment for Democracy (NED) in a manner consistent with section 503(a) of the National Endowment for Democracy Act and certain Comptroller General decisions; to allow NED to be deemed the "awarding agency" for purposes of implementing OMB Circular A-122; to allow up

to \$1,000,000 for support of nongovernmental organizations located outside China to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in that country; and to modify language from the fiscal year 2000 Act to allow for a grant to the Jamestown Foundation.

Sec. 527, "Prohibition on Bilateral Assistance to Terrorist Countries" is modified by deleting a provision that would have waived all other provisions of law.

Sec. 528, "Report on Implementation of Supplemental Appropriations" is a new general provision requiring four quarterly reports from the Secretary of State on the use of funds appropriated under title VI of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000.

Sec. 530, "Stingers in the Persian Gulf Region" is modified to allow the United States to sell or make available Stingers to any country bordering the Persian Gulf in order to replace, on a one-for-one basis, Stingers previously furnished to such a country, provided that the Stingers to be replaced are nearing the scheduled expiration of their shelf-life.

Sec. 538, "Special Authorities" is modified to remove the references to Romania and Kosovo, which are no longer necessary, and to extend the authority of chapter 4 of part II of the Foreign Assistance Act to subsection (b).

Sec. 539, "Policy on Terminating the Arab League Boycott of Israel and Normalizing Relations with Israel" is modified by changing the title; by adding language noting that only three Arab League nations have full diplomatic relations with Israel; by adding language asking the President to urge Arab countries to normalize their relations with Israel; and requiring an annual report to Congress on the specific steps being taken by the United States and the progress achieved to end the Arab League boycott of Israel and to expand the process of normalizing ties between Arab League countries and Israel.

Sec. 540, "Administration of Justice Activities" is modified by changing the heading from "Anti-Narcotics Activities".

Sec. 541, "Eligibility for Assistance" is modified to add funds appropriated to carry out chapter 12 of part I of the Foreign Assistance Act to the list of funds that may be used to provide assistance to nongovernmental organizations notwithstanding other restrictions on assistance to a country.

Sec. 553, "Landmines" is modified by deleting a proviso that changed permanent law.

Sec. 558, "Limitation on Assistance for Haiti" is modified by conditioning assistance to the Government of Haiti on the holding of free and fair elections and full cooperation with United States efforts to halt the transshipment of illicit drugs through Haiti to the United States.

Sec. 561, "Haiti" is modified by deleting the Haitian National Police from the organizations in Haiti that are eligible to purchase defense articles and services.

Sec. 568, "Assistance for the Middle East" is modified by reducing the cap on Middle East spending from \$5,321,150,000 to \$5,221,150,000.

Sec. 572, "Korean Peninsula Energy Development Organization" is modified by limiting funds for KEDO to \$35,000,000 with one rather than two branches of funding, and providing certification requirements similar to those included in the fiscal year 2000 Act.

Sec. 575, "Iraq Opposition" is modified by authorizing rather than mandating up to \$8,000,000 for Iraqi democratic opposition groups and up to \$2,000,000 for groups and activities seeking to prosecute Saddam Hussein and other Iraqi officials for war crimes; in addition, no funds may be made available for administrative expenses of the Department of State.

Sec. 576, "Agency for International Development Budget Justification", is modified to clarify terms and establish a linkage with section 515 of the Act.

Sec. 579, "Indonesia" is modified by conforming the restriction on "International Military Education and Training" with the limitation on Indonesia included under that heading and by updating subsection (4) to reflect the termination of UNTERFET.

Sec. 580, "Man and the Biosphere" is modified by removing the limitation on programs in the United States.

Sec. 582, "Restriction on United States Assistance for Certain Reconstruction Efforts in Central Europe" is modified by applying the provision on the procurement of United States origin articles and services to all of Eastern Europe, rather than just southeast Europe, and removing the subsection on definitions.

Sec. 583, "Restrictions on Assistance to Governments Destabilizing Sierra Leone" is a new provision regarding the prohibition of funds to governments engaged in certain activities involving rebels in Sierra Leone.

Sec. 584, "Voluntary Separation Incentives" amends existing law to provide additional authority for the Agency for International Development to extend voluntary separation incentives to certain employees.

Sec. 585, "Working Capital Fund", is a new provision that allows the Agency for International Development to establish a working capital fund.

Sec. 588, "American Churchwomen in El Salvador", is modified to delete the reporting requirements.

Sec. 589, "HIPC Trust Fund Conditions", provides that beginning in fiscal year 2002, funds shall be appropriated for the HIPC initiative only under certain specified conditions.

Sec. 590 is a new provision providing that none of the funds made available in this Act may be used to pay for the performance of abortion or to lobby for or against abortion.

Sec. 591, "Procurement and Financial Management Reform", is a new provision that withholds funds from international financial institutions until the Secretary of the Treasury certifies that the institution is implementing certain anti-corruption measures.

APPROPRIATIONS NOT AUTHORIZED BY LAW

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

Trade and Development Agency

Child Survival and Disease Programs Fund
 Development Assistance
 International Disaster Assistance
 Transition Initiatives
 Development Credit Programs
 AID Operating Expenses
 AID Operating Expenses, Office of Inspector General
 Economic Support Fund
 International Fund for Ireland
 Assistance for Eastern Europe and the Baltic States
 Assistance for the Independent States of the Former Soviet Union
 Inter-American Foundation
 African Development Foundation
 Peace Corps
 International Narcotics Control and Law Enforcement
 Migration and Refugee Assistance
 Nonproliferation, Anti-Terrorism, Demining and Related Programs
 Debt Restructuring (in part)
 International Military Education and Training
 Foreign Military Financing Program
 Peacekeeping Operations
 International Fund for Agricultural Development
 International Organizations and Programs

COMPARISON WITH BUDGET RESOLUTION

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

(In millions of dollars)

	302(b) allocation—		This bill—	
	Budget authority	Outlays	Budget authority	Outlays
Discretionary	13,281	7,980	13,281	14,974
Mandatory	44	44	44	44

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

FIVE-YEAR OUTLAY PROJECTIONS

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

Fiscal year 2001	5,109
Fiscal year 2002	3,840
Fiscal year 2003	2,483
Fiscal year 2004	760
Fiscal year 2005	934

ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

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

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

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

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 526 OF THE FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED APPROPRIATIONS ACT, 2000**(PUBLIC LAW 106-113—APPENDIX B)**

DEMOCRACY IN CHINA

SEC. 526. Notwithstanding any other provision of law that restricts assistance to foreign countries, funds appropriated by this Act for “Economic Support Fund” may be made available to provide general support and grants for nongovernmental organizations located outside the People’s Republic of China that have as their primary purpose fostering democracy in that country, and for activities of nongovernmental organizations located outside the People’s Republic of China to foster democracy in that country: *Provided*, That none of the funds made available for activities to foster democracy in the People’s Republic of China may be made available for assistance to the government of that country, except that funds appropriated by this Act under the heading “Economic Support Fund” that are made available for the National Endowment for Democracy or its grantees may be made available for activities to foster democracy in that country notwithstanding this proviso and any other provision of law: *Provided further*, That funds made available pursuant to the authority of this section shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That notwithstanding any other provision of law that restricts assistance to foreign countries, of the funds appropriated by this Act under the heading “Economic Support Fund”, \$1,000,000 shall be made available to the [Robert F. Kennedy Memorial Center for Human Rights] *Jamestown Foundation* for a project to disseminate information and support research about the People’s Republic of China, and related activities.

SECTION 579 OF THE FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2000

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

SEC. 579. (a) * * *

* * * * *

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

(1) * * *

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

(A) * * *

* * * * *

(D) may not be made except in the case of any employee who voluntarily separates (whether by retirement or resignation) on or before [December 31, 2000] *December 31, 2001*;

* * * * *

SECTION 635 OF THE FOREIGN ASSISTANCE ACT OF 1961

SEC. 635. GENERAL AUTHORITIES.—(a) * * *

* * * * *

(1)(1) *There is hereby established a working capital fund for the United States Agency for International Development which shall be available without fiscal year limitation for the expenses of personal and nonpersonal services, equipment and supplies for: (A) International Cooperative Administrative Support Services; and (B) rebates from the use of United States Government credit cards.*

(2) *The capital of the fund shall consist of the fair and reasonable value of such supplies, equipment, and other assets pertaining to the functions of the fund as the Administrator determines, rebates from the use of United States Government credit cards, and any appropriations made available for the purpose of providing capital, less related liabilities.*

(3) *The fund shall be reimbursed or credited with advance payments for services, equipment or supplies provided from the fund from applicable appropriations and funds of the agency, other Federal agencies and other sources authorized by section 607 of this Act at rates that will recover total expenses of operation, including accrual of annual leave and depreciation. Receipts from the disposal of, or payments for the loss or damage to, property held in the fund, rebates, reimbursements, refunds, and other credits applicable to the operation of the fund may be deposited in the fund.*

(4) *The agency shall transfer to the Treasury as miscellaneous receipts as of the close of the fiscal year such amounts which the Administrator determines to be in excess of the needs of the fund.*

(5) *The fund may be charged with the current value of supplies and equipment returned to the working capital of the fund by a post, activity or agency and the proceeds shall be credited to current applicable appropriations.*

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(a)(1)(b) of rule XIII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 1

Date: June 27, 2000.

Measure: Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 2001.

Motion by: Ms. Pelosi.

Description of Motion: To provide fiscal year 2000 contingent emergency supplemental appropriations of \$210,000,000 for the Heavily Indebted Poor Countries Trust Fund.

Results: Rejected 21 yeas to 32 nays.

Members Voting Yea	Members Voting Nay
Ms. DeLauro	Mr. Aderholt
Mr. Dicks	Mr. Boyd
Mr. Dixon	Mr. Callahan
Mr. Edwards	Mr. Cramer
Mr. Farr	Mr. Cunningham
Mr. Forbes	Mr. DeLay
Mr. Hinchey	Mr. Dickey
Mr. Jackson	Mrs. Emerson
Ms. Kilpatrick	Mr. Frelinghuysen
Mrs. Lowey	Mr. Goode
Mrs. Meek	Ms. Granger
Mr. Mollohan	Mr. Hobson
Mr. Moran	Mr. Istook
Mr. Obey	Mr. Kingston
Mr. Olver	Mr. Knollenberg
Ms. Pelosi	Mr. Kolbe
Mr. Price	Mr. Latham
Mr. Sabo	Mr. Lewis
Mr. Serrano	Mr. Miller
Mr. Visclosky	Mr. Murtha
Mr. Wolf	Mr. Nethercutt
	Mrs. Northup
	Mr. Peterson
	Mr. Porter
	Mr. Regula
	Mr. Rogers
	Mr. Sununu
	Mr. Tiahrt
	Mr. Walsh
	Mr. Wamp
	Mr. Wicker
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(a)(1)(b) of rule XIII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 2

Date: June 27, 2000.

Measure: Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 2001.

Motion by: Mrs. Lowey.

Description of Motion: To provide that foreign non-governmental organizations and multilateral organizations shall not be subject to requirements more restrictive than those that apply to United States non-governmental organizations receiving assistance under Part I of the Foreign Assistance Act of 1961 or shall be ineligible for such assistance solely on the basis of health or medical services provided by such organizations that do not violate U.S. Federal or relevant foreign laws.

Results: Rejected 26 yeas to 34 nays.

Members Voting Yea	Members Voting Nay
Mr. Boyd	Mr. Aderholt
Ms. DeLauro	Mr. Bonilla
Mr. Dicks	Mr. Callahan
Mr. Dixon	Mr. Cunningham
Mr. Edwards	Mr. DeLay
Mr. Farr	Mr. Dickey
Mr. Frelinghuysen	Mrs. Emerson
Mr. Hinchey	Mr. Forbes
Mr. Hoyer	Mr. Goode
Mr. Jackson	Ms. Granger
Ms. Kaptur	Mr. Hobson
Ms. Kilpatrick	Mr. Istook
Mr. Kolbe	Mr. Kingston
Mrs. Lowey	Mr. Knollenberg
Mrs. Meek	Mr. Latham
Mr. Moran	Mr. Lewis
Mr. Obey	Mr. Miller
Mr. Olver	Mr. Mollohan
Mr. Pastor	Mr. Murtha
Ms. Pelosi	Mr. Nethercutt
Mr. Porter	Mrs. Northup
Mr. Price	Mr. Packard
Ms. Roybal-Allard	Mr. Peterson
Mr. Sabo	Mr. Regula
Mr. Serrano	Mr. Rogers
Mr. Visclosky	Mr. Skeen
	Mr. Sununu
	Mr. Taylor
	Mr. Tiahrt
	Mr. Walsh
	Mr. Wamp
	Mr. Wicker
	Mr. Wolf
	Mr. Young

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(a)(1)(b) of rule XIII of the House of Representatives, the results of each rollcall vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 3

Date: June 27, 2000.

Measure: Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 2001.

Motion By: Mr. Knollenberg.

Description of Motion: To clarify the application of a limitation on funding of activities related to the Kyoto Protocol to the Framework Convention on Climate Change to not restrict funding for any activity otherwise authorized by law.

Results: Adopted 51 yeas to 1 nay.

*Members Voting Yea**Members Voting Nay*

Mr. Aderholt	Mr. Mollohan	Mr. Sununu
Mr. Bonilla	Mr. Murtha	
Mr. Boyd	Mrs. Northup	
Mr. Callahan	Mr. Obey	
Mr. Cramer	Mr. Olver	
Mr. Cunningham	Mr. Packard	
Ms. DeLauro	Mr. Pastor	
Mr. Dicks	Ms. Pelosi	
Mr. Dixon	Mr. Peterson	
Mr. Farr	Mr. Porter	
Mr. Forbes	Mr. Price	
Mr. Frelinghuysen	Mr. Regula	
Mr. Goode	Mr. Rogers	
Mr. Granger	Ms. Roybal-Allard	
Mr. Hinchey	Mr. Sabo	
Mr. Hoyer	Mr. Serrano	
Mr. Istook	Mr. Skeen	
Mr. Jackson	Mr. Taylor	
Ms. Kaptur	Mr. Tiahrt	
Ms. Kilpatrick	Mr. Visclosky	
Mr. Knollenberg	Mr. Walsh	
Mr. Kolbe	Mr. Wamp	
Mr. Lewis	Mr. Wicker	
Mrs. Lowey	Mr. Wolf	
Mrs. Meek	Mr. Young	
Mr. Miller		

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(a)(1)(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLLCALL NO. 4

Date: June 27, 2000.

Measure: Foreign Operations, Export Financing, and Related Programs Appropriations Bill, FY 2001.

Motion by: Ms. Pelosi.

Description of Motion: To increase funding to combat HIV/AIDS by \$30,000,000 and reduce an equal amount from foreign military financing.

Results: Rejected 22 yeas to 29 nays.

Members Voting Yea	Members Voting Nay
Ms. DeLauro	Mr. Aderholt
Mr. Dicks	Mr. Bonilla
Mr. Dixon	Mr. Boyd
Mr. Edwards	Mr. Callahan
Mr. Farr	Mr. Cramer
Mr. Forbes	Mr. Frelinghuysen
Mr. Hinchey	Mr. Goode
Mr. Hoyer	Ms. Granger
Mr. Jackson	Mr. Hobson
Ms. Kaptur	Mr. Kingston
Ms. Kilpatrick	Mr. Knollenberg
Mrs. Lowey	Mr. Kolbe
Mrs. Meek	Mr. Lewis
Mr. Murtha	Mr. Miller
Mr. Obey	Mrs. Northup
Mr. Olver	Mr. Packard
Mr. Pastor	Mr. Peterson
Ms. Pelosi	Mr. Porter
Ms. Roybal-Allard	Mr. Regula
Mr. Sabo	Mr. Rogers
Mr. Serrano	Mr. Skeen
Mr. Visclosky	Mr. Sununu
	Mr. Taylor
	Mr. Tiahrt
	Mr. Walsh
	Mr. Wamp
	Mr. Wicker
	Mr. Wolf
	Mr. Young

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2000
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2001**
(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE I - EXPORT AND INVESTMENT ASSISTANCE					
EXPORT-IMPORT BANK OF THE UNITED STATES					
Subsidy appropriation.....	759,000	963,000	825,000	+ 66,000	-138,000
(Direct loan authorization).....	(1,350,000)	(960,000)	(960,000)	(-390,000)	.....
(Guaranteed loan authorization).....	(10,400,000)	(15,040,000)	(15,040,000)	(+ 4,640,000)	.....
Administrative expenses.....	55,000	63,000	62,000	+ 7,000	-1,000
Negative subsidy.....	-15,000	-15,000	-15,000	.....	.....
Total, Export-Import Bank of the United States.....	799,000	1,011,000	872,000	+ 73,000	-139,000
OVERSEAS PRIVATE INVESTMENT CORPORATION					
Noncredit account:					
Administrative expenses.....	35,000	39,000	37,000	+ 2,000	-2,000
Insurance fees and other offsetting collections.....	-303,000	-283,000	-283,000	+ 20,000	.....
Subsidy appropriation.....	24,000	24,000	24,000	.....	.....
(Direct loan authorization).....	(130,000)	(127,000)	(127,000)	(-3,000)	.....
(Guaranteed loan authorization).....	(1,000,000)	(1,000,000)	(1,000,000)	.....	.....
Total, Overseas Private Investment Corporation.....	-244,000	-220,000	-222,000	+ 22,000	-2,000

TRADE AND DEVELOPMENT AGENCY						
Trade and development agency.....	44,000	54,000	46,000	+ 2,000	-8,000	
Total, title I, Export and investment assistance	599,000	845,000	696,000	+ 97,000	-149,000	
(Loan authorizations)	(12,880,000)	(17,127,000)	(17,127,000)	(+ 4,247,000)		
TITLE II - BILATERAL ECONOMIC ASSISTANCE						
FUNDS APPROPRIATED TO THE PRESIDENT						
Agency for International Development						
Child survival and disease programs fund	715,000	659,250	834,000	+ 119,000	+ 174,750	
UNICEF	(110,000)		(110,000)		(+ 110,000)	
Development assistance	1,228,000	948,822	1,258,000	+ 30,000	+ 309,178	
Development Fund for Africa		532,928			-532,928	
International disaster assistance	202,880	220,000	165,000	-37,880	-55,000	
Transition Initiatives			40,000	+ 40,000	+ 40,000	
Micro & Small Enterprise Development program account:						
Subsidy appropriation	1,500		1,500		+ 1,500	
(Guaranteed loan authorization)	(30,000)		(30,000)		(+ 30,000)	
Administrative expenses	500		500		+ 500	
Urban and environmental credit program account:						
Subsidy appropriation	1,500			-1,500		
(Guaranteed loan authorization)	(14,000)			(-14,000)		
Administrative expenses	5,000			-5,000		

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2000
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2001—Continued**
(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	Bill	Bill vs. Enacted	Bill vs. Request
Development credit programs account:					
Subsidy appropriation			1,500	+ 1,500	+ 1,500
(By transfer).....	(3,000)	(15,000)	(2,000)	(-1,000)	(-13,000)
(Guaranteed loan authorization).....	(40,000)	(213,000)	(49,700)	(+ 9,700)	(-163,300)
Administrative expenses.....		8,000	6,495	+ 6,495	-1,505
Subtotal, development assistance.....	2,154,380	2,369,000	2,306,995	+ 152,615	-62,005
Payment to the Foreign Service Retirement and Disability Fund.....	43,837	44,489	44,489	+ 652	.....
Operating expenses of the Agency for International Development.....	520,000	520,000	509,000	-11,000	-11,000
Operating expenses of the Agency for International Development Office of Inspector General.....	25,000	27,000	27,000	+ 2,000	.....
Total, Agency for International Development.....	2,743,217	2,960,489	2,887,484	+ 144,267	-73,005
Other Bilateral Economic Assistance					
Economic support fund:					
Camp David countries.....	1,695,000	1,535,000	1,535,000	-160,000	.....
Other.....	650,500	778,000	673,900	+ 23,400	-104,100
Subtotal, Economic support fund.....	2,345,500	2,313,000	2,208,900	-136,600	-104,100
Emergency funding.....	450,000	.....	.....	-450,000	.....

International Fund for Ireland	19,600	.....	25,000	+ 5,400	+ 25,000
Assistance for Eastern Europe and the Baltic States	535,000	610,000	535,000	.....	-75,000
Assistance for the Independent States of the former Soviet Union	839,000	830,000	740,000	-99,000	-90,000
Total, Other Bilateral Economic Assistance	4,189,100	3,753,000	3,508,900	-680,200	-244,100
INDEPENDENT AGENCIES					
Inter-American Foundation					
Appropriation.....	.....	20,000	.....	.....	-20,000
(By transfer).....	(5,000)	.....	(10,000)	(+ 5,000)	(+ 10,000)
Total.....	(5,000)	(20,000)	(10,000)	(+ 5,000)	(-10,000)
African Development Foundation					
Appropriation.....	.....	16,000	.....	.....	-16,000
(By transfer).....	(14,400)	.....	(16,000)	(+ 1,600)	(+ 16,000)
Total.....	(14,400)	(16,000)	(16,000)	(+ 1,600)	.....
Peace Corps					
Appropriation.....	245,000	275,000	258,000	+ 13,000	-17,000
Department of State					
International narcotics control and law enforcement	305,000	312,000	305,000	.....	-7,000
Assistance to Plan Colombia .....	.....	256,000	.....	.....	-256,000
Migration and refugee assistance.....	625,000	658,212	645,000	+ 20,000	-13,212
United States Emergency Refugee and Migration Assistance Fund.....	12,500	20,000	12,500	.....	-7,500
Nonproliferation, anti-terrorism, demining and related programs.....	216,600	346,740	241,600	+ 25,000	-105,140
Total, Department of State.....	1,159,100	1,592,952	1,204,100	+ 45,000	-388,852

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2000
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2001—Continued**
(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	Bill	Bill vs. Enacted	Bill vs. Request
Department of the Treasury					
International affairs technical assistance	1,500	7,000	2,000	+ 500	-5,000
Debt restructuring	123,000	262,000	82,400	-40,600	-179,600
United States community adjustment and investment program	10,000	10,000	.....	-10,000	-10,000
Subtotal, Department of the Treasury	134,500	279,000	84,400	-50,100	-194,600
Total, title II, Bilateral economic assistance					
Appropriations	8,470,917	8,896,441	7,942,884	-528,033	-953,557
Emergency funding	(8,020,917)	(8,896,441)	(7,942,884)	(-78,033)	(-953,557)
(By transfer)	(450,000)	.....	.....	(-450,000)	.....
(Loan authorizations)	(22,400)	(15,000)	(28,000)	(+ 5,600)	(+ 13,000)
	(84,000)	(213,000)	(79,700)	(-4,300)	(-133,300)

TITLE III - MILITARY ASSISTANCE					
FUNDS APPROPRIATED TO THE PRESIDENT					
International Military Education and Training.....	50,000	55,000	52,500	+ 2,500	-2,500
Foreign Military Financing Program:					
Grants:					
Camp David countries	3,220,000	3,280,000	3,280,000	+ 60,000	.....
Other	200,000	258,200	230,000	+ 30,000	-28,200
Subtotal, grants.....	3,420,000	3,538,200	3,510,000	+ 90,000	-28,200
(Limitation on administrative expenses).....	(30,495)	(33,000)	(30,495)	.....	(-2,505)
Total, Foreign Military Financing.....	3,420,000	3,538,200	3,510,000	+ 90,000	-28,200
Emergency Funding.....	1,375,000	.....	.....	-1,375,000	.....
Special Defense Acquisition Fund: Offsetting collections.....	-6,000	.....	.....	+ 6,000	.....
Peacekeeping operations	153,000	134,000	117,900	-35,100	-16,100
Total, title III, Military assistance	4,992,000	3,727,200	3,680,400	-1,311,600	-46,800
(Limitation on administrative expenses)	(30,495)	(33,000)	(30,495)	.....	(-2,505)

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2000
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2001—Continued**
(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	Bill	Bill vs. Enacted	Bill vs. Request
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.....	35,800	175,567	35,800	.....	-139,767
Contribution to the International Development Association.....	775,000	835,570	576,600	-198,400	-258,970
Contribution to Multilateral Investment Guarantee Agency.....	4,000	16,000	4,900	+900	-11,100
(Limitation on callable capital subscriptions).....	(20,000)	(80,000)	(24,500)	(+4,500)	(-55,500)
Total, World Bank Group.....	814,800	1,027,137	617,300	-197,500	-409,837
Contribution to the Inter-American Development Bank:					
Paid-in capital.....	25,611	.....	.....	-25,611	.....
(Limitation on callable capital subscriptions).....	(1,503,719)	.....	.....	(-1,503,719)	.....
Contribution to the Inter-American Investment Corporation.....	16,000	34,000	8,000	-8,000	-26,000
Contribution to the Enterprise for the Americas Multilateral Investment Fund.....	.....	25,900	10,000	+10,000	-15,900
Total, contribution to the Inter-American Development Bank.....	41,611	59,900	18,000	-23,611	-41,900

Contribution to the Asian Development Bank:							
Paid-in capital	13,728						-13,728
(Limitation on callable capital subscriptions).....	(672,745)						(-672,745)
Contribution to the Asian Development Fund	77,000	125,000		72,000			-53,000
Total, contribution to the Asian Development Bank.....	90,728	125,000		72,000			-53,000
Contribution to the African Development Bank:							
Paid-in capital	4,100	6,100		3,100			-3,000
(Limitation on callable capital subscriptions).....	(64,000)	(95,983)		(49,574)			(-46,409)
Contribution to the African Development Fund	128,000	100,000		72,000			-28,000
Total.....	132,100	106,100		75,100			-31,000
Contribution to the European Bank for Reconstruction and Development:							
Paid-in capital	35,779	35,779		35,779			
(Limitation on callable capital subscriptions).....	(123,238)	(123,238)		(123,238)			
Contribution to the International Fund for Agricultural Development..				5,000			+5,000
Total, International Financial Institutions	1,115,018	1,353,916		823,179			-530,737
(Limitation on callable capital subscript)	(2,383,702)	(299,221)		(197,312)			(-101,909)
International Organizations and Programs							
Appropriation.....	183,000	354,000		183,000			-171,000
(By transfer).....	(2,500)	(2,500)					(-2,500)
Total, title IV, Multilateral economic assistance	1,298,018	1,707,916		1,006,179			-701,737
(By transfer).....	(2,500)	(2,500)					(-2,500)
(Limitation on callable capital subscript)	(2,383,702)	(299,221)		(197,312)			(-101,909)

**COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2000
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2001—Continued**
(Amounts in thousands)

	FY 2000 Enacted	FY 2001 Request	Bill	Bill vs. Enacted	Bill vs. Request
TITLE VI - SOUTHERN AFRICA REHABILITATION AND RECONSTRUCTION					
FUNDS APPROPRIATED TO THE PRESIDENT					
Agency for International Development					
Economic support fund (FY 2000, emergency appropriations).....		183,000			-183,000
International disaster assistance:					
FY 2000 emergency appropriations.....		10,000			-10,000
FY 2000 Contingent emergency appropriations.....			160,000	+160,000	+160,000
Operating expenses of the Agency for International Development (FY 2000, emergency appropriations).....		7,000			-7,000
Total, title VI, FY 2000 emergency appropriation.....		200,000	160,000	+160,000	-40,000
Grand total.....	15,359,935	15,376,557	13,485,463	-1,874,472	-1,891,094
Appropriations.....	(13,534,935)	(15,176,557)	(13,325,463)	(-209,472)	(-1,851,094)
Emergency appropriations.....	(1,825,000)			(-1,825,000)	
FY 2000 emergency appropriations.....		(200,000)	(160,000)	(+160,000)	(-40,000)
(By transfer).....	(24,900)	(17,500)	(28,000)	(+3,100)	(+10,500)
(Limitation on administrative expenses).....	(30,495)	(33,000)	(30,495)		(-2,505)
(Limitation on callable capital subscript).....	(2,383,702)	(299,221)	(197,312)	(-2,186,390)	(-101,909)
(Loan authorizations).....	(12,964,000)	(17,340,000)	(17,206,700)	(+4,242,700)	(-133,300)

CONGRESSIONAL BUDGET RECAP					
Total mandatory and discretionary.....	13,775,935	15,176,557	13,325,463	-450,472	-1,851,094
Mandatory.....	43,837	44,489	44,489	+652	.....
Discretionary.....	13,732,098	15,132,068	13,280,974	-451,124	-1,851,094

ADDITIONAL VIEWS

The allocation of resources for the Fiscal Year 2001 Foreign Operations bill of \$13.281 billion will not enable this President or the next to carry out an effective foreign policy that meets our national security requirements. The low level of funding will hinder our ability to respond to and confront ongoing development and security challenges around the world.

Unfortunately, again this year funding levels in the bill have been reduced well below the Administration's request, and this has resulted in a bill, which will be difficult to support. At one point this bill had an allocation of nearly \$13.6 billion, which is still well below the Administration's request, but would have been a good starting point. Because of floor action on other appropriations bills, however, the allocation was reduced to its current level of \$13.281 billion, which makes it \$1.539 billion or 10% below the Administration's request.

As the world continues rapidly changing we have an unprecedented opportunity and indeed a responsibility to provide global leadership through the spread of democracy and the promise of economic growth. The allocation of discretionary budget resources this year has once again failed to recognize this fundamental fact, and our foreign policy goals will be shortchanged.

In addition the overall priorities within the bill are skewed. While the overall request has been reduced by 10%, the amounts requested to address the problems of infectious disease, poverty alleviation, access to family planning, and debt relief in Africa, Latin America, and Asia have been cut in a disproportionate manner.

The bill contains only \$82 million of the \$472 million in pending requests for Debt relief. This amount will not even provide enough resources to enable two countries, Bolivia and Mozambique, who have met all necessary conditions to obtain relief, to actually get it. There are many other countries on the verge of qualifying for relief who simply will not receive it, if this funding level is not increased. The bill also contains a moratorium for countries, who receive debt relief from obtaining new loans from both the concessional and market loan windows of the international financial institutions. The lack of adequate funding for debt relief and the imposition of these undue restrictions on these poor countries clearly demonstrates fundamental opposition to the goals of this initiative. The Jubilee 2000 campaign for debt relief for the world's poorest countries enjoys a wide measure of support throughout the United States and with a broad spectrum of religious leaders and organizations. It is time for us to make this funding a priority and to remove undue restrictions.

The bill contains only \$202 million of the \$244 million requested to combat HIV/AIDs. While we support the increases in the bill for the Child Survival and Disease account and the increases for fight-

ing tuberculosis and providing more for basic education, it should not come at the expense of funding to combat HIV/AIDs. The staggering impact of this disease on the health and development of affected nations has made it imperative that prevention measures be augmented by strategies to build capacity to deliver care. The challenges presented to develop such a multidimensional approach in which effective care and prevention programs would be delivered in tandem requires resources. A consensus within the international community to provide more resources for combating HIV/AIDs has finally begun. The United States has the responsibility to be in the forefront of this effort, and we simply cannot fail to meet this challenge by shortchanging these programs.

The bill also reduces funding for lending to poor countries by drastically cutting funds for the International Development Association, the African Development Bank and Fund, and the Asian Development Fund by 32% below the requested levels. Overall cuts to all programs in the bill which benefit Africa and Latin America are 15%, which is unacceptable. While this bill does contain some funding to respond to the flood disasters in southern Africa, it is unclear whether that emergency funding will be finally approved by Congress.

Funds requested for family planning programs are cut to \$385 million, which is 29% below requested levels. In addition the bill contains objectionable language on the Mexico City policy, which seeks to impose restrictions on foreign organizations which are contrary to the principles of free speech and the laws of the United States.

The Global Environment Facility has been funded at a level of \$36 million against a request of \$176 million, which will endanger its ability to continue environmental lending. In addition the bill contains undue restrictions on programs to reduce harmful emissions and global warming.

There are many accounts and programs in the bill that are funded at levels which we support. Increases have been provided to the Child Survival and Diseases account and the Peace Corps for example. However, the bill is in serious need of correction. The last minute reduction in the allocation and the fact that these reductions were made in programs which most directly affect the poorest countries in the world, has forced us into a position of confrontation and division, which we regret.

Foreign aid should not be immune from budget cuts; however, it should not be the victim of skewed priorities. Robust and well-directed foreign assistance programs are essential for our national security and are supported by a majority of the American people. The process of building stability throughout the world by combating infectious disease and poverty, working for conflict resolution, enhancing democratization, and fostering the conditions for economic growth ultimately benefits all of us.

NANCY PELOSI.
CAROLYN KILPATRICK.
NITA LOWEY.
JESSE JACKSON, JR.

ADDITIONAL VIEW OF HON. FRANK R. WOLF

While I commend the Committee for the action it has taken regarding Sierra Leone, I think the U.S. can do more, and I have been asking the Administration to address this issue. I have attached my correspondence with Secretary of State Madeleine Albright and with President Clinton that outlines my concerns with U.S. policy toward Sierra Leone. I have also submitted the most recent statement of policy by the State Department, evidenced in a letter from Ambassador Richard Holbrooke. Ambassador Holbrooke's letter is a step in the right direction. I have also included an article from the Washington Post that reports that Liberia has been arming the rebels of Sierra Leone.

MARCH 16, 2000.

Hon. MADELEINE KORBEL ALBRIGHT,
Secretary of State,
Washington DC.

DEAR MADAM SECRETARY: I write today about the worsening situation in Sierra Leone. Congressman Tony Hall and I visited Sierra Leone last December. We were horrified at the atrocities we saw. Throughout the country, rebel groups have tortured, killed, and maimed thousands of people to gain control of the country's diamond industry, fueling the trade in illicit "conflict diamonds." Across a broad spectrum, the conditions in Sierra Leone were among the worse I have ever seen in the many places I've visited in the world.

At the time of our visit, it was too early to determine the effectiveness of the Lome Peace Accord and the rebels' compliance with it. In my trip report, which I have enclosed for you, I outlined several recommendations about the developing situation in Sierra Leone and the prospective response and involvement of the United States and Europe in achieving peace and stability in the region. In light of the current situation in Sierra Leone, I want to reiterate those recommendations with you.

First, the flow of conflict diamonds from rebel held areas must stop. Reports indicate that rebel forces still control most of the diamond producing regions in Sierra Leone, suggesting that the trafficking of these diamonds is going to continue to fuel bloodshed upon the people of Sierra Leone. Reports indicate that an overwhelming majority of rebels have not disarmed and that they have control of most, if not all, of the diamond producing region. This condition cannot be tolerated by the U.S., Europe, ECOMOG, and the United Nations.

Congressman Hall has introduced legislation, H.R. 3188, to certify the country of origin of all diamonds. Thus a diamond buyer will know where a diamond has been mined and a purchaser can avoid buying conflict diamonds. Passage of Congressman Hall's bill

will be a huge stride in ending this practice. Your support for this important legislation would be very helpful.

My report stated that every effort should be made to support the disarmament program in Sierra Leone. Reports indicate that not only are the rebels not disarming, but they have repeatedly confronted at gunpoint ECOMOG and U.N. peacekeepers and taken their weapons, ammunition, armored personnel carriers, etc. Bold action is needed from the Administration on this matter. I urge you to issue a statement and a fixed date, that you think is reasonable and helpful, to the rebels making clear when the rebels should be completely disarmed and what action the U.S. will take if they are not disarmed.

Promised U.S. action if the rebels do not comply with the conditions for disarmament should be:

They and their families will not be allowed entry into the U.S., Britain or any other country—no visas should be issued to rebels or their family members;

If the rebels' have bank accounts in the U.S. and in Europe, they should be frozen and they should be denied access to these accounts and to future commerce with the U.S., bank accounts of rebel family members should be included in this prohibition too;

The rebel leaders should be declared war criminals by the U.S. and other Western countries and direct its intelligence and police agencies to actively pursue apprehending rebels who have not disarmed.

These same conditions should also be applied to Liberian Charles Taylor and all Liberians who have assisted the rebels in Sierra Leone. It has come to my attention that Taylor escaped from a Massachusetts prison and fled to Liberia. Taylor and many Liberians have blood on their hands from their support of these rebels. By being the primary conduit for trading the conflict diamonds mined by the rebels, and by reportedly supplying the rebels with military assistance, Taylor and others have fueled the atrocities committed by the rebels upon the people of Sierra Leone. The U.S. should enact similar measures and conditions against Taylor and other Liberians as those I proposed for the rebels in Sierra Leone.

If the rebels are not disarmed and if Taylor and other Liberians continue to traffic in conflict diamonds and to provide the rebels with military assistance, Taylor and others should be named as war criminals and they should not be allowed to travel outside of their country. You should fix a date that you think is reasonable and helpful.

Lastly, I ask that the U.S. continue to bolster its efforts to bring relief, aid, and ultimately reconciliation to the region. U.S. leadership in helping the people of Sierra Leone recover from the brutality is integral in creating stability and peace in the region.

I do appreciate you taking the time to visit Sierra Leone. It was a good thing to do.

I would be happy to discuss with you in more detail my recommendations and observations. Thank you for your consideration.

Best wishes.
Sincerely,

FRANK R. WOLF,
Member of Congress.

P.S. I have enclosed an unedited, graphic video of some of the atrocities that occurred in Sierra Leone. I hope that you or someone you trust will look at this video.

MAY 1, 2000.

Hon. WILLIAM J. CLINTON,
The President, The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to you about the continuing tragedy in Sierra Leone.

As you know, although a tenuous peace is in place, the former rebels from the Revolutionary United Front (RUF) are disarming at a slow to minimal rate. Numerous reports indicate that the RUF has taken weapons from U.N. peacekeepers at gun point. Reports also indicate that atrocities such as rape, intimidation, and forced conscription are continuing by the supposedly disbanded RUF.

Present and former RUF units still operate and control certain sections of the country, specifically the diamond producing areas.

I have enclosed a letter which I sent to Secretary Albright outlining proposed action that the U.S. should take if the RUF continues its atrocities, occupation, and reluctance to disarm by a to be determined designated date.

The entire country of Sierra Leone will continue to experience suffering and turmoil unless leadership is exercised by the U.S.

You must do something (see my letter to Secretary Albright for proposed courses of U.S. action). I urge you to act quickly.

Best wishes.
Sincerely,

FRANK R. WOLF,
Member of Congress.

MAY 19, 2000.

Hon. WILLIAM J. CLINTON,
The President, The White House,
Washington, DC.

DEAR MR. PRESIDENT: I want to share with you this editorial from today's New York Times that calls for Sierra Leonian rebel leader Foday Sankoh to be tried as a war criminal.

Your African policy has done little to address and prevent the large-scale human rights violations that occurred in Rwanda, Sudan, and now in Sierra Leone.

You now have a chance to act by speaking out and declaring Sankoh, and his associates, war criminals because of the documented atrocities they committed, promoted, or fueled against the people of Sierra Leone.

I have previously written to you about Sierra Leone and have enclosed a copy of my correspondence with you on this subject.

I urge you to promptly name Sankoh and his associates war criminals to prevent further bloodshed and to send a message throughout Africa that the U.S. is serious in going after people who have killed, maimed, and wreaked havoc on so many people's lives.

I also urge you to support Congressman Tony Hall's legislation, H.R. 3188, which would require diamonds bought and sold in the U.S. to be certified as to their country of origin. This legislation would help address the problem of the trafficking of "conflict diamonds" that have fueled the atrocities in Sierra Leone and other conflicts in Africa.

Best wishes.
Sincerely,

FRANK R. WOLF,
Member of Congress.

[From the New York Times, May 19, 2000]

PROSECUTING FODAY SANKOH

For the last decade Foday Sankoh has led one of the world's most brutal guerrilla movements. His Revolutionary United Front has terrorized Sierra Leone by murdering thousands of civilians, gang-raping women and girls, and chopping off the limbs of suspected opponents. Mr. Sankoh's arrest this week is therefore welcome news. It is imperative that he now be charged and tried for war crimes.

Mr. Sankoh was a party to the 1999 Lome peace accord that was to have ended Sierra Leone's brutal civil war. That accord failed in part because it granted Mr. Sankoh immunity from prosecution for previous war crimes, thereby reinforcing the cycle of violent lawlessness in which the rebel leader and his murderous associates have thrived. Mr. Sankoh's forces have clearly broken their end of the bargain by refusing to disarm and restarting the war. Whether the previous amnesty should now be rescinded can be argued either way. But there is no disputing that Mr. Sankoh's forces have committed countless crimes since the accord was signed that would not be covered by the amnesty. On these they should unquestionably be prosecuted.

Under normal circumstances, it is best for people to be tried in the countries where they committed their crimes. But Sierra Leone's government does not have the means to guarantee an orderly trial or due process in such a highly charged case. Witness protection would be impossible, and there is the danger of mob justice. Neighboring Liberia's former dictator, Samuel K. Doe, for example, was captured by a rebel gang in 1990, stripped naked and tortured to death. That crude vengeance ratcheted up the cycle of violence and criminality that continues to haunt Liberia.

A trial for Mr. Sankoh must be conducted according to international standards before impartial judges, affording the accused access to counsel and the means to wage an effective defense. This is the kind of case for which the International Criminal Court was created two years ago. Since that court is not yet functioning, the best approach is to create an international tribunal like those the U.N. has established for Rwanda and the former Yugoslavia. It would have a mandate to try not just Mr. Sankoh but his confederates, as well as leaders of other fighting factions that have committed heinous crimes. Extensive evidence has already been assembled by rights groups, but the U.N. should be prepared to send an investigative team to Sierra Leone to document war crimes.

Mr. Sankoh's arrest may complicate efforts to secure the release of the remaining 270 U.N. peacekeepers held hostage by the rebels. But it should now be clear that any attempt to enlist Mr. Sankoh as a partner in peace is doomed to fail. Bringing him to justice is the best way to curb the anarchy that lies at the root of Sierra Leone's agony.

THE REPRESENTATIVE OF THE
UNITED STATES OF AMERICA TO THE UNITED NATIONS,
May 30, 2000.

Hon. JUDD GREGG,
*U.S. Senate,
Washington, DC.*

DEAR MR. CHAIRMAN: Allow me to thank you again for your courtesy and for our exchange of views on peacekeeping issues. I know the Secretary also appreciates your discussion with her on May 20, and I would like to follow up on both conversations. I have shared our discussions with Secretary Albright, Sandy Berger, and Jack Lew, all of whom expressed their appreciation of your decision to release the funds for Kosovo and for your readiness to meet with the Australian Ambassador to resolve the East Timor peacekeeping "hold."

You asked for a letter encapsulating our discussion on Sierra Leone and Congo. After close consultation with Secretary Albright, let me review where we stand on each issue:

First, Sierra Leone. Let me posit five principles that we will use to govern our policy. First, the United States does not believe that Foday Sankoh should play any role whatsoever in the future political process in Sierra Leone, and we will continue to press this point. He must be held accountable for his actions. Second, we strongly support the British military presence in Sierra Leone, which has played a key role in restoring a measure of stability to Freetown. We are discussing with the British their continuing role, and on May 23 London announced an important training program for the Sierra Leone army, something that they will undertake at their own expense outside the UN system. Third, the objective should be to ensure that regional and international forces in Sierra Leone, together with the armed forces of the Government of Sierra Leone, have the capacity to disrupt RUF control of Sierra Leone's diamond producing areas, the main source of RUF income. Completely eliminating them as a military force is not likely to be possible at an acceptable cost, but sharply reducing their sources of financial support and restricting their capability to threaten the people or Government of Sierra Leone is within reach of sufficient numbers of properly trained, equipped, and well-led troops and is vitally important.

The most likely nations to carry the burden would be Nigeria and Ghana, with the backing of other ECOWAS states. Other nations who are already rushing troops to Sierra Leone include India, Jordan and Bangladesh. Most potential troop contributors from the region are likely to require better equipment and training if they are to contribute meaningfully. Pentagon and EUCOM assessment teams are studying the issue urgently. If our objectives are to be accomplished, the U.S. will need to be ready, with congressional support and funding, to provide our share of an international effort to provide equipment and training to those who are willing to do the military job—including the governments of Sierra Leone and other countries in the region. Any direct training of contributing country troops by U.S. military personnel would be done outside Sierra Leone and no U.S. combat troops would be deployed to Sierra Leone. We will have to work out the relationship between such an

operation and the UN, recognizing that for many countries a UN role is preferable—but we must ensure that the mandate is robust. Fourth, since there is virtually no real government structure left in Sierra Leone, if the security situation can be stabilized a longer term international effort will be needed to help build viable institutions in Sierra Leone. It will take time, but in the long run, the rest of the effort will be unsuccessful if it is not accompanied by this component. However, this cannot start until the situation is stabilized, and there is no present funding request for this function. Fifth (this is a point I failed to mention in our meeting) we must develop a corresponding political strategy for dealing appropriately with Liberia's President, Charles Taylor, and with the illicit diamond trade that fuels conflict and criminality in the region.

On the Congo, the problems are still daunting, but there has been some real movement since I first discussed this issue with you in late February:

(A) On May 4, in my presence, the Kabila Government signed the Status of Forces Agreement with the UN—an essential precondition for any UN deployment;

(B) Kabila has said he would accept South African troops;

(C) The Lusaka parties signed a new cease-fire agreement effective April 14, calming the situation on the ground considerably;

(D) The UN Security Council Mission negotiated on May 8 a cease-fire between the Ugandans and Rwandans who were fighting in Kisangani (Congo's third largest, and perhaps most strategic, city): Regional leaders subsequently secured agreement between Rwanda and Uganda on a detailed disengagement plan;

(E) The Presidents of Rwanda and Uganda asked for immediate UN assistance in support of demilitarizing Kisangani;

(F) All the parties to the war in the Congo has asked for the UN observer mission as soon as possible to implement the Lusaka Ceasefire Agreement;

(G) The South Africans sent a high-level military mission in New York to discuss their role in Congo, and the Pakistanis (among others) are about to send troops. The South Africans met with a joint State-Pentagon-NSC team to discuss close coordination.

Of course, not all the news from Congo is positive. While progressing, the political dialogue called for by Lusaka is off to a slow start; the UN and the OAU military observer missions have not meshed sufficiently; some of the rebels still violate the cease-fire on occasion; and there are many other lesser problems. Still there is a real desire for some resolution to these issues by most parties. What is required next is a step-by-step test of their commitments to implement their own "African agreement for an African problem." This is one of our highest priorities.

As we both said to you, neither the Secretary nor I are certain that Lusaka will succeed. But we are certain that Lusaka will fail if the UN does not take the next series of steps to support it, as called for by all parties. The recent progress supports this view, I believe.

For the United States, this will require the unblocking of \$41 million of reprogrammed peacekeeping funds for the current fiscal year for Congo. We believe that this request does not put our national prestige on the line; it is a UN operation (with no U.S. troops in the UN operation). However, if we do not pay our share, we are concerned that the UN will be unable to bring in adequate and properly equipped troops, and the resulting failure of the mission will be attributed, however unfairly, to the United States.

Our arrears on the current operation in Sierra Leone limit our ability to promote effectively the critical policy objectives outlined in this letter. More broadly, failure to pay our share of these missions risks seriously undermining our all-out effort to carry the Helms-Biden reform package, on which we are making real progress. You will note several recent news articles regarding our forward movement on a wide range of issues, including the admission of Israel to a UN regional grouping (after 40 years!), the new GAO report that shows UN progress, and the first debate in 27 years on revising the UN peacekeeping scale. All this forward movement will greatly benefit from your support and I thank you for your thoughtful involvement in this process.

I hope this letter is responsive to your request. If I can be of any further assistance, please do not hesitate to contact me or my colleagues in the State Department.

Sincerely,

RICHARD C. HOLBROOKE.

[From the Washington Post, June 18]

LIBERIA REPORTEDLY ARMING GUERRILLAS

(By Douglas Farah)

MONROVIA, LIBERIA—Sierra Leone's rebels have been freshly reinforced by Liberia with arms and recruits and are preparing to fight than let U.N. peacekeeping forces take over their diamond-mining strongholds, say Western intelligence officials and West African sources with direct knowledge of the events.

In the past two weeks, Liberian President Charles Taylor has sent several convoys of trucks loaded with weapons, food and medicine across the border to the rebels of the Revolutionary United Front (RUF) in the Kono region of northeastern Sierra Leone, according to the sources.

Taylor has also sponsored military training for several hundred RUF fighters at his own security forces' main camp, they said. Most of the reinforced RUF units are led by Sam Bockarie, a longtime rebel leader better known as Mosquito who is now living in Monrovia under Taylor's protection.

For months, Western military and intelligence officials have reported Taylor's tacit support for the rebels and friendship with their leaders. But in recent days intelligence officials, diplomats and sources with direct knowledge of RUF activities say his support has become more active and the threat of a wider regional war is growing. These sources say Taylor's recent reinforcement of the rebels is due to his determination to either maintain RUF control over the bulk of Sierra Leon's diamond fields, or back a new RUF escalation of the war. While Taylor acknowledges a friendship and historical ties with RUF leaders, he denies that he is arming the rebels now.

The rebels' support from Taylor and from the president of nearly Burkina Faso is the latest turn in nearly two decades of intertwined West African wars—conflicts that, at their inception, pitted brutal, corrupt U.S.-backed governments against revolutionaries trained and armed by Libyan leader Moammar Gadhafi. In the 1980s and '90s, Gadhafi backed the rise of Taylor, RUF leader Foday Sankoh and the president of Burkina Faso, Blaise Compaore. While Libya's influence has waned in recent years, its proteges still cooperate closely, intelligence analysts said.

The current crisis arose last month when Sankoh refused to disarm the RUF as called for in a July 1999 peace agreement. The situation deteriorated when the rebels kidnapped about 500 U.N. peacekeepers and Sankoh fled the capital. Taylor, under international pressure, secured the peacekeepers's release. Sankoh was arrested by government troops and remains in prison.

Last week, British Foreign Secretary Robin Cook told Parliament that "there is continuing evidence establishing close links between the rebels in Sierra Leone and supporters in Liberia." The European Union suspended \$48 million in aid to Liberia to pressure it to halt what another British Foreign Office minister, Keith Vaz, called "the flow of illicit weapons to the [RUF] rebels . . . from outside."

Scholars and diplomats say Taylor backs the RUF because he profits from the sale of diamonds they mine, and because the rebels employ many of Taylor's impoverished former militia fighters, who otherwise would be a threat to his regime. "If you can't give Taylor what he gets from Sierra Leone, you can't give him anything and he won't stop," said Ibrahim Abdullah, a historian at South Africa's University of the Western Cape who studies the RUF and Liberia. "What he is getting from Sierra Leone is jobs for his boys and diamonds."

Confidential RUF documents found in Sankoh's house after he fled show he was shipping diamonds out of Sierra Leone through Liberia, with Taylor's knowledge. The documents also show that Sankoh was growing increasingly angry at Taylor because Taylor was taking 90 percent of the profits.

In an effort to protect his interests without escalating the war, Taylor, with Compaore's backing, has pushed for a truce in Sierra Leone that would leave the rebels in charge of the main diamond fields. That has been rejected by Sierra Leone and the region's major power, Nigeria, and tensions are growing.

Last week, senior officials in both Liberia and Sierra Leone warned that the war could spill into Liberia. Sierra Leone's deputy defense minister, Hinga Norman, said his troops would take on Taylor if necessary to finish off the rebels.

Daniel Chea, Liberia's defense minister, responded by warning Sierra Leone not to "threaten this country with war, especially one that you cannot win. . . . Stop blaming your war on Liberia."

Intelligence analysts and sources close to Taylor said he cannot allow the rebels to lose the war, in part because he has taken millions of dollars from foreign investors, in the form of licensing fees, to allow them to mine Sierra Leone's diamonds. "That is why he is pressing for a cease-fire, where the rebels control the mine, or there will be all-out war," said one source familiar with RUF operations.

Liberian Information Minister Joe Mulbah denied the allegations, telling the BBC recently that his government "has never sanctioned the traffic of diamonds or guns. We are not involved [in Sierra Leone] . . . and I challenge anyone to prove us wrong when we say we have nothing to do with diamond deals in Sierra Leone."

Sources with direct knowledge said mercenaries from South Africa and Burkina Faso who are working for Taylor have trained fighters under rebel leader Mosquito's command at Taylor's training camp in Gbtala, 90 miles northeast of Monrovia. They said Mosquito's men are equipped with surface-to-air missiles, assault rifles, anti-tank weapons and other arms from a 66-ton shipment that moved through Burkina Faso.

In Burkina Faso earlier this month, Compaore played host to senior RUF commanders to plan military and political strategy, diplomats and intelligence analysts said. In return for their support, Taylor and Compaore receive diamonds from the RUF, which are then sold on the international diamond market, intelligence sources and U.N. investigators said.

Taylor, Sankoh and Compaore have been linked since the mid-1980s, according to academics, intelligence analysts and participants in the early days of the revolutionary fervor that swept the region. Liberia's U.S.-backed dictator, Samuel Doe, accused Taylor, then a senior Liberian bureaucrat, of stealing government funds. When Taylor fled to the United States, he was arrested at Doe's request, but escaped to Burkina Faso.

According to historians and regional experts, Compaore enlisted Liberian aid in the killing of then-President Thomas Sankara, after which Compaore seized power in Burkina Faso.

Taylor launched his revolt against Doe in 1989, then helped Sankoh found the RUF in 1991. Compaore, Taylor and Sankoh, as well as many of their senior commanders, trained at Libya's World Revolutionary Headquarters in the 1980s. The Reagan administration regarded Libya as a primary sponsor of international terrorism and saw Doe as a reliable ally. It poured \$500 million in aid into Doe's Liberia and pressured Nigeria and other pro-Western governments to intervene militarily, using Sierra Leone as a base, to fight Taylor. But Taylor ultimately fought to a draw, signed a cease-fire and won a presidential election in 1997.

Troops sent by Taylor and Compaore fought alongside the RUF in Sierra Leone, and the RUF helped Taylor's troops, while Compaore supplied both with a secure arms pipeline, according to investigators.

"The deal was that the RUF would help Taylor 'liberate' Liberia and afterward would provide a base for the RUF to enter Sierra Leone," said Abdullah. "When the RUF entered Sierra Leone there was a Burkinabe [Burkina Faso] force under their command that Taylor arranged to send in. All the arms for Taylor and the RUF came from Burkina Faso, and were bought in Ukraine. The payment for all this was diamonds that went through Liberia, Burkina Faso and the Ivory Coast." That basic route still works, intelligence officials said.

"Until that iron triangle is broken, there will be turmoil in the region," said one intelligence official. "There is too much history, too much money and too much blood for them to stop now, and they view losing the RUF as the beginning of the end."

FRANK R. WOLF.

