

Union Calendar No. 414

105<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 4569**

[Report No. 105-719]

---

---

**A BILL**

Making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and for other purposes.

---

---

SEPTEMBER 15, 1998

Reported from the Committee on Appropriations; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

# Union Calendar No. 414

105<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4569

[Report No. 105-719]

Making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 15, 1998

Mr. CALLAHAN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

## A BILL

Making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That the following sums are appropriated, out of any  
4 money in the Treasury not otherwise appropriated, for the  
5 fiscal year ending September 30, 1999, and for other pur-  
6 poses, namely:

1           TITLE I—EXPORT AND INVESTMENT  
2                           ASSISTANCE

3           EXPORT-IMPORT BANK OF THE UNITED STATES

4           The Export-Import Bank of the United States is au-  
5 thorized to make such expenditures within the limits of  
6 funds and borrowing authority available to such corpora-  
7 tion, and in accordance with law, and to make such con-  
8 tracts and commitments without regard to fiscal year limi-  
9 tations, as provided by section 104 of the Government  
10 Corporation Control Act, as may be necessary in carrying  
11 out the program for the current fiscal year for such cor-  
12 poration: *Provided*, That none of the funds available dur-  
13 ing the current fiscal year may be used to make expendi-  
14 tures, contracts, or commitments for the export of nuclear  
15 equipment, fuel, or technology to any country other than  
16 a nuclear-weapon state as defined in Article IX of the  
17 Treaty on the Non-Proliferation of Nuclear Weapons eligi-  
18 ble to receive economic or military assistance under this  
19 Act that has detonated a nuclear explosive after the date  
20 of enactment of this Act.

21                           SUBSIDY APPROPRIATION

22           For the cost of direct loans, loan guarantees, insur-  
23 ance, and tied-aid grants as authorized by section 10 of  
24 the Export-Import Bank Act of 1945, as amended,  
25 \$745,500,000 to remain available until September 30,  
26 2003: *Provided*, That such costs, including the cost of

1 modifying such loans, shall be as defined in section 502  
2 of the Congressional Budget Act of 1974: *Provided fur-*  
3 *ther*, That such sums shall remain available until 2014 for  
4 the disbursement of direct loans, loan guarantees, insur-  
5 ance and tied-aid grants obligated in fiscal years 1999 and  
6 2000: *Provided further*, That none of the funds appro-  
7 priated by this Act or any prior Act appropriating funds  
8 for foreign operations, export financing, or related pro-  
9 grams for tied-aid credits or grants may be used for any  
10 other purpose except through the regular notification pro-  
11 cedures of the Committees on Appropriations: *Provided*  
12 *further*, That funds appropriated by this paragraph are  
13 made available notwithstanding section 2(b)(2) of the Ex-  
14 port-Import Bank Act of 1945, in connection with the pur-  
15 chase or lease of any product by any East European coun-  
16 try, any Baltic State, or any agency or national thereof.

17 ADMINISTRATIVE EXPENSES

18 For administrative expenses to carry out the direct  
19 and guaranteed loan and insurance programs (to be com-  
20 puted on an accrual basis), including hire of passenger  
21 motor vehicles and services as authorized by 5 U.S.C.  
22 3109, and not to exceed \$20,000 for official reception and  
23 representation expenses for members of the Board of Di-  
24 rectors, \$50,277,000: *Provided*, That necessary expenses  
25 (including special services performed on a contract or fee  
26 basis, but not including other personal services) in connec-

1 tion with the collection of moneys owed the Export-Import  
2 Bank, repossession or sale of pledged collateral or other  
3 assets acquired by the Export-Import Bank in satisfaction  
4 of moneys owed the Export-Import Bank, or the investiga-  
5 tion or appraisal of any property, or the evaluation of the  
6 legal or technical aspects of any transaction for which an  
7 application for a loan, guarantee or insurance commitment  
8 has been made, shall be considered nonadministrative ex-  
9 penses for the purposes of this heading.

10 OVERSEAS PRIVATE INVESTMENT CORPORATION

11 NONCREDIT ACCOUNT

12 The Overseas Private Investment Corporation is au-  
13 thorized to make, without regard to fiscal year limitations,  
14 as provided by 31 U.S.C. 9104, such expenditures and  
15 commitments within the limits of funds available to it and  
16 in accordance with law as may be necessary: *Provided*,  
17 That the amount available for administrative expenses to  
18 carry out the credit and insurance programs (including an  
19 amount for official reception and representation expenses  
20 which shall not exceed \$35,000) shall not exceed  
21 \$33,000,000: *Provided further*, That project-specific trans-  
22 action costs, including direct and indirect costs incurred  
23 in claims settlements, and other direct costs associated  
24 with services provided to specific investors or potential in-  
25 vestors pursuant to section 234 of the Foreign Assistance

1 Act of 1961, shall not be considered administrative ex-  
2 penses for the purposes of this heading.

3 PROGRAM ACCOUNT

4 For the cost of direct and guaranteed loans,  
5 \$50,000,000, as authorized by section 234 of the Foreign  
6 Assistance Act of 1961 to be derived by transfer from the  
7 Overseas Private Investment Corporation Noncredit Ac-  
8 count: *Provided*, That such costs, including the cost of  
9 modifying such loans, shall be as defined in section 502  
10 of the Congressional Budget Act of 1974: *Provided fur-*  
11 *ther*, That such sums shall be available for direct loan obli-  
12 gations and loan guaranty commitments incurred or made  
13 during fiscal years 1999 and 2000: *Provided further*, That  
14 such sums shall remain available through fiscal year 2007  
15 for the disbursement of direct and guaranteed loans obli-  
16 gated in fiscal year 1999, and through fiscal year 2008  
17 for the disbursement of direct and guaranteed loans obli-  
18 gated in fiscal year 2000: *Provided further*, That in addi-  
19 tion, such sums as may be necessary for administrative  
20 expenses to carry out the credit program may be derived  
21 from amounts available for administrative expenses to  
22 carry out the credit and insurance programs in the Over-  
23 seas Private Investment Corporation Noncredit Account  
24 and merged with said account.

## 1 FUNDS APPROPRIATED TO THE PRESIDENT

## 2 TRADE AND DEVELOPMENT AGENCY

3 For necessary expenses to carry out the provisions  
4 of section 661 of the Foreign Assistance Act of 1961,  
5 \$41,500,000, to remain available until September 30,  
6 2000: *Provided*, That the Trade and Development Agency  
7 may receive reimbursements from corporations and other  
8 entities for the costs of grants for feasibility studies and  
9 other project planning services, to be deposited as an off-  
10 setting collection to this account and to be available for  
11 obligation until September 30, 2000, for necessary ex-  
12 penses under this paragraph: *Provided further*, That such  
13 reimbursements shall not cover, or be allocated against,  
14 direct or indirect administrative costs of the agency.

## 15 TITLE II—BILATERAL ECONOMIC ASSISTANCE

## 16 FUNDS APPROPRIATED TO THE PRESIDENT

17 For expenses necessary to enable the President to  
18 carry out the provisions of the Foreign Assistance Act of  
19 1961, and for other purposes, to remain available until  
20 September 30, 1999, unless otherwise specified herein, as  
21 follows:

## 22 AGENCY FOR INTERNATIONAL DEVELOPMENT

## 23 CHILD SURVIVAL AND DISEASE PROGRAMS FUND

24 For necessary expenses to carry out the provisions  
25 of chapters 1 and 10 of part I of the Foreign Assistance  
26 Act of 1961, for child survival, basic education, assistance

1 to combat tropical and other diseases, and related activi-  
2 ties, in addition to funds otherwise available for such pur-  
3 poses, \$650,000,000, to remain available until expended:  
4 *Provided*, That this amount shall be made available for  
5 such activities as: (1) immunization programs; (2) oral re-  
6 hydration programs; (3) health and nutrition programs,  
7 and related education programs, which address the needs  
8 of mothers and children; (4) water and sanitation pro-  
9 grams; (5) assistance for displaced and orphaned children;  
10 (6) programs for the prevention, treatment, and control  
11 of, and research on, tuberculosis, HIV/AIDS, polio, ma-  
12 laria and other diseases; and (7) up to \$98,000,000 for  
13 basic education programs for children: *Provided further*,  
14 That none of the funds appropriated under this heading  
15 may be made available for nonproject assistance.

16 DEVELOPMENT ASSISTANCE

17 (INCLUDING TRANSFER OF FUNDS)

18 For necessary expenses to carry out the provisions  
19 of sections 103 through 106 and chapter 10 of part I of  
20 the Foreign Assistance Act of 1961, \$1,174,000,000, to  
21 remain available until September 30, 2000: *Provided*,  
22 That none of the funds made available in this Act nor  
23 any unobligated balances from prior appropriations may  
24 be made available to any organization or program which,  
25 as determined by the President of the United States, sup-  
26 ports or participates in the management of a program of



1 coercive abortion or involuntary sterilization: *Provided fur-*  
2 *ther*, That none of the funds made available under this  
3 heading may be used to pay for the performance of abor-  
4 tion as a method of family planning or to motivate or co-  
5 erce any person to practice abortions; and that in order  
6 to reduce reliance on abortion in developing nations, funds  
7 shall be available only to voluntary family planning  
8 projects which offer, either directly or through referral to,  
9 or information about access to, a broad range of family  
10 planning methods and services: *Provided further*, That in  
11 awarding grants for natural family planning under section  
12 104 of the Foreign Assistance Act of 1961 no applicant  
13 shall be discriminated against because of such applicant's  
14 religious or conscientious commitment to offer only natu-  
15 ral family planning; and, additionally, all such applicants  
16 shall comply with the requirements of the previous proviso:  
17 *Provided further*, That for purposes of this or any other  
18 Act authorizing or appropriating funds for foreign oper-  
19 ations, export financing, and related programs, the term  
20 "motivate", as it relates to family planning assistance,  
21 shall not be construed to prohibit the provision, consistent  
22 with local law, of information or counseling about all preg-  
23 nancy options: *Provided further*, That nothing in this para-  
24 graph shall be construed to alter any existing statutory  
25 prohibitions against abortion under section 104 of the

1 Foreign Assistance Act of 1961: *Provided further*, That,  
2 notwithstanding section 109 of the Foreign Assistance Act  
3 of 1961, of the funds appropriated under this heading in  
4 this Act, and of the unobligated balances of funds pre-  
5 viously appropriated under this heading, not to exceed  
6 \$2,500,000 may be transferred to “International Organi-  
7 zations and Programs” for a contribution to the Inter-  
8 national Fund for Agricultural Development (IFAD), and  
9 that any such transfer of funds shall be subject to the  
10 regular notification procedures of the Committees on Ap-  
11 propriations: *Provided further*, That none of the funds ap-  
12 propriated under this heading may be made available for  
13 any activity which is in contravention to the Convention  
14 on International Trade in Endangered Species of Flora  
15 and Fauna (CITES): *Provided further*, That none of the  
16 funds appropriated under this heading may be made avail-  
17 able for assistance for the central Government of the Re-  
18 public of South Africa, until the Secretary of State reports  
19 in writing to the appropriate committees of the Congress  
20 on the steps being taken by the United States Government  
21 to negotiate the repeal, suspension, or termination of sec-  
22 tion 15(c) of South Africa’s Medicines and Related Sub-  
23 stances Control Amendment Act No. 90 of 1997.

24 PRIVATE AND VOLUNTARY ORGANIZATIONS

25 None of the funds appropriated by this Act for devel-  
26 opment assistance may be made available to any United

1 States private and voluntary organization, except any co-  
2 operative development organization, which obtains less  
3 than 20 percent of its total annual funding for inter-  
4 national activities from sources other than the United  
5 States Government: *Provided*, That the requirements of  
6 the provisions of section 123(g) of the Foreign Assistance  
7 Act of 1961 and the provisions on private and voluntary  
8 organizations in title II of the Foreign Assistance and Re-  
9 lated Programs Appropriations Act, 1985 (as enacted in  
10 Public Law 98–473) shall be superseded by the provisions  
11 of this section, except that the authority contained in the  
12 last sentence of section 123(g) may be exercised by the  
13 Administrator with regard to the requirements of this  
14 paragraph.

15 Funds appropriated under title II of this Act should  
16 be made available to private and voluntary organizations  
17 at a level which is at least equivalent to the level provided  
18 in fiscal year 1995. Such private and voluntary organiza-  
19 tions shall include those which operate on a not-for-profit  
20 basis, receive contributions from private sources, receive  
21 voluntary support from the public and are deemed to be  
22 among the most cost-effective and successful providers of  
23 development assistance.

24 INTERNATIONAL DISASTER ASSISTANCE

25 For necessary expenses for international disaster re-  
26 lief, rehabilitation, and reconstruction assistance pursuant

1 to section 491 of the Foreign Assistance Act of 1961, as  
2 amended, \$150,000,000, to remain available until ex-  
3 pended.

4 MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM

5 ACCOUNT

6 For the cost of direct loans and loan guarantees,  
7 \$1,500,000, as authorized by section 108 of the Foreign  
8 Assistance Act of 1961, as amended: *Provided*, That such  
9 costs shall be as defined in section 502 of the Congres-  
10 sional Budget Act of 1974: *Provided further*, That guaran-  
11 tees of loans made under this heading in support of micro-  
12 enterprise activities may guarantee up to 70 percent of  
13 the principal amount of any such loans notwithstanding  
14 section 108 of the Foreign Assistance Act of 1961. In ad-  
15 dition, for administrative expenses to carry out programs  
16 under this heading, \$500,000, all of which may be trans-  
17 ferred to and merged with the appropriation for Operating  
18 Expenses of the Agency for International Development:  
19 *Provided further*, That funds made available under this  
20 heading shall remain available until September 30, 2000.

21 URBAN AND ENVIRONMENTAL CREDIT PROGRAM

22 ACCOUNT

23 For administrative expenses to carry out guaranteed  
24 loan programs, \$5,500,000, all of which may be trans-  
25 ferred to and merged with the appropriation for Operating  
26 Expenses of the Agency for International Development.

1 PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND  
2 DISABILITY FUND

3 For payment to the “Foreign Service Retirement and  
4 Disability Fund”, as authorized by the Foreign Service  
5 Act of 1980, \$44,552,000.

6 OPERATING EXPENSES OF THE AGENCY FOR  
7 INTERNATIONAL DEVELOPMENT

8 For necessary expenses to carry out the provisions  
9 of section 667, \$460,000,000: *Provided*, That none of the  
10 funds appropriated by this Act for programs administered  
11 by the Agency for International Development may be used  
12 to finance printing costs of any report or study (except  
13 feasibility, design, or evaluation reports or studies) in ex-  
14 cess of \$25,000 without the approval of the Administrator  
15 of the Agency or the Administrator’s designee.

16 OPERATING EXPENSES OF THE AGENCY FOR INTER-  
17 NATIONAL DEVELOPMENT OFFICE OF INSPECTOR  
18 GENERAL

19 For necessary expenses to carry out the provisions  
20 of section 667, \$31,500,000, to remain available until Sep-  
21 tember 30, 2000, which sum shall be available for the Of-  
22 fice of the Inspector General of the Agency for Inter-  
23 national Development.

## 1 OTHER BILATERAL ECONOMIC ASSISTANCE

## 2 ECONOMIC SUPPORT FUND

3 For necessary expenses to carry out the provisions  
4 of chapter 4 of part II, \$2,326,000,000, to remain avail-  
5 able until September 30, 2000: *Provided*, That of the  
6 funds appropriated under this heading, not to exceed  
7 \$1,080,000,000 shall be available only for Israel, which  
8 sum shall be available on a grant basis as a cash transfer  
9 and shall be disbursed within 30 days of enactment of this  
10 Act or by October 31, 1998, whichever is later: *Provided*  
11 *further*, That not to exceed \$775,000,000 shall be avail-  
12 able only for Egypt, which sum shall be provided on a  
13 grant basis, and of which sum cash transfer assistance  
14 may be provided, with the understanding that Egypt will  
15 undertake significant economic reforms which are addi-  
16 tional to those which were undertaken in previous fiscal  
17 years: *Provided further*, That in exercising the authority  
18 to provide cash transfer assistance for Israel, the Presi-  
19 dent shall ensure that the level of such assistance does  
20 not cause an adverse impact on the total level of non-  
21 military exports from the United States to such country.

## 22 INTERNATIONAL FUND FOR IRELAND

23 For necessary expenses to carry out the provisions  
24 of chapter 4 of part II of the Foreign Assistance Act of  
25 1961, \$19,600,000, which shall be available for the United  
26 States contribution to the International Fund for Ireland

1 and shall be made available in accordance with the provi-  
2 sions of the Anglo-Irish Agreement Support Act of 1986  
3 (Public Law 99–415): *Provided*, That such amount shall  
4 be expended at the minimum rate necessary to make time-  
5 ly payment for projects and activities: *Provided further*,  
6 That funds made available under this heading shall re-  
7 main available until September 30, 2000.

8 ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC  
9 STATES

10 (a) For necessary expenses to carry out the provisions  
11 of the Foreign Assistance Act of 1961 and the Support  
12 for East European Democracy (SEED) Act of 1989,  
13 \$450,000,000, to remain available until September 30,  
14 2000, which shall be available, notwithstanding any other  
15 provision of law, for economic assistance and for related  
16 programs for Eastern Europe and the Baltic States.

17 (b) Funds appropriated under this heading shall be  
18 considered to be economic assistance under the Foreign  
19 Assistance Act of 1961 for purposes of making available  
20 the administrative authorities contained in that Act for  
21 the use of economic assistance.

22 (c) None of the funds appropriated under this head-  
23 ing may be made available for new housing construction  
24 or repair or reconstruction of existing housing in Bosnia  
25 and Herzegovina unless directly related to the efforts of  
26 United States troops to promote peace in said country.

1 (d) With regard to funds appropriated under this  
2 heading for the economic revitalization program in Bosnia  
3 and Herzegovina, and local currencies generated by such  
4 funds (including the conversion of funds appropriated  
5 under this heading into currency used by Bosnia and  
6 Herzegovina as local currency and local currency returned  
7 or repaid under such program)—

8 (1) the Administrator of the Agency for Inter-  
9 national Development shall provide written approval  
10 for grants and loans prior to the obligation and ex-  
11 penditure of funds for such purposes, and prior to  
12 the use of funds that have been returned or repaid  
13 to any lending facility or grantee; and

14 (2) the provisions of section 532 of this Act  
15 shall apply.

16 (e) The President is authorized to withhold funds ap-  
17 propriated under this heading made available for economic  
18 revitalization programs in Bosnia and Herzegovina, if he  
19 determines and certifies to the Committees on Appropria-  
20 tions that the Federation of Bosnia and Herzegovina has  
21 not complied with article III of annex 1–A of the General  
22 Framework Agreement for Peace in Bosnia and  
23 Herzegovina concerning the withdrawal of foreign forces,  
24 and that intelligence cooperation on training, investiga-



1 tions, and related activities between Iranian officials and  
2 Bosnian officials has not been terminated.

3 (f) Not to exceed \$225,000,000 of the funds appro-  
4 priated under this heading may be made available for Bos-  
5 nia and Herzegovina.

6 (g) Funds appropriated under this heading or in prior  
7 appropriations Acts that are or have been made available  
8 for an Enterprise Fund may be deposited by such Fund  
9 in interest-bearing accounts prior to the Fund's disburse-  
10 ment of such funds for program purposes. The Fund may  
11 retain for such program purposes any interest earned on  
12 such deposits without returning such interest to the Treas-  
13 ury of the United States and without further appropria-  
14 tion by the Congress. Funds made available for Enterprise  
15 Funds shall be expended at the minimum rate necessary  
16 to make timely payment for projects and activities.

17 ASSISTANCE FOR THE NEW INDEPENDENT STATES OF  
18 THE FORMER SOVIET UNION

19 (a) For necessary expenses to carry out the provisions  
20 of chapter 11 of part I of the Foreign Assistance Act of  
21 1961 and the FREEDOM Support Act, for assistance for  
22 the new independent states of the former Soviet Union  
23 and for related programs, \$590,000,000, to remain avail-  
24 able until September 30, 2000: *Provided*, That the provi-  
25 sions of such chapter shall apply to funds appropriated  
26 by this paragraph.

1 (b) Funds appropriated under title II of this Act, in-  
2 cluding funds appropriated under this heading, should be  
3 made available for assistance for Mongolia at a level which  
4 is at least equivalent to the level provided in fiscal year  
5 1998: *Provided*, That funds made available for assistance  
6 for Mongolia may be made available in accordance with  
7 the purposes and utilizing the authorities provided in  
8 chapter 11 of part I of the Foreign Assistance Act of  
9 1961.

10 (c)(1) Of the funds appropriated under this heading  
11 that are allocated for assistance for the Government of  
12 Russia, 50 percent shall be withheld from obligation until  
13 the President determines and certifies in writing to the  
14 Committees on Appropriations that the Government of  
15 Russia has terminated implementation of arrangements to  
16 provide Iran with technical expertise, training, technology,  
17 or equipment necessary to develop a nuclear reactor, relat-  
18 ed nuclear research facilities or programs, or ballistic mis-  
19 sile capability.

20 (2) Notwithstanding paragraph (1) assistance may be  
21 provided for the Government of Russia if the President  
22 determines and certifies to the Committees on Appropria-  
23 tions that making such funds available: (A) is vital to the  
24 national security interest of the United States; and (B)  
25 that the Government of Russia is taking meaningful steps

1 to limit major supply contracts and to curtail the transfer  
2 of technology and technological expertise related to activi-  
3 ties referred to in paragraph (1).

4 (d) Not more than 25 percent of the funds appro-  
5 priated under this heading may be made available for as-  
6 sistance for any country in the region.

7 (e) Of the funds appropriated under this heading, not  
8 less than 33 percent shall be made available for assistance  
9 for the Southern Caucasus region: *Provided*, That of the  
10 funds made available for the Southern Caucasus region,  
11 40 percent should be used for reconstruction and other  
12 activities relating to the peaceful resolution of conflicts  
13 within the region, especially those in the vicinity of  
14 Abkhazia and Nagorno-Karabakh: *Provided further*, That  
15 funds made available to parties participating in the Minsk  
16 Process under the first proviso of this subsection shall be  
17 provided only to those parties which agree to participate  
18 in direct or proximity negotiations without preconditions  
19 to resolve conflicts in the region: *Provided further*, That  
20 if the Secretary of State after May 30, 1999, determines  
21 and reports to the relevant committees of Congress that  
22 the full amount of funds that may be made available under  
23 the first proviso cannot be effectively utilized, the amount  
24 provided under the previous proviso may be used for other  
25 purposes under this heading.

1 (f) Funds provided under the previous subsection  
2 shall be made available for humanitarian assistance for  
3 refugees, displaced persons, and needy civilians affected  
4 by the conflicts in the Southern Caucasus region, includ-  
5 ing those in Abkhazia and Nagorno-Karabakh, notwith-  
6 standing any other provision of this or any other Act.

7 (g) Section 907 of the FREEDOM Support Act shall  
8 not apply to—

9 (1) activities to support democracy or assist-  
10 ance under title V of the FREEDOM Support Act  
11 and section 1424 of Public Law 104–201;

12 (2) any assistance provided by the Trade and  
13 Development Agency under section 661 of the For-  
14 eign Assistance Act of 1961 (22 U.S.C. 2421); and

15 (3) any activity carried out by a member of the  
16 United States and Foreign Commercial Service while  
17 acting within his or her official capacity.

18 (h) Funds appropriated under this heading or in  
19 prior appropriations Acts that are or have been made  
20 available for an Enterprise Fund may be deposited by  
21 such Fund in interest-bearing accounts prior to the  
22 Fund’s disbursement of such funds for program purposes.  
23 The Fund may retain for such program purposes any in-  
24 terest earned on such deposits without returning such in-  
25 terest to the Treasury of the United States and without

1 further appropriation by the Congress. Funds made avail-  
2 able for Enterprise Funds shall be expended at the mini-  
3 mum rate necessary to make timely payment for projects  
4 and activities.

5 INDEPENDENT AGENCIES

6 INTER-AMERICAN FOUNDATION

7 For expenses necessary to carry out the functions of  
8 the Inter-American Foundation in accordance with the  
9 provisions of section 401 of the Foreign Assistance Act  
10 of 1969, and to make commitments without regard to fis-  
11 cal year limitations, as provided by 31 U.S.C. 9104(b)(3),  
12 \$20,680,000.

13 AFRICAN DEVELOPMENT FOUNDATION

14 For expenses necessary to carry out title V of the  
15 International Security and Development Cooperation Act  
16 of 1980, Public Law 96-533, and to make commitments  
17 without regard to fiscal year limitations (31 U.S.C.  
18 9104(b)(3)), \$13,160,000: *Provided*, That funds made  
19 available to grantees may be invested pending expenditure  
20 for project purposes when authorized by the President of  
21 the Foundation: *Provided further*, That interest earned  
22 shall be used only for the purposes for which the grant  
23 was made: *Provided further*, That this authority applies  
24 to interest earned both prior to and following enactment  
25 of this provision: *Provided further*, That notwithstanding

1 section 505(a)(2) of the African Development Foundation  
2 Act, in exceptional circumstances the board of directors  
3 of the Foundation may waive the \$250,000 limitation con-  
4 tained in that section with respect to a project: *Provided*  
5 *further*, That the Foundation shall provide a report to the  
6 Committees on Appropriations after each time such waiver  
7 authority is exercised.

8 PEACE CORPS

9 For expenses necessary to carry out the provisions  
10 of the Peace Corps Act (75 Stat. 612), \$230,000,000, in-  
11 cluding the purchase of not to exceed five passenger motor  
12 vehicles for administrative purposes for use outside of the  
13 United States: *Provided*, That none of the funds appro-  
14 priated under this heading shall be used to pay for abor-  
15 tions: *Provided further*, That funds appropriated under  
16 this heading shall remain available until September 30,  
17 2000.

18 DEPARTMENT OF STATE

19 INTERNATIONAL NARCOTICS CONTROL

20 For necessary expenses to carry out section 481 of  
21 the Foreign Assistance Act of 1961, \$275,000,000: *Pro-*  
22 *vided*, That during fiscal year 1999, the Department of  
23 State may also use the authority of section 608 of the  
24 Act, without regard to its restrictions, to receive excess  
25 property from an agency of the United States Government  
26 for the purpose of providing it to a foreign country under

1 chapter 8 of part I of that Act subject to the regular noti-  
2 fication procedures of the Committees on Appropriations.

3                   MIGRATION AND REFUGEE ASSISTANCE

4           For expenses, not otherwise provided for, necessary  
5 to enable the Secretary of State to provide, as authorized  
6 by law, a contribution to the International Committee of  
7 the Red Cross, assistance to refugees, including contribu-  
8 tions to the International Organization for Migration and  
9 the United Nations High Commissioner for Refugees, and  
10 other activities to meet refugee and migration needs; sala-  
11 ries and expenses of personnel and dependents as author-  
12 ized by the Foreign Service Act of 1980; allowances as  
13 authorized by sections 5921 through 5925 of title 5,  
14 United States Code; purchase and hire of passenger motor  
15 vehicles; and services as authorized by section 3109 of title  
16 5, United States Code, \$640,000,000: *Provided*, That not  
17 more than \$12,000,000 shall be available for administra-  
18 tive expenses.

19                   UNITED STATES EMERGENCY REFUGEE AND MIGRATION  
20   ASSISTANCE FUND

21           For necessary expenses to carry out the provisions  
22 of section 2(c) of the Migration and Refugee Assistance  
23 Act of 1962, as amended (22 U.S.C. 260(c)),  
24 \$30,000,000, to remain available until expended: *Pro-*  
25 *vided*, That the funds made available under this heading  
26 are appropriated notwithstanding the provisions contained

1 in section 2(c)(2) of the Migration and Refugee Assistance  
2 Act of 1962 which would limit the amount of funds which  
3 could be appropriated for this purpose.

4 NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND  
5 RELATED PROGRAMS

6 For necessary expenses for nonproliferation, anti-ter-  
7 rorism and related programs and activities, \$152,000,000,  
8 to carry out the provisions of chapter 8 of part II of the  
9 Foreign Assistance Act of 1961 for anti-terrorism assist-  
10 ance, section 504 of the FREEDOM Support Act for the  
11 Nonproliferation and Disarmament Fund, section 23 of  
12 the Arms Export Control Act or the Foreign Assistance  
13 Act of 1961 for demining, the clearance of unexploded  
14 ordnance, and related activities, notwithstanding any  
15 other provision of law, including activities implemented  
16 through nongovernmental and international organizations,  
17 section 301 of the Foreign Assistance Act of 1961 for a  
18 voluntary contribution to the International Atomic Energy  
19 Agency (IAEA), and for a United States contribution to  
20 the Comprehensive Nuclear Test Ban Treaty Preparatory  
21 Commission: *Provided*, That of this amount not to exceed  
22 \$15,000,000, to remain available until expended, may be  
23 made available for the Nonproliferation and Disarmament  
24 Fund, notwithstanding any other provision of law, to pro-  
25 mote bilateral and multilateral activities relating to non-  
26 proliferation and disarmament: *Provided further*, That



1 such funds may also be used for such countries other than  
2 the new independent states of the former Soviet Union  
3 and international organizations when it is in the national  
4 security interest of the United States to do so: *Provided*  
5 *further*, That such funds shall be subject to the regular  
6 notification procedures of the Committees on Appropria-  
7 tions: *Provided further*, That funds appropriated under  
8 this heading may be made available for the International  
9 Atomic Energy Agency only if the Secretary of State de-  
10 termines (and so reports to the Congress) that Israel is  
11 not being denied its right to participate in the activities  
12 of that Agency: *Provided further*, That the Secretary of  
13 State shall submit to the appropriate congressional com-  
14 mittees an annual report (to be submitted with the annual  
15 presentation for appropriations) providing a full and de-  
16 tailed accounting of the fiscal year request for the United  
17 States contribution to KEDO, the expected operating  
18 budget of KEDO, to include unpaid debt, proposed annual  
19 costs associated with heavy fuel oil purchases, and the  
20 amount of funds pledged by other donor nations and orga-  
21 nizations to support KEDO activities on a per country  
22 basis, and other related activities.

## 1 DEPARTMENT OF THE TREASURY

## 2 DEBT RESTRUCTURING

3 For the cost, as defined in section 502 of the Con-  
4 gressional Budget Act of 1974, of modifying direct loans  
5 and loan guarantees, as the President may determine, for  
6 which funds have been appropriated or otherwise made  
7 available for programs within the International Affairs  
8 Budget Function 150, including the cost of selling, reduc-  
9 ing, or canceling amounts, through debt buybacks and  
10 swaps, owed to the United States as a result of  
11 concessional loans made to eligible Latin American and  
12 Caribbean countries, pursuant to part IV of the Foreign  
13 Assistance Act of 1961; of modifying concessional credit  
14 agreements with least developed countries, as authorized  
15 under section 411 of the Agricultural Trade Development  
16 and Assistance Act of 1954, as amended, and concessional  
17 loans, guarantees and credit agreements with any country  
18 in sub-Saharan Africa, as authorized under section 572  
19 of the Foreign Operations, Export Financing, and Related  
20 Programs Appropriations Act, 1989 (Public Law 100–  
21 461); and of modifying any obligation, or portion of such  
22 obligation for Latin American countries to pay for pur-  
23 chases of United States agricultural commodities guaran-  
24 teed by the Commodity Credit Corporation under export  
25 credit guarantee programs authorized pursuant to section

1 5(f) of the Commodity Credit Corporation Charter Act of  
2 June 29, 1948, as amended, section 4(b) of the Food for  
3 Peace Act of 1966, as amended (Public Law 89–808), or  
4 section 202 of the Agricultural Trade Act of 1978, as  
5 amended (Public Law 95–501); \$36,000,000, to remain  
6 available until expended: *Provided*, That not to exceed  
7 \$2,900,000 of such funds may be used for implementation  
8 of improvements in the foreign credit reporting system of  
9 the United States Government: *Provided further*, That the  
10 authority provided by section 572 of Public Law 100–461  
11 may be exercised only with respect to countries that are  
12 eligible to borrow from the International Development As-  
13 sociation, but not from the International Bank for Recon-  
14 struction and Development, commonly referred to as  
15 “IDA-only” countries.

16 TITLE III—MILITARY ASSISTANCE

17 FUNDS APPROPRIATED TO THE PRESIDENT

18 INTERNATIONAL MILITARY EDUCATION AND TRAINING

19 For necessary expenses to carry out the provisions  
20 of section 541 of the Foreign Assistance Act of 1961,  
21 \$50,000,000 of which up to \$1,000,000 may remain avail-  
22 able until expended: *Provided*, That the civilian personnel  
23 for whom military education and training may be provided  
24 under this heading may include civilians who are not mem-  
25 bers of a government whose participation would contribute

1 to improved civil-military relations, civilian control of the  
2 military, or respect for human rights: *Provided further*,  
3 That funds appropriated under this heading for grant fi-  
4 nanced military education and training for Indonesia and  
5 Guatemala may only be available for expanded inter-  
6 national military education and training and funds made  
7 available for Guatemala may only be provided through the  
8 regular notification procedures of the Committees on Ap-  
9 propriations: *Provided further*, That none of the funds ap-  
10 propriated under this heading may be made available to  
11 support grant financed military education and training at  
12 the School of the Americas unless the Secretary of De-  
13 fense certifies that the instruction and training provided  
14 by the School of the Americas is fully consistent with  
15 training and doctrine, particularly with respect to the ob-  
16 servance of human rights, provided by the Department of  
17 Defense to United States military students at Department  
18 of Defense institutions whose primary purpose is to train  
19 United States military personnel: *Provided further*, That  
20 the Secretary of Defense shall submit to the Committees  
21 on Appropriations, no later than January 15, 1999, a re-  
22 port detailing the training activities of the School of the  
23 Americas and a general assessment regarding the per-  
24 formance of its graduates during 1997.

## 1 FOREIGN MILITARY FINANCING PROGRAM

2 For expenses necessary for grants to enable the  
3 President to carry out the provisions of section 23 of the  
4 Arms Export Control Act, \$3,335,910,000: *Provided*,  
5 That of the funds appropriated under this heading, not  
6 to exceed \$1,860,000,000 shall be available for grants only  
7 for Israel, and not to exceed \$1,300,000,000 shall be made  
8 available for grants only for Egypt: *Provided further*, That  
9 the funds appropriated by this paragraph for Israel shall  
10 be disbursed within 30 days of enactment of this Act or  
11 by October 31, 1998, whichever is later: *Provided further*,  
12 That to the extent that the Government of Israel requests  
13 that funds be used for such purposes, grants made avail-  
14 able for Israel by this paragraph shall, as agreed by Israel  
15 and the United States, be available for advanced weapons  
16 systems, of which not less than \$490,000,000 shall be  
17 available for the procurement in Israel of defense articles  
18 and defense services, including research and development:  
19 *Provided further*, That during fiscal year 1999 the Presi-  
20 dent is authorized to, and shall, direct drawdowns of de-  
21 fense articles from the stocks of the Department of De-  
22 fense, defense services of the Department of Defense, and  
23 military education and training of an aggregate value of  
24 not less than \$25,000,000 under the authority of this pro-  
25 viso for Jordan for the purposes of part II of the Foreign

1 Assistance Act of 1961: *Provided further*, That section  
2 506(e) of the Foreign Assistance Act of 1961 shall apply,  
3 and section 632(d) of the Foreign Assistance Act of 1961  
4 shall not apply, to any such drawdown: *Provided further*,  
5 That none of the funds made available under this heading  
6 shall be available for any non-NATO country participating  
7 in the Partnership for Peace Program except through the  
8 regular notification procedures of the Committees on Ap-  
9 propriations: *Provided further*, That funds appropriated by  
10 this paragraph shall be nonrepayable notwithstanding any  
11 requirement in section 23 of the Arms Export Control Act:  
12 *Provided further*, That funds made available under this  
13 heading shall be obligated upon apportionment in accord-  
14 ance with paragraph (5)(C) of title 31, United States  
15 Code, section 1501(a).

16 For the cost, as defined in section 502 of the Con-  
17 gressional Budget Act of 1974, of direct loans authorized  
18 by section 23 of the Arms Export Control Act as follows:  
19 cost of direct loans, \$20,000,000: *Provided*, That these  
20 funds are available to subsidize gross obligations for the  
21 principal amount of direct loans of not to exceed  
22 \$167,000,000.

23 None of the funds made available under this heading  
24 shall be available to finance the procurement of defense  
25 articles, defense services, or design and construction serv-

1 ices that are not sold by the United States Government  
2 under the Arms Export Control Act unless the foreign  
3 country proposing to make such procurements has first  
4 signed an agreement with the United States Government  
5 specifying the conditions under which such procurements  
6 may be financed with such funds: *Provided*, That all coun-  
7 try and funding level increases in allocations shall be sub-  
8 mitted through the regular notification procedures of sec-  
9 tion 515 of this Act: *Provided further*, That none of the  
10 funds appropriated under this heading shall be available  
11 for Sudan and Liberia: *Provided further*, That funds made  
12 available under this heading may be used, notwithstanding  
13 any other provision of law, for demining, the clearance of  
14 unexploded ordnance, and related activities and may in-  
15 clude activities implemented through nongovernmental  
16 and international organizations: *Provided further*, That  
17 only those countries for which assistance was justified for  
18 the “Foreign Military Sales Financing Program” in the  
19 fiscal year 1989 congressional presentation for security as-  
20 sistance programs may utilize funds made available under  
21 this heading for procurement of defense articles, defense  
22 services or design and construction services that are not  
23 sold by the United States Government under the Arms  
24 Export Control Act: *Provided further*, That, subject to the  
25 regular notification procedures of the Committees on Ap-

1 appropriations, funds made available under this heading for  
2 the cost of direct loans may also be used to supplement  
3 the funds available under this heading for grants, and  
4 funds made available under this heading for grants may  
5 also be used to supplement the funds available under this  
6 heading for the cost of direct loans: *Provided further*, That  
7 funds appropriated under this heading shall be expended  
8 at the minimum rate necessary to make timely payment  
9 for defense articles and services: *Provided further*, That  
10 not more than \$29,910,000 of the funds appropriated  
11 under this heading may be obligated for necessary ex-  
12 penses, including the purchase of passenger motor vehicles  
13 for replacement only for use outside of the United States,  
14 for the general costs of administering military assistance  
15 and sales: *Provided further*, That none of the funds under  
16 this heading shall be available for Guatemala: *Provided*  
17 *further*, That not more than \$340,000,000 of funds real-  
18 ized pursuant to section 21(e)(1)(A) of the Arms Export  
19 Control Act may be obligated for expenses incurred by the  
20 Department of Defense during fiscal year 1999 pursuant  
21 to section 43(b) of the Arms Export Control Act, except  
22 that this limitation may be exceeded only through the reg-  
23 ular notification procedures of the Committees on Appro-  
24 priations.



## 1 PEACEKEEPING OPERATIONS

2 For necessary expenses to carry out the provisions  
3 of section 551 of the Foreign Assistance Act of 1961,  
4 \$62,250,000: *Provided*, That none of the funds appro-  
5 priated under this heading shall be obligated or expended  
6 except as provided through the regular notification proce-  
7 dures of the Committees on Appropriations.

8 TITLE IV—MULTILATERAL ECONOMIC  
9 ASSISTANCE

## 10 FUNDS APPROPRIATED TO THE PRESIDENT

## 11 INTERNATIONAL FINANCIAL INSTITUTIONS

12 CONTRIBUTION TO THE INTERNATIONAL BANK FOR  
13 RECONSTRUCTION AND DEVELOPMENT

14 For payment to the International Bank for Recon-  
15 struction and Development by the Secretary of the Treas-  
16 ury, for the United States contribution to the Global Envi-  
17 ronment Facility (GEF), \$42,500,000, to remain available  
18 until September 30, 2000, which shall be available for con-  
19 tributions previously due.

20 CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT  
21 ASSOCIATION

22 For payment to the International Development Asso-  
23 ciation by the Secretary of the Treasury, \$800,000,000,  
24 to remain available until expended.

1 CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT  
2 BANK

3 For payment to the Inter-American Development  
4 Bank by the Secretary of the Treasury, for the United  
5 States share of the paid-in share portion of the increase  
6 in capital stock, \$25,610,667, and for the United States  
7 share of the increase in the resources of the Fund for Spe-  
8 cial Operations, \$21,152,000, to remain available until ex-  
9 pended, which shall be available for contributions pre-  
10 viously due.

11 LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

12 The United States Governor of the Inter-American  
13 Development Bank may subscribe without fiscal year limi-  
14 tation to the callable capital portion of the United States  
15 share of such capital stock in an amount not to exceed  
16 \$1,503,718,910.

17 CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS  
18 MULTILATERAL INVESTMENT FUND

19 For payment to the Enterprise for the Americas Mul-  
20 tilateral Investment Fund by the Secretary of the Treas-  
21 ury, for the United States contribution to the Fund to  
22 be administered by the Inter-American Development  
23 Bank, \$50,000,000 to remain available until expended,  
24 which shall be available for contributions previously due.

## 1       CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

2           For payment to the Asian Development Bank by the  
3 Secretary of the Treasury for the United States share of  
4 the paid-in portion of the increase in capital stock,  
5 \$13,221,596, to remain available until expended.

## 6       LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

7           The United States Governor of the Asian Develop-  
8 ment Bank may subscribe without fiscal year limitation  
9 to the callable capital portion of the United States share  
10 of such capital stock in an amount not to exceed  
11 \$647,858,204.

## 12       CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

13           For the United States contribution by the Secretary  
14 of the Treasury to the increases in resources of the Asian  
15 Development Fund, as authorized by the Asian Develop-  
16 ment Bank Act, as amended (Public Law 89-369),  
17 \$210,000,000, to remain available until expended, of  
18 which \$150,000,000 shall be available for contributions  
19 previously due.

## 20       CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

21           For the United States contribution by the Secretary  
22 of the Treasury to the increase in resources of the African  
23 Development Fund, \$128,000,000, to remain available  
24 until expended, of which \$88,300,000 shall be available  
25 for contributions previously due.

1           CONTRIBUTION TO THE EUROPEAN BANK FOR  
2           RECONSTRUCTION AND DEVELOPMENT

3           For payment to the European Bank for Reconstruct-  
4 tion and Development by the Secretary of the Treasury,  
5 \$35,778,717, for the United States share of the paid-in  
6 portion of the increase in capital stock, to remain available  
7 until expended.

8           LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

9           The United States Governor of the European Bank  
10 for Reconstruction and Development may subscribe with-  
11 out fiscal year limitation to the callable capital portion of  
12 the United States share of such capital stock in an amount  
13 not to exceed \$123,237,803.

14          INTERNATIONAL ORGANIZATIONS AND PROGRAMS

15          For necessary expenses to carry out the provisions  
16 of section 301 of the Foreign Assistance Act of 1961, and  
17 of section 2 of the United Nations Environment Program  
18 Participation Act of 1973, \$157,250,000: *Provided*, That  
19 none of the funds appropriated under this heading may  
20 be made available for the United Nations Fund for  
21 Science and Technology: *Provided further*, That none of  
22 the funds appropriated under this heading may be made  
23 available for the United Nations Population Fund  
24 (UNFPA): *Provided further*, That none of the funds ap-  
25 propriated under this heading may be made available for  
26 the Korean Peninsula Energy Development Organization

1 (KEDO) or the International Atomic Energy Agency  
2 (IAEA).

3 TITLE V—GENERAL PROVISIONS

4 OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

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

11 PROHIBITION OF BILATERAL FUNDING FOR

12 INTERNATIONAL FINANCIAL INSTITUTIONS

13 SEC. 502. Notwithstanding section 614 of the For-  
14 eign Assistance Act of 1961, as amended, none of the  
15 funds contained in title II of this Act may be used to carry  
16 out the provisions of section 209(d) of the Foreign Assist-  
17 ance Act of 1961.

18 LIMITATION ON RESIDENCE EXPENSES

19 SEC. 503. Of the funds appropriated or made avail-  
20 able pursuant to this Act, not to exceed \$126,500 shall  
21 be for official residence expenses of the Agency for Inter-  
22 national Development during the current fiscal year: *Pro-*  
23 *vided*, That appropriate steps shall be taken to assure  
24 that, to the maximum extent possible, United States-  
25 owned foreign currencies are utilized in lieu of dollars.

1   LIMITATION ON EXPENSES

2           SEC. 504. Of the funds appropriated or made avail-  
3   able pursuant to this Act, not to exceed \$5,000 shall be  
4   for entertainment expenses of the Agency for International  
5   Development during the current fiscal year.

6   LIMITATION ON REPRESENTATIONAL ALLOWANCES

7           SEC. 505. Of the funds appropriated or made avail-  
8   able pursuant to this Act, not to exceed \$95,000 shall be  
9   available for representation allowances for the Agency for  
10   International Development during the current fiscal year:  
11   *Provided*, That appropriate steps shall be taken to assure  
12   that, to the maximum extent possible, United States-  
13   owned foreign currencies are utilized in lieu of dollars:  
14   *Provided further*, That of the funds made available by this  
15   Act for general costs of administering military assistance  
16   and sales under the heading “Foreign Military Financing  
17   Program”, not to exceed \$2,000 shall be available for en-  
18   ertainment expenses and not to exceed \$50,000 shall be  
19   available for representation allowances: *Provided further*,  
20   That of the funds made available by this Act under the  
21   heading “International Military Education and Train-  
22   ing”, not to exceed \$50,000 shall be available for enter-  
23   tainment allowances: *Provided further*, That of the funds  
24   made available by this Act for the Inter-American Foun-  
25   dation, not to exceed \$2,000 shall be available for enter-  
26   tainment and representation allowances: *Provided further*,

1 That of the funds made available by this Act for the Peace  
2 Corps, not to exceed a total of \$4,000 shall be available  
3 for entertainment expenses: *Provided further*, That of the  
4 funds made available by this Act under the heading  
5 “Trade and Development Agency”, not to exceed \$2,000  
6 shall be available for representation and entertainment al-  
7 lowances.

8 PROHIBITION ON FINANCING NUCLEAR GOODS

9 SEC. 506. None of the funds appropriated or made  
10 available (other than funds for “Nonproliferation, Anti-  
11 terrorism, Demining and Related Programs”) pursuant to  
12 this Act, for carrying out the Foreign Assistance Act of  
13 1961, may be used, except for purposes of nuclear safety,  
14 to finance the export of nuclear equipment, fuel, or tech-  
15 nology.

16 PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN  
17 COUNTRIES

18 SEC. 507. None of the funds appropriated or other-  
19 wise made available pursuant to this Act shall be obligated  
20 or expended to finance directly any assistance or repara-  
21 tions to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or  
22 Syria: *Provided*, That for purposes of this section, the pro-  
23 hibition on obligations or expenditures shall include direct  
24 loans, credits, insurance and guarantees of the Export-Im-  
25 port Bank or its agents.

## MILITARY COUPS

1  
2 SEC. 508. None of the funds appropriated or other-  
3 wise made available pursuant to this Act shall be obligated  
4 or expended to finance directly any assistance to any coun-  
5 try whose duly elected head of government is deposed by  
6 military coup or decree: *Provided*, That assistance may be  
7 resumed to such country if the President determines and  
8 reports to the Committees on Appropriations that subse-  
9 quent to the termination of assistance a democratically  
10 elected government has taken office.

## TRANSFERS BETWEEN ACCOUNTS

11  
12 SEC. 509. None of the funds made available by this  
13 Act may be obligated under an appropriation account to  
14 which they were not appropriated, except for transfers  
15 specifically provided for in this Act, unless the President,  
16 prior to the exercise of any authority contained in the For-  
17 eign Assistance Act of 1961 to transfer funds, consults  
18 with and provides a written policy justification to the  
19 Committees on Appropriations of the House of Represent-  
20 atives and the Senate: *Provided*, That the exercise of such  
21 authority shall be subject to the regular notification proce-  
22 dures of the Committees on Appropriations.

## DEOBLIGATION/REOBLIGATION AUTHORITY

23  
24 SEC. 510. (a) Amounts certified pursuant to section  
25 1311 of the Supplemental Appropriations Act, 1955, as  
26 having been obligated against appropriations heretofore



1 made under the authority of the Foreign Assistance Act  
2 of 1961 for the same general purpose as any of the head-  
3 ings under title II of this Act are, if deobligated, hereby  
4 continued available for the same period as the respective  
5 appropriations under such headings or until September  
6 30, 1999, whichever is later, and for the same general pur-  
7 pose, and for countries within the same region as origi-  
8 nally obligated: *Provided*, That the Appropriations Com-  
9 mittees of both Houses of the Congress are notified 15  
10 days in advance of the reobligation of such funds in ac-  
11 cordance with regular notification procedures of the Com-  
12 mittees on Appropriations.

13 (b) Obligated balances of funds appropriated to carry  
14 out section 23 of the Arms Export Control Act as of the  
15 end of the fiscal year immediately preceding the current  
16 fiscal year are, if deobligated, hereby continued available  
17 during the current fiscal year for the same purpose under  
18 any authority applicable to such appropriations under this  
19 Act: *Provided*, That the authority of this subsection may  
20 not be used in fiscal year 1999.

21 AVAILABILITY OF FUNDS

22 SEC. 511. No part of any appropriation contained in  
23 this Act shall remain available for obligation after the ex-  
24 piration of the current fiscal year unless expressly so pro-  
25 vided in this Act: *Provided*, That funds appropriated for  
26 the purposes of chapters 1, 8, and 11 of part I, section

1 667, and chapter 4 of part II of the Foreign Assistance  
2 Act of 1961, as amended, and funds provided under the  
3 heading “Assistance for Eastern Europe and the Baltic  
4 States”, shall remain available until expended if such  
5 funds are initially obligated before the expiration of their  
6 respective periods of availability contained in this Act:  
7 *Provided further*, That, notwithstanding any other provi-  
8 sion of this Act, any funds made available for the purposes  
9 of chapter 1 of part I and chapter 4 of part II of the  
10 Foreign Assistance Act of 1961 which are allocated or ob-  
11 ligated for cash disbursements in order to address balance  
12 of payments or economic policy reform objectives, shall re-  
13 main available until expended: *Provided further*, That the  
14 report required by section 653(a) of the Foreign Assist-  
15 ance Act of 1961 shall designate for each country, to the  
16 extent known at the time of submission of such report,  
17 those funds allocated for cash disbursement for balance  
18 of payment and economic policy reform purposes.

19 LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

20 SEC. 512. No part of any appropriation contained in  
21 this Act shall be used to furnish assistance to any country  
22 which is in default during a period in excess of one cal-  
23 endar year in payment to the United States of principal  
24 or interest on any loan made to such country by the  
25 United States pursuant to a program for which funds are  
26 appropriated under this Act: *Provided*, That this section

1 and section 620(q) of the Foreign Assistance Act of 1961  
2 shall not apply to funds made available in this Act or dur-  
3 ing the current fiscal year for Nicaragua, Brazil, the  
4 Democratic Republic of Congo, and Liberia, and for any  
5 narcotics-related assistance for Colombia, Bolivia, and  
6 Peru authorized by the Foreign Assistance Act of 1961  
7 or the Arms Export Control Act.

8 COMMERCE AND TRADE

9 SEC. 513. (a) None of the funds appropriated or  
10 made available pursuant to this Act for direct assistance  
11 and none of the funds otherwise made available pursuant  
12 to this Act to the Export-Import Bank and the Overseas  
13 Private Investment Corporation shall be obligated or ex-  
14 pended to finance any loan, any assistance or any other  
15 financial commitments for establishing or expanding pro-  
16 duction of any commodity for export by any country other  
17 than the United States, if the commodity is likely to be  
18 in surplus on world markets at the time the resulting pro-  
19 ductive capacity is expected to become operative and if the  
20 assistance will cause substantial injury to United States  
21 producers of the same, similar, or competing commodity:  
22 *Provided*, That such prohibition shall not apply to the Ex-  
23 port-Import Bank if in the judgment of its Board of Direc-  
24 tors the benefits to industry and employment in the  
25 United States are likely to outweigh the injury to United  
26 States producers of the same, similar, or competing com-

1 modify, and the Chairman of the Board so notifies the  
2 Committees on Appropriations.

3 (b) None of the funds appropriated by this or any  
4 other Act to carry out chapter 1 of part I of the Foreign  
5 Assistance Act of 1961 shall be available for any testing  
6 or breeding feasibility study, variety improvement or intro-  
7 duction, consultancy, publication, conference, or training  
8 in connection with the growth or production in a foreign  
9 country of an agricultural commodity for export which  
10 would compete with a similar commodity grown or pro-  
11 duced in the United States: *Provided*, That this subsection  
12 shall not prohibit—

13 (1) activities designed to increase food security  
14 in developing countries where such activities will not  
15 have a significant impact in the export of agricul-  
16 tural commodities of the United States; or

17 (2) research activities intended primarily to  
18 benefit American producers.

19 SURPLUS COMMODITIES

20 SEC. 514. The Secretary of the Treasury shall in-  
21 struct the United States Executive Directors of the Inter-  
22 national Bank for Reconstruction and Development, the  
23 International Development Association, the International  
24 Finance Corporation, the Inter-American Development  
25 Bank, the International Monetary Fund, the Asian Devel-  
26 opment Bank, the Inter-American Investment Corpora-

1 tion, the North American Development Bank, the Euro-  
2 pean Bank for Reconstruction and Development, the Afri-  
3 can Development Bank, and the African Development  
4 Fund to use the voice and vote of the United States to  
5 oppose any assistance by these institutions, using funds  
6 appropriated or made available pursuant to this Act, for  
7 the production or extraction of any commodity or mineral  
8 for export, if it is in surplus on world markets and if the  
9 assistance will cause substantial injury to United States  
10 producers of the same, similar, or competing commodity.

11 NOTIFICATION REQUIREMENTS

12 SEC. 515. (a) For the purposes of providing the exec-  
13 utive branch with the necessary administrative flexibility,  
14 none of the funds made available under this Act for “Child  
15 Survival and Disease Programs Fund”, “Development as-  
16 sistance”, “International Organizations and Programs”,  
17 “Trade and Development Agency”, “International narcot-  
18 ics control”, “Assistance for Eastern Europe and the Bal-  
19 tic States”, “Assistance for the New Independent States  
20 of the Former Soviet Union”, “Economic Support Fund”,  
21 “Peacekeeping operations”, “Operating expenses of the  
22 Agency for International Development”, “Operating ex-  
23 penses of the Agency for International Development Office  
24 of Inspector General”, “Nonproliferation, anti-terrorism,  
25 demining and related programs”, “Foreign Military Fi-  
26 nancing Program”, “International military education and

1 training”, “Peace Corps”, “Migration and refugee assist-  
2 ance”, shall be available for obligation for activities, pro-  
3 grams, projects, type of materiel assistance, countries, or  
4 other operations not justified or in excess of the amount  
5 justified to the Appropriations Committees for obligation  
6 under any of these specific headings unless the Appropria-  
7 tions Committees of both Houses of Congress are pre-  
8 viously notified 15 days in advance: *Provided*, That the  
9 President shall not enter into any commitment of funds  
10 appropriated for the purposes of section 23 of the Arms  
11 Export Control Act for the provision of major defense  
12 equipment, other than conventional ammunition, or other  
13 major defense items defined to be aircraft, ships, missiles,  
14 or combat vehicles, not previously justified to Congress or  
15 20 percent in excess of the quantities justified to Congress  
16 unless the Committees on Appropriations are notified 15  
17 days in advance of such commitment: *Provided further*,  
18 That this section shall not apply to any reprogramming  
19 for an activity, program, or project under chapter 1 of  
20 part I of the Foreign Assistance Act of 1961 of less than  
21 10 percent of the amount previously justified to the Con-  
22 gress for obligation for such activity, program, or project  
23 for the current fiscal year: *Provided further*, That the re-  
24 quirements of this section or any similar provision of this  
25 Act or any other Act, including any prior Act requiring

1 notification in accordance with the regular notification  
2 procedures of the Committees on Appropriations, may be  
3 waived if failure to do so would pose a substantial risk  
4 to human health or welfare: *Provided further*, That in case  
5 of any such waiver, notification to the Congress, or the  
6 appropriate congressional committees, shall be provided as  
7 early as practicable, but in no event later than three days  
8 after taking the action to which such notification require-  
9 ment was applicable, in the context of the circumstances  
10 necessitating such waiver: *Provided further*, That any noti-  
11 fication provided pursuant to such a waiver shall contain  
12 an explanation of the emergency circumstances.

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

17 LIMITATION ON AVAILABILITY OF FUNDS FOR  
18 INTERNATIONAL ORGANIZATIONS AND PROGRAMS  
19 SEC. 516. Notwithstanding any other provision of law  
20 or of this Act, none of the funds provided for “Inter-  
21 national Organizations and Programs” shall be available  
22 for the United States proportionate share, in accordance  
23 with section 307(c) of the Foreign Assistance Act of 1961,  
24 for any programs identified in section 307, or for Libya,  
25 Iran, or, at the discretion of the President, Communist  
26 countries listed in section 620(f) of the Foreign Assist-

1 ance Act of 1961, as amended: *Provided*, That, subject  
2 to the regular notification procedures of the Committees  
3 on Appropriations, funds appropriated under this Act or  
4 any previously enacted Act making appropriations for for-  
5 eign operations, export financing, and related programs,  
6 which are returned or not made available for organizations  
7 and programs because of the implementation of this sec-  
8 tion or any similar provision of law, shall remain available  
9 for obligation through September 30, 2000.

10 NEW INDEPENDENT STATES OF THE FORMER SOVIET  
11 UNION

12 SEC. 517. (a) ECONOMIC REFORMS.—None of the  
13 funds appropriated under the heading “Assistance for the  
14 New Independent States of the Former Soviet Union”  
15 shall be made available for assistance for the Government  
16 of Russia—

17 (1) unless that Government is making progress  
18 in implementing comprehensive economic reforms  
19 based on market principles, private ownership, nego-  
20 tiating repayment of commercial debt, respect for  
21 commercial contracts, and equitable treatment of  
22 foreign private investment;

23 (2) if that Government applies or transfers  
24 United States assistance to any entity for the pur-  
25 pose of expropriating or seizing ownership or control  
26 of assets, investments, or venture.



1 Assistance may be furnished without regard to this sub-  
2 section if the President determines that to do so is in the  
3 national interest.

4 (b) None of the funds appropriated under the heading  
5 “Assistance for the New Independent States of the  
6 Former Soviet Union” shall be made available to any gov-  
7 ernment of the new independent states of the former So-  
8 viet Union if that government directs any action in viola-  
9 tion of the territorial integrity or national sovereignty of  
10 any other new independent state, such as those violations  
11 included in the Helsinki Final Act: *Provided*, That such  
12 funds may be made available without regard to the restric-  
13 tion in this subsection if the President determines that  
14 to do so is in the national security interest of the United  
15 States: *Provided further*, That the restriction of this sub-  
16 section shall not apply to the use of such funds for the  
17 provision of assistance for purposes of humanitarian and  
18 refugee relief.

19 (c) None of the funds appropriated under the heading  
20 “Assistance for the New Independent States of the  
21 Former Soviet Union” shall be made available for any  
22 state to enhance its military capability: *Provided*, That  
23 this restriction shall not apply to demilitarization,  
24 demining, or nonproliferation programs.

1 (d) Funds appropriated under the heading “Assist-  
2 ance for the New Independent States of the Former Soviet  
3 Union” shall be subject to the regular notification proce-  
4 dures of the Committees on Appropriations.

5 (e) Funds made available in this Act for assistance  
6 to the new independent states of the former Soviet Union  
7 shall be subject to the provisions of section 117 (relating  
8 to environment and natural resources) of the Foreign As-  
9 sistance Act of 1961.

10 (f) In issuing new task orders, entering into con-  
11 tracts, or making grants, with funds appropriated under  
12 the heading “Assistance for the New Independent States  
13 of the Former Soviet Union” in this Act or in prior appro-  
14 priations Acts, for projects or activities that have as one  
15 of their primary purposes the fostering of private sector  
16 development, the Coordinator for United States Assistance  
17 to the New Independent States and the implementing  
18 agency shall encourage the participation of and give sig-  
19 nificant weight to contractors and grantees who propose  
20 investing a significant amount of their own resources (in-  
21 cluding volunteer services and in-kind contributions) in  
22 such projects and activities.

23 PROHIBITION ON FUNDING FOR ABORTIONS AND  
24 INVOLUNTARY STERILIZATION

25 SEC. 518. None of the funds made available to carry  
26 out part I of the Foreign Assistance Act of 1961, as

1 amended, may be used to pay for the performance of abor-  
2 tions as a method of family planning or to motivate or  
3 coerce any person to practice abortions. None of the funds  
4 made available to carry out part I of the Foreign Assist-  
5 ance Act of 1961, as amended, may be used to pay for  
6 the performance of involuntary sterilization as a method  
7 of family planning or to coerce or provide any financial  
8 incentive to any person to undergo sterilizations. None of  
9 the funds made available to carry out part I of the Foreign  
10 Assistance Act of 1961, as amended, may be used to pay  
11 for any biomedical research which relates in whole or in  
12 part, to methods of, or the performance of, abortions or  
13 involuntary sterilization as a means of family planning.  
14 None of the funds made available to carry out part I of  
15 the Foreign Assistance Act of 1961, as amended, may be  
16 obligated or expended for any country or organization if  
17 the President certifies that the use of these funds by any  
18 such country or organization would violate any of the  
19 above provisions related to abortions and involuntary steri-  
20 lizations: *Provided*, That none of the funds made available  
21 under this Act may be used to lobby for or against abor-  
22 tion.

1 FOREIGN ORGANIZATIONS THAT PERFORM OR PROMOTE  
2 ABORTION OVERSEAS; FORCED ABORTION IN THE  
3 PEOPLE'S REPUBLIC OF CHINA

4 SEC. 518A. (a) Section 104 of the Foreign Assistance  
5 Act of 1961 is amended by adding at the end the following  
6 new subsection:

7 “(h) RESTRICTIONS ON ASSISTANCE TO FOREIGN  
8 ORGANIZATIONS THAT PERFORM OR ACTIVELY PROMOTE  
9 ABORTIONS.—

10 “(1) PERFORMANCE OF ABORTIONS.—

11 “(A) Notwithstanding section 614 of this  
12 Act or any other provision of law, no funds ap-  
13 propriated for population planning activities or  
14 other population assistance may be made avail-  
15 able for any foreign private, nongovernmental,  
16 or multilateral organization until the organiza-  
17 tion certifies that it will not, during the period  
18 for which the funds are made available, perform  
19 abortions in any foreign country, except where  
20 the life of the mother would be endangered if  
21 the pregnancy were carried to term or in cases  
22 of forcible rape or incest.

23 “(B) Subparagraph (A) may not be con-  
24 strued to apply to the treatment of injuries or  
25 illnesses caused by legal or illegal abortions or

1 to assistance provided directly to the govern-  
2 ment of a country.

3 “(2) LOBBYING ACTIVITIES.—

4 “(A) Notwithstanding section 614 of this  
5 Act or any other provision of law, no funds ap-  
6 propriated for population planning activities or  
7 other population assistance may be made avail-  
8 able for any foreign private, nongovernmental,  
9 or multilateral organization until the organiza-  
10 tion certifies that it will not, during the period  
11 for which the funds are made available, violate  
12 the laws of any foreign country concerning the  
13 circumstances under which abortion is per-  
14 mitted, regulated, or prohibited, or engage in  
15 any activity or effort to alter the laws or gov-  
16 ernmental policies of any foreign country con-  
17 cerning the circumstances under which abortion  
18 is permitted, regulated, or prohibited.

19 “(B) Subparagraph (A) shall not apply to  
20 activities in opposition to coercive abortion or  
21 involuntary sterilization.

22 “(3) APPLICATION TO FOREIGN ORGANIZA-  
23 TIONS.—The prohibitions of this subsection apply to  
24 funds made available to a foreign organization either  
25 directly or as a subcontractor or subgrantee, and the

1       certifications required by paragraphs (1) and (2)  
2       apply to activities in which the organization engages  
3       either directly or through a subcontractor or sub-  
4       grantee.

5               “(4) DEFINITION.—As used in this section, the  
6       term ‘activity or effort to alter the laws or govern-  
7       mental policies of any foreign country concerning the  
8       circumstances under which abortion is permitted,  
9       regulated, or prohibited’ includes not only overt lob-  
10      bying for such changes, but also such other activities  
11      as sponsoring, rather than merely attending, con-  
12      ferences and workshops on the alleged defects in the  
13      abortion laws, as well the drafting and distribution  
14      of materials or public statements calling attention to  
15      such alleged defects.”.

16      (b) Section 301 of the Foreign Assistance Act of  
17      1961 is amended by adding at the end the following new  
18      subsection:

19               “(i) LIMITATION RELATING TO FORCED ABORTIONS  
20      IN THE PEOPLE’S REPUBLIC OF CHINA.—Notwithstand-  
21      ing section 614 of this Act or any other provision of law,  
22      no funds may be made available for the United Nations  
23      Population Fund (UNFPA) in any fiscal year unless the  
24      President certifies that—

1           “(1) UNFPA has terminated all activities in  
2           the People’s Republic of China, and the United  
3           States has received assurances that UNFPA will  
4           conduct no such activities during the fiscal year for  
5           which the funds are to be made available; or

6           “(2) during the 12 months preceding such cer-  
7           tification there have been no abortions as the result  
8           of coercion associated with the family planning poli-  
9           cies of the national government or other govern-  
10          mental entities within the People’s Republic of  
11          China. As used in this section, the term ‘coercion’  
12          includes physical duress or abuse, destruction or  
13          confiscation of property, loss of means of livelihood,  
14          or severe psychological pressure.”.

15          (c) The President may waive the provisions of section  
16 104(h)(1) of the Foreign Assistance Act of 1961, as  
17 amended, pertaining to population assistance to foreign  
18 organizations that perform abortions in foreign countries,  
19 for any fiscal year: *Provided*, That if the President exer-  
20 cises the waiver provided by this subsection for any fiscal  
21 year, not to exceed \$356,000,000 may be made available  
22 for population planning activities or other population as-  
23 sistance for such fiscal year: *Provided further*, That the  
24 limitation in the previous proviso includes all funds for  
25 programs and activities designed to control fertility or to

1 reduce or delay childbirths or pregnancies, irrespective of  
2 the heading under which such funds are made available.

3 EXCESS DEFENSE ARTICLES FOR CENTRAL EUROPEAN  
4 COUNTRIES

5 SEC. 519. Section 105 of Public Law 104–164 (110  
6 Stat 1427) is amended by striking “1996 and 1997” and  
7 inserting “1999 and 2000”.

8 SPECIAL NOTIFICATION REQUIREMENTS

9 SEC. 520. None of the funds appropriated by this Act  
10 shall be obligated or expended for Colombia, Honduras,  
11 Haiti, Liberia, Pakistan, Panama, Peru, Serbia, Sudan,  
12 or the Democratic Republic of Congo except as provided  
13 through the regular notification procedures of the Com-  
14 mittees on Appropriations.

15 DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

16 SEC. 521. For the purpose of this Act, “program,  
17 project, and activity” shall be defined at the appropria-  
18 tions Act account level and shall include all appropriations  
19 and authorizations Acts earmarks, ceilings, and limita-  
20 tions with the exception that for the following accounts:  
21 Economic Support Fund and Foreign Military Financing  
22 Program, “program, project, and activity” shall also be  
23 considered to include country, regional, and central pro-  
24 gram level funding within each such account; for the devel-  
25 opment assistance accounts of the Agency for Inter-  
26 national Development “program, project, and activity”



1 shall also be considered to include central program level  
2 funding, either as: (1) justified to the Congress; or (2)  
3 allocated by the executive branch in accordance with a re-  
4 port, to be provided to the Committees on Appropriations  
5 within 30 days of enactment of this Act, as required by  
6 section 653(a) of the Foreign Assistance Act of 1961.

7 CHILD SURVIVAL, AIDS, AND OTHER ACTIVITIES

8 SEC. 522. Up to \$10,000,000 of the funds made  
9 available by this Act for assistance for family planning,  
10 health, child survival, basic education, and AIDS, may be  
11 used to reimburse United States Government agencies,  
12 agencies of State governments, institutions of higher  
13 learning, and private and voluntary organizations for the  
14 full cost of individuals (including for the personal services  
15 of such individuals) detailed or assigned to, or contracted  
16 by, as the case may be, the Agency for International De-  
17 velopment for the purpose of carrying out family planning  
18 activities, child survival, and basic education activities,  
19 and activities relating to research on, and the treatment  
20 and control of acquired immune deficiency syndrome in  
21 developing countries: *Provided*, That funds appropriated  
22 by this Act that are made available for child survival and  
23 disease programs activities may be made available not-  
24 withstanding any provision of law that restricts assistance  
25 to foreign countries: *Provided further*, That funds appro-  
26 priated under title II of this Act may be made available

1 pursuant to section 301 of the Foreign Assistance Act of  
2 1961 if a primary purpose of the assistance is for child  
3 survival and related programs: *Provided further*, That  
4 funds appropriated by this Act that are made available  
5 for family planning activities may be made available not-  
6 withstanding section 512 of this Act and section 620(q)  
7 of the Foreign Assistance Act of 1961.

8 PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN  
9 COUNTRIES

10 SEC. 523. None of the funds appropriated or other-  
11 wise made available pursuant to this Act shall be obligated  
12 to finance indirectly any assistance or reparations to  
13 Cuba, Iraq, Libya, Iran, Syria, North Korea, or the Peo-  
14 ple's Republic of China, unless the President of the United  
15 States certifies that the withholding of these funds is con-  
16 trary to the national interest of the United States.

17 RECIPROCAL LEASING

18 SEC. 524. Section 61(a) of the Arms Export Control  
19 Act is amended by striking out "1998" and inserting in  
20 lieu thereof "1999".

21 NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

22 SEC. 525. Prior to providing excess Department of  
23 Defense articles in accordance with section 516(a) of the  
24 Foreign Assistance Act of 1961, the Department of De-  
25 fense shall notify the Committees on Appropriations to the  
26 same extent and under the same conditions as are other

1 committees pursuant to subsection (c) of that section: *Pro-*  
2 *vided*, That before issuing a letter of offer to sell excess  
3 defense articles under the Arms Export Control Act, the  
4 Department of Defense shall notify the Committees on  
5 Appropriations in accordance with the regular notification  
6 procedures of such Committees: *Provided further*, That  
7 such Committees shall also be informed of the original ac-  
8 quisition cost of such defense articles.

9                                   AUTHORIZATION REQUIREMENT

10         SEC. 526. Funds appropriated by this Act may be  
11 obligated and expended notwithstanding section 10 of  
12 Public Law 91–672 and section 15 of the State Depart-  
13 ment Basic Authorities Act of 1956.

14                                   DEMOCRACY IN CHINA

15         SEC. 527. Notwithstanding any other provision of law  
16 that restricts assistance to foreign countries, funds appro-  
17 priated by this Act for “Economic Support Fund” may  
18 be made available to provide general support for non-  
19 governmental organizations located outside the People’s  
20 Republic of China that have as their primary purpose fos-  
21 tering democracy in that country, and for activities of non-  
22 governmental organizations located outside the People’s  
23 Republic of China to foster democracy in that country:  
24 *Provided*, That none of the funds made available for activi-  
25 ties to foster democracy in the People’s Republic of China

1 may be made available for assistance to the government  
2 of that country.

3           COMMERCIAL LEASING OF DEFENSE ARTICLES

4           SEC. 528. Notwithstanding any other provision of  
5 law, and subject to the regular notification procedures of  
6 the Committees on Appropriations, the authority of sec-  
7 tion 23(a) of the Arms Export Control Act may be used  
8 to provide financing to Israel, Egypt and NATO and  
9 major non-NATO allies for the procurement by leasing  
10 (including leasing with an option to purchase) of defense  
11 articles from United States commercial suppliers, not in-  
12 cluding Major Defense Equipment (other than helicopters  
13 and other types of aircraft having possible civilian applica-  
14 tion), if the President determines that there are compel-  
15 ling foreign policy or national security reasons for those  
16 defense articles being provided by commercial lease rather  
17 than by government-to-government sale under such Act.

18                           COMPETITIVE INSURANCE

19           SEC. 529. All Agency for International Development  
20 contracts and solicitations, and subcontracts entered into  
21 under such contracts, shall include a clause requiring that  
22 United States insurance companies have a fair oppor-  
23 tunity to bid for insurance when such insurance is nec-  
24 essary or appropriate.

## 1 STINGERS IN THE PERSIAN GULF REGION

2 SEC. 530. Except as provided in section 581 of the  
3 Foreign Operations, Export Financing, and Related Pro-  
4 grams Appropriations Act, 1990, the United States may  
5 not sell or otherwise make available any Stingers to any  
6 country bordering the Persian Gulf under the Arms Ex-  
7 port Control Act or chapter 2 of part II of the Foreign  
8 Assistance Act of 1961.

## 9 DEBT-FOR-DEVELOPMENT

10 SEC. 531. In order to enhance the continued partici-  
11 pation of nongovernmental organizations in economic as-  
12 sistance activities under the Foreign Assistance Act of  
13 1961, including endowments, debt-for-development and  
14 debt-for-nature exchanges, a nongovernmental organiza-  
15 tion which is a grantee or contractor of the Agency for  
16 International Development may place in interest bearing  
17 accounts funds made available under this Act or prior Acts  
18 or local currencies which accrue to that organization as  
19 a result of economic assistance provided under title II of  
20 this Act and any interest earned on such investment shall  
21 be used for the purpose for which the assistance was pro-  
22 vided to that organization.

## 23 SEPARATE ACCOUNTS

24 SEC. 532. (a) SEPARATE ACCOUNTS FOR LOCAL  
25 CURRENCIES.—(1) If assistance is furnished to the gov-  
26 ernment of a foreign country under chapter 1 and 10 of

1 part I or chapter 4 of part II of the Foreign Assistance  
2 Act of 1961 under agreements which result in the genera-  
3 tion of local currencies of that country, the Administrator  
4 of the Agency for International Development shall—

5 (A) require that local currencies be deposited in  
6 a separate account established by that government;

7 (B) enter into an agreement with that govern-  
8 ment which sets forth—

9 (i) the amount of the local currencies to be  
10 generated; and

11 (ii) the terms and conditions under which  
12 the currencies so deposited may be utilized, con-  
13 sistent with this section; and

14 (C) establish by agreement with that govern-  
15 ment the responsibilities of the Agency for Inter-  
16 national Development and that government to mon-  
17 itor and account for deposits into and disbursements  
18 from the separate account.

19 (2) USES OF LOCAL CURRENCIES.—As may be  
20 agreed upon with the foreign government, local currencies  
21 deposited in a separate account pursuant to subsection  
22 (a), or an equivalent amount of local currencies, shall be  
23 used only—

1           (A) to carry out chapter 1 or 10 of part I or  
2           chapter 4 of part II (as the case may be), for such  
3           purposes as—

4                   (i) project and sector assistance activities;

5                   or

6                   (ii) debt and deficit financing; or

7           (B) for the administrative requirements of the  
8           United States Government.

9           (3) PROGRAMMING ACCOUNTABILITY.—The Agency  
10          for International Development shall take all necessary  
11          steps to ensure that the equivalent of the local currencies  
12          disbursed pursuant to subsection (a)(2)(A) from the sepa-  
13          rate account established pursuant to subsection (a)(1) are  
14          used for the purposes agreed upon pursuant to subsection  
15          (a)(2).

16          (4) TERMINATION OF ASSISTANCE PROGRAMS.—  
17          Upon termination of assistance to a country under chapter  
18          1 or 10 of part I or chapter 4 of part II (as the case  
19          may be), any unencumbered balances of funds which re-  
20          main in a separate account established pursuant to sub-  
21          section (a) shall be disposed of for such purposes as may  
22          be agreed to by the government of that country and the  
23          United States Government.

24          (5) CONFORMING AMENDMENTS.—The provisions of  
25          this subsection shall supersede the tenth and eleventh pro-

1 visos contained under the heading “Sub-Saharan Africa,  
2 Development Assistance” as included in the Foreign Oper-  
3 ations, Export Financing, and Related Programs Appro-  
4 priations Act, 1989 and sections 531(d) and 609 of the  
5 Foreign Assistance Act of 1961.

6 (6) REPORTING REQUIREMENT.—The Administrator  
7 of the Agency for International Development shall report  
8 on an annual basis as part of the justification documents  
9 submitted to the Committees on Appropriations on the use  
10 of local currencies for the administrative requirements of  
11 the United States Government as authorized in subsection  
12 (a)(2)(B), and such report shall include the amount of  
13 local currency (and United States dollar equivalent) used  
14 and/or to be used for such purpose in each applicable  
15 country.

16 (b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—  
17 (1) If assistance is made available to the government of  
18 a foreign country, under chapter 1 or 10 of part I or chap-  
19 ter 4 of part II of the Foreign Assistance Act of 1961,  
20 as cash transfer assistance or as nonproject sector assist-  
21 ance, that country shall be required to maintain such  
22 funds in a separate account and not commingle them with  
23 any other funds.

24 (2) APPLICABILITY OF OTHER PROVISIONS OF  
25 LAW.—Such funds may be obligated and expended not-



1 withstanding provisions of law which are inconsistent with  
2 the nature of this assistance including provisions which  
3 are referenced in the Joint Explanatory Statement of the  
4 Committee of Conference accompanying House Joint Res-  
5 olution 648 (H. Report No. 98–1159).

6       (3) NOTIFICATION.—At least 15 days prior to obli-  
7 gating any such cash transfer or nonproject sector assist-  
8 ance, the President shall submit a notification through the  
9 regular notification procedures of the Committees on Ap-  
10 propriations, which shall include a detailed description of  
11 how the funds proposed to be made available will be used,  
12 with a discussion of the United States interests that will  
13 be served by the assistance (including, as appropriate, a  
14 description of the economic policy reforms that will be pro-  
15 moted by such assistance).

16       (4) EXEMPTION.—Nonproject sector assistance funds  
17 may be exempt from the requirements of subsection (b)(1)  
18 only through the notification procedures of the Commit-  
19 tees on Appropriations.

20       COMPENSATION FOR UNITED STATES EXECUTIVE  
21 DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

22       SEC. 533. (a) No funds appropriated by this Act may  
23 be made as payment to any international financial institu-  
24 tion while the United States Executive Director to such  
25 institution is compensated by the institution at a rate  
26 which, together with whatever compensation such Director

1 receives from the United States, is in excess of the rate  
2 provided for an individual occupying a position at level IV  
3 of the Executive Schedule under section 5315 of title 5,  
4 United States Code, or while any alternate United States  
5 Director to such institution is compensated by the institu-  
6 tion at a rate in excess of the rate provided for an individ-  
7 ual occupying a position at level V of the Executive Sched-  
8 ule under section 5316 of title 5, United States Code.

9 (b) For purposes of this section, “international finan-  
10 cial institutions” are: the International Bank for Recon-  
11 struction and Development, the Inter-American Develop-  
12 ment Bank, the Asian Development Bank, the Asian De-  
13 velopment Fund, the African Development Bank, the Afri-  
14 can Development Fund, the International Monetary Fund,  
15 the North American Development Bank, and the Euro-  
16 pean Bank for Reconstruction and Development.

17 COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST  
18 IRAQ

19 SEC. 534. None of the funds appropriated or other-  
20 wise made available pursuant to this Act to carry out the  
21 Foreign Assistance Act of 1961 (including title IV of  
22 chapter 2 of part I, relating to the Overseas Private In-  
23 vestment Corporation) or the Arms Export Control Act  
24 may be used to provide assistance to any country that is  
25 not in compliance with the United Nations Security Coun-

1 cil sanctions against Iraq unless the President determines  
2 and so certifies to the Congress that—

3 (1) such assistance is in the national interest of  
4 the United States;

5 (2) such assistance will directly benefit the  
6 needy people in that country; or

7 (3) the assistance to be provided will be human-  
8 itarian assistance for foreign nationals who have fled  
9 Iraq and Kuwait.

10 COMPETITIVE PRICING FOR SALES OF DEFENSE

11 ARTICLES

12 SEC. 535. Direct costs associated with meeting a for-  
13 eign customer's additional or unique requirements will  
14 continue to be allowable under contracts under section  
15 22(d) of the Arms Export Control Act. Loadings applica-  
16 ble to such direct costs shall be permitted at the same  
17 rates applicable to procurement of like items purchased  
18 by the Department of Defense for its own use.

19 AUTHORITIES FOR THE PEACE CORPS, THE INTER-AMER-  
20 ICAN FOUNDATION AND THE AFRICAN DEVELOP-  
21 MENT FOUNDATION

22 SEC. 536. Unless expressly provided to the contrary,  
23 provisions of this or any other Act, including provisions  
24 contained in prior Acts authorizing or making appropria-  
25 tions for foreign operations, export financing, and related  
26 programs, shall not be construed to prohibit activities au-

1 thORIZED by or conducted under the Peace Corps Act, the  
2 Inter-American Foundation Act, or the African Develop-  
3 ment Foundation Act. The appropriate agency shall  
4 promptly report to the Committees on Appropriations  
5 whenever it is conducting activities or is proposing to con-  
6 duct activities in a country for which assistance is prohib-  
7 ited.

8 IMPACT ON JOBS IN THE UNITED STATES

9 SEC. 537. None of the funds appropriated by this Act  
10 may be obligated or expended to provide—

11 (1) any financial incentive to a business enter-  
12 prise currently located in the United States for the  
13 purpose of inducing such an enterprise to relocate  
14 outside the United States if such incentive or in-  
15 ducement is likely to reduce the number of employ-  
16 ees of such business enterprise in the United States  
17 because United States production is being replaced  
18 by such enterprise outside the United States;

19 (2) assistance for the purpose of establishing or  
20 developing in a foreign country any export process-  
21 ing zone or designated area in which the tax, tariff,  
22 labor, environment, and safety laws of that country  
23 do not apply, in part or in whole, to activities car-  
24 ried out within that zone or area, unless the Presi-  
25 dent determines and certifies that such assistance is

1 not likely to cause a loss of jobs within the United  
2 States; or

3 (3) assistance for any project or activity that  
4 contributes to the violation of internationally recog-  
5 nized workers rights, as defined in section 502(a)(4)  
6 of the Trade Act of 1974, of workers in the recipient  
7 country, including any designated zone or area in  
8 that country: *Provided*, That in recognition that the  
9 application of this subsection should be commensu-  
10 rate with the level of development of the recipient  
11 country and sector, the provisions of this subsection  
12 shall not preclude assistance for the informal sector  
13 in such country, micro and small-scale enterprise,  
14 and smallholder agriculture.

15 SPECIAL AUTHORITIES

16 SEC. 538. (a) Funds appropriated in titles I and II  
17 of this Act that are made available for Afghanistan, Leb-  
18 anon, Montenegro, and for victims of war, displaced chil-  
19 dren, displaced Burmese, humanitarian assistance for Ro-  
20 mania, and humanitarian assistance for the peoples of  
21 Bosnia and Herzegovina, Croatia, and Kosova, may be  
22 made available notwithstanding any other provision of law.

23 (b) Funds appropriated by this Act to carry out the  
24 provisions of sections 103 through 106 of the Foreign As-  
25 sistance Act of 1961 may be used, notwithstanding any  
26 other provision of law, for the purpose of supporting bio-

1 diversity conservation activities: *Provided*, That such as-  
2 sistance shall be subject to sections 116, 502B, and 620A  
3 of the Foreign Assistance Act of 1961.

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

8 (d)(1) WAIVER.—The President may waive the provi-  
9 sions of section 1003 of Public Law 100–204 if the Presi-  
10 dent determines and certifies in writing to the Speaker  
11 of the House of Representatives and the President pro  
12 tempore of the Senate that it is important to the national  
13 security interests of the United States.

14 (2) PERIOD OF APPLICATION OF WAIVER.—Any  
15 waiver pursuant to paragraph (1) shall be effective for no  
16 more than a period of six months at a time and shall not  
17 apply beyond twelve months after enactment of this Act.

18 POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT  
19 OF ISRAEL

20 SEC. 539. It is the sense of the Congress that—

21 (1) the Arab League countries should imme-  
22 diately and publicly renounce the primary boycott of  
23 Israel and the secondary and tertiary boycott of  
24 American firms that have commercial ties with  
25 Israel;

1           (2) the decision by the Arab League in 1997 to  
2       reinststate the boycott against Israel was deeply trou-  
3       bling and disappointing;

4           (3) the Arab League should immediately re-  
5       scind its decision on the boycott and its members  
6       should develop normal relations with their neighbor  
7       Israel; and

8           (4) the President should—

9               (A) take more concrete steps to encourage  
10       vigorously Arab League countries to renounce  
11       publicly the primary boycotts of Israel and the  
12       secondary and tertiary boycotts of American  
13       firms that have commercial relations with Israel  
14       as a confidence-building measure;

15               (B) take into consideration the participa-  
16       tion of any recipient country in the primary  
17       boycott of Israel and the secondary and tertiary  
18       boycotts of American firms that have commer-  
19       cial relations with Israel when determining  
20       whether to sell weapons to said country;

21               (C) report to Congress on the specific  
22       steps being taken by the President to bring  
23       about a public renunciation of the Arab primary  
24       boycott of Israel and the secondary and tertiary  
25       boycotts of American firms that have commer-

1           cial relations with Israel and to expand the  
2           process of normalizing ties between Arab  
3           League countries and Israel; and

4           (D) encourage the allies and trading part-  
5           ners of the United States to enact laws prohib-  
6           iting businesses from complying with the boy-  
7           cott and penalizing businesses that do comply.

8                           ANTI-NARCOTICS ACTIVITIES

9           SEC. 540. (a) Of the funds appropriated by this Act  
10          for “Economic Support Fund”, assistance may be pro-  
11          vided to strengthen the administration of justice in coun-  
12          tries in Latin America and the Caribbean and in other  
13          regions consistent with the provisions of section 534(b) of  
14          the Foreign Assistance Act of 1961, except that programs  
15          to enhance protection of participants in judicial cases may  
16          be conducted notwithstanding section 660 of that Act.

17          (b) Funds made available pursuant to this section  
18          may be made available notwithstanding section 534(c) and  
19          the second and third sentences of section 534(e) of the  
20          Foreign Assistance Act of 1961.

21                           ELIGIBILITY FOR ASSISTANCE

22          SEC. 541. (a) ASSISTANCE THROUGH NONGOVERN-  
23          MENTAL ORGANIZATIONS.—Restrictions contained in this  
24          or any other Act with respect to assistance for a country  
25          shall not be construed to restrict assistance in support of  
26          programs of nongovernmental organizations from funds



1 appropriated by this Act to carry out the provisions of  
2 chapters 1, 10, and 11 of part I, and chapter 4 of part  
3 II, of the Foreign Assistance Act of 1961: *Provided*, That  
4 the President shall take into consideration, in any case  
5 in which a restriction on assistance would be applicable  
6 but for this subsection, whether assistance in support of  
7 programs of nongovernmental organizations is in the na-  
8 tional interest of the United States: *Provided further*, That  
9 before using the authority of this subsection to furnish as-  
10 sistance in support of programs of nongovernmental orga-  
11 nizations, the President shall notify the Committees on  
12 Appropriations under the regular notification procedures  
13 of those committees, including a description of the pro-  
14 gram to be assisted, the assistance to be provided, and  
15 the reasons for furnishing such assistance: *Provided fur-*  
16 *ther*, That nothing in this subsection shall be construed  
17 to alter any existing statutory prohibitions against abor-  
18 tion or involuntary sterilizations contained in this or any  
19 other Act.

20 (b) PUBLIC LAW 480.—During fiscal year 1999, re-  
21 strictions contained in this or any other Act with respect  
22 to assistance for a country shall not be construed to re-  
23 strict assistance under the Agricultural Trade Develop-  
24 ment and Assistance Act of 1954: *Provided*, That none  
25 of the funds appropriated to carry out title I of such Act

1 and made available pursuant to this subsection may be  
2 obligated or expended except as provided through the reg-  
3 ular notification procedures of the Committees on Appro-  
4 priations.

5 (c) EXCEPTION.—This section shall not apply—

6 (1) with respect to section 620A of the Foreign  
7 Assistance Act or any comparable provision of law  
8 prohibiting assistance to countries that support  
9 international terrorism; or

10 (2) with respect to section 116 of the Foreign  
11 Assistance Act of 1961 or any comparable provision  
12 of law prohibiting assistance to countries that violate  
13 internationally recognized human rights.

14 EARMARKS

15 SEC. 542. (a) Funds appropriated by this Act which  
16 are earmarked may be reprogrammed for other programs  
17 within the same account notwithstanding the earmark if  
18 compliance with the earmark is made impossible by oper-  
19 ation of any provision of this or any other Act or, with  
20 respect to a country with which the United States has an  
21 agreement providing the United States with base rights  
22 or base access in that country, if the President determines  
23 that the recipient for which funds are earmarked has sig-  
24 nificantly reduced its military or economic cooperation  
25 with the United States since enactment of the Foreign Op-  
26 erations, Export Financing, and Related Programs Appro-

1 priations Act, 1991; however, before exercising the author-  
2 ity of this subsection with regard to a base rights or base  
3 access country which has significantly reduced its military  
4 or economic cooperation with the United States, the Presi-  
5 dent shall consult with, and shall provide a written policy  
6 justification to the Committees on Appropriations: *Pro-*  
7 *vided*, That any such reprogramming shall be subject to  
8 the regular notification procedures of the Committees on  
9 Appropriations: *Provided further*, That assistance that is  
10 reprogrammed pursuant to this subsection shall be made  
11 available under the same terms and conditions as origi-  
12 nally provided.

13 (b) In addition to the authority contained in sub-  
14 section (a), the original period of availability of funds ap-  
15 propriated by this Act and administered by the Agency  
16 for International Development that are earmarked for par-  
17 ticular programs or activities by this or any other Act shall  
18 be extended for an additional fiscal year if the Adminis-  
19 trator of such agency determines and reports promptly to  
20 the Committees on Appropriations that the termination of  
21 assistance to a country or a significant change in cir-  
22 cumstances makes it unlikely that such earmarked funds  
23 can be obligated during the original period of availability:  
24 *Provided*, That such earmarked funds that are continued

1 available for an additional fiscal year shall be obligated  
2 only for the purpose of such earmark.

3 CEILINGS AND EARMARKS

4 SEC. 543. Ceilings and earmarks contained in this  
5 Act shall not be applicable to funds or authorities appro-  
6 priated or otherwise made available by any subsequent Act  
7 unless such Act specifically so directs.

8 PROHIBITION ON PUBLICITY OR PROPAGANDA

9 SEC. 544. No part of any appropriation contained in  
10 this Act shall be used for publicity or propaganda purposes  
11 within the United States not authorized before the date  
12 of enactment of this Act by the Congress: *Provided*, That  
13 not to exceed \$950,000 may be made available to carry  
14 out the provisions of section 316 of Public Law 96-533.

15 PURCHASE OF AMERICAN-MADE EQUIPMENT AND  
16 PRODUCTS

17 SEC. 545. (a) To the maximum extent possible, as-  
18 sistance provided under this Act should make full use of  
19 American resources, including commodities, products, and  
20 services.

21 (b) It is the Sense of the Congress that, to the great-  
22 est extent practicable, all equipment and products pur-  
23 chased with funds made available in this Act should be  
24 American-made.

25 (c) In providing financial assistance to, or entering  
26 into any contract with, any entity using funds made avail-

1 able in this Act, the head of each Federal agency, to the  
2 greatest extent practicable, shall provide to such entity a  
3 notice describing the statement made in subsection (b) by  
4 the Congress.

5 PROHIBITION OF PAYMENTS TO UNITED NATIONS

6 MEMBERS

7 SEC. 546. None of the funds appropriated or made  
8 available pursuant to this Act for carrying out the Foreign  
9 Assistance Act of 1961, may be used to pay in whole or  
10 in part any assessments, arrearages, or dues of any mem-  
11 ber of the United Nations.

12 CONSULTING SERVICES

13 SEC. 547. The expenditure of any appropriation  
14 under this Act for any consulting service through procure-  
15 ment contract, pursuant to section 3109 of title 5, United  
16 States Code, shall be limited to those contracts where such  
17 expenditures are a matter of public record and available  
18 for public inspection, except where otherwise provided  
19 under existing law, or under existing Executive order pur-  
20 suant to existing law.

21 PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

22 SEC. 548. None of the funds appropriated or made  
23 available pursuant to this Act shall be available to a pri-  
24 vate voluntary organization which fails to provide upon  
25 timely request any document, file, or record necessary to

1 the auditing requirements of the Agency for International  
2 Development.

3 PROHIBITION ON ASSISTANCE TO FOREIGN GOVERN-  
4 MENTS THAT EXPORT LETHAL MILITARY EQUIP-  
5 MENT TO COUNTRIES SUPPORTING INTERNATIONAL  
6 TERRORISM

7 SEC. 549. (a) None of the funds appropriated or oth-  
8 erwise made available by this Act may be available to any  
9 foreign government which provides lethal military equip-  
10 ment to a country the government of which the Secretary  
11 of State has determined is a terrorist government for pur-  
12 poses of section 40(d) of the Arms Export Control Act  
13 or any other comparable provision of law. The prohibition  
14 under this section with respect to a foreign government  
15 shall terminate 12 months after that government ceases  
16 to provide such military equipment. This section applies  
17 with respect to lethal military equipment provided under  
18 a contract entered into after October 1, 1997.

19 (b) Assistance restricted by subsection (a) or any  
20 other similar provision of law, may be furnished if the  
21 President determines that furnishing such assistance is  
22 important to the national interests of the United States.

23 (c) Whenever the waiver of subsection (b) is exer-  
24 cised, the President shall submit to the appropriate con-  
25 gressional committees a report with respect to the furnish-  
26 ing of such assistance. Any such report shall include a de-

1 tailed explanation of the assistance estimated to be pro-  
2 vided, including the estimated dollar amount of such as-  
3 sistance, and an explanation of how the assistance fur-  
4 thers United States national interests.

5 WITHHOLDING OF ASSISTANCE FOR PARKING FINES  
6 OWED BY FOREIGN COUNTRIES

7 SEC. 550. (a) IN GENERAL.—Of the funds made  
8 available for a foreign country under part I of the Foreign  
9 Assistance Act of 1961, an amount equivalent to 110 per-  
10 cent of the total unpaid fully adjudicated parking fines  
11 and penalties owed to the District of Columbia by such  
12 country as of the date of enactment of this Act shall be  
13 withheld from obligation for such country until the Sec-  
14 retary of State certifies and reports in writing to the ap-  
15 propriate congressional committees that such fines and  
16 penalties are fully paid to the government of the District  
17 of Columbia.

18 (b) DEFINITION.—For purposes of this section, the  
19 term “appropriate congressional committees” means the  
20 Committee on Foreign Relations and the Committee on  
21 Appropriations of the Senate and the Committee on Inter-  
22 national Relations and the Committee on Appropriations  
23 of the House of Representatives.

1       LIMITATION ON ASSISTANCE FOR THE PLO FOR THE  
2                                   WEST BANK AND GAZA

3       SEC. 551. None of the funds appropriated by this Act  
4 may be obligated for assistance for the Palestine Libera-  
5 tion Organization for the West Bank and Gaza unless the  
6 President has exercised the authority under section 604(a)  
7 of the Middle East Peace Facilitation Act of 1995 (title  
8 VI of Public Law 104–107) or any other legislation to sus-  
9 pend or make inapplicable section 307 of the Foreign As-  
10 sistance Act of 1961 and that suspension is still in effect:  
11 *Provided*, That if the President fails to make the certifi-  
12 cation under section 604(b)(2) of the Middle East Peace  
13 Facilitation Act of 1995 or to suspend the prohibition  
14 under other legislation, funds appropriated by this Act  
15 may not be obligated for assistance for the Palestine Lib-  
16 eration Organization for the West Bank and Gaza.

17                                   WAR CRIMES TRIBUNALS DRAWDOWN

18       SEC. 552. If the President determines that doing so  
19 will contribute to a just resolution of charges regarding  
20 genocide or other violations of international humanitarian  
21 law, the President may direct a drawdown pursuant to sec-  
22 tion 552(c) of the Foreign Assistance Act of 1961, as  
23 amended, of up to \$25,000,000 of commodities and serv-  
24 ices for the United Nations War Crimes Tribunal estab-  
25 lished with regard to the former Yugoslavia by the United  
26 Nations Security Council or such other tribunals or com-



1 missions as the Council may establish to deal with such  
2 violations, without regard to the ceiling limitation con-  
3 tained in paragraph (2) thereof: *Provided*, That the deter-  
4 mination required under this section shall be in lieu of  
5 any determinations otherwise required under section  
6 552(c): *Provided further*, That 60 days after the date of  
7 enactment of this Act, and every 180 days thereafter, the  
8 Secretary of State shall submit a report to the Committees  
9 on Appropriations describing the steps the United States  
10 Government is taking to collect information regarding alle-  
11 gations of genocide or other violations of international law  
12 in the former Yugoslavia and to furnish that information  
13 to the United Nations War Crimes Tribunal for the former  
14 Yugoslavia.

15 LANDMINES

16 SEC. 553. Notwithstanding any other provision of  
17 law, demining equipment available to the Agency for Inter-  
18 national Development and the Department of State and  
19 used in support of the clearance of landmines and  
20 unexploded ordnance for humanitarian purposes may be  
21 disposed of on a grant basis in foreign countries, subject  
22 to such terms and conditions as the President may pre-  
23 scribe.

1           RESTRICTIONS CONCERNING THE PALESTINIAN  
2   AUTHORITY

3           SEC. 554. None of the funds appropriated by this Act  
4 may be obligated or expended to create in any part of Je-  
5 rusalem a new office of any department or agency of the  
6 United States Government for the purpose of conducting  
7 official United States Government business with the Pal-  
8 estinian Authority over Gaza and Jericho or any successor  
9 Palestinian governing entity provided for in the Israel-  
10 PLO Declaration of Principles: *Provided*, That this re-  
11 striction shall not apply to the acquisition of additional  
12 space for the existing Consulate General in Jerusalem:  
13 *Provided further*, That meetings between officers and em-  
14 ployees of the United States and officials of the Palestin-  
15 ian Authority, or any successor Palestinian governing en-  
16 tity provided for in the Israel-PLO Declaration of Prin-  
17 ciples, for the purpose of conducting official United States  
18 Government business with such authority should continue  
19 to take place in locations other than Jerusalem. As has  
20 been true in the past, officers and employees of the United  
21 States Government may continue to meet in Jerusalem on  
22 other subjects with Palestinians (including those who now  
23 occupy positions in the Palestinian Authority), have social  
24 contacts, and have incidental discussions.

## 1 PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

2 SEC. 555. None of the funds appropriated or other-  
3 wise made available by this Act under the heading “Inter-  
4 national Military Education and Training” or “Foreign  
5 Military Financing Program” for Informational Program  
6 activities may be obligated or expended to pay for—

7 (1) alcoholic beverages;

8 (2) food (other than food provided at a military  
9 installation) not provided in conjunction with Infor-  
10 mational Program trips where students do not stay  
11 at a military installation; or

12 (3) entertainment expenses for activities that  
13 are substantially of a recreational character, includ-  
14 ing entrance fees at sporting events and amusement  
15 parks.

## 16 EQUITABLE ALLOCATION OF FUNDS

17 SEC. 556. Not more than 18 percent of the funds  
18 appropriated by this Act to carry out the provisions of sec-  
19 tions 103 through 106 and chapter 4 of part II of the  
20 Foreign Assistance Act of 1961, that are made available  
21 for Latin America and the Caribbean region may be made  
22 available, through bilateral and Latin America and the  
23 Caribbean regional programs, to provide assistance for  
24 any country in such region.

## 1 SPECIAL DEBT RELIEF FOR THE POOREST

2 SEC. 557. (a) AUTHORITY TO REDUCE DEBT.—The  
3 President may reduce amounts owed to the United States  
4 (or any agency of the United States) by an eligible country  
5 as a result of—

6 (1) guarantees issued under sections 221 and  
7 222 of the Foreign Assistance Act of 1961;

8 (2) credits extended or guarantees issued under  
9 the Arms Export Control Act; or

10 (3) any obligation or portion of such obligation  
11 for a Latin American country, to pay for purchases  
12 of United States agricultural commodities guaran-  
13 teed by the Commodity Credit Corporation under ex-  
14 port credit guarantee programs authorized pursuant  
15 to section 5(f) of the Commodity Credit Corporation  
16 Charter Act of June 29, 1948, as amended, section  
17 4(b) of the Food for Peace Act of 1966, as amended  
18 (Public Law 89–808), or section 202 of the Agricul-  
19 tural Trade Act of 1978, as amended (Public Law  
20 95–501).

21 (b) LIMITATIONS.—

22 (1) The authority provided by subsection (a)  
23 may be exercised only to implement multilateral offi-  
24 cial debt relief ad referendum agreements, commonly  
25 referred to as “Paris Club Agreed Minutes”.

1           (2) The authority provided by subsection (a)  
2           may be exercised only in such amounts or to such  
3           extent as is provided in advance by appropriations  
4           Acts.

5           (3) The authority provided by subsection (a)  
6           may be exercised only with respect to countries with  
7           heavy debt burdens that are eligible to borrow from  
8           the International Development Association, but not  
9           from the International Bank for Reconstruction and  
10          Development, commonly referred to as “IDA-only”  
11          countries.

12          (c) CONDITIONS.—The authority provided by sub-  
13          section (a) may be exercised only with respect to a country  
14          whose government—

15               (1) does not have an excessive level of military  
16               expenditures;

17               (2) has not repeatedly provided support for acts  
18               of international terrorism;

19               (3) is not failing to cooperate on international  
20               narcotics control matters;

21               (4) (including its military or other security  
22               forces) does not engage in a consistent pattern of  
23               gross violations of internationally recognized human  
24               rights; and

1           (5) is not ineligible for assistance because of the  
2           application of section 527 of the Foreign Relations  
3           Authorization Act, Fiscal Years 1994 and 1995.

4           (d) AVAILABILITY OF FUNDS.—The authority pro-  
5           vided by subsection (a) may be used only with regard to  
6           funds appropriated by this Act under the heading “Debt  
7           restructuring”.

8           (e) CERTAIN PROHIBITIONS INAPPLICABLE.—A re-  
9           duction of debt pursuant to subsection (a) shall not be  
10          considered assistance for purposes of any provision of law  
11          limiting assistance to a country. The authority provided  
12          by subsection (a) may be exercised notwithstanding sec-  
13          tion 620(r) of the Foreign Assistance Act of 1961.

14          AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES  
15          SEC. 558. (a) LOANS ELIGIBLE FOR SALE, REDUC-  
16          TION, OR CANCELLATION.—

17               (1) AUTHORITY TO SELL, REDUCE, OR CANCEL  
18               CERTAIN LOANS.—Notwithstanding any other provi-  
19               sion of law, the President may, in accordance with  
20               this section, sell to any eligible purchaser any  
21               concessional loan or portion thereof made before  
22               January 1, 1995, pursuant to the Foreign Assist-  
23               ance Act of 1961, to the government of any eligible  
24               country as defined in section 702(6) of that Act or  
25               on receipt of payment from an eligible purchaser, re-

1       duce or cancel such loan or portion thereof, only for  
2       the purpose of facilitating—

3               (A) debt-for-equity swaps, debt-for-develop-  
4               ment swaps, or debt-for-nature swaps; or

5               (B) a debt buyback by an eligible country  
6               of its own qualified debt, only if the eligible  
7               country uses an additional amount of the local  
8               currency of the eligible country, equal to not  
9               less than 40 percent of the price paid for such  
10              debt by such eligible country, or the difference  
11              between the price paid for such debt and the  
12              face value of such debt, to support activities  
13              that link conservation and sustainable use of  
14              natural resources with local community develop-  
15              ment, and child survival and other child devel-  
16              opment, in a manner consistent with sections  
17              707 through 710 of the Foreign Assistance Act  
18              of 1961, if the sale, reduction, or cancellation  
19              would not contravene any term or condition of  
20              any prior agreement relating to such loan.

21              (2) TERMS AND CONDITIONS.—Notwithstanding  
22              any other provision of law, the President shall, in ac-  
23              cordance with this section, establish the terms and  
24              conditions under which loans may be sold, reduced,  
25              or canceled pursuant to this section.

1           (3) ADMINISTRATION.—The Facility, as defined  
2           in section 702(8) of the Foreign Assistance Act of  
3           1961, shall notify the administrator of the agency  
4           primarily responsible for administering part I of the  
5           Foreign Assistance Act of 1961 of purchasers that  
6           the President has determined to be eligible, and  
7           shall direct such agency to carry out the sale, reduc-  
8           tion, or cancellation of a loan pursuant to this sec-  
9           tion. Such agency shall make an adjustment in its  
10          accounts to reflect the sale, reduction, or cancella-  
11          tion.

12          (4) LIMITATION.—The authorities of this sub-  
13          section shall be available only to the extent that ap-  
14          propriations for the cost of the modification, as de-  
15          fined in section 502 of the Congressional Budget Act  
16          of 1974, are made in advance.

17          (b) DEPOSIT OF PROCEEDS.—The proceeds from the  
18          sale, reduction, or cancellation of any loan sold, reduced,  
19          or canceled pursuant to this section shall be deposited in  
20          the United States Government account or accounts estab-  
21          lished for the repayment of such loan.

22          (c) ELIGIBLE PURCHASERS.—A loan may be sold  
23          pursuant to subsection (a)(1)(A) only to a purchaser who  
24          presents plans satisfactory to the President for using the



1 loan for the purpose of engaging in debt-for-equity swaps,  
2 debt-for-development swaps, or debt-for-nature swaps.

3 (d) DEBTOR CONSULTATIONS.—Before the sale to  
4 any eligible purchaser, or any reduction or cancellation  
5 pursuant to this section, of any loan made to an eligible  
6 country, the President should consult with the country  
7 concerning the amount of loans to be sold, reduced, or  
8 canceled and their uses for debt-for-equity swaps, debt-  
9 for-development swaps, or debt-for-nature swaps.

10 (e) AVAILABILITY OF FUNDS.—The authority pro-  
11 vided by subsection (a) may be used only with regard to  
12 funds appropriated by this Act under the heading “Debt  
13 restructuring”.

14 SANCTIONS AGAINST COUNTRIES HARBORING WAR  
15 CRIMINALS

16 SEC. 559. (a) BILATERAL ASSISTANCE.—The Presi-  
17 dent is authorized to withhold funds appropriated by this  
18 Act under the Foreign Assistance Act of 1961 or the Arms  
19 Export Control Act for any country described in sub-  
20 section (c).

21 (b) MULTILATERAL ASSISTANCE.—The Secretary of  
22 the Treasury should instruct the United States executive  
23 directors of the international financial institutions to work  
24 in opposition to, and vote against, any extension by such  
25 institutions of financing or financial or technical assist-  
26 ance to any country described in subsection (c).

1 (c) SANCTIONED COUNTRIES.—A country described  
 2 in this subsection is a country the government of which  
 3 knowingly grants sanctuary to persons in its territory for  
 4 the purpose of evading prosecution, where such persons—

5 (1) have been indicted by the International  
 6 Criminal Tribunal for Rwanda, or any other inter-  
 7 national tribunal with similar standing under inter-  
 8 national law; or

9 (2) have been indicted for war crimes or crimes  
 10 against humanity committed during the period be-  
 11 ginning March 23, 1933 and ending on May 8, 1945  
 12 under the direction of, or in association with—

13 (A) the Nazi government of Germany;

14 (B) any government in any area occupied  
 15 by the military forces of the Nazi government  
 16 of Germany;

17 (C) any government which was established  
 18 with the assistance or cooperation of the Nazi  
 19 government; or

20 (D) any government which was an ally of  
 21 the Nazi government of Germany.

22 LIMITATION ON ASSISTANCE FOR HAITI

23 SEC. 560. (a) LIMITATION.—Funds appropriated by  
 24 this Act may be made available for assistance for the Gov-  
 25 ernment of Haiti only if the President reports to the Com-  
 26 mittee on Appropriations and the Committee on Inter-

1 national Relations of the House of Representatives and  
2 the Committee on Appropriations and the Committee on  
3 Foreign Relations of the Senate that the Government of  
4 Haiti—

5           (1) has completed privatization of (or placed  
6           under long-term private management or concession)  
7           three major public entities including the completion  
8           of all required incorporating documents, the transfer  
9           of assets, and the eviction of unauthorized occupants  
10          of the land or facility;

11          (2) is cooperating with the United States in  
12          halting illegal emigration from Haiti;

13          (3) is conducting thorough investigations of  
14          extrajudicial and political killings and has made sub-  
15          stantial progress in bringing to justice a person or  
16          persons responsible for one or more extrajudicial or  
17          political killings in Haiti, and is cooperating with  
18          United States authorities and with United States-  
19          funded technical advisors to the Haitian National  
20          Police in such investigations;

21          (4) has taken action to remove from the Hai-  
22          tian National Police, national palace and residential  
23          guard, ministerial guard, and any other public secu-  
24          rity entity or unit of Haiti those individuals who are  
25          credibly alleged to have engaged in or conspired to

1 conceal gross violations of internationally recognized  
2 human rights or credibly alleged to have engaged in  
3 or conspired to engage in narcotics trafficking; and

4 (5) is implementing the maritime counter-nar-  
5 cotics agreements signed in October 1997.

6 (b) AVAILABILITY OF ELECTORAL ASSISTANCE.—

7 Funds appropriated by this Act may be made available  
8 to support elections in Haiti only if the President reports  
9 to the Congress that the Government of Haiti:

10 (1) has achieved a transparent settlement of the  
11 contested April 1997 elections; and

12 (2) has made concrete progress on the constitu-  
13 tion of a credible and competent provisional electoral  
14 council with the agreement of a broad spectrum of  
15 diverse political parties.

16 (c) EXCEPTIONS.—The limitations in subsections (a)  
17 and (b) shall not apply to the provision of—

18 (1) counter-narcotics assistance, support for the  
19 Haitian National Police's Special Investigations Unit  
20 and anti-corruption programs, the International  
21 Criminal Investigative Assistance Program, and as-  
22 sistance in support of Haitian customs and maritime  
23 officials;

24 (2) food assistance management and support;

1           (3) assistance for urgent humanitarian needs,  
2           such as medical and other supplies and services in  
3           support of community health services, schools, and  
4           orphanages; and

5           (4) not more than \$3,000,000 for the develop-  
6           ment and support of political parties.

7           (d) WAIVER.—At any time after 150 days from the  
8           date of enactment of this Act, the Secretary of State may  
9           waive the requirements contained in subsection (a)(1) if  
10          she reports to the Committees specified in subsection (a)  
11          that the Government of Haiti has satisfied the require-  
12          ments of subsection (a)(1) with regard to one major public  
13          entity.

14          (e) REPORTS.—The Secretary of State shall provide  
15          to the Committees specified in subsection (a) on a quar-  
16          terly basis—

17               (1) in consultation with the Secretary of De-  
18               fense and the Administrator of the Drug Enforce-  
19               ment Administration, a report on the status and  
20               number of United States personnel deployed in and  
21               around Haiti on Department of Defense, Drug En-  
22               forcement Administration, and United Nations mis-  
23               sions, including displays by functional or operational  
24               assignment for such personnel and the cost to the  
25               United States of these operations; and

1           (2) the monthly reports, prepared during the  
2           previous quarter, of the Organization of American  
3           States/United Nations International Civilian Mission  
4           to Haiti (MICIVIH).

5           REQUIREMENT FOR DISCLOSURE OF FOREIGN AID IN  
6           REPORT OF SECRETARY OF STATE

7           SEC. 561. (a) FOREIGN AID REPORTING REQUIRE-  
8           MENT.—In addition to the voting practices of a foreign  
9           country, the report required to be submitted to Congress  
10          under section 406(a) of the Foreign Relations Authoriza-  
11          tion Act, fiscal years 1990 and 1991 (22 U.S.C. 2414a),  
12          shall include a side-by-side comparison of individual coun-  
13          tries' overall support for the United States at the United  
14          Nations and the amount of United States assistance pro-  
15          vided to such country in fiscal year 1998.

16          (b) UNITED STATES ASSISTANCE.—For purposes of  
17          this section, the term “United States assistance” has the  
18          meaning given the term in section 481(e)(4) of the For-  
19          eign Assistance Act of 1961 (22 U.S.C. 2291(e)(4)).

20          RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO  
21          UNITED NATIONS AGENCIES

22          SEC. 562. (a) PROHIBITION ON VOLUNTARY CON-  
23          TRIBUTIONS FOR THE UNITED NATIONS.—None of the  
24          funds appropriated by this Act may be made available to  
25          pay any voluntary contribution of the United States to the  
26          United Nations (including the United Nations Develop-

1 ment Program) if the United Nations implements or im-  
2 poses any taxation on any United States persons.

3 (b) CERTIFICATION REQUIRED FOR DISBURSEMENT  
4 OF FUNDS.—None of the funds appropriated by this Act  
5 may be made available to pay any voluntary contribution  
6 of the United States to the United Nations (including the  
7 United Nations Development Program) unless the Presi-  
8 dent certifies to the Congress 15 days in advance of such  
9 payment that the United Nations is not engaged in any  
10 effort to implement or impose any taxation on United  
11 States persons in order to raise revenue for the United  
12 Nations or any of its specialized agencies.

13 (c) DEFINITIONS.—As used in this section the term  
14 “United States person” refers to—

15 (1) a natural person who is a citizen or national  
16 of the United States; or

17 (2) a corporation, partnership, or other legal  
18 entity organized under the United States or any  
19 State, territory, possession, or district of the United  
20 States.

21 LIMITATION ON ASSISTANCE TO THE PALESTINIAN

22 AUTHORITY

23 SEC. 563. (a) PROHIBITION OF FUNDS.—None of the  
24 funds appropriated by this Act to carry out the provisions  
25 of chapter 4 of part II of the Foreign Assistance Act of

1 1961 may be obligated or expended with respect to provid-  
2 ing funds to the Palestinian Authority.

3 (b) WAIVER.—The prohibition included in subsection  
4 (a) shall not apply if the President certifies in writing to  
5 the Speaker of the House of Representatives and the  
6 President pro tempore of the Senate that waiving such  
7 prohibition is important to the national security interests  
8 of the United States.

9 (c) PERIOD OF APPLICATION OF WAIVER.—Any  
10 waiver pursuant to subsection (b) shall be effective for no  
11 more than a period of six months at a time and shall not  
12 apply beyond twelve months after enactment of this Act.

13 LIMITATION ON ASSISTANCE TO THE GOVERNMENT OF  
14 CROATIA

15 SEC. 564. None of the funds appropriated by title II  
16 of this Act may be made available to the Government of  
17 Croatia to relocate the remains of Croatian Ustashe sol-  
18 diers, at the site of the World War II concentration camp  
19 at Jasenovac, Croatia.

20 LIMITATION ON ASSISTANCE TO SECURITY FORCES

21 SEC. 565. None of the funds made available by this  
22 Act may be provided to any unit of the security forces  
23 of a foreign country if the Secretary of State has credible  
24 evidence that such unit has committed gross violations of  
25 human rights, unless the Secretary determines and reports  
26 to the Committees on Appropriations that the government



1 of such country is taking effective measures to bring the  
2 responsible members of the security forces unit to justice:  
3 *Provided*, That nothing in this section shall be construed  
4 to withhold funds made available by this Act from any  
5 unit of the security forces of a foreign country not credibly  
6 alleged to be involved in gross violations of human rights:  
7 *Provided further*, That in the event that funds are withheld  
8 from any unit pursuant to this section, the Secretary of  
9 State shall promptly inform the foreign government of the  
10 basis for such action and shall, to the maximum extent  
11 practicable, assist the foreign government in taking effec-  
12 tive measures to bring the responsible members of the se-  
13 curity forces to justice.

14 LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT TO  
15 EAST TIMOR

16 SEC. 566. In any agreement for the sale, transfer,  
17 or licensing of any lethal equipment or helicopter for Indo-  
18 nesia entered into by the United States pursuant to the  
19 authority of this Act or any other Act, the agreement shall  
20 state that the United States expects that the items will  
21 not be used in East Timor: *Provided*, That nothing in this  
22 section shall be construed to limit Indonesia's inherent  
23 right to legitimate national self-defense as recognized  
24 under the United Nations Charter and international law.

1 RESTRICTIONS ON ASSISTANCE TO COUNTRIES PROVIDING  
2 SANCTUARY TO INDICTED WAR CRIMINALS

3 SEC. 567. (a) BILATERAL ASSISTANCE.—None of the  
4 funds made available by this or any prior Act making ap-  
5 propriations for foreign operations, export financing and  
6 related programs, may be provided for any country, entity  
7 or canton described in subsection (d).

8 (b) MULTILATERAL ASSISTANCE.—

9 (1) PROHIBITION.—The Secretary of the Treas-  
10 ury shall instruct the United States executive direc-  
11 tors of the international financial institutions to  
12 work in opposition to, and vote against, any exten-  
13 sion by such institutions of any financial or technical  
14 assistance or grants of any kind to any country or  
15 entity described in subsection (d).

16 (2) NOTIFICATION.—Not less than 15 days be-  
17 fore any vote in an international financial institution  
18 regarding the extension of financial or technical as-  
19 sistance or grants to any country or entity described  
20 in subsection (d), the Secretary of the Treasury, in  
21 consultation with the Secretary of State, shall pro-  
22 vide to the Committee on Appropriations and the  
23 Committee on Foreign Relations of the Senate and  
24 the Committee on Appropriations and the Commit-  
25 tee on Banking and Financial Services of the House

1 of Representatives a written justification for the pro-  
2 posed assistance, including an explanation of the  
3 United States position regarding any such vote, as  
4 well as a description of the location of the proposed  
5 assistance by municipality, its purpose, and its in-  
6 tended beneficiaries.

7 (3) DEFINITION.—The term “international fi-  
8 nancial institution” includes the International Mone-  
9 tary Fund, the International Bank for Reconstruc-  
10 tion and Development, the International Develop-  
11 ment Association, the International Finance Cor-  
12 poration, the Multilateral Investment Guaranty  
13 Agency, and the European Bank for Reconstruction  
14 and Development.

15 (c) EXCEPTIONS.—

16 (1) IN GENERAL.—Subject to paragraph (2),  
17 subsections (a) and (b) shall not apply to the provi-  
18 sion of—

19 (A) humanitarian assistance;

20 (B) democratization assistance;

21 (C) assistance for cross border physical in-  
22 frastructure projects involving activities in both  
23 a sanctioned country, entity, or canton and a  
24 nonsanctioned contiguous country, entity, or  
25 canton, if the project is primarily located in and

1 primarily benefits the nonsanctioned country,  
2 entity, or canton and if the portion of the  
3 project located in the sanctioned country, en-  
4 tity, or canton is necessary only to complete the  
5 project;

6 (D) small-scale assistance projects or ac-  
7 tivities requested by United States Armed  
8 Forces that promote good relations between  
9 such forces and the officials and citizens of the  
10 areas in the United States SFOR sector of Bos-  
11 nia;

12 (E) implementation of the Breko Arbitral  
13 Decision;

14 (F) lending by the international financial  
15 institutions to a country or entity to support  
16 common monetary and fiscal policies at the na-  
17 tional level as contemplated by the Dayton  
18 Agreement; or

19 (G) direct lending to a non-sanctioned en-  
20 tity, or lending passed on by the national gov-  
21 ernment to a non-sanctioned entity.

22 (2) FURTHER LIMITATIONS.—Notwithstanding  
23 paragraph (1)—

24 (A) no assistance may be made available  
25 by this Act, or any prior Act making appropria-

1 tions for foreign operations, export financing  
2 and related programs, in any country, entity, or  
3 canton described in subsection (d), for a pro-  
4 gram, project, or activity in which a publicly in-  
5 dicted war criminal is known to have any finan-  
6 cial or material interest; and

7 (B) no assistance (other than emergency  
8 foods or medical assistance or demining assist-  
9 ance) may be made available by this Act, or any  
10 prior Act making appropriations for foreign op-  
11 erations, export financing and related programs  
12 for any program, project, or activity in a com-  
13 munity within any country, entity or canton de-  
14 scribed in subsection (d) if competent authori-  
15 ties within that community are not complying  
16 with the provisions of Article IX and Annex 4,  
17 Article II, paragraph 8 of the Dayton Agree-  
18 ment relating to war crimes and the Tribunal.

19 (d) SANCTIONED COUNTRY, ENTITY, OR CANTON.—

20 A sanctioned country, entity, or canton described in this  
21 section is one whose competent authorities have failed, as  
22 determined by the Secretary of State, to take necessary  
23 and significant steps to apprehend and transfer to the Tri-  
24 bunal all persons who have been publicly indicted by the  
25 Tribunal.

1 (e) WAIVER.—

2 (1) IN GENERAL.—The Secretary of State may  
3 waive the application of subsection (a) or subsection  
4 (b) with respect to specified bilateral programs or  
5 international financial institution projects or pro-  
6 grams in a sanctioned country, entity, or canton  
7 upon providing a written determination to the Com-  
8 mittee on Appropriations and the Committee on  
9 Foreign Relations of the Senate and the Committee  
10 on Appropriations and the Committee on Inter-  
11 national Relations of the House of Representatives  
12 that such assistance directly supports the implemen-  
13 tation of the Dayton Agreement and its Annexes,  
14 which include the obligation to apprehend and trans-  
15 fer indicted war criminals to the Tribunal.

16 (2) REPORT.—Not later than 15 days after the  
17 date of any written determination under paragraph  
18 (e)(1), the Secretary of State shall submit a report  
19 to the Committee on Appropriations and the Com-  
20 mittee on Foreign Relations of the Senate and the  
21 Committee on Appropriations and the Committee on  
22 International Relations of the House of Representa-  
23 tives regarding the status of efforts to secure the  
24 voluntary surrender or apprehension and transfer of  
25 persons indicted by the Tribunal, in accordance with

1 the Dayton Agreement, and outlining obstacles to  
2 achieving this goal.

3 (3) ASSISTANCE PROGRAMS AND PROJECTS AF-  
4 FECTED.—Any waiver made pursuant to this sub-  
5 section shall be effective only with respect to a speci-  
6 fied bilateral program or multilateral assistance  
7 project or program identified in the determination of  
8 the Secretary of State to Congress.

9 (f) TERMINATION OF SANCTIONS.—The sanctions  
10 imposed pursuant to subsections (a) and (b) with respect  
11 to a country or entity shall cease to apply only if the Sec-  
12 retary of State determines and certifies to Congress that  
13 the authorities of that country, entity, or canton have ap-  
14 prehended and transferred to the Tribunal all persons who  
15 have been publicly indicted by the Tribunal.

16 (g) DEFINITIONS.—As used in this section—

17 (1) COUNTRY.—The term “country” means  
18 Bosnia-Herzegovina, Croatia, Serbia, and Montene-  
19 gro.

20 (2) ENTITY.—The term “entity” refers to the  
21 Federation of Bosnia and Herzegovina and the  
22 Republika Srpska.

23 (3) CANTON.—The term “canton” means the  
24 administrative units in Bosnia and Herzegovina.

1           (4) DAYTON AGREEMENT.—The term “Dayton  
2 Agreement” means the General Framework Agree-  
3 ment for Peace in Bosnia and Herzegovina, together  
4 with annexes relating thereto, done at Dayton, No-  
5 vember 10 through 16, 1995.

6           (5) TRIBUNAL.—The term “Tribunal” means  
7 the International Criminal Tribunal for the Former  
8 Yugoslavia.

9           (h) ROLE OF HUMAN RIGHTS ORGANIZATIONS AND  
10 GOVERNMENT AGENCIES.—In carrying out this section,  
11 the Secretary of State, the Administrator of the Agency  
12 for International Development, and the executive directors  
13 of the international financial institutions shall consult with  
14 representatives of human rights organizations and all gov-  
15 ernment agencies with relevant information to help pre-  
16 vent publicly indicted war criminals from benefitting from  
17 any financial or technical assistance or grants provided to  
18 any country or entity described in subsection (d).

19           ADDITIONAL REQUIREMENTS RELATING TO STOCKPILING  
20           OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES  
21           SEC. 568. (a) VALUE OF ADDITIONS TO STOCK-  
22 PILES.—Section 514(b)(2)(A) of the Foreign Assistance  
23 Act of 1961 (22 U.S.C. 2321h(b)(2)(A)) is amended by  
24 inserting before the period at the end the following: “and  
25 \$340,000,000 for fiscal year 1999”.



1 (b) REQUIREMENTS RELATING TO THE REPUBLIC OF  
2 KOREA AND THAILAND.—Section 514(b)(2)(B) of such  
3 Act (22 U.S.C. 2321h(b)(2)(B)) is amended by adding at  
4 the end the following: “Of the amount specified in sub-  
5 paragraph (A) for fiscal year 1999, not more than  
6 \$320,000,000 may be made available for stockpiles in the  
7 Republic of Korea and not more than \$20,000,000 may  
8 be made available for stockpiles in Thailand.”.

9 REQUIREMENTS FOR THE REPORTING TO CONGRESS OF  
10 THE COSTS TO THE FEDERAL GOVERNMENT ASSOCI-  
11 ATED WITH THE PROPOSED AGREEMENT TO REDUCE  
12 GREENHOUSE GAS EMISSIONS

13 SEC. 569. The President shall provide to the Con-  
14 gress a detailed account of all Federal agency obligations  
15 and expenditures for climate change programs and activi-  
16 ties, domestic and international, for fiscal year 1998,  
17 planned obligations for such activities in fiscal year 1999,  
18 and any plan for programs thereafter in the context of  
19 negotiations to amend the Framework Convention on Cli-  
20 mate Change (FCCC) to be provided to the appropriate  
21 congressional committees no later than November 15,  
22 1998.

23 WITHHOLDING ASSISTANCE TO COUNTRIES VIOLATING  
24 UNITED NATIONS SANCTIONS AGAINST LIBYA

25 SEC. 570. (a) WITHHOLDING OF ASSISTANCE.—Ex-  
26 cept as provided in subsection (b), whenever the President

1 determines and certifies to Congress that the government  
2 of any country is violating any sanction against Libya im-  
3 posed pursuant to United Nations Security Council Reso-  
4 lution 731, 748, or 883, then not less than 5 percent of  
5 the funds allocated for the country under section 653(a)  
6 of the Foreign Assistance Act of 1961 out of appropria-  
7 tions in this Act shall be withheld from obligation and ex-  
8 penditure for that country.

9 (b) EXCEPTION.—The requirement to withhold funds  
10 under subsection (a) shall not apply to funds appropriated  
11 in this Act for allocation under section 653(a) of the For-  
12 eign Assistance Act of 1961 for development assistance  
13 or for humanitarian assistance.

14 (c) WAIVER.—Funds may be provided for a country  
15 without regard to subsection (a) if the President deter-  
16 mines that to do so is in the national security interest of  
17 the United States.

18 AID TO THE GOVERNMENT OF THE DEMOCRATIC  
19 REPUBLIC OF CONGO

20 SEC. 571. None of the funds appropriated by this Act  
21 may be provided for assistance for the central Government  
22 of the Democratic Republic of Congo until such time as  
23 the President reports in writing to the Congress that the  
24 central Government of the Democratic Republic of Congo  
25 is cooperating fully with investigators from the United Na-  
26 tions in accounting for human rights violations committed

1 in the Democratic Republic of Congo or adjacent coun-  
2 tries.

3 ASSISTANCE FOR THE MIDDLE EAST

4 SEC. 572. Of the funds appropriated by this Act  
5 under the headings “Economic Support Fund”, “Foreign  
6 Military Financing”, “International Military Education  
7 and Training”, “Peacekeeping Operations”, for refugees  
8 resettling in Israel under the heading “Migration and Ref-  
9 ugee Assistance”, and for assistance for Israel to carry  
10 out provisions of chapter 8 of part II of the Foreign As-  
11 sistance Act of 1961 under the heading “Nonproliferation,  
12 Anti-Terrorism, Demining, and Related Programs”, not  
13 more than a total of \$5,402,850,000 may be made avail-  
14 able for Israel, Egypt, Jordan, Lebanon, the West Bank  
15 and Gaza, the Israel-Lebanon Monitoring Group, the Mul-  
16 tinational Force and Observers, the Middle East Regional  
17 Democracy Fund, Middle East Regional Cooperation, and  
18 Middle East Multilateral Working Groups: *Provided*, That  
19 any funds that were appropriated under such headings in  
20 prior fiscal years and that were at the time of enactment  
21 of this Act obligated or allocated for other recipients may  
22 not during fiscal year 1999 be made available for activities  
23 that, if funded under this Act, would be required to count  
24 against this ceiling: *Provided further*, That funds may be  
25 made available notwithstanding the requirements of this  
26 section if the President determines and certifies to the

1 Committees on Appropriations that it is important to the  
2 national security interest of the United States to do so  
3 and any such additional funds shall only be provided  
4 through the regular notification procedures of the Com-  
5 mittees on Appropriations.

6 ENTERPRISE FUND RESTRICTIONS

7 SEC. 573. Prior to the distribution of any assets re-  
8 sulting from any liquidation, dissolution, or winding up  
9 of an Enterprise Fund, in whole or in part, the President  
10 shall submit to the Committees on Appropriations, in ac-  
11 cordance with the regular notification procedures of the  
12 Committees on Appropriations, a plan for the distribution  
13 of the assets of the Enterprise Fund.

14 CAMBODIA

15 SEC. 574. (a) None of the funds appropriated in this  
16 Act may be made available for assistance for the Govern-  
17 ment of Cambodia: *Provided*, That the restrictions under  
18 this heading shall not apply to humanitarian, demining or  
19 election-related programs or activities: *Provided further*,  
20 That the provision of such assistance shall be made avail-  
21 able subject to the regular notification procedures of the  
22 Committees on Appropriations.

23 (b) The Secretary of the Treasury should instruct the  
24 United States executive directors of the international fi-  
25 nancial institutions to use the voice and vote of the United

1 States to oppose loans to the Government of Cambodia,  
2 except loans to support basic human needs.

3 EXPORT FINANCING TRANSFER AUTHORITIES

4 SEC. 575. Not to exceed 5 percent of any appropria-  
5 tion other than for administrative expenses made available  
6 for fiscal year 1999 for programs under title I of this Act  
7 may be transferred between such appropriations for use  
8 for any of the purposes, programs and activities for which  
9 the funds in such receiving account may be used, but no  
10 such appropriation, except as otherwise specifically pro-  
11 vided, shall be increased by more than 25 percent by any  
12 such transfer: *Provided*, That the exercise of such author-  
13 ity shall be subject to the regular notification procedures  
14 of the Committees on Appropriations.

15 AUTHORIZATION FOR POPULATION PLANNING

16 SEC. 576. Not to exceed \$385,000,000 of the funds  
17 appropriated in title II of this Act may be available for  
18 population planning activities or other population assist-  
19 ance.

20 REPORT ON FOREIGN MILITARY TRAINING

21 SEC. 577. The Secretary of Defense and the Sec-  
22 retary of State shall jointly provide to the Congress by  
23 January 31, 1999, a report on all overseas military train-  
24 ing provided to foreign military personnel under programs  
25 administered by the Department of Defense and the De-  
26 partment of State during fiscal years 1998 and 1999, in-

1 cluding those proposed for fiscal year 1999. This report  
2 shall include, for each such military training activity, the  
3 foreign policy justification and purpose for the training ac-  
4 tivity, the cost of the training activity, the number of for-  
5 eign students trained and their units of operation, and the  
6 location of the training. In addition, this report shall also  
7 include, with respect to United States personnel, the oper-  
8 ational benefits to United States forces derived from each  
9 such training activity and the United States military units  
10 involved in each such training activity. This report may  
11 include a classified annex if deemed necessary and appro-  
12 priate.

13 KOREAN PENINSULA ENERGY DEVELOPMENT

14 ORGANIZATION

15 SEC. 578. Notwithstanding sections 614 and 451 of  
16 the Foreign Assistance Act of 1961, as amended, or any  
17 other provision of law, none of the funds appropriated by  
18 this Act may be used for a voluntary contribution to, or  
19 assistance for, the Korean Peninsula Energy Development  
20 Organization.

21 REPEAL OF RESTRICTIONS ON ASSISTANCE

22 SEC. 579. Section 907 of the FREEDOM Support  
23 Act is hereby repealed.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

TITLE VI

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MONETARY PROGRAMS

LOANS TO THE INTERNATIONAL MONETARY FUND

For loans to the International Monetary Fund under section 17 of the Bretton Woods Agreements Act pursuant to the New Arrangements to Borrow, the dollar equivalent of 2,462,000,000 Special Drawing Rights, to remain available until expended. In addition, the amounts appropriated by title III of the Foreign Aid and Related Agencies Appropriations Act, 1963 (Public Law 87–872) and section 1101(b) of the Supplemental Appropriations Act, 1984 (Public Law 98–181) may also be used under section 17 of the Bretton Woods Agreements Act pursuant to the New Arrangements to Borrow.

GENERAL PROVISIONS—THIS TITLE

CONDITIONS FOR THE USE OF APPROPRIATED FUNDS

SEC. 601. (a) CONDITION FOR THE USE OF APPROPRIATED FUNDS FOR QUOTA INCREASE.—None of the funds appropriated after July 15, 1998, under the heading “United States Quota in the International Monetary Fund” may be obligated or made available to the International Monetary Fund until 15 days after the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System jointly provide written notification to the appropriate committees that the

1 major shareholders of the International Monetary Fund  
2 have publicly agreed to, and will act to implement in the  
3 Fund policies providing that for conditions in standby  
4 agreements or other arrangements regarding the use of  
5 Fund resources include requirements that the recipient  
6 country—

7           (1) liberalize restrictions on trade in goods and  
8           services and on investment, at a minimum consistent  
9           with the terms of all international trade agreements  
10          of which the borrowing country is a signatory;

11          (2) eliminate the pervasive practice or policy of  
12          government directed lending on non-commercial  
13          terms or provision of market distorting subsidies to  
14          favored industries, enterprises, parties, or institu-  
15          tions; and

16          (3) guarantee nondiscriminatory treatment in  
17          insolvency proceedings between domestic and foreign  
18          creditors, and for debtors and other concerned per-  
19          sons.

20          (b) CONDITION FOR THE USE OF APPROPRIATED  
21 FUNDS FOR LOANS TO THE IMF.—

22           (1) IN GENERAL.—None of the funds appro-  
23           priated in this title under the heading “Loans to the  
24           International Monetary Fund” may be obligated or



1       made available to the International Monetary Fund  
2       unless—

3               (A) there is in effect a written certifi-  
4               cation, made by the Secretary of the Treasury,  
5               to the appropriate committees that the Inter-  
6               national Monetary Fund has met the require-  
7               ments of paragraph (2); and

8               (B) the Congress has enacted legislation  
9               approving the certification.

10              (2) REQUIREMENTS.—The requirements of this  
11              paragraph are that the International Monetary Fund  
12              has in effect policies that are designed to ensure the  
13              following:

14                      (A) Within 3 months after any meeting of  
15                      the Executive Board of the International Mone-  
16                      tary Fund at which a Letter of Intent, a Policy  
17                      Framework Paper, an Article IV economic re-  
18                      view consultation with a member country, or a  
19                      change in a general policy of the International  
20                      Monetary Fund is discussed, a full written sum-  
21                      mary of the meeting shall be made available for  
22                      public inspection, with the following information  
23                      redacted:

24                              (i) Information which, if released,  
25                              would adversely affect the national security

1 of a country, and which is of the type that  
2 would be classified by United States Gov-  
3 ernment.

4 (ii) Market-sensitive information.

5 (iii) Proprietary information.

6 (B) Within 3 months after the Executive  
7 Board of the International Monetary Fund at  
8 which a Letter of Intent or a Policy Framework  
9 Paper is discussed, a copy of the Letter of In-  
10 tent or Policy Framework Paper shall be made  
11 available for public inspection with the following  
12 information redacted:

13 (i) Information which, if released,  
14 would adversely affect the national security  
15 of a country, and which is of the type that  
16 would be classified by United States Gov-  
17 ernment.

18 (ii) Market-sensitive information.

19 (iii) Proprietary information.

20 (C) Interest charges on loans to member  
21 countries shall be based on the International  
22 Monetary Fund's market-determined cost of fi-  
23 nancing, adjusted weekly, and loans from any  
24 facility established to address circumstances of  
25 exceptional balance of payments difficulties and

1           impaired access to capital due to a sudden loss  
2           of market confidence should carry a substantial  
3           surcharge that serves to provide an incentive  
4           for early repayment and encourage private mar-  
5           ket refinancing, and that reflects risk.

6   REPORTS ON FINANCIAL STABILIZATION PROGRAMS LED  
7       BY THE INTERNATIONAL MONETARY FUND IN CON-  
8       NECTION WITH FINANCING FROM THE EXCHANGE  
9       STABILIZATION FUND

10       SEC. 602. (a) IN GENERAL.—The Secretary of the  
11   Treasury shall submit to the appropriate committees 2 re-  
12   ports on the implementation of financial stabilization pro-  
13   grams led by the International Monetary Fund in any  
14   country in connection with which the United States has  
15   made a commitment to provide or has provided financing  
16   from the stabilization fund established under section 5302  
17   of title 31, United States Code. A report shall include the  
18   following with respect to each such country:

19           (1) The extent that the country has made  
20       progress in making conglomerate business practices  
21       more transparent through the application of inter-  
22       nationally accepted accounting practices, independ-  
23       ent external audits, full disclosure, and provision of  
24       consolidated statements.

25           (2) The success of measures undertaken by the  
26       United States Government and the International

1 Monetary Fund to ensure that the country will not  
2 provide Government-subsidized support or tax privi-  
3 leges to bail out individual corporations, particularly  
4 in the semiconductor, steel, plywood, paper, and  
5 glassware industries.

6 (3) Whether International Monetary Fund in-  
7 volvement in labor market flexibility measures has  
8 had a negative effect on worker rights in the coun-  
9 try, and the nature of any such negative effects.

10 (b) TIMING OF REPORTS.—The first report required  
11 by subsection (a) shall be due by December 1, 1998, and  
12 the second such report shall be due by May 1, 1999.

13 (c) NOTIFICATION OF IMPENDING DISBURSE-  
14 MENTS.—Not later than 36 hours before the disbursement  
15 to a country with respect to which a report is required  
16 by subsection (a) of any resources from the stabilization  
17 fund referred to in subsection (a) in connection with the  
18 implementation of a financial stabilization program de-  
19 scribed in subsection (a), the Secretary of the Treasury  
20 shall notify the appropriate committees of the impending  
21 disbursement.

22 ADVISORY COMMISSION

23 SEC. 603. (a) IN GENERAL.—The Secretary of the  
24 Treasury shall establish an International Financial Insti-  
25 tution Advisory Commission (in this section referred to as  
26 the “Commission”).

1 (b) MEMBERSHIP.—The Commission shall include—

2 (1) 6 individuals appointed by the Congress, in-  
3 cluding at least 2 former Secretaries of the Treas-  
4 ury, 1 of whom shall serve as the chairman of the  
5 Commission; and

6 (2) not to exceed 2 members as designated by  
7 the Secretary.

8 (c) RECOMMENDATIONS.—Within 180 days after the  
9 appointment of Commission members, the Commission  
10 shall submit to the appropriate committees a report that  
11 contains the recommendations of the Commission regard-  
12 ing the future role and responsibilities of the International  
13 Monetary Fund and the International Bank for Recon-  
14 struction and Development, including changes to the pol-  
15 icy goals set forth for the International Monetary Fund  
16 and the International Bank for Reconstruction and Devel-  
17 opment in the Bretton Woods Agreements Act and the  
18 International Financial Institutions Act.

19 (d) INTERNATIONAL ADVISORY COMMITTEE.—The  
20 Secretary of the Treasury shall instruct the United States  
21 Executive Director at the International Monetary Fund to  
22 use the voice and vote of the United States to seek the  
23 establishment of a permanent advisory committee to the  
24 Interim Committee of the Board of Governors of the Inter-  
25 national Monetary Fund, that is to consist of elected mem-

1 bers of the national legislatures of the member countries  
2 directly represented by appointed members of the Execu-  
3 tive Board of the International Monetary Fund.

4 DEFINITIONS

5 SEC. 604. For purposes of sections 601 through 603  
6 of this chapter, the term “appropriate committees” means  
7 the Committees on Appropriations, Foreign Relations, and  
8 Banking, Housing, and Urban Affairs of the Senate and  
9 the Committees on Appropriations and Banking and Fi-  
10 nancial Services of the House of Representatives.

11 PARTICIPATION IN QUOTA INCREASE

12 SEC. 605. (a) IN GENERAL.—The Bretton Woods  
13 Agreements Act (22 U.S.C. 286–286mm) is amended by  
14 adding at the end the following:

15 **“SEC. 61. QUOTA INCREASE.**

16 “(a) IN GENERAL.—The United States Governor of  
17 the Fund may consent to an increase in the quota of the  
18 United States in the Fund equivalent to 10,622,500,000  
19 Special Drawing Rights.

20 “(b) SUBJECT TO APPROPRIATIONS.—The authority  
21 provided by subsection (a) shall be effective only to such  
22 extent or in such amounts as are provided in advance in  
23 appropriations Acts.”.

24 (b) EFFECTIVENESS SUBJECT TO CERTIFICATION.—  
25 The amendment made by subsection (a) shall not take ef-  
26 fect until the Secretary of the Treasury certifies to the

1 Committee on Banking and Financial Services of the  
2 House of Representatives and the Committee on Foreign  
3 Relations of the Senate that the investors and banks have  
4 made a significant contribution in conjunction with a fi-  
5 nancing package that, in the context of an international  
6 financial crisis, might include taxpayer supported official  
7 financing.

8 NEW ARRANGEMENTS TO BORROW

9 SEC. 606. Section 17 of the Bretton Woods Agree-  
10 ments Act (22 U.S.C. 286e-2 et seq.) is amended—

11 (1) in subsection (a)—

12 (A) by striking “and February 24, 1983”  
13 and inserting “February 24, 1983, and Janu-  
14 ary 27, 1997”; and

15 (B) by striking “4,250,000,000” and in-  
16 serting “6,712,000,000”;

17 (2) in subsection (b), by striking  
18 “4,250,000,000” and inserting “6,712,000,000”;  
19 and

20 (3) in subsection (d)—

21 (A) by inserting “or the Decision of Janu-  
22 ary 27, 1997,” after “February 24, 1983,”;  
23 and

24 (B) by inserting “or the New Arrange-  
25 ments to Borrow, as applicable” before the pe-  
26 riod at the end.

1 ADVOCACY OF POLICIES TO ENHANCE THE GENERAL EF-  
2 FECTIVENESS OF THE INTERNATIONAL MONETARY  
3 FUND

4 SEC. 607. (a) IN GENERAL.—Title XV of the Inter-  
5 national Financial Institutions Act (22 U.S.C. 262o–262o-  
6 1) is amended by adding at the end the following:

7 **“SEC. 1503. ADVOCACY OF POLICIES TO ENHANCE THE**  
8 **GENERAL EFFECTIVENESS OF THE INTER-**  
9 **NATIONAL MONETARY FUND.**

10 “(a) IN GENERAL.—The Secretary of the Treasury  
11 shall instruct the United States Executive Director of the  
12 International Monetary Fund to use aggressively the voice  
13 and vote of the Executive Director to do the following:

14 “(1) Vigorously promote policies to increase the  
15 effectiveness of the International Monetary Fund in  
16 structuring programs and assistance so as to pro-  
17 mote policies and actions that will contribute to ex-  
18 change rate stability and avoid competitive devalu-  
19 ations that will further destabilize the international  
20 financial and trading systems.

21 “(2) Vigorously promote policies to increase the  
22 effectiveness of the International Monetary Fund in  
23 promoting market-oriented reform, trade liberaliza-  
24 tion, economic growth, democratic governance, and  
25 social stability through—



1           “(A) appropriate liberalization of pricing,  
2 trade, investment, and exchange rate regimes of  
3 countries to open countries to the competitive  
4 forces of the global economy;

5           “(B) opening domestic markets to fair and  
6 open internal competition among domestic en-  
7 terprises by eliminating inappropriate favor-  
8 itism for small or large businesses, eliminating  
9 elite monopolies, creating and effectively imple-  
10 menting anti-trust and anti-monopoly laws to  
11 protect free competition, and establishing fair  
12 and accessible legal procedures for dispute set-  
13 tlement among domestic enterprises;

14           “(C) privatizing industry in a fair and eq-  
15 uitable manner that provides economic opportu-  
16 nities to a broad spectrum of the population,  
17 eliminating government and elite monopolies,  
18 closing loss-making enterprises, and reducing  
19 government control over the factors of produc-  
20 tion;

21           “(D) economic deregulation by eliminating  
22 inefficient and overly burdensome regulations  
23 and strengthening the legal framework support-  
24 ing private contract and intellectual property  
25 rights;

1           “(E) establishing or strengthening key ele-  
2           ments of a social safety net to cushion the ef-  
3           fects on workers of unemployment and disloca-  
4           tion; and

5           “(F) encouraging the opening of markets  
6           for agricultural commodities and products by  
7           requiring recipient countries to make efforts to  
8           reduce trade barriers.

9           “(3) Vigorously promote policies to increase the  
10          effectiveness of the International Monetary Fund, in  
11          concert with appropriate international authorities  
12          and other international financial institutions (as de-  
13          fined in section 1701(c)(2)), in strengthening finan-  
14          cial systems in developing countries, and encourag-  
15          ing the adoption of sound banking principles and  
16          practices, including the development of laws and reg-  
17          ulations that will help to ensure that domestic finan-  
18          cial institutions meet strong standards regarding  
19          capital reserves, regulatory oversight, and trans-  
20          parency.

21          “(4) Vigorously promote policies to increase the  
22          effectiveness of the International Monetary Fund, in  
23          concert with appropriate international authorities  
24          and other international financial institutions (as de-  
25          fined in section 1701(c)(2)), in facilitating the devel-

1        opment and implementation of internationally ac-  
2        ceptable domestic bankruptcy laws and regulations  
3        in developing countries, including the provision of  
4        technical assistance as appropriate.

5            “(5) Vigorously promote policies that aim at  
6        appropriate burden-sharing by the private sector so  
7        that investors and creditors bear more fully the con-  
8        sequences of their decisions, and accordingly advo-  
9        cate policies which include—

10            “(A) strengthening crisis prevention and  
11        early warning signals through improved and  
12        more effective surveillance of the national eco-  
13        nomic policies and financial market develop-  
14        ment of countries (including monitoring of the  
15        structure and volume of capital flows to identify  
16        problematic imbalances in the inflow of short  
17        and medium term investment capital, poten-  
18        tially destabilizing inflows of offshore lending  
19        and foreign investment, or problems with the  
20        maturity profiles of capital to provide warnings  
21        of imminent economic instability), and fuller  
22        disclosure of such information to market par-  
23        ticipants;

1           “(B) accelerating work on strengthening fi-  
2           nancial systems in emerging market economies  
3           so as to reduce the risk of financial crises;

4           “(C) consideration of provisions in debt  
5           contracts that would foster dialogue and con-  
6           sultation between a sovereign debtor and its  
7           private creditors, and among those creditors;

8           “(D) consideration of extending the scope  
9           of the International Monetary Fund’s policy on  
10          lending to members in arrears and of other  
11          policies so as to foster the dialogue and con-  
12          sultation referred to in subparagraph (C);

13          “(E) intensified consideration of mecha-  
14          nisms to facilitate orderly workout mechanisms  
15          for countries experiencing debt or liquidity cri-  
16          ses;

17          “(F) consideration of establishing ad hoc  
18          or formal linkages between the provision of offi-  
19          cial financing to countries experiencing a finan-  
20          cial crisis and the willingness of market partici-  
21          pants to meaningfully participate in any sta-  
22          bilization effort led by the International Mone-  
23          tary Fund;

24          “(G) using the International Monetary  
25          Fund to facilitate discussions between debtors

1 and private creditors to help ensure that finan-  
2 cial difficulties are resolved without inappropri-  
3 ate resort to public resources; and

4 “(H) the International Monetary Fund ac-  
5 companying the provision of funding to coun-  
6 tries experiencing a financial crisis resulting  
7 from imprudent borrowing with efforts to  
8 achieve a significant contribution by the private  
9 creditors, investors, and banks which had ex-  
10 tended such credits.

11 “(6) Vigorously promote policies that would  
12 make the International Monetary Fund a more ef-  
13 fective mechanism, in concert with appropriate inter-  
14 national authorities and other international financial  
15 institutions (as defined in section 1701(c)(2)), for  
16 promoting good governance principles within recipi-  
17 ent countries by fostering structural reforms, includ-  
18 ing procurement reform, that reduce opportunities  
19 for corruption and bribery, and drug-related money  
20 laundering.

21 “(7) Vigorously promote the design of Inter-  
22 national Monetary Fund programs and assistance so  
23 that governments that draw on the International  
24 Monetary Fund channel public funds away from un-  
25 productive purposes, including large ‘show case’

1 projects and excessive military spending, and toward  
2 investment in human and physical capital as well as  
3 social programs to protect the neediest and promote  
4 social equity.

5 “(8) Work with the International Monetary  
6 Fund to foster economic prescriptions that are ap-  
7 propriate to the individual economic circumstances  
8 of each recipient country, recognizing that inappro-  
9 priate stabilization programs may only serve to fur-  
10 ther destabilize the economy and create unnecessary  
11 economic, social, and political dislocation.

12 “(9) Structure International Monetary Fund  
13 programs and assistance so that the maintenance  
14 and improvement of core labor standards are rou-  
15 tinely incorporated as an integral goal in the policy  
16 dialogue with recipient countries, so that—

17 “(A) recipient governments commit to af-  
18 fording workers the right to exercise inter-  
19 nationally recognized core worker rights, includ-  
20 ing the right of free association and collective  
21 bargaining through unions of their own choos-  
22 ing;

23 “(B) measures designed to facilitate labor  
24 market flexibility are consistent with such core  
25 worker rights; and

1           “(C) the staff of the International Mone-  
2           etary Fund surveys the labor market policies and  
3           practices of recipient countries and recommends  
4           policy initiatives that will help to ensure the  
5           maintenance or improvement of core labor  
6           standards.

7           “(10) Vigorously promote International Mone-  
8           etary Fund programs and assistance that are struc-  
9           tured to the maximum extent feasible to discourage  
10          practices which may promote ethnic or social strife  
11          in a recipient country.

12          “(11) Vigorously promote recognition by the  
13          International Monetary Fund that macroeconomic  
14          developments and policies can affect and be affected  
15          by environmental conditions and policies, and urge  
16          the International Monetary Fund to encourage mem-  
17          ber countries to pursue macroeconomic stability  
18          while promoting environmental protection.

19          “(12) Facilitate greater International Monetary  
20          Fund transparency, including by enhancing acces-  
21          sibility of the International Monetary Fund and its  
22          staff, fostering a more open release policy toward  
23          working papers, past evaluations, and other Inter-  
24          national Monetary Fund documents, seeking to pub-  
25          lish all Letters of Intent to the International Mone-

1 tary Fund and Policy Framework Papers, and estab-  
2 lishing a more open release policy regarding Article  
3 IV consultations.

4 “(13) Facilitate greater International Monetary  
5 Fund accountability and enhance International Mon-  
6 etary Fund self-evaluation by vigorously promoting  
7 review of the effectiveness of the Office of Internal  
8 Audit and Inspection and the Executive Board’s ex-  
9 ternal evaluation pilot program and, if necessary, the  
10 establishment of an operations evaluation depart-  
11 ment modeled on the experience of the International  
12 Bank for Reconstruction and Development, guided  
13 by such key principles as usefulness, credibility,  
14 transparency, and independence.

15 “(14) Vigorously promote coordination with the  
16 International Bank for Reconstruction and Develop-  
17 ment and other international financial institutions  
18 (as defined in section 1701(c)(2)) in promoting  
19 structural reforms which facilitate the provision of  
20 credit to small businesses, including microenterprise  
21 lending, especially in the world’s poorest, heavily in-  
22 debted countries.

23 “(b) COORDINATION WITH OTHER EXECUTIVE DE-  
24 PARTMENTS.—To the extent that it would assist in achiev-  
25 ing the goals described in subsection (a), the Secretary



1 of the Treasury shall pursue the goals in coordination with  
2 the Secretary of State, the Secretary of Labor, the Sec-  
3 retary of Commerce, the Administrator of the Environ-  
4 mental Protection Agency, the Administrator of the Agen-  
5 cy for International Development, and the United States  
6 Trade Representative.”.

7 (b) ADVISORY COMMITTEE ON IMF POLICY.—Sec-  
8 tion 1701 of such Act (22 U.S.C. 262p-5) is amended  
9 by adding at the end the following:

10 “(e) ADVISORY COMMITTEE ON IMF POLICY.—

11 “(1) IN GENERAL.—The Secretary of the  
12 Treasury shall establish an International Monetary  
13 Fund Advisory Committee (in this subsection re-  
14 ferred to as the ‘Advisory Committee’).

15 “(2) MEMBERSHIP.—The Advisory Committee  
16 shall consist of 9 members appointed by the Sec-  
17 retary of the Treasury, after appropriate consulta-  
18 tions with the relevant organizations, as follows:

19 “(A) 1 member shall be a former Secretary  
20 or Deputy Secretary of the Treasury, who shall  
21 serve as the chairman of the Advisory Commit-  
22 tee.

23 “(B) 2 members shall be representatives  
24 from organized labor.

1           “(C) 2 members shall be representatives  
2           from banking and financial services.

3           “(D) 2 members shall be representatives  
4           from industry and agriculture.

5           “(E) 2 members shall be representatives  
6           from nongovernmental environmental and  
7           human rights organizations.

8           “(3) DUTIES.—Not less frequently than every 6  
9           months, the Advisory Committee shall meet with the  
10          Secretary of the Treasury or the Deputy Secretary  
11          of the Treasury to review, and provide advice on, the  
12          extent to which individual country International  
13          Monetary Fund programs meet the policy goals set  
14          forth in this Act regarding the International Mone-  
15          tary Fund.

16          “(4) INAPPLICABILITY OF TERMINATION PROVI-  
17          SION OF THE FEDERAL ADVISORY COMMITTEE  
18          ACT.—Section 14(a)(2) of the Federal Advisory  
19          Committee Act shall not apply to the Advisory Com-  
20          mittee.”.

21          SENSE OF THE CONGRESS ON THE ROLE OF JAPAN IN  
22          RESTORING REGIONAL AND GLOBAL ECONOMIC GROWTH  
23          SEC. 608. It is the sense of the Congress that Japan  
24          should assume a greater regional leadership role, which  
25          would coincide with Japan’s goal of promoting strong do-  
26          mestic demand-led growth and avoiding a significant in-

1 crease in its external surplus with the United States and  
2 the countries of the Asia-Pacific region.

3 SEMIANNUAL REPORTS ON FINANCIAL STABILIZATION  
4 PROGRAMS LED BY THE INTERNATIONAL MONETARY  
5 FUND IN CONNECTION WITH FINANCING FROM THE  
6 EXCHANGE STABILIZATION FUND

7 SEC. 609. Title XVII of the International Financial  
8 Institutions Act (22 U.S.C. 262r-262r-2) is amended by  
9 adding at the end the following:

10 **“SEC. 1704. REPORTS ON FINANCIAL STABILIZATION PRO-**  
11 **GRAMS LED BY THE INTERNATIONAL MONE-**  
12 **TARY FUND IN CONNECTION WITH FINANC-**  
13 **ING FROM THE EXCHANGE STABILIZATION**  
14 **FUND.**

15 “(a) IN GENERAL.—The Secretary of the Treasury,  
16 in consultation with the Secretary of Commerce and other  
17 appropriate Federal agencies, shall prepare reports on the  
18 implementation of financial stabilization programs (and  
19 any material terms and conditions thereof) led by the  
20 International Monetary Fund in countries in connection  
21 with which the United States has made a commitment to  
22 provide, or has provided financing from the stabilization  
23 fund established under section 5302 of title 31, United  
24 States Code. The reports shall include the following:

25 “(1) A description of the condition of the econo-  
26 mies of countries requiring the financial stabilization

1 programs, including the monetary, fiscal, and ex-  
2 change rate policies of the countries.

3 “(2) A description of the degree to which the  
4 countries requiring the financial stabilization pro-  
5 grams have fully implemented financial sector re-  
6 structuring and reform measures required by the  
7 International Monetary Fund, including—

8 “(A) ensuring full respect for the commer-  
9 cial orientation of commercial bank lending;

10 “(B) ensuring that governments will not  
11 intervene in bank management and lending de-  
12 cisions (except in regard to prudential super-  
13 vision);

14 “(C) the enactment and implementation of  
15 appropriate financial reform legislation;

16 “(D) strengthening the domestic financial  
17 system and improving transparency and super-  
18 vision; and

19 “(E) the opening of domestic capital mar-  
20 kets.

21 “(3) A description of the degree to which the  
22 countries requiring the financial stabilization pro-  
23 grams have fully implemented reforms required by  
24 the International Monetary Fund that are directed

1 at corporate governance and corporate structure, in-  
2 cluding—

3 “(A) making nontransparent conglomerate  
4 practices more transparent through the applica-  
5 tion of internationally accepted accounting  
6 practices, independent external audits, full dis-  
7 closure, and provision of consolidated state-  
8 ments; and

9 “(B) ensuring that no government sub-  
10 subsidized support or tax privileges will be provided  
11 to bail out individual corporations, particularly  
12 in the semiconductor, steel, and paper indus-  
13 tries.

14 “(4) A description of the implementation of re-  
15 form measures required by the International Mone-  
16 tary Fund to deregulate and privatize economic ac-  
17 tivity by ending domestic monopolies, undertaking  
18 trade liberalization, and opening up restricted areas  
19 of the economy to foreign investment and competi-  
20 tion.

21 “(5) A detailed description of the trade policies  
22 of the countries, including any unfair trade practices  
23 or adverse effects of the trade policies on the United  
24 States.

1           “(6) A description of the extent to which the fi-  
2           nancial stabilization programs have resulted in ap-  
3           propriate burden-sharing among private sector credi-  
4           tors, including rescheduling of outstanding loans by  
5           lengthening maturities, agreements on debt reduc-  
6           tion, and the extension of new credit.

7           “(7) A description of the extent to which the  
8           economic adjustment policies of the International  
9           Monetary Fund and the policies of the government  
10          of the country adequately balance the need for finan-  
11          cial stabilization, economic growth, environmental  
12          protection, social stability, and equity for all ele-  
13          ments of the society.

14          “(8) Whether International Monetary Fund in-  
15          volvement in labor market flexibility measures has  
16          had a negative effect on core worker rights, particu-  
17          larly the rights of free association and collective bar-  
18          gaining.

19          “(9) A description of any pattern of abuses of  
20          core worker rights in recipient countries.

21          “(10) The amount, rate of interest, and dis-  
22          bursement and repayment schedules of any funds  
23          disbursed from the stabilization fund established  
24          under section 5302 of title 31, United States Code,

1 in the form of loans, credits, guarantees, or swaps,  
2 in support of the financial stabilization programs.

3 “(11) The amount, rate of interest, and dis-  
4 bursement and repayment schedules of any funds  
5 disbursed by the International Monetary Fund to  
6 the countries in support of the financial stabilization  
7 programs.

8 “(b) TIMING.—Not later than October 1, 1998, and  
9 semiannually thereafter, the Secretary of the Treasury  
10 shall submit to the Committees on Banking and Financial  
11 Services and International Relations of the House of Rep-  
12 resentatives and the Committees on Foreign Relations,  
13 and Banking, Housing, and Urban Affairs of the Senate  
14 a report on the matters described in subsection (a).”.

15 REPORTS ON REFORMING THE ARCHITECTURE OF THE  
16 INTERNATIONAL FINANCIAL SYSTEM

17 SEC. 610. (a) FINDINGS.—The Congress finds that,  
18 in order to ensure that the International Monetary Fund  
19 does not become the global lender of last resort to private  
20 sector corporations and financial institutions, and in order  
21 to help prevent future threats to the international finan-  
22 cial system, the Secretary of the Treasury and the Chair-  
23 man of the Board of Governors of the Federal Reserve  
24 System, working with their counterparts in other countries  
25 and with international organizations as appropriate,  
26 should—

1           (1) seek to establish a broad set of international  
2 transparency principles on accounting and disclosure  
3 policies and practices covering, in particular, private  
4 sector financial organizations;

5           (2) promote improvements in the provision by  
6 both borrowers and lenders of timely and com-  
7 prehensive aggregate information on cross-border fi-  
8 nancial stocks and flows;

9           (3) seek an international accord establishing  
10 uniform minimum standards with respect to robust  
11 banking and supervisory systems, which individual  
12 countries should be required to meet as a condition  
13 for the establishment of subsidiaries, branches, or  
14 other offices of banking institutions from their coun-  
15 tries in the jurisdictions of the countries participat-  
16 ing in the accord;

17           (4) immediately initiate with appropriate rep-  
18 resentatives of the countries that are members of the  
19 International Monetary Fund discussions aimed at  
20 securing national treatment for United States inves-  
21 tors in such countries; and

22           (5) seek to establish internationally acceptable  
23 bankruptcy standards and should work particularly  
24 to have International Monetary Fund recipient coun-  
25 tries adopt such standards.



1 (b) REPORTS.—

2 (1) IN GENERAL.—The Secretary of the Treas-  
3 ury shall prepare 3 reports on progress made toward  
4 achieving the objectives outlined in subsection (a),  
5 which shall describe the steps taken by the United  
6 States, other members of the world community, and  
7 the international financial institutions to strengthen  
8 safeguards in the global financial system, including  
9 measures to promote more efficient functioning of  
10 global markets, by—

11 (A) helping to develop effective legal and  
12 regulatory frameworks, including appropriate  
13 bankruptcy and foreclosure mechanisms;

14 (B) increasing transparency and disclosure  
15 by both the private and public sectors;

16 (C) strengthening prudential standards,  
17 both globally and in individual economies;

18 (D) improving domestic policy manage-  
19 ment;

20 (E) strengthening the role of the inter-  
21 national financial institutions in financial crisis  
22 prevention and management; and

23 (F) ensuring appropriate burden-sharing  
24 by the private sector, particularly commercial

1 banks and financial institutions, in the resolu-  
2 tion of crises.

3 (2) TIMING.—The Secretary of the Treasury  
4 shall submit to the Committees on Banking and Fi-  
5 nancial Services and International Relations of the  
6 House of Representatives and the Committees on  
7 Foreign Relations and Banking, Housing, and  
8 Urban Affairs of the Senate 2 interim reports on the  
9 matters described in paragraph (1), the first of  
10 which is due by October 1, 1998, and the second of  
11 which is due on April 1, 1999, and a final report on  
12 such matters, which is due on October 1, 1999.

13 ANNUAL REPORT AND TESTIMONY ON THE STATE OF  
14 THE INTERNATIONAL FINANCIAL SYSTEM, IMF RE-  
15 FORM, AND COMPLIANCE WITH IMF AGREEMENTS

16 SEC. 611. Title XVII of the International Financial  
17 Institutions Act (22 U.S.C. 262r-262r-2) is further  
18 amended by adding at the end the following:

19 **“SEC. 1705. ANNUAL REPORT AND TESTIMONY ON THE**  
20 **STATE OF THE INTERNATIONAL FINANCIAL**  
21 **SYSTEM, IMF REFORM, AND COMPLIANCE**  
22 **WITH IMF AGREEMENTS.**

23 “(a) REPORTS.—Not later than October 1 of each  
24 year, the Secretary of the Treasury shall submit to the  
25 Committee on Banking and Financial Services of the  
26 House of Representatives and the Committee on Foreign

1 Relations of the Senate a written report on the progress  
2 (if any) made by the United States Executive Director at  
3 the International Monetary Fund in influencing the Inter-  
4 national Monetary Fund to adopt the policies and reform  
5 its internal procedures in the manner described in section  
6 1503.

7 “(b) TESTIMONY.—After submitting the report re-  
8 quired by subsection (a) but not later than October 31  
9 of each year, the Secretary of the Treasury shall appear  
10 before the Committee on Banking and Financial Services  
11 of the House of Representatives and the Committee on  
12 Foreign Relations of the Senate and present testimony  
13 on—

14 “(1) any progress made in reforming the Inter-  
15 national Monetary Fund;

16 “(2) the status of efforts to reform the inter-  
17 national financial system; and

18 “(3) the compliance of countries which have re-  
19 ceived assistance from the International Monetary  
20 Fund with agreements made as a condition of receiv-  
21 ing the assistance.”.

22 AUDITS OF THE INTERNATIONAL MONETARY FUND

23 SEC. 612. Title XVII of the International Financial  
24 Institutions Act (22 U.S.C. 262r–262r-2) is further  
25 amended by adding at the end the following:

1 **“SEC. 1706. AUDITS OF THE INTERNATIONAL MONETARY**  
2 **FUND.**

3 “(a) ACCESS TO MATERIALS.—Not later than 30  
4 days after the date of the enactment of this section, the  
5 Secretary of the Treasury shall certify to the Committee  
6 on Banking and Financial Services of the House of Rep-  
7 resentatives and the Committee on Foreign Relations of  
8 the Senate that the Secretary has instructed the United  
9 States Executive Director at the International Monetary  
10 Fund to facilitate timely access by the General Accounting  
11 Office to information and documents of the International  
12 Monetary Fund needed by the Office to perform financial  
13 reviews of the International Monetary Fund that will fa-  
14 cilitate the conduct of United States policy with respect  
15 to the Fund.

16 “(b) REPORTS.—Not later than June 30, 1999, and  
17 annually thereafter, the Comptroller General of the United  
18 States shall prepare and submit to the committees speci-  
19 fied in subsection (a) a report on the financial operations  
20 of the Fund during the preceding year, which shall in-  
21 clude—

22 “(1) the current financial condition of the  
23 International Monetary Fund;

24 “(2) the amount, rate of interest, disbursement  
25 schedule, and repayment schedule for any loans that  
26 were initiated or outstanding during the preceding

1 calendar year, and with respect to disbursement  
2 schedules, the report shall identify and discuss in de-  
3 tail any conditions required to be fulfilled by a bor-  
4 rower country before a disbursement is made;

5 “(3) a detailed description of whether the trade  
6 policies of borrower countries permit free and open  
7 trade by the United States and other foreign coun-  
8 tries in the borrower countries;

9 “(4) a detailed description of the export policies  
10 of borrower countries and whether the policies may  
11 result in increased export of their products, goods,  
12 or services to the United States which may have sig-  
13 nificant adverse effects on, or result in unfair trade  
14 practices against or affecting United States compa-  
15 nies, farmers, or communities;

16 “(5) a detailed description of any conditions of  
17 International Monetary Fund loans which have not  
18 been met by borrower countries, including a discus-  
19 sion of the reasons why such conditions were not  
20 met, and the actions taken by the International  
21 Monetary Fund due to the borrower country’s non-  
22 compliance;

23 “(6) an identification of any borrower country  
24 and loan on which any loan terms or conditions were  
25 renegotiated in the preceding calendar year, includ-

1 ing a discussion of the reasons for the renegotiation  
2 and any new loan terms and conditions; and

3 “(7) a specification of the total number of loans  
4 made by the International Monetary Fund from its  
5 inception through the end of the period covered by  
6 the report, the number and percentage (by number)  
7 of such loans that are in default or arrears, and the  
8 identity of the countries in default or arrears, and  
9 the number of such loans that are outstanding as of  
10 the end of period covered by the report and the ag-  
11 gregate amount of the outstanding loans and the av-  
12 erage yield (weighted by loan principal) of the his-  
13 torical and outstanding loan portfolios of the Inter-  
14 national Monetary Fund.”.

15 SHORT TITLE

16 SEC. 613. Sections 605 through 613 of this title may  
17 be cited as the “International Monetary Fund Reform and  
18 Authorization Act of 1998”.

19 Titles I through V, the appropriations paragraphs of  
20 title VI, and sections 601 through 604, of this Act may  
21 be cited as the “Foreign Operations, Export Financing,  
22 and Related Programs Appropriations Act, 1999”.