

MAKING APPROPRIATIONS FOR FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1998, AND FOR OTHER PURPOSES

NOVEMBER 12, 1997.—Ordered to be printed

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

CONFERENCE REPORT

[To accompany H.R. 2159]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2159) “making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes,” having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

*That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1998, and for other purposes, namely:*

**TITLE I—EXPORT AND INVESTMENT ASSISTANCE**

**EXPORT-IMPORT BANK OF THE UNITED STATES**

*The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: Provided, That none of the funds available during the current fiscal*

*year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.*

#### SUBSIDY APPROPRIATION

*For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, \$683,000,000 to remain available until September 30, 2001: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That such sums shall remain available until 2013 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 1998 and 1999: Provided further, That up to \$50,000,000 of funds appropriated by this paragraph shall remain available until expended and may be used for tied-aid grant purposes: Provided further, That none of the funds appropriated by this Act or any prior Act appropriating funds for foreign operations, export financing, or related programs for tied-aid credits or grants may be used for any other purpose except through the regular notification procedures of the Committees on Appropriations: Provided further, That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export-Import Bank Act of 1945, in connection with the purchase or lease of any product by any East European country, any Baltic State, or any agency or national thereof.*

#### ADMINISTRATIVE EXPENSES

*For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed \$20,000 for official reception and representation expenses for members of the Board of Directors, \$48,614,000: Provided, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: Provided further, That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 1998.*

## OVERSEAS PRIVATE INVESTMENT CORPORATION

## NONCREDIT ACCOUNT

*The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: Provided, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed \$35,000) shall not exceed \$32,000,000: Provided further, That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.*

## PROGRAM ACCOUNT

*For the cost of direct and guaranteed loans, \$60,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961 to be derived by transfer from the Overseas Private Investment Corporation noncredit account: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 1998 and 1999: Provided further, That such sums shall remain available through fiscal year 2006 for the disbursement of direct and guaranteed loans obligated in fiscal year 1998, and through fiscal year 2007 for the disbursement of direct and guaranteed loans obligated in fiscal year 1999: Provided further, That in addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account.*

## FUNDS APPROPRIATED TO THE PRESIDENT

## TRADE AND DEVELOPMENT AGENCY

*For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, \$41,500,000, to remain available until September 30, 1999: Provided, That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 1999, for necessary expenses under this paragraph: Provided further, That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.*

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

*For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1998, unless otherwise specified herein, as follows:*

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

*For necessary expenses to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961, for child survival, basic education, assistance to combat tropical and other diseases, and related activities, in addition to funds otherwise available for such purposes, \$650,000,000, to remain available until expended: Provided, That this amount shall be made available for such activities as: (1) immunization programs; (2) oral rehydration programs; (3) health and nutrition programs, and related education programs, which address the needs of mothers and children; (4) water and sanitation programs; (5) assistance for displaced and orphaned children; (6) programs for the prevention, treatment, and control of, and research on, tuberculosis, HIV/AIDS, polio, malaria and other diseases; (7) up to \$98,000,000 for basic education programs for children; and (8) a contribution on a grant basis to the United Nations Children's Fund (UNICEF) pursuant to section 301 of the Foreign Assistance Act of 1961.*

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

*For necessary expenses to carry out the provisions of sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96-533) and the provisions of section 401 of the Foreign Assistance Act of 1969, \$1,210,000,000, to remain available until September 30, 1999: Provided, That of the amount appropriated under this heading, up to \$22,000,000 may be made available for the Inter-American Foundation and shall be apportioned directly to that Agency: Provided further, That of the amount appropriated under this heading, up to \$14,000,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: Provided further, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: Provided further, That none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing*

*nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services: Provided further, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: Provided further, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: Provided further, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: Provided further, That notwithstanding section 109 of the Foreign Assistance Act of 1961, of the funds appropriated under this heading in this Act, and of the unobligated balances of funds previously appropriated under this heading, not to exceed \$2,500,000 shall be transferred to "International Organizations and Programs" for a contribution to the International Fund for Agricultural Development (IFAD), and that any such transfer of funds shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That of the funds appropriated under this heading that are made available for assistance programs for displaced and orphaned children and victims of war, not to exceed \$25,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of such programs: Provided further, That none of the funds made available under this heading may be used for any activity which is in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES).*

#### PRIVATE AND VOLUNTARY ORGANIZATIONS

*None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 percentum of its total annual funding for international activities from sources other than the United States Government: Provided, That the requirements of the provisions of section 123(g) of the Foreign Assistance Act of 1961 and the provisions on private and voluntary organizations in title II of the "Foreign Assistance and Related Programs Appropriations Act, 1985" (as enacted in Public Law 98-473) shall be superseded by the provisions of this section, except that the authority contained in the last sentence of section 123(g) may be exercised by the Administrator with regard to the requirements of this paragraph.*

*Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is at least equivalent to the level provided in fiscal year 1995. Such private and voluntary organizations shall*

*include those which operate on a not-for-profit basis, receive contributions from private sources, receive voluntary support from the public and are deemed to be among the most cost-effective and successful providers of development assistance.*

CYPRUS

*Of the funds appropriated under the headings "Development Assistance" and "Economic Support Fund", not less than \$15,000,000 shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicommunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.*

BURMA

*Of the funds appropriated under the headings "Development Assistance" and "Economic Support Fund", not less than \$5,000,000 shall be made available to support activities in Burma, along the Burma-Thailand border, and for activities of Burmese student groups and other organizations located outside Burma: Provided, That funds made available for Burma related activities under this heading may be made available notwithstanding any other provision of law: Provided further, That provision of such funds shall be made available subject to the regular notification procedures of the Committees on Appropriations.*

CAMBODIA

*None of the funds appropriated in this Act may be made available for the Government of Cambodia: Provided, That the restrictions under this heading shall not apply to humanitarian, demining or election-related programs or activities: Provided further, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That 30 days after enactment of this Act, the President shall report to the Committees on Appropriations on the results of the FBI investigation into the bombing attack in Phnom Penh on March 30, 1997.*

INTERNATIONAL DISASTER ASSISTANCE

*For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, \$190,000,000, to remain available until expended.*

DEBT RESTRUCTURING

*For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts, through debt buybacks and swaps, owed to the United States as a result of concessional loans made to eligible Latin American and Caribbean countries, pursuant to part IV of the Foreign Assistance Act of 1961; of modifying concessional*

*loans extended to least developed countries, as authorized under section 411 of the Agricultural Trade Development and Assistance Act of 1954, as amended; and of modifying any obligation, or portion of such obligation for Latin American countries to pay for purchases of United States agricultural commodities guaranteed by the Commodity Credit Corporation under export credit guarantee programs authorized pursuant to section 5(f) of the Commodity Credit Corporation Charter Act of June 29, 1948, as amended, section 4(b) of the Food for Peace Act of 1966, as amended (Public Law 89-808), or section 202 of the Agricultural Trade Act of 1978, as amended (Public Law 95-501); \$27,000,000, to remain available until expended: Provided, That not to exceed \$1,500,000 of such funds may be used for implementation of improvements in the foreign credit reporting system of the United States government.*

*MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT*

*For the cost of direct loans and loan guarantees, \$1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: Provided, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That guarantees of loans made under this heading in support of micro-enterprise activities may guarantee up to 70 percent of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, \$500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: Provided further, That funds made available under this heading shall remain available until September 30, 1999.*

*URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT*

*For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961, including the cost of guaranteed loans designed to promote the urban and environmental policies and objectives of part I of such Act, \$3,000,000, to remain available until September 30, 1999: Provided, That these funds are available to subsidize loan principal, 100 percent of which shall be guaranteed, pursuant to the authority of such sections. In addition, for administrative expenses to carry out guaranteed loan programs, \$6,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: Provided further, That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) and, with regard to programs for Central and Eastern Europe and programs for the benefit of South Africans disadvantaged by apartheid, section 223(j) of the Foreign Assistance Act of 1961.*

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY  
FUND

*For payment to the "Foreign Service Retirement and Disability Fund", as authorized by the Foreign Service Act of 1980, \$44,208,000.*

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL  
DEVELOPMENT

*For necessary expenses to carry out the provisions of section 667, \$473,000,000: Provided, That none of the funds appropriated by this Act for programs administered by the Agency for International Development may be used to finance printing costs of any report or study (except feasibility, design, or evaluation reports or studies) in excess of \$25,000 without the approval of the Administrator of the Agency or the Administrator's designee.*

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

*For necessary expenses to carry out the provisions of section 667, \$29,047,000, to remain available until September 30, 1999, which sum shall be available for the Office of the Inspector General of the Agency for International Development.*

OTHER BILATERAL ECONOMIC ASSISTANCE  
ECONOMIC SUPPORT FUND

*For necessary expenses to carry out the provisions of chapter 4 of part II, \$2,400,000,000, to remain available until September 30, 1999: Provided, That of the funds appropriated under this heading, not less than \$1,200,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within thirty days of enactment of this Act or by October 31, 1997, whichever is later: Provided further, That not less than \$815,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance may be provided, with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years: Provided further, That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country: Provided further, That of the funds appropriated under this heading, not less than \$150,000,000 shall be made available for Jordan: Provided further, That of the funds made available under this heading in previous Acts making appropriations for foreign operations, export financing, and related programs, notwithstanding any provision in any such heading in such previous Acts, up to \$116,000,000 may be allocated or made available for programs and activities under this heading including the Middle East Peace and Stability Fund: Provided further, That in carrying out the previous proviso, the President should seek to ensure to the extent feasible that not more than 1 percent of the amount specified in section 586*



*of this Act should be derived from funds that would otherwise be made available for any single country: Provided further, That funds provided for the Middle East Peace and Stability Fund by a country in the region under the authority of section 635(d) of the Foreign Assistance Act of 1961, and funds made available for Jordan following the date of enactment of this Act from previous Acts making appropriations for foreign operations, export financing, and related programs, shall count toward meeting the earmark contained in the fourth proviso under this heading: Provided further, That up to \$10,000,000 of funds under this heading in previous foreign operations, export financing, and related programs appropriations Acts that were reprogrammed for Jordan during fiscal year 1997 shall also count toward such earmark: Provided further, That, in order to facilitate the implementation of the fourth proviso under this heading, the requirement of section 515 of this Act or any similar provision of law shall not apply to the making available of funds appropriated for a fiscal year for programs, projects, or activities that were justified for another fiscal year: Provided further, That for fiscal year 1998 such portions of the notification required under section 653 of the Foreign Assistance Act of 1961 that relate to the Middle East may be submitted to the Congress as soon as practicable, but no later than March 1, 1998: Provided further, That during fiscal year 1998, of the local currencies generated from funds made available under this heading for Guatemala by this Act and prior Appropriations Acts, the United States and Guatemala may jointly program the Guatemala quetzales equivalent of a total of up to \$10,000,000 for the purpose of retiring the debt owed by universities in Guatemala to the Inter-American Development Bank.*

#### INTERNATIONAL FUND FOR IRELAND

*For necessary expenses to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, \$19,600,000, which shall be available for the United States contribution to the International Fund for Ireland and shall be made available in accordance with the provisions of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99-415): Provided, That such amount shall be expended at the minimum rate necessary to make timely payment for projects and activities: Provided further, That funds made available under this heading shall remain available until September 30, 1999.*

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

*(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, \$485,000,000, to remain available until September 30, 1999, which shall be available, notwithstanding any other provision of law, for economic assistance and for related programs for Eastern Europe and the Baltic States.*

*(b) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the*

*Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.*

*(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.*

*(d) None of the funds appropriated under this heading may be made available for new housing construction or repair or reconstruction of existing housing in Bosnia and Herzegovina unless directly related to the efforts of United States troops to promote peace in said country.*

*(e) With regard to funds appropriated or otherwise made available under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program)—*

*(1) the Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee; and*

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

*(f) The President is authorized to withhold funds appropriated under this heading made available for economic revitalization programs in Bosnia and Herzegovina, if he determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina has not complied with article III of annex 1-A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has not been terminated.*

*(g) Not to exceed \$200,000,000 of the funds appropriated under this heading may be made available for Bosnia and Herzegovina exclusive of assistance for police training.*

*(h) Not to exceed \$7,000,000 of the funds made available for Bosnia and Herzegovina may be made available for the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees for said country.*

*ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER  
SOVIET UNION*

*(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the new independent states of the former Soviet Union and for related programs, \$770,000,000, to remain available until September 30, 1999: Provided, That the provisions of such chapter shall apply to funds appropriated by this paragraph.*

*(b) None of the funds appropriated under this heading shall be made available to the Government of Russia—*

(1) unless that Government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, negotiating repayment of commercial debt, respect for commercial contracts, and equitable treatment of foreign private investment;

(2) if that Government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures; and

(3) funds may be furnished without regard to this subsection if the President determines that to do so is in the national interest.

(c) None of the funds appropriated under this heading shall be made available to any government of the new independent states of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, such as those violations included in the Helsinki Final Act: Provided, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States: Provided further, That the restriction of this subsection shall not apply to the use of such funds for the provision of assistance for purposes of humanitarian and refugee relief.

(d) None of the funds appropriated under this heading for the new independent states of the former Soviet Union shall be made available for any state to enhance its military capability: Provided, That this restriction does not apply to demilitarization, demining, or nonproliferation programs.

(e) Funds appropriated under this heading shall be subject to the regular notification procedures of the Committees on Appropriations.

(f) Funds made available in this Act for assistance to the new independent states of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(g) Funds appropriated under title II of this Act, including funds appropriated under this heading, may be made available for assistance for Mongolia: Provided, That funds made available for assistance for Mongolia may be made available in accordance with the purposes and utilizing the authorities provided in chapter 11 of part I of the Foreign Assistance Act of 1961.

(h) In issuing new task orders, entering into contracts, or making grants, with funds appropriated under this heading or in prior appropriations Acts, for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

(i) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for pro-

gram purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(j)(1) Of the funds appropriated under this heading that are allocated for assistance for the Government of Russia, 50 percent shall be withheld from obligation until the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability.

(2) Notwithstanding paragraph (1) assistance may be provided for the Government of Russia if the President determines and certifies to the Committees on Appropriations that making such funds available (A) is vital to the national security interest of the United States, and (B) that the Government of Russia is taking meaningful steps to limit major supply contracts and to curtail the transfer of technology and technological expertise related to activities referred to in paragraph (1).

(k) Of the funds appropriated under this heading, not less than \$225,000,000 shall be made available for Ukraine, which sum shall be provided with the understanding that Ukraine will undertake significant economic reforms which are additional to those which were undertaken in the previous fiscal year: Provided, That 50 percent of the amount made available in this subsection, exclusive of funds made available for election related initiatives and nuclear reactor safety activities, shall be withheld from obligation and expenditure until the Secretary of State determines and certifies no later than April 30, 1998, that the Government of Ukraine has made significant progress toward resolving complaints made by United States investors to the United States embassy prior to April 30, 1997: Provided further, That funds made available under this subsection, and funds appropriated for Ukraine in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997 as contained in Public Law 104-208 shall be made available to complete the preparation of safety analysis reports at each nuclear reactor in Ukraine over the next three years.

(l) Of the funds appropriated under this heading, not less than \$250,000,000 shall be made available for assistance for the Southern Caucasus region: Provided, That of the funds provided under this subsection 37 percent shall be made available for Georgia and 35 percent shall be made available for Armenia: Provided further, That of the funds made available for the Southern Caucasus region, 28 percent should be used for reconstruction and remedial activities relating to the consequences of conflicts within the region, especially those in the vicinity of Abkhazia and Nagorno-Karabakh: Provided further, That if the Secretary of State after May 30, 1998, determines and reports to the relevant Committees of Congress that the full amount of reconstruction and remedial funds that may be made available under the previous proviso cannot be effectively utilized, up to 62.5 percent of the amount provided under the previous pro-

*viso for reconstruction and remediation may be used for other purposes under this heading.*

*(m) Funds provided under the previous subsection shall be made available for humanitarian assistance for refugees, displaced persons, and needy civilians affected by the conflicts in the Southern Caucasus region, including those in the vicinity of Abkhazia and Nagorno-Karabakh, notwithstanding any other provision of this or any other Act.*

*(n) Funds made available under this Act or any other Act may not be provided for assistance to the Government of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades against Armenia and Nagorno-Karabakh: Provided, That the restriction of this subsection and section 907 of the FREEDOM Support Act shall not apply to—*

*(1) activities to support democracy or assistance under title V of the FREEDOM Support Act and section 1424 of Public Law 104-201;*

*(2) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421); and*

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

*(o) None of the funds appropriated under this heading or in prior appropriations legislation may be made available to establish a joint public-private entity or organization engaged in the management of activities or projects supported by the Defense Enterprise Fund.*

#### INDEPENDENT AGENCY

##### PEACE CORPS

*For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), \$222,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: Provided, That none of the funds appropriated under this heading shall be used to pay for abortions: Provided further, That funds appropriated under this heading shall remain available until September 30, 1999.*

#### DEPARTMENT OF STATE

##### INTERNATIONAL NARCOTICS CONTROL

*For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, \$215,000,000: Provided, That during fiscal year 1998, the Department of State may also use the authority of section 608 of the Act, without regard to its restrictions, to receive non-lethal excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations: Provided further, That not later than sixty days after the date of enactment of this Act, the Secretary of State in consultation with the Director of the*

*Office of National Drug Control Policy shall submit a report to the Committees on Appropriations containing: (1) a list of all countries in which the United States carries out international counter-narcotics activities; (2) the number, mission and agency affiliation of United States personnel assigned to each such country; and (3) all costs and expenses obligated for each program, project or activity by each United States agency in each country: Provided further, That of the amount made available under this heading not to exceed \$5,000,000 shall be allocated to operate the Western Hemisphere International Law Enforcement Academy: Provided further, That 10 percent of the funds appropriated under this heading shall not be available for obligation until the Secretary of State submits a report to the Committees on Appropriations providing a financial plan for the funds appropriated under this heading and under the heading "Narcotics Interdiction".*

#### NARCOTICS INTERDICTION

*For necessary expenses to carry out the provisions of section 481 of the Foreign Assistance Act of 1961, \$15,000,000, to remain available until expended, in addition to amounts otherwise available for such purposes, which shall be available for assistance, including procurement, for support of air drug interdiction and eradication and other related purposes: Provided, That funds appropriated under this heading shall be made available subject to the regular notification procedures of the Committee on Appropriations.*

#### MIGRATION AND REFUGEE ASSISTANCE

*For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, \$650,000,000: Provided, That not more than \$12,000,000 shall be available for administrative expenses: Provided further, That not less than \$80,000,000 shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.*

#### REFUGEE RESETTLEMENT ASSISTANCE

*For necessary expenses for the targeted assistance program authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 and administered by the Office of Refugee Resettlement of the Department of Health and Human Services, in addition to amounts otherwise available for such purposes, \$5,000,000.*

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE  
FUND

*For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), \$50,000,000, to remain available until expended: Provided, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962 which would limit the amount of funds which could be appropriated for this purpose.*

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED  
PROGRAMS

*For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, \$133,000,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining, the clearance of unexploded ordnance, and related activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO): Provided, That of this amount not to exceed \$15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: Provided further, That such funds may also be used for such countries other than the new independent states of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: Provided further, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: Provided further, That not to exceed \$30,000,000 may be made available to the Korean Peninsula Energy Development Organization (KEDO) only for the administrative expenses and heavy fuel oil costs associated with the Agreed Framework: Provided further, That such funds may be obligated to KEDO only if, thirty days prior to such obligation of funds, the President certifies and so reports to Congress that: (1)(A) the parties to the Agreed Framework are taking steps to assure that progress is made on the implementation of the January 1, 1992, Joint Declaration on the Denuclearization of the Korean Peninsula and the implementation of the North-South dialogue, and (B) North Korea is complying with the other provisions of the Agreed Framework between North Korea and the United States and with the Confidential Minute; (2) North*

*Korea is cooperating fully in the canning and safe storage of all spent fuel from its graphite-moderated nuclear reactors and that such canning and safe storage is scheduled to be completed by April 1, 1998; and (3) North Korea has not significantly diverted assistance provided by the United States for purposes for which it was not intended: Provided further, That the President may waive the certification requirements of the preceding proviso if the President determines that it is vital to the national security interests of the United States: Provided further, That no funds may be obligated for KEDO until thirty calendar days after submission to Congress of the waiver permitted under the preceding proviso: Provided further, That the obligation of any funds for KEDO shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That the Secretary of State shall submit to the appropriate congressional committees an annual report (to be submitted with the annual presentation for appropriations) providing a full and detailed accounting of the fiscal year request for the United States contribution to KEDO, the expected operating budget of the Korean Peninsula Energy Development Organization, to include unpaid debt, proposed annual costs associated with heavy fuel oil purchases, and the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities: Provided further, That of the funds made available under this heading, up to \$10,000,000 may be made available to the Korean Peninsula Energy Development Organization (KEDO), in addition to funds otherwise made available under this heading for KEDO, if the Secretary of State certifies and reports to the Committees on Appropriations that, except for the funds made available under this proviso, funds sufficient to cover all outstanding debts owed by KEDO for heavy fuel oil have been provided to KEDO by donors other than the United States.*

### TITLE III—MILITARY ASSISTANCE

#### FUNDS APPROPRIATED TO THE PRESIDENT

##### INTERNATIONAL MILITARY EDUCATION AND TRAINING

*For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, \$50,000,000: Provided, That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights: Provided further, That funds appropriated under this heading for grant financed military education and training for Indonesia and Guatemala may only be available for expanded international military education and training and funds made available for Guatemala may only be provided through the regular notification procedures of the Committees on Appropriations: Provided further, That none of the funds appropriated under this heading may be made available to support grant financed military education and training at the School of the Americas unless: (1) the Secretary of Defense certifies that the instruction and training provided by the School of the Americas is fully consistent with*



*training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to train United States military personnel; (2) the Secretary of Defense certifies that the Secretary of State, in consultation with the Secretary of Defense, has developed and issued specific guidelines governing the selection and screening of candidates for instruction at the School of the Americas; and (3) the Secretary of Defense submits to the Committees on Appropriations a report detailing the training activities of the School of the Americas and a general assessment regarding the performance of its graduates during 1996.*

FOREIGN MILITARY FINANCING PROGRAM

*For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, \$3,296,550,000: Provided, That of the funds appropriated under this heading, not less than \$1,800,000,000 shall be available for grants only for Israel, and not less than \$1,300,000,000 shall be made available for grants only for Egypt: Provided further, That the funds appropriated by this paragraph for Israel shall be disbursed within thirty days of enactment of this Act or by October 31, 1997, whichever is later: Provided further, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than \$475,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development: Provided further, That of the funds appropriated by this paragraph, not less than \$75,000,000 shall be available for assistance for Jordan: Provided further, That during fiscal year 1998 the President is authorized to, and shall, direct drawdowns of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training of an aggregate value of not less than \$25,000,000 under the authority of this proviso for Jordan for the purposes of part II of the Foreign Assistance Act of 1961, and any amount so directed shall count toward meeting the earmark in the previous proviso: Provided further, That section 506(c) of the Foreign Assistance Act of 1961 shall apply, and section 632(d) of the Foreign Assistance Act of 1961 shall not apply, to any such drawdown: Provided further, That of the funds appropriated by this paragraph, a total of \$18,300,000 should be available for assistance for Estonia, Latvia, and Lithuania: Provided further, That none of the funds made available under this heading shall be available for any non-NATO country participating in the Partnership for Peace Program except through the regular notification procedures of the Committees on Appropriations: Provided further, That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: Provided further, That funds made available under this paragraph shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a): Provided further, That \$50,000,000 of the funds appropriated or other-*

*wise made available under this heading should be made available for the purpose of facilitating the integration of Poland, Hungary, and the Czech Republic into the North Atlantic Treaty Organization.*

*For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans authorized by section 23 of the Arms Export Control Act as follows: cost of direct loans, \$60,000,000: Provided, That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed \$657,000,000: Provided further, That the rate of interest charged on such loans shall be not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities: Provided further, That funds appropriated under this paragraph shall be made available for Greece and Turkey only on a loan basis, and the principal amount of direct loans for each country shall not exceed the following: \$105,000,000 only for Greece and \$150,000,000 only for Turkey.*

*None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: Provided, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: Provided further, That none of the funds appropriated under this heading shall be available for Sudan and Liberia: Provided further, That funds made available under this heading may be used, notwithstanding any other provision of law, for demining, the clearance of unexploded ordnance, and related activities and may include activities implemented through nongovernmental and international organizations: Provided further, That only those countries for which assistance was justified for the "Foreign Military Sales Financing Program" in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: Provided further, That, subject to the regular notification procedures of the Committees on Appropriations, funds made available under this heading for the cost of direct loans may also be used to supplement the funds available under this heading for grants, and funds made available under this heading for grants may also be used to supplement the funds available under this heading for the cost of direct loans: Provided further, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: Provided further, That not more than \$23,250,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: Provided further, That none of the funds under this*

*heading shall be available for Guatemala: Provided further, That not more than \$350,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 1998 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations.*

PEACEKEEPING OPERATIONS

*For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, \$77,500,000: Provided, That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.*

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

*For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States contribution to the Global Environment Facility (GEF), \$47,500,000, to remain available until September 30, 1999.*

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

*For payment to the International Development Association by the Secretary of the Treasury, \$1,034,503,100, to remain available until expended, of which \$234,503,100 shall be available to pay for the tenth replenishment: Provided, That none of the funds may be obligated or made available until the Secretary of the Treasury certifies to the Committees on Appropriations that procurement restrictions applicable to United States firms under the terms of the Interim Trust Fund have been lifted from all funds which Interim Trust Fund donors proposed to set aside for review of procurement restrictions at the conclusion of the February 1997 IDA Deputies Meeting in Paris.*

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

*For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in share portion of the increase in capital stock, \$25,610,667, and for the United States share of the increase in the resources of the Fund for Special Operations, \$20,835,000, to remain available until expended.*

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

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

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS  
MULTILATERAL INVESTMENT FUND

*For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, for the United States contribution to the Fund to be administered by the Inter-American Development Bank, \$30,000,000 to remain available until expended, which shall be available for contributions previously due.*

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

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

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

*The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$647,858,204.*

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

*For the United States contribution by the Secretary of the Treasury to the increases in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended (Public Law 89-369), \$150,000,000, of which \$50,000,000 shall be available for contributions previously due, to remain available until expended.*

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

*For the United States contribution by the Secretary of the Treasury to the increase in resources of the African Development Fund, \$45,000,000, to remain available until expended and which shall be available for contributions previously due.*

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND  
DEVELOPMENT

*For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, \$35,778,717, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.*

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

*The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed \$123,237,803.*

NORTH AMERICAN DEVELOPMENT BANK

*For payment to the North American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in portion of the capital stock, \$56,500,000, to remain available until expended of which \$250,000 shall be available for contribu-*

*tions previously due: Provided, That none of the funds appropriated under this heading that are made available for the Community Adjustment and Investment Program shall be used for purposes other than those set out in the binational agreement establishing the Bank: Provided further, That of the amount appropriated under this heading, not more than \$41,250,000 may be expended for the purchase of such capital shares in fiscal year 1998.*

#### LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

*The United States Governor of the North American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of the capital stock of the North American Development Bank in an amount not to exceed \$318,750,000.*

#### INTERNATIONAL ORGANIZATIONS AND PROGRAMS

*For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, \$192,000,000: Provided, That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: Provided further, That none of the funds appropriated under this heading that are made available to the United Nations Population Fund (UNFPA) shall be made available for activities in the People's Republic of China: Provided further, That not more than \$25,000,000 of the funds appropriated under this heading may be made available to UNFPA: Provided further, That not more than one-half of this amount may be provided to UNFPA before March 1, 1998, and that no later than February 15, 1998, the Secretary of State shall submit a report to the Committees on Appropriations indicating the amount UNFPA is budgeting for the People's Republic of China in 1998: Provided further, That any amount UNFPA plans to spend in the People's Republic of China in 1998 shall be deducted from the amount of funds provided to UNFPA after March 1, 1998, pursuant to the previous provisos: Provided further, That with respect to any funds appropriated under this heading that are made available to UNFPA, UNFPA shall be required to maintain such funds in a separate account and not commingle them with any other funds: Provided further, That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA): Provided further, That not less than \$4,000,000 should be made available to the World Food Program.*

### TITLE V—GENERAL PROVISIONS

#### OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

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

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

*SEC. 502. Notwithstanding section 614 of the Foreign Assistance Act of 1961, as amended, none of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961.*

LIMITATION ON RESIDENCE EXPENSES

*SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed \$126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.*

LIMITATION ON EXPENSES

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

LIMITATION ON REPRESENTATIONAL ALLOWANCES

*SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed \$95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: Provided further, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading "Foreign Military Financing Program", not to exceed \$2,000 shall be available for entertainment expenses and not to exceed \$50,000 shall be available for representation allowances: Provided further, That of the funds made available by this Act under the heading "International Military Education and Training", not to exceed \$50,000 shall be available for entertainment allowances: Provided further, That of the funds made available by this Act for the Inter-American Foundation, not to exceed \$2,000 shall be available for entertainment and representation allowances: Provided further, That of the funds made available by this Act for the Peace Corps, not to exceed a total of \$4,000 shall be available for entertainment expenses: Provided further, That of the funds made available by this Act under the heading "Trade and Development Agency", not to exceed \$2,000 shall be available for representation and entertainment allowances.*

PROHIBITION ON FINANCING NUCLEAR GOODS

*SEC. 506. None of the funds appropriated or made available (other than funds for "Nonproliferation, Antiterrorism, Demining and Related Programs") pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of*

*nuclear safety, to finance the export of nuclear equipment, fuel, or technology.*

*PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES*

*SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: Provided, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.*

*MILITARY COUPS*

*SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected Head of Government is deposed by military coup or decree: Provided, That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.*

*TRANSFERS BETWEEN ACCOUNTS*

*SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate: Provided, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.*

*DEOBLIGATION / REOBLIGATION AUTHORITY*

*SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 1998, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: Provided, That the Appropriations Committees of both Houses of the Congress are notified fifteen days in advance of the reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.*

*(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such*

*appropriations under this Act: Provided, That the authority of this subsection may not be used in fiscal year 1998.*

#### AVAILABILITY OF FUNDS

*SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: Provided, That funds appropriated for the purposes of chapters 1, 8, and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading "Assistance for Eastern Europe and the Baltic States", shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: Provided further, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: Provided further, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.*

#### LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

*SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: Provided, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available in this Act or during the current fiscal year for Nicaragua and Liberia, and for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.*

#### COMMERCE AND TRADE

*SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: Provided, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to out-*



*weigh the injury to United States producers of the same, similar, or competing commodity, and the Chairman of the Board so notifies the Committees on Appropriations.*

*(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: Provided, That this subsection shall not prohibit—*

*(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or*

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

#### SURPLUS COMMODITIES

*SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.*

#### NOTIFICATION REQUIREMENTS

*SEC. 515. For the purposes of providing the Executive Branch with the necessary administrative flexibility, none of the funds made available under this Act for "Child Survival and Disease Programs Fund", "Development Assistance", "International organizations and programs", "Trade and Development Agency", "International narcotics control", "Narcotics Interdiction", "Assistance for Eastern Europe and the Baltic States", "Assistance for the New Independent States of the Former Soviet Union", "Economic Support Fund", "Peacekeeping operations", "Operating expenses of the Agency for International Development", "Operating expenses of the Agency for International Development Office of Inspector General", "Nonproliferation, anti-terrorism, demining and related programs", "Foreign Military Financing Program", "International military education and training", "Peace Corps", "Migration and refugee assistance", shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations*

*Committees of both Houses of Congress are previously notified fifteen days in advance: Provided, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 percent in excess of the quantities justified to Congress unless the Committees on Appropriations are notified fifteen days in advance of such commitment: Provided further, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 percent of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: Provided further, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: Provided further, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than three days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: Provided further, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.*

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

*LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS*

*SEC. 516. Notwithstanding any other provision of law or of this Act, none of the funds provided for "International Organizations and Programs" shall be available for the United States proportionate share, in accordance with section 307(c) of the Foreign Assistance Act of 1961, for any programs identified in section 307, or for Libya, Iran, or, at the discretion of the President, Communist countries listed in section 620(f) of the Foreign Assistance Act of 1961, as amended: Provided, That, subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of this section or any similar provision of law, shall remain available for obligation through September 30, 1999.*

*ECONOMIC SUPPORT FUND ASSISTANCE FOR ISRAEL*

*SEC. 517. The Congress finds that progress on the peace process in the Middle East is vitally important to United States security interests in the region. The Congress recognizes that, in fulfilling its obligations under the Treaty of Peace Between the Arab Republic of*

*Egypt and the State of Israel, done at Washington on March 26, 1979, Israel incurred severe economic burdens. Furthermore, the Congress recognizes that an economically and militarily secure Israel serves the security interests of the United States, for a secure Israel is an Israel which has the incentive and confidence to continue pursuing the peace process. Therefore, the Congress declares that, subject to the availability of appropriations, it is the policy and the intention of the United States that the funds provided in annual appropriations for the Economic Support Fund which are allocated to Israel shall not be less than the annual debt repayment (interest and principal) from Israel to the United States Government in recognition that such a principle serves United States interests in the region.*

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY  
STERILIZATION

*SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: Provided, That none of the funds made available under this Act may be used to lobby for or against abortion.*

REPORTING REQUIREMENT

*SEC. 519. Section 25 of the Arms Export Control Act is amended—*

*(1) in subsection (a), by striking “Congress” and inserting in lieu thereof “appropriate congressional committees”;*

*(2) in subsection (b), by striking “the Committee on Foreign Relations of the Senate or the Committee on Foreign Affairs of the House of Representatives” and inserting in lieu thereof “any of the congressional committees described in subsection (e)”;* and

*(3) by adding the following subsection:*

*“(e) As used in this section, the term ‘appropriate congressional committees’ means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.”.*

## SPECIAL NOTIFICATION REQUIREMENTS

*SEC. 520. None of the funds appropriated in this Act shall be obligated or expended for Colombia, Haiti, Liberia, Pakistan, Panama, Peru, Serbia, Sudan, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committees on Appropriations.*

## DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

*SEC. 521. For the purpose of this Act, "program, project, and activity" shall be defined at the Appropriations Act account level and shall include all Appropriations and Authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, "program, project, and activity" shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development "program, project, and activity" shall also be considered to include central program level funding, either as (1) justified to the Congress, or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within thirty days of enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.*

## CHILD SURVIVAL, AIDS, AND OTHER ACTIVITIES

*SEC. 522. Up to \$10,000,000 of the funds made available by this Act for assistance for family planning, health, child survival, basic education, and AIDS, may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out family planning activities, child survival, and basic education activities, and activities relating to research on, and the treatment and control of acquired immune deficiency syndrome in developing countries: Provided, That funds appropriated by this Act that are made available for child survival activities or activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: Provided further, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.*

## PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

*SEC. 523. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.*

## RECIPROCAL LEASING

*SEC. 524. Section 61(a) of the Arms Export Control Act is amended by striking out "1997" and inserting in lieu thereof "1998".*

## NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

*SEC. 525. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (c) of that section: Provided, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: Provided further, That such Committees shall also be informed of the original acquisition cost of such defense articles.*

## AUTHORIZATION REQUIREMENT

*SEC. 526. Funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956.*

## PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

*SEC. 527. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—*

*(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism;*  
*or*

*(2) otherwise supports international terrorism.*

*(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least fifteen days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.*

## COMMERCIAL LEASING OF DEFENSE ARTICLES

*SEC. 528. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons*

*for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.*

COMPETITIVE INSURANCE

*SEC. 529. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.*

STINGERS IN THE PERSIAN GULF REGION

*SEC. 530. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.*

DEBT-FOR-DEVELOPMENT

*SEC. 531. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.*

SEPARATE ACCOUNTS

*SEC. 532. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—*

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

*(B) enter into an agreement with that government which sets forth—*

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

*(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and*

*(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.*

*(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate ac-*

count pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

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

(i) project and sector assistance activities; or

(ii) debt and deficit financing; or

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

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) CONFORMING AMENDMENTS.—The provisions of this subsection shall supersede the tenth and eleventh provisos contained under the heading “Sub-Saharan Africa, Development Assistance” as included in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 and sections 531(d) and 609 of the Foreign Assistance Act of 1961.

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

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as non-project sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98-1159).

(3) NOTIFICATION.—At least fifteen days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that

will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) *EXEMPTION.*—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO  
INTERNATIONAL FINANCIAL INSTITUTIONS

*SEC. 533. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.*

*(b) For purposes of this section, "international financial institutions" are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.*

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

*SEC. 534. None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—*

- (1) such assistance is in the national interest of the United States;*
- (2) such assistance will directly benefit the needy people in that country; or*
- (3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.*

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

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



EXTENSION OF AUTHORITY TO OBLIGATE FUNDS TO CLOSE THE  
SPECIAL DEFENSE ACQUISITION FUND

*SEC. 536. Title III of Public Law 103-306 is amended under the heading "Special Defense Acquisition Fund" by striking "1998" and inserting "2000".*

AUTHORITIES FOR THE PEACE CORPS, THE INTER-AMERICAN  
FOUNDATION AND THE AFRICAN DEVELOPMENT FOUNDATION

*SEC. 537. Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act, or the African Development Foundation Act. The appropriate agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.*

IMPACT ON JOBS IN THE UNITED STATES

*SEC. 538. None of the funds appropriated by this Act may be obligated or expended to provide—*

*(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;*

*(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or*

*(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: Provided, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.*

SPECIAL AUTHORITIES

*SEC. 539. (a) Funds appropriated in title II of this Act that are made available for Afghanistan, Lebanon, and for victims of war, displaced children, displaced Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Bosnia*

and Herzegovina, Croatia, and Kosova, may be made available notwithstanding any other provision of law.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and energy programs aimed at reducing emissions of greenhouse gases, and for the purpose of supporting biodiversity conservation activities: Provided, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

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

(d)(1) WAIVER.—The President may waive the provisions of section 1003 of Public Law 100–204 if the President determines and certifies in writing to the Speaker of the House of Representatives and the President Pro Tempore of the Senate that it is important to the national security interests of the United States.

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

#### POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 540. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel; and

(2) the decision by the Arab League in 1997 to reinstate the boycott against Israel was deeply troubling and disappointing; and

(3) the Arab League should immediately rescind its decision on the boycott and its members should develop normal relations with their neighbor Israel; and

(4) the President should—

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

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress on the specific steps being taken by the President to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel and to expand the process of normalizing ties between Arab League countries and Israel; and

*(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.*

ANTI-NARCOTICS ACTIVITIES

*SEC. 541. (a) Of the funds appropriated or otherwise made available by this Act for "Economic Support Fund", assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act.*

*(b) Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961. Funds made available pursuant to subsection (a) for Bolivia, Colombia, and Peru may be made available notwithstanding section 534(c) and the second sentence of section 534(e) of the Foreign Assistance Act of 1961.*

ELIGIBILITY FOR ASSISTANCE

*SEC. 542. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1 and 10 and 11 of part I, and chapter 4 of part II, of the Foreign Assistance Act of 1961: Provided, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: Provided further, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: Provided further, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.*

*(b) PUBLIC LAW 480.—During fiscal year 1998, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: Provided, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.*

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

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

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

#### EARMARKS

SEC. 543. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: Provided, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: Provided, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

#### CEILINGS AND EARMARKS

SEC. 544. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs.

#### PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 545. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of enactment of this Act by

*the Congress: Provided, That not to exceed \$500,000 may be made available to carry out the provisions of section 316 of Public Law 96-533.*

*PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS*

*SEC. 546. (a) To the maximum extent possible, assistance provided under this Act should make full use of American resources, including commodities, products, and services.*

*(b) It is the Sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.*

*(c) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (b) by the Congress.*

*PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS*

*SEC. 547. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.*

*CONSULTING SERVICES*

*SEC. 548. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.*

*PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION*

*SEC. 549. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.*

*PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM*

*SEC. 550. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after October 1, 1997.*

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

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance estimated to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 551. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term “appropriate congressional committees” means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

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

SEC. 552. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: Provided, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

WAR CRIMES TRIBUNALS DRAWDOWN

SEC. 553. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to \$25,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council

*may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: Provided, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): Provided further, That sixty days after the date of enactment of this Act, and every one hundred eighty days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia.*

#### LANDMINES

*SEC. 554. Notwithstanding any other provision of law, demining equipment available to the Agency for International Development and the Department of State and used in support of the clearance of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe: Provided, That not later than 90 days after the enactment of this Act, the Secretary of Defense, in consultation with the Secretary of State, shall submit a report to the Committees on Appropriations describing potential alternative technologies or tactics and a plan for the development of such alternatives to protect anti-tank mines from tampering in a manner consistent with the "Convention on the Prohibition, Use, Stockpiling, Production and Transfer of Anti-personnel Mines and on Their Destruction".*

#### RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

*SEC. 555. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: Provided, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: Provided further, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.*

#### PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

*SEC. 556. None of the funds appropriated or otherwise made available by this Act under the heading "International Military*

*Education and Training” or “Foreign Military Financing Program” for Informational Program activities may be obligated or expended to pay for—*

- (1) alcoholic beverages;*
- (2) food (other than food provided at a military installation) not provided in conjunction with Informational Program trips where students do not stay at a military installation; or*
- (3) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.*

*EQUITABLE ALLOCATION OF FUNDS*

*SEC. 557. Not more than 18 percent of the funds appropriated by this Act to carry out the provisions of sections 103 through 106 and chapter 4 of part II of the Foreign Assistance Act of 1961, that are made available for Latin America and the Caribbean region may be made available, through bilateral and Latin America and the Caribbean regional programs, to provide assistance for any country in such region.*

*SPECIAL DEBT RELIEF FOR THE POOREST*

*SEC. 558. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—*

- (1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961; or*
- (2) credits extended or guarantees issued under the Arms Export Control Act;*
- (3) any obligation or portion of such obligation for a Latin American country, to pay for purchases of United States agricultural commodities guaranteed by the Commodity Credit Corporation under export credit guarantee programs authorized pursuant to section 5(f) of the Commodity Credit Corporation Charter Act of June 29, 1948, as amended, section 4(b) of the Food for Peace Act of 1966, as amended (Public Law 89-808), or section 202 of the Agricultural Trade Act of 1978, as amended (Public Law 95-501).*

*(b) LIMITATIONS.—*

*(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief and referendum agreements, commonly referred to as “Paris Club Agreed Minutes”.*

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

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

*(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—*

- (1) does not have an excessive level of military expenditures;*



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

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

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

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

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading “Debt restructuring”.

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

#### AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 559. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

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

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers

that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) *LIMITATION.*—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) *DEPOSIT OF PROCEEDS.*—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) *ELIGIBLE PURCHASERS.*—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

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

(e) *AVAILABILITY OF FUNDS.*—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading “Debt restructuring”.

#### INTERNATIONAL FINANCIAL INSTITUTIONS

*SEC. 560. (a) AUTHORIZATIONS.*—The Secretary of the Treasury may, to fulfill commitments of the United States: (1) effect the United States participation in the first general capital increase of the European Bank for Reconstruction and Development, subscribe to and make payment for 100,000 additional shares of the capital stock of the Bank on behalf of the United States; and (2) contribute on behalf of the United States to the eleventh replenishment of the resources of the International Development Association, to the sixth replenishment of the resources of the Asian Development Fund, a special fund of the Asian Development Bank. The following amounts are authorized to be appropriated without fiscal year limitation for payment by the Secretary of the Treasury: (1) \$285,772,500 for paid-in capital, and \$984,327,500 for callable capital of the European Bank for Reconstruction and Development; (2) \$1,600,000,000 for the International Development Association; (3) \$400,000,000 for the Asian Development Fund; and (4) \$76,832,001 for paid-in capital, and \$4,511,156,729 for callable capital of the Inter-American Development Bank in connection with the eighth general increase in the resources of that Bank. Each such subscription or contribution shall be subject to obtaining the necessary appropriations.

(b) *CONSIDERATION OF ENVIRONMENTAL IMPACT OF INTERNATIONAL FINANCE CORPORATION LOANS.*—Section 1307 of the International Financial Institutions Act (Public Law 95–118) is amended as follows:

(1) in subsection (a)(1)(A) strike “borrowing country” and insert in lieu thereof “borrower”;

(2) in subsection (a)(2)(A) strike “country”; and

(3) at the end of Section 1307, add a new subsection as follows:

“(g) For purposes of this section, the term ‘multilateral development bank’ means any of the institutions named in Section 1303(b) of this Act, and the International Finance Corporation.”

(c) The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the International Development Association to use the voice and vote of the United States to strongly encourage their respective institutions to—

(1) provide timely public information on procurement opportunities available to United States suppliers, with a special emphasis on small business; and

(2) systematically consult with local communities on the potential impact of loans as part of the normal lending process, and expand the participation of affected peoples and nongovernmental organizations in decisions on the selection, design and implementation of policies and projects.

#### SANCTIONS AGAINST COUNTRIES HARBORING WAR CRIMINALS

SEC. 561. (a) *BILATERAL ASSISTANCE.*—The President is authorized to withhold funds appropriated by this Act under the Foreign Assistance Act of 1961 or the Arms Export Control Act for any country described in subsection (c).

(b) *MULTILATERAL ASSISTANCE.*—The Secretary of the Treasury should instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of financing or financial or technical assistance to any country described in subsection (c).

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

(1) have been indicted by the International Criminal Tribunal for Rwanda, or any other international tribunal with similar standing under international law; or

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

(A) the Nazi government of Germany;

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

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

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

#### LIMITATION ON ASSISTANCE FOR HAITI

SEC. 562. (a) *LIMITATION.*—None of the funds appropriated or otherwise made available by this Act may be provided to the Gov-

ernment of Haiti unless the President reports to Congress that the Government of Haiti—

(1) is conducting thorough investigations of extrajudicial and political killings;

(2) is cooperating with United States authorities in the investigations of political and extrajudicial killings;

(3) has substantially completed privatization of (or placed under long-term private management or concession) at least three major public enterprises; and

(4) has taken action to remove from the Haitian National Police, national palace and residential guard, ministerial guard, and any other public security entity of Haiti those individuals who are credibly alleged to have engaged in or conspired to conceal gross violations of internationally recognized human rights.

(b) *EXCEPTIONS.*—The limitation in subsection (a) does not apply to the provision of humanitarian, electoral, counter-narcotics, or law enforcement assistance.

(c) *WAIVER.*—The President may waive the requirements of this section on a semiannual basis if the President determines and certifies to the appropriate committees of Congress that such waiver is in the national interest of the United States.

(d) *PARASTATALS DEFINED.*—As used in this section, the term “parastatal” means a government-owned enterprise.

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

*SEC. 563. (a) FOREIGN AID REPORTING REQUIREMENT.*—In addition to the voting practices of a foreign country, the report required to be submitted to Congress under section 406(a) of the Foreign Relations Authorization Act, fiscal years 1990 and 1991 (22 U.S.C. 2414a), shall include a side-by-side comparison of individual countries’ overall support for the United States at the United Nations and the amount of United States assistance provided to such country in fiscal year 1997.

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

RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS  
AGENCIES

*SEC. 564. (a) PROHIBITION ON VOLUNTARY CONTRIBUTIONS FOR THE UNITED NATIONS.*—None of the funds appropriated or otherwise made available by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) if the United Nations implements or imposes any taxation on any United States persons.

(b) *CERTIFICATION REQUIRED FOR DISBURSEMENT OF FUNDS.*—None of the funds appropriated or otherwise made available under this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) unless the President certifies to the

*Congress 15 days in advance of such payment that the United Nations is not engaged in any effort to implement or impose any taxation on United States persons in order to raise revenue for the United Nations or any of its specialized agencies.*

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

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

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

#### ASSISTANCE TO TURKEY

*SEC. 565. (a) Not more than \$40,000,000 of the funds appropriated in this Act under the heading “Economic Support Fund” may be made available for Turkey.*

(b) *Of the funds made available under the heading “Economic Support Fund” for Turkey, not less than fifty percent of these funds shall be made available for the purpose of supporting private non-governmental organizations engaged in strengthening democratic institutions in Turkey, providing economic assistance for individuals and communities affected by civil unrest, and supporting and promoting peaceful solutions and economic development which will contribute to the settlement of regional problems in Turkey.*

#### LIMITATION ON ASSISTANCE TO THE PALESTINIAN AUTHORITY

*SEC. 566. (a) PROHIBITION OF FUNDS.*—None of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 may be obligated or expended with respect to providing funds to the Palestinian Authority.

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

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

#### LIMITATION ON ASSISTANCE TO THE GOVERNMENT OF CROATIA

*SEC. 567. None of the funds appropriated or otherwise made available by title II of this Act may be made available to the Government of Croatia to relocate the remains of Croatian Ustashe soldiers, at the site of the World War II concentration camp at Jasenovac, Croatia.*

#### BURMA LABOR REPORT

*SEC. 568. Not later than one hundred twenty days after enactment of this Act, the Secretary of Labor in consultation with the Secretary of State shall provide to the Committees on Appropriations a report addressing labor practices in Burma.*

## HAITI

*SEC. 569. The Government of Haiti shall be eligible to purchase defense articles and services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), for the civilian-led Haitian National Police and Coast Guard: Provided, That the authority provided by this section shall be subject to the regular notification procedures of the Committees on Appropriations.*

## LIMITATION ON ASSISTANCE TO SECURITY FORCES

*SEC. 570. None of the funds made available by this Act may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking effective measures to bring the responsible members of the security forces unit to justice: Provided, That nothing in this section shall be construed to withhold funds made available by this Act from any unit of the security forces of a foreign country not credibly alleged to be involved in gross violations of human rights: Provided further, That in the event that funds are withheld from any unit pursuant to this section, the Secretary of State shall promptly inform the foreign government of the basis for such action and shall, to the maximum extent practicable, assist the foreign government in taking effective measures to bring the responsible members of the security forces to justice so funds to the unit may be resumed.*

## LIMITATIONS ON TRANSFER OF MILITARY EQUIPMENT TO EAST TIMOR

*SEC. 571. In any agreement for the sale, transfer, or licensing of any lethal equipment or helicopter for Indonesia entered into by the United States pursuant to the authority of this Act or any other Act, the agreement shall state that the United States expects that the items will not be used in East Timor: Provided, That nothing in this section shall be construed to limit Indonesia's inherent right to legitimate national self-defense as recognized under the United Nations Charter and international law.*

## TRANSPARENCY OF BUDGETS

*SEC. 572. Section 576(a)(1) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as contained in Public Law 104-208, is amended to read as follows:*

*“(1) does not have in place a functioning system for reporting to civilian authorities audits of receipts and expenditures that fund activities of the armed forces and security forces;”.*

*Section 576(a)(2) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as contained in Public Law 104-208, is amended to read as follows:*

*“(2) has not provided to the institution information about the audit process requested by the institution.”.*

RESTRICTIONS ON ASSISTANCE TO COUNTRIES PROVIDING SANCTUARY  
TO INDICTED WAR CRIMINALS

*SEC. 573. (a) BILATERAL ASSISTANCE.—None of the funds made available by this or any prior Act making appropriations for foreign operations, export financing and related programs, may be provided for any country, entity or canton described in subsection (d).*

*(b) MULTILATERAL ASSISTANCE.—*

*(1) PROHIBITION.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to any country or entity described in subsection (d).*

*(2) NOTIFICATION.—Not less than 15 days before any vote in an international financial institution regarding the extension of financial or technical assistance or grants to any country or entity described in subsection (d), the Secretary of the Treasury, in consultation with the Secretary of State, shall provide to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Banking and Financial Services of the House of Representatives a written justification for the proposed assistance, including an explanation of the U.S. position regarding any such vote, as well as a description of the location of the proposed assistance by municipality, its purpose, and its intended beneficiaries.*

*(3) DEFINITION.—The term “international financial institution” includes the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the European Bank for Reconstruction and Development.*

*(c) EXCEPTIONS.—*

*(1) IN GENERAL.—Subject to paragraph (2), subsections (a) and (b) shall not apply to the provision of—*

*(A) humanitarian assistance;*

*(B) democratization assistance;*

*(C) assistance for cross border physical infrastructure projects involving activities in both a sanctioned country, entity, or canton and a nonsanctioned contiguous country, entity, or canton, if the project is primarily located in and primarily benefits the nonsanctioned country, entity, or canton and if the portion of the project located in the sanctioned country, entity, or canton is necessary only to complete the project;*

*(D) small-scale assistance projects or activities requested by U.S. armed forces that promote good relations between such forces and the officials and citizens of the areas in the U.S. SFOR sector of Bosnia;*

*(E) implementation of the Brcko Arbitral Decision;*

*(F) lending by the international financial institutions to a country or entity to support common monetary and fis-*

*cal policies at the national level as contemplated by the Dayton Agreement; or*

*(G) direct lending to a non-sanctioned entity, or lending passed on by the national government to a non-sanctioned entity.*

*(2) FURTHER LIMITATIONS.—Notwithstanding paragraph (1)—*

*(A) no assistance may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs, in any country, entity, or canton described in subsection (d), for a program, project, or activity in which a publicly indicted war criminal is known to have any financial or material interest; and*

*(B) no assistance (other than emergency foods or medical assistance or demining assistance) may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs for any program, project, or activity in a community within any country, entity or canton described in subsection (d) if competent authorities within that community are not complying with the provisions of Article IX and Annex 4, Article II, paragraph 8 of the Dayton Agreement relating to war crimes and the Tribunal.*

*(d) SANCTIONED COUNTRY, ENTITY, OR CANTON.—A sanctioned country, entity, or canton described in this section is one whose competent authorities have failed, as determined by the Secretary of State, to take necessary and significant steps to apprehend and transfer to the Tribunal all persons who have been publicly indicted by the Tribunal.*

*(e) WAIVER.—*

*(1) IN GENERAL.—The Secretary of State may waive the application of subsection (a) or subsection (b) with respect to specified bilateral programs or international financial institution projects or programs in a sanctioned country, entity, or canton upon providing a written determination to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives that such assistance directly supports the implementation of the Dayton Agreement and its Annexes, which include the obligation to apprehend and transfer indicted war criminals to the Tribunal.*

*(2) REPORT.—Not later than 15 days after the date of any written determination under paragraph (e)(1), the Secretary of State shall submit a report to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives regarding the status of efforts to secure the voluntary surrender or apprehension and transfer of persons indicted by the Tribunal, in accordance with the Dayton Agreement, and outlining obstacles to achieving this goal.*



(3) ASSISTANCE PROGRAMS AND PROJECTS AFFECTED.—Any waiver made pursuant to this subsection shall be effective only with respect to a specified bilateral program or multilateral assistance project or program identified in the determination of the Secretary of State to Congress.

(f) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to subsections (a) and (b) with respect to a country or entity shall cease to apply only if the Secretary of State determines and certifies to Congress that the authorities of that country, entity, or canton have apprehended and transferred to the Tribunal all persons who have been publicly indicted by the Tribunal.

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

(1) COUNTRY.—The term “country” means Bosnia-Herzegovina, Croatia, and Serbia-Montenegro (Federal Republic of Yugoslavia).

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

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

(4) DAYTON AGREEMENT.—The term “Dayton Agreement” means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

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

(h) ROLE OF HUMAN RIGHTS ORGANIZATIONS AND GOVERNMENT AGENCIES.—In carrying out this subsection, the Secretary of State, the Administrator of the Agency for International Development, and the executive directors of the international financial institutions shall consult with representatives of human rights organizations and all government agencies with relevant information to help prevent publicly indicted war criminals from benefitting from any financial or technical assistance or grants provided to any country or entity described in subsection (d).

#### EXTENSION OF CERTAIN ADJUDICATION PROVISIONS

SEC. 574. *The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101-167) is amended—*

(1) in section 599D (8 U.S.C. 1157 note)—

(A) in subsection (b)(3), by striking “and 1997” and inserting “1997, and 1998”; and

(B) in subsection (e), by striking “October 1, 1997” each place it appears and inserting “October 1, 1998”; and

(2) in section 599E (8 U.S.C. 1255 note) in subsection (b)(2), by striking “September 30, 1997” and inserting “September 30, 1998”.

#### ADDITIONAL REQUIREMENTS RELATING TO STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

SEC. 575. (a) VALUE OF ADDITIONS TO STOCKPILES.—Section 514(b)(2)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(2)(A)) is amended by inserting before the period at the end the following: “and \$60,000,000 for fiscal year 1998”.

(b) *REQUIREMENTS RELATING TO THE REPUBLIC OF KOREA AND THAILAND.*—Section 514(b)(2)(B) of such Act (22 U.S.C. 2321h(b)(2)(B)) is amended by adding at the end the following: “Of the amount specified in subparagraph (A) for fiscal year 1998, not more than \$40,000,000 may be made available for stockpiles in the Republic of Korea and not more than \$20,000,000 may be made available for stockpiles in Thailand.”.

*DELIVERY OF DRAWDOWN BY COMMERCIAL TRANSPORTATION SERVICES*

*SEC. 576.* Section 506 of the Foreign Assistance Act of 1961 (22 U.S.C. 2318) is amended—

(1) in subsection (b)(2), by striking the period and inserting the following: “, including providing the Congress with a report detailing all defense articles, defense services, and military education and training delivered to the recipient country or international organization upon delivery of such articles or upon completion of such services or education and training. Such report shall also include whether any savings were realized by utilizing commercial transport services rather than acquiring those services from United States Government transport assets.”;

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting after subsection (b) the following:

“(c) For the purposes of any provision of law that authorizes the drawdown of defense or other articles or commodities, or defense or other services from an agency of the United States Government, such drawdown may include the supply of commercial transportation and related services that are acquired by contract for the purposes of the drawdown in question if the cost to acquire such commercial transportation and related services is less than the cost to the United States Government of providing such services from existing agency assets.”.

*TO PROHIBIT FOREIGN ASSISTANCE TO THE GOVERNMENT OF RUSSIA SHOULD IT IMPLEMENT LAWS WHICH WOULD DISCRIMINATE AGAINST MINORITY RELIGIOUS FAITHS IN THE RUSSIAN FEDERATION*

*SEC. 577.* (a) None of the funds appropriated under this Act may be made available for the Government of the Russian Federation unless within 30 days of the date this section becomes effective the President determines and certifies in writing to the Committees on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives that the Government of the Russian Federation has implemented no statute, executive order, regulation or similar government action that would discriminate, or would have as its principal effect discrimination, against religious groups or religious communities in the Russian Federation in violation of accepted international agreements on human rights and religious freedoms to which the Russian Federation is a party.

(b) This section shall become effective one hundred fifty days after the enactment of this Act.

U.S. POLICY REGARDING SUPPORT FOR COUNTRIES OF THE SOUTH  
CAUCASUS AND CENTRAL ASIA

*SEC. 578. (a) FINDINGS.—Congress makes the following findings:*

*(1) The ancient Silk Road, once the economic lifeline of Central Asia and the South Caucasus, traversed much of the territory now within the countries of Armenia, Azerbaijan, Georgia, Kazakstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.*

*(2) Economic interdependence spurred mutual cooperation among the peoples along the Silk Road and restoration of the historic relationships and economic ties between those peoples is an important element of ensuring their sovereignty as well as the success of democratic and market reforms.*

*(3) The development of strong political and economic ties between countries of the South Caucasus and Central Asia and the West will foster stability in the region.*

*(4) The development of open market economies and open democratic systems in the countries of the South Caucasus and Central Asia will provide positive incentives for international private investment, increased trade, and other forms of commercial interactions with the rest of the world.*

*(5) The Caspian Sea Basin, overlapping the territory of the countries of the South Caucasus and Central Asia, contains proven oil and gas reserves that may exceed \$4,000,000,000,000 in value.*

*(6) The region of the South Caucasus and Central Asia will produce oil and gas in sufficient quantities to reduce the dependence of the United States on energy from the volatile Persian Gulf region.*

*(7) United States foreign policy and international assistance should be narrowly targeted to support the economic and political independence of the countries of the South Caucasus and Central Asia.*

*(b) GENERAL.—The policy of the United States in the countries of the South Caucasus and Central Asia should be—*

*(1) to promote sovereignty and independence with democratic government;*

*(2) to assist actively in the resolution of regional conflicts;*

*(3) to promote friendly relations and economic cooperation;*

*(4) to help promote market-oriented principles and practices;*

*(5) to assist in the development of infrastructure necessary for communications, transportation, and energy and trade on an East-West axis in order to build strong international relations and commerce between those countries and the stable, democratic, and market-oriented countries of the Euro-Atlantic Community; and*

*(6) to support United States business interests and investments in the region.*

*(c) DEFINITION.—In this section, the term “countries of the South Caucasus and Central Asia” means Armenia, Azerbaijan,*

*Georgia, Kazakstan, Kyrgystan, Tajikistan, Turkmenistan, and Uzbekistan.*

PAKISTAN

*SEC. 579. (a) OPIC.—Section 239(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2199(f)) is amended by inserting “, or Pakistan” after “China”.*

*(b) TRADE AND DEVELOPMENT.—It is the sense of Congress that the Director of the Trade and Development Agency should use funds made available to carry out the provisions of section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421) to promote United States exports to Pakistan.*

REQUIREMENTS FOR THE REPORTING TO CONGRESS OF THE COSTS TO THE FEDERAL GOVERNMENT ASSOCIATED WITH THE PROPOSED AGREEMENT TO REDUCE GREENHOUSE GAS EMISSIONS

*SEC. 580. The President shall provide to the Congress a detailed account of all Federal agency obligations and expenditures for climate change programs and activities, domestic and international, for fiscal year 1997, planned obligations for such activities in fiscal year 1998, and any plan for programs thereafter in the context of negotiations to amend the Framework Convention on Climate Change (FCCC) to be provided to the appropriate congressional committees no later than November 15, 1997.*

AUTHORITY TO ISSUE INSURANCE AND EXTEND FINANCING

*SEC. 581. (a) IN GENERAL.—Section 235(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)) is amended—*

*(1) by striking paragraphs (1) and (2)(A) and inserting the following:*

*“(1) INSURANCE AND FINANCING.—(A) The maximum contingent liability outstanding at any one time pursuant to insurance issued under section 234(a), and the amount of financing issued under sections 234 (b) and (c), shall not exceed in the aggregate \$29,000,000,000.”;*

*(2) by redesignating paragraph (3) as paragraph (2); and*

*(3) by amending paragraph (2) (as so redesignated) by striking “September 30, 1997” and inserting “September 30, 1999”.*

*(b) CONFORMING AMENDMENT.—Paragraph (2) of section 235(a) of that Act (22 U.S.C. 2195(a)), as redesignated by subsection (a), is further amended by striking “(a) and (b)” and inserting “(a), (b), and (c)”.*

WITHHOLDING ASSISTANCE TO COUNTRIES VIOLATING UNITED NATIONS SANCTIONS AGAINST LIBYA

*SEC. 582. (a) WITHHOLDING OF ASSISTANCE.—Except as provided in subsection (b), whenever the President determines and certifies to Congress that the government of any country is violating any sanction against Libya imposed pursuant to United Nations Security Council Resolution 731, 748, or 883, then not less than 5 percent of the funds allocated for the country under section 653(a) of*

the Foreign Assistance Act of 1961 out of appropriations in this Act shall be withheld from obligation and expenditure for that country.

(b) *EXCEPTION.*—The requirement to withhold funds under subsection (a) shall not apply to funds appropriated in this Act for allocation under section 653(a) of the Foreign Assistance Act of 1961 for development assistance or for humanitarian assistance.

(c) *WAIVER.*—Funds may be provided for a country without regard to subsection (a) if the President determines that to do so is in the national security interest of the United States.

#### WAR CRIMES PROSECUTION

*SEC. 583.* Section 2401 of title 18, United States Code (Public Law 104–192; the War Crimes Act of 1996) is amended as follows—

(1) in subsection (a), by striking “grave breach of the Geneva Conventions” and inserting “war crime”;

(2) in subsection (b), by striking “breach” each place it appears and inserting “war crime”; and

(3) so that subsection (c) reads as follows:

“(c) *DEFINITION.*—As used in this section the term ‘war crime’ means any conduct—

“(1) defined as a grave breach in any of the international conventions signed at Geneva 12 August 1949, or any protocol to such convention to which the United States is a party;

“(2) prohibited by Articles 23, 25, 27, or 28 of the Annex to the Hague Convention IV, Respecting the Laws and Customs of War on Land, signed 18 October 1907;

“(3) which constitutes a violation of common Article 3 of the international conventions signed at Geneva 12 August 1949, or any protocol to such convention to which the United States is a party and which deals with non-international armed conflict; or

“(4) of a person who, in relation to an armed conflict and contrary to the provisions of the Protocol on Prohibitions or Restrictions on the Use of Mines, Booby-Traps and Other Devices as amended at Geneva on 3 May 1996 (Protocol II as amended on 3 May 1996), when the United States is a party to such Protocol, willfully kills or causes serious injury to civilians.”.

#### INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAMS FOR LATIN AMERICA

*SEC. 584.* (a) *EXPANDED IMET.*—The Secretary of Defense, in consultation with the Secretary of State, should make every effort to ensure that approximately 30 percent of the funds appropriated in this Act for “International Military Education and Training” for the cost of Latin American participants in IMET programs will be disbursed for the purpose of supporting enrollment of such participants in expanded IMET courses.

(b) *CIVILIAN PARTICIPATION.*—The Secretary of State, in consultation with the Secretary of Defense, should identify sufficient numbers of qualified, non-military personnel from countries in Latin America so that approximately 25 percent of the total number of individuals from Latin American countries attending United States supported IMET programs and the Center for Hemispheric Defense Studies at the National Defense University are civilians.

(c) *REPORT.*—Not later than twelve months after the date of enactment of this Act, the Secretary of Defense, in consultation with the Secretary of State, shall report in writing to the appropriate committees of the Congress on the progress made to improve military training of Latin American participants in the areas of human rights and civilian control of the military. The Secretary shall include in the report plans for implementing additional expanded IMET programs for Latin America during the next three fiscal years.

*AID TO THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF CONGO*

*SEC. 585.* None of the funds appropriated or otherwise made available by this Act may be provided to the central Government of the Democratic Republic of Congo until such time as the President reports in writing to the Congress that the central Government of the Democratic Republic of Congo is cooperating fully with investigators from the United Nations in accounting for human rights violations committed in the Democratic Republic of Congo or adjacent countries.

*ASSISTANCE FOR THE MIDDLE EAST*

*SEC. 586.* Of the funds appropriated by this Act under the headings “Economic Support Fund”, “Foreign Military Financing”, “International Military Education and Training”, “Peacekeeping Operations”, for refugees resettling in Israel under the heading “Migration and Refugee Assistance”, and for assistance for Israel to carry out provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 under the heading “Nonproliferation, Anti-Terrorism, Demining, and Related Programs”, not more than a total of \$5,402,850,000 may be made available for Israel, Egypt, Jordan, Lebanon, the West Bank and Gaza, the Israel-Lebanon Monitoring Group, the Multinational Force and Observers, the Middle East Regional Democracy Fund, Middle East Regional Cooperation, and Middle East Multilateral Working Groups: Provided, That any funds that were appropriated under such headings in prior fiscal years and that were at the time of enactment of this Act obligated or allocated for other recipients may not during fiscal year 1998 be made available for activities that, if funded under this Act, would be required to count against this ceiling: Provided further, That funds may be made available notwithstanding the requirements of this section if the President determines and certifies to the Committees on Appropriations that it is important to the national security interest of the United States to do so and any such additional funds shall only be provided through the regular notification procedures of the Committees on Appropriations.

*AGRICULTURE*

*SEC. 587.* The first proviso of subsection (k) under the heading “Assistance for the New Independent States of the Former Soviet Union” in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, as contained in Public Law 104–208, is amended by striking “not less than” and inserting in lieu thereof “up to”.

## ENTERPRISE FUND RESTRICTIONS

SEC. 588. *Section 201(l) of the Support for East European Democracy Act (22 U.S.C. 5421(l)) is amended to read as follows:*

*“(l) LIMITATION ON PAYMENTS TO ENTERPRISE FUND PERSONNEL.—*

*“(1) No part of the funds of an Enterprise Fund shall inure to the benefit of any board member, officer, or employee of such Enterprise Fund, except as salary or reasonable compensation for services subject to paragraph (2).*

*“(2) An Enterprise Fund shall not pay compensation for services to—*

*“(A) any board member of the Enterprise Fund, except for services as a board member; or*

*“(B) any firm, association, or entity in which a board member of the Enterprise Fund serves as partner, director, officer, or employee.*

*“(3) Nothing in paragraph (2) shall preclude payment for services performed before the date of enactment of this subsection nor for arrangements approved by the grantor and notified in writing to the Committees on Appropriations.”.*

## CAMBODIA

SEC. 589. *The Secretary of the Treasury should instruct the United States Executive Directors of the international financial institutions to use the voice and vote of the United States to oppose loans to the Government of Cambodia, except loans to support basic human needs.*

## EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 590. *Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 1998 for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: Provided, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.*

## DEVELOPMENT CREDIT AUTHORITY

SEC. 591. *For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans and loan guarantees in support of the development objectives of the Foreign Assistance Act of 1961 (FAA), up to \$7,500,000, which amount may be derived by transfer from funds appropriated by this Act to carry out part I of the Foreign Assistance Act of 1961 and funds appropriated by this Act under the heading “Assistance for Eastern Europe and the Baltic States”, to remain available until expended: Provided, That up to \$500,000 of the funds appropriated by this Act under the heading “Operating Expenses of the Agency for International Development” may be made available for administrative expenses to carry out such programs: Provided further, That the provisions of section*

107A(d) (relating to general provisions applicable to development credit authority) of the Foreign Assistance Act of 1961, as added by section 306 of H.R. 1486 as reported by the House Committee on International Relations on May 9, 1997, shall be applicable to direct loans and loan guarantees provided under this paragraph: Provided further, That direct loans or loan guarantees under this paragraph may not be provided until the Director of the Office of Management and Budget has certified to the Committees on Appropriations that the Agency for International Development has established a credit management system capable of effectively managing the credit programs funded under this heading, including that such system: (1) can provide accurate and timely provision of loan and loan guarantee data; (2) contains information control systems for loan and loan guarantee data; (3) is adequately staffed; and (4) contains appropriate review and monitoring procedures.

AUTHORIZATION FOR POPULATION PLANNING

SEC. 592. (a) Not to exceed \$385,000,000 of the funds appropriated in title II of this Act may be available for population planning activities or other population assistance.

(b) Such funds may be apportioned only on a monthly basis, and such monthly apportionments may not exceed 8.34 percent of the total available for such activities.

This Act may be cited as the "Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998".

And the Senate agree to the same.

SONNY CALLAHAN,  
JOHN EDWARD PORTER,  
RON PACKARD,  
JOE KNOLLENBERG,  
MIKE FORBES,  
JACK KINGSTON,  
R.P. FRELINGHUYSEN,  
BOB LIVINGSTON,  
NANCY PELOSI,  
SIDNEY R. YATES,  
NITA M. LOWEY,  
ESTEBAN E. TORRES,  
DAVID OBEY,

*Managers on the Part of the House.*

MITCH McCONNELL,  
ARLEN SPECTER,  
JUDD GREGG,  
RICHARD SHELBY,  
R.F. BENNETT,  
BEN NIGHTHORSE CAMPBELL,  
TED STEVENS,  
THAD COCHRAN,  
PATRICK J. LEAHY,  
DANIEL K. INOUE,  
FRANK R. LAUTENBERG,  
TOM HARKIN,

*Managers on the Part of the Senate.*



JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF  
CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2159) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES SUBSIDY  
APPROPRIATION

The conference agreement appropriates \$683,000,000 for the subsidy appropriation of the Export-Import Bank instead of \$632,000,000 as proposed by the House and \$700,000,000 as proposed by the Senate. The appropriations are available for four years, and the level provided anticipates significant participation by the Eximbank in the Partnership for Freedom.

The conferees note that the Administration requested authority to transfer funds from “Assistance for the New Independent States of the Former Soviet Union” to this account, and that the Senate had provided transfer authority of up to \$22,000,000 for that purpose. The conference agreement, instead, provides significant funding above the request for Eximbank, without reserving any specific amount for the New Independent States. The conferees expect that Eximbank will coordinate its activity in the region with the Special Advisor to the President and the Secretary of State on Assistance to the New Independent States.

Authority is provided as proposed by the Senate for up to \$50,000,000 to be used for tied aid grants, and funds designated in this or prior Acts for tied aid grants may be used for other purposes, subject to notification.

A one year extension of the Export-Import Bank’s basic authority is included in title V.

EXPORT-IMPORT BANK OF THE UNITED STATES ADMINISTRATIVE  
EXPENSES

The conference agreement appropriates \$48,614,000 for administrative expenses of the Export-Import Bank as proposed by the House instead of \$46,614,000 as proposed by the Senate.

## OVERSEAS PRIVATE INVESTMENT CORPORATION PROGRAM ACCOUNT

The conference agreement appropriates \$60,000,000 for program expenses of the Overseas Private Investment Corporation (OPIC) as proposed by the Senate. The House bill contained no provision on this matter.

The conference agreement also extends the authorization for OPIC for two years, in section 581, and allows the agency to combine its existing statutory ceilings on financing and insurance within an overall credit ceiling of \$29,000,000,000 as proposed by the Senate.

The managers are concerned about the viability of projects supported by OPIC in Gaza, and direct OPIC to move expeditiously and report to the Committees not later than December 15, 1997 on its efforts to resolve claims and defaulted investments that the Executive branch encouraged to locate in Gaza.

## TRADE AND DEVELOPMENT AGENCY

The conference agreement appropriates \$41,500,000 for the Trade and Development Agency instead of \$43,000,000 as proposed by the Senate and \$40,000,000 as proposed by the House.

## TITLE II—BILATERAL ECONOMIC ASSISTANCE

## AGENCY FOR INTERNATIONAL DEVELOPMENT

## CHILD SURVIVAL AND DISEASE PROGRAMS FUND

The conference agreement appropriates \$650,000,000 as proposed by the House. The Senate bill contained no provision on this matter. The managers agree with the House report language regarding the use of the funds appropriated under this heading, including \$100,000,000 for a grant to UNICEF and \$25,000,000 for polio eradication. The grant for UNICEF does not preclude AID from providing additional funding for specific UNICEF projects as may be applicable.

The managers also concur with House and Senate report language on infectious diseases. An increase of \$50,000,000 is to be made available from funds under this heading to strengthen global surveillance and control of infectious diseases as proposed by the House instead of an increase of \$30,000,000 as proposed by the Senate in bill language under “Development Assistance”.

The total amount available for infectious diseases in fiscal year 1998 should be \$207,000,000, consisting of \$121,000,000 for HIV/AIDS, \$50,000,000 for this new initiative, and the balance from funds to combat infectious diseases derived from sources other than funding for Child Survival activities.

In implementing programs, projects, and activities to combat infectious diseases, the conferees agree with the Senate report language and expect AID to consult closely with the Appropriations Committees, the National Institute of Allergy and Infectious Diseases of the National Institutes of Health (NIH), the Centers for Disease Control and Prevention (CDC), and other relevant agencies involved in international health issues, including the World Health Organization (WHO).

The funding increase should be used for programs, projects, and activities for the prevention and control of such infectious diseases as tuberculosis, malaria, yellow fever, acute respiratory infections, and diseases that are resistant to antimicrobial drugs.

The conferees strongly encourage support for the Global Tuberculosis Initiative, which is to be coordinated by the World Health Organization (WHO) with support and input from the U.S. Centers for Disease Control and the Agency for International Development. Funds should be used in support of the initiative to provide assistance in Eastern Europe and Russia and other WHO identified "hot zones"—Mexico, Vietnam, the Philippines and Central America—for implementation of the Directly Observed Treatment Strategy (DOTS); as bridge funds to purchase fixed-dose combination anti-TB drugs; to strengthen monitoring and surveillance of tuberculosis and drug-resistant tuberculosis; to provide technical support to limit drug-resistant tuberculosis hot zones; and to enhance information dissemination, education, and research programs. In addition, the conferees support the plan for a regional tuberculosis control initiative proposed by the Gorgas Memorial Institute and recommend that \$2,000,000 be made available for this activity in Latin America and Southeast Asia. Finally, the conferees urge AID to consult closely with any nongovernmental organizations (NGO's) with demonstrated expertise and long-standing experience in international tuberculosis control as funds in the area of TB control are obligated.

The conferees intend that a total of \$121,000,000 shall be made available for both bilateral and multilateral HIV/AIDS prevention and control programs. The conferees recommend that funding through nongovernmental and private voluntary organizations operating at the community level be maximized, and that U.S. funding for UNAIDS be maintained. The conferees expect that the United States will continue to build upon its leadership role in combating this pandemic.

The conferees recommend that \$98,000,000 be provided for basic education programs. The conferees support the use of basic education funds to address the educational needs of children who are in or have been subjected to situations of hazardous and exploitative labor.

The conferees support the Senate report language regarding the International Foundation for Education and Self-Help (IFESH).

#### DEVELOPMENT ASSISTANCE

##### (INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates \$1,210,000,000 for "Development Assistance" instead of \$1,167,000,000 as proposed by the House and \$1,358,093,020 as proposed by the Senate.

The conference agreement includes language from the Senate amendment which inserts authority to obligate funds pursuant to title V of the International Security and Development Cooperation Act of 1980 (African Development Foundation), and section 401 of the Foreign Assistance Act of 1969 (Inter-American Foundation) under this heading. The conference agreement provides authority apportioning directly up to \$22,000,000 for the Inter-American

Foundation and up to \$14,000,000 for the African Development Foundation. The Senate provided allocations for these two foundations at levels of \$20,000,000 and \$11,500,000, respectively. The House bill had provided separate appropriations accounts for the foundations, together with authority to provide grants to the foundations under "Development Assistance".

The conferees support the House report language regarding the funding levels for Latin America and the Caribbean and for sub-Saharan Africa. The conferees also note that sub-Saharan Africa is undergoing major transitions that require creative and non-traditional approaches to dealing with fundamental development issues.

Institution-building and capacity-building are the most pressing problems that need to be addressed by AID programs in Africa. Therefore the conferees are concerned that large non-project assistance programs (NPA), such as the one currently being funded for Malawi (which has received nearly \$700,000,000 in AID resources since 1962), could perpetuate aid dependencies. The conferees request that AID undertake a thorough review of such assistance programs to determine whether or not current AID strategies are consistent with building self-reliance, and to report to the Committees on Appropriations on the results of such review by March 1, 1998. In addition, the conferees request that AID include a summary of proposed NPA by country in the fiscal year 1999 budget request, including an indication for the reason such assistance is being proposed in lieu of assistance to build institutions and country-capacity and whether past NPA has resulted in higher economic growth and a decrease in development dependence.

The conferees concur with the House report language encouraging AID to utilize funds made available for nongovernmental organizations in southern and eastern Sudan outside government control to include capacity building activities in addition to traditional disaster relief programs.

The conferees agree with language in the House report that expresses concern over the decline in recent years of budgetary resources that have been made available for international agriculture development assistance. The decline of this important segment of U.S. assistance, together with the corresponding decline in the number of international agriculture experts at AID and the State Department, should be reversed. The conferees also strongly support funding for collaborative research support programs (CRSP's).

The conference agreement also includes language allowing not to exceed \$2,500,000 to be transferred to "International Organizations and Programs" for a contribution to the International Fund for Agricultural Development (IFAD). The Senate amendment contained similar language. The House bill contained no provision on this matter. The conferees note that IFAD has many years of experience in working with smallholder farmers, and in microenterprise development, to alleviate poverty and hunger among the rural poor. Many of AID's goals and program initiatives are similar to those of IFAD. The conferees encourage AID to examine how it could work more closely with IFAD.

The conferees direct that not less than \$500,000 shall be made available for support of the United States Telecommunications Training Institute, in accordance with information received from

the Agency for International Development. This organization provides valuable communications and broadcast training to professionals around the world. The Senate amendment included bill language mandating that such funds be made available for this purpose. The House bill did not address this matter.

The conference agreement does not contain Senate language requiring that not less than \$15,000,000 shall be available only for the American Schools and Hospitals Abroad (ASHA) program. However, the managers direct the Agency for International Development to fully uphold its commitment to the Appropriations Committees to obligate at least \$15,000,000 for the American Schools and Hospitals Abroad program in fiscal year 1998.

The conference agreement recommends \$14,000,000 for AID's Office of Women in Development, and the managers encourage AID to undertake the institutional changes needed to expand support for women in development and to provide appropriate support for the Girls' and Womens' Education Initiative.

The conferees note the contribution of the Leahy War Victims Fund in assisting war victims in over a dozen countries since its inception in 1989. Recently, world attention has focused increasingly on the problem of landmines, and the need for additional funds for the care and rehabilitation, including social and economic reintegration, of landmine victims. Accordingly, the conferees recommend that up to \$7,500,000 be made available for such activities.

The conference agreement also includes Senate language to allow not to exceed \$25,000 for oversight of assistance programs for displaced and orphaned children and victims of war.

The conference agreement also deletes Senate language requiring that not less than 65 percent of the funds made available for family planning assistance shall be made available directly to the agency's central Office of Population. However, the managers strongly support AID's central population office, which plays a vital role in AID's efforts to stabilize global population growth rates.

The managers agree with the Senate report language on micro-enterprise regarding poverty lending programs, including the allocation of \$135,000,000 for such purposes.

The managers strongly support the fertilizer-related research and development being conducted by the International Fertilizer Development Center (IFDC) and direct the Administrator of AID to make at least \$3,000,000 available for the core grant to IFDC.

The conference agreement prohibits funds from being made available for any activity in contravention to the Convention on International Trade in Endangered Species of Flora and Fauna (CITES).

The conferees recognize the importance of commercial law reform in the Caribbean as an essential part of future business development and increased trade between the United States and the region, and strongly support the business facilitation activities undertaken by the Caribbean Law Institute.

The conferees endorse the House report language on proposed cooperation between AID and the National Aeronautics and Space Administration, including the establishment of a collaboration with NASA's Global Hydrology and Climate Center.

The conferees recognize that the volunteers of the International Executive Service Corps (IESC) promote the long-term interests of the United States by creating new businesses, increasing employment, and raising living standards. Therefore the conferees strongly urge AID to provide IESC with grant funds at a level comparable with fiscal year 1997 to ensure the continued availability of their services worldwide, and an additional amount to enable the organization to renew activities in Latin America and the Caribbean.

The conferees support the scholarship programs known as the Cooperative Association States for Scholarships (CASS) and expect AID to continue funding for this program at the same level provided in fiscal year 1997.

The conferees also support the continuation of AID's programs in Yemen, which are helping that country make the transition to democracy.

#### POPULATION, DEVELOPMENT ASSISTANCE

The conference agreement deletes Senate language proposing a separate appropriations account of \$435,000,000 for development assistance population activities. The funding for such activities is provided as part of the "Development Assistance" account in the conference agreement.

#### PRIVATE AND VOLUNTARY ORGANIZATIONS

The conference agreement includes language from the Senate amendment providing that funds appropriated under title II of this Act should be made available to private and voluntary organizations (PVO's) at a level which is at least equivalent to the level provided in fiscal year 1995. The House bill included similar language.

#### CYPRUS

The conference agreement includes Senate language providing that not less than \$15,000,000 of the funds appropriated under "Development Assistance" and "Economic Support Fund" be made available for Cyprus, to be used only for scholarships, administrative support, bicommunal projects, and measures aimed at reunification of the island. The House bill contained no provision on this matter.

#### BURMA

The conference agreement includes a total of \$5,000,000 from "Development Assistance" and "Economic Support Fund" to support democracy and humanitarian programs in Burma. Such funds may be made available notwithstanding any other provision of law and are subject to notification. The Senate amendment specified the uses for the funds and the funding source was limited to "Development Assistance". The House bill contained no provision on this matter.

The conferees have provided assistance to support activities designed to restore democracy in Burma and to provide humanitarian programs for Burmese exiles and refugees. The assistance has been

provided to underscore U.S. support for Aung San Suu Kyi and her supporters.

The conferees note strong concern about the severe restrictions imposed on Aung San Suu Kyi. Although not under formal arrest, she is unable to move about freely and visitors must be approved by the State Law and Order Restoration Council. As a result, family, friends, associates, journalists and advocates for restoring her to office have been denied access. In addition, she has drawn public attention to the continuation of a campaign of violence, intimidation and terror being waged against her party members with the goal of destroying the democratic opposition.

The conferees expect that not less than \$3,000,000 of the funds made available for Burma be provided to support democracy activities and \$2,000,000 be provided to support humanitarian initiatives along Burma's borders. The conferees oppose any expenditure of funds in Burma.

#### GUATEMALA CLARIFICATION COMMISSION

The conference agreement does not include language from the Senate amendment providing that not less than \$1,000,000 shall be made available to support the Guatemala Clarification Commission. The House bill did not address this matter.

The conferees support the provision of sufficient funds to enable the commission to complete its work, and urge the Department of State to closely monitor the commission's resource needs and to seek additional support from other donors.

#### CAMBODIA

The conference agreement includes language prohibiting funds for the Government of Cambodia, except for support for demining, humanitarian assistance, and elections. In addition, the conference agreement includes a provision similar to that in the Senate amendment requiring a report from the President on the results of the investigation of the Federal Bureau of Investigation into the bombing attack in Phnom Penh of March 20, 1997.

The House bill had two provisions on this matter; one would have prohibited funding directly to the Government of Cambodia, and one would have prohibited funding to the Government and funding through international financial institutions for Cambodia. The Senate amendment included a prohibition on funding for activities and programs in Cambodia except under certain conditions, and also made United States support for loans through international financial institutions dependent on similar conditions.

Political violence in Cambodia reached a crisis point in July when forces loyal to Second Prime Minister Hun Sen seized control and ousted First Prime Minister Ranariddh from both the coalition government and the country. Subsequent to this takeover, Hun Sen forces engaged in a systematic campaign of summary executions, torture and kidnappings, much of which has been verified and documented in an August 21, 1997, United Nations Center for Human Rights report.

In response to these events, the Secretary of State announced a temporary suspension and review of U.S. assistance programs.

The conferees believe that, in effect, Hun Sen gained power by a coup which would normally require the termination of U.S. assistance under section 508 of this Act.

To assure no assistance is provided to Hun Sen or his supporters, the conferees have prohibited most bilateral aid for the Government of Cambodia. The Secretary of the Treasury should instruct U.S. Executive Directors to international financial institutions to use the voice and vote of the United States in opposition to loans to Cambodia.

In restricting bilateral aid, the conferees have exempted demining, elections and humanitarian programs which directly benefit Cambodia's citizens. The conferees hope that Hun Sen's opponents will be allowed to return to Cambodia and safely participate in open, fair elections. The conferees expect the Committees on Appropriations to be notified prior to the initiation or renewal of any program in Cambodia.

#### INTERNATIONAL DISASTER ASSISTANCE

The conference agreement appropriates \$190,000,000 for "International Disaster Assistance" as proposed by the House instead of \$195,000,000 as proposed by the Senate.

The conferees support the House report language on activities in Kosovo and assistance for internally displaced persons in Northern Iraq.

#### DEBT RESTRUCTURING

The conference agreement appropriates \$27,000,000 as proposed by the House instead of \$34,000,000 as proposed by the Senate.

The agreement includes language to allow modification of concessional loans made under section 411 of the Agricultural Trade Development and Assistance Act of 1954, the Commodity Credit Corporation Charter Act, the Food for Peace Act of 1966, or the Agricultural Trade Act of 1978, to Latin American countries which have completed Paris Club debt agreements. Debt relief for Jordan was completed in fiscal year 1997, and therefore language affecting Jordan in the House bill and Senate amendment has been deleted.

The conference agreement on legislative language follows the House in not retaining the proposed requirement for notifications for the obligations of funds from this account. In lieu of the House report language request for quarterly reports on obligations made from this account, the conferees request the following actions for debt restructuring activity in this account:

1. on the basis of final appropriations action, an annual notification should be provided at the beginning of the fiscal year listing expected poorest country debt reduction and buyback/swap activities for the upcoming fiscal year;
2. the Committees on Appropriations should be informed should action subsequently be anticipated for additional countries, or involve deeper relief;



3. signed bilateral agreements to implement bilateral agreements should be submitted to the Committees on Appropriations prior to the entry into force of such agreements; and

4. a final report should be provided at the end of the fiscal year listing Paris Club ad referendum agreements, signature and/or entry into force of bilateral debt reduction agreements, obligation of funds for poorest country debt reduction, and buyback/swap agreements concluded during the fiscal year.

The conference agreement also provides up to \$1,500,000 for the Department of Treasury to improve the foreign credit reporting system of the U.S. Government.

#### URBAN AND ENVIRONMENTAL CREDIT PROGRAM ACCOUNT

The conference agreement incorporates House language allowing for funds under this heading to be used for the cost of guaranteed loans designed to promote the urban and environmental policies and objectives of part I of the Foreign Assistance Act. The Senate amendment did not contain such language.

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

The conference agreement appropriates \$473,000,000 as proposed by the Senate instead of \$468,750,000 as proposed by the House.

The conferees are very concerned about the lack of progress in the implementation of the New Management System (NMS) and request that AID regularly report to the Committees on Appropriations on the status of this program.

#### ECONOMIC SUPPORT FUND

The conference agreement appropriates \$2,400,000,000 instead of \$2,541,150,000 as proposed by the Senate and \$2,375,000,000 as proposed by the House.

#### THE MIDDLE EAST

The conference agreement inserts language proposed by the Senate which earmarks \$1,200,000,000 for Israel, \$815,000,000 for Egypt and \$150,000,000 for Jordan. The conference agreement also provides that aid to Egypt is provided with the understanding that Egypt will undertake significant economic reforms and that in providing aid to Egypt and Israel the President shall ensure the level of aid does not cause an adverse impact on the total level of non-military exports from the United States to each country.

The conference agreement inserts language proposed by the House which provides that of the funds made available in previous Acts making appropriations for foreign operations, export financing, and related programs, notwithstanding any provision of any similar heading in such previous Acts, up to \$116,000,000 may be made available to support Economic Support Fund programs and activities, including the Middle East Peace and Stability Fund. The language also provides that the President should seek to ensure to the extent feasible that not more than 1 percent (\$54,000,000) of the amount specified in section 586 shall be derived from any sin-

gle country. The conference agreement further provides that any funds provided to the Middle East Peace and Stability Fund by a country in the region pursuant to the general authorities of section 635(d) of the Foreign Assistance Act of 1961, as well as funds made available for Jordan from previous Acts, shall count toward meeting the earmark for Jordan. In addition, the conference agreement stipulates that up to \$10,000,000 in fiscal year 1997 funds reprogrammed for Jordan shall also count toward the Jordan earmark in fiscal year 1998. The conference agreement also includes language modifying certain notification requirements in order to facilitate the implementation of the authorities provided under this heading and the requirements of section 586, "Assistance for the Middle East."

#### HAITI

The conference agreement strikes language proposed by the Senate earmarking not less than \$500,000 for the Special Investigative Unit (SIU) of the Haiti National Police and providing that up to \$250,000 may be made available to assist orphanages in Haiti. The managers expect not less than \$500,000 be made available to the SIU and concur with the Senate that a professional SIU, fully supported by its Government, is essential to the rule of law in Haiti and that programs to assist Haitian children in orphanages should be continued under the current dire economic conditions in Haiti. No later than 45 days after enactment of this Act, the Secretary of State is requested to report to the Committees on the proposed fiscal year allocation for these programs in Haiti.

#### PALESTINIAN-ISRAELI COOPERATION

The conferees recommend that \$500,000 be made available to support the Palestinian-Israeli Cooperation Program to promote better understanding and mutual respect between Israelis and Palestinians at a time when the Middle East Peace process is threatened by violence and terrorist acts.

#### IRAQ

The conferees note that the people of Iraq continue to suffer under the repressive rule of Saddam Hussein, despite efforts of the international community to provide humanitarian assistance to the truly needy in Iraq. In particular, the conferees are concerned that humanitarian assistance provided by private religious and charitable groups may not be reaching intended beneficiaries in Iraq. The conferees direct the Department of State to work with these groups to coordinate monitoring activities and to apply international pressure to make certain that innocent victims in Iraq are not denied humanitarian assistance provided by private charitable organizations.

#### TIMBER TRADE IN THAILAND AND CAMBODIA

The conferees remain very concerned by reports that despite efforts by the Administration and Thai officials to deter the export of timber from Cambodia through Thailand, this illegal trade continues and may be increasing due to recent political turmoil in

Cambodia. Reports implicate Cambodian political and military officials, as well as Thai border guards in this profitable trade. Although the conferees have not repeated past conditions on assistance to Thailand, the conferees expect the Administration to use its influence with both the Thai and Cambodian authorities to produce concrete results in stemming this illegal trade.

#### GUATEMALA

Authority is provided to use local currency generated by AID programs, in Guatemala to prepay the debts owed by several universities to multilateral development banks. Full repayment of the debt was made for many years, until devaluation of the local currency made prompt repayment in hard currency extremely difficult. The affected institutions have made major contributions to the peace and reconciliation process in Guatemala, and the authority is provided in recognition of that fact. Similar authority was provided for El Salvador in 1992.

#### SOUTH PACIFIC REGIONAL FISHERIES TREATY

The conferees note that the South Pacific Regional Fisheries Treaty requires the United States to contribute \$14,000,000 annually to the South Pacific Island states and expect that this treaty obligation will be met.

#### INTERNATIONAL FUND FOR IRELAND

The conference agreement appropriates \$19,600,000 for the "International Fund for Ireland" as proposed by the House. The Senate amendment did not contain a provision on this matter.

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

The conference agreement appropriates \$485,000,000 as proposed by the Senate instead of \$470,000,000 as proposed by the House.

The conference agreement includes House language deleted by the Senate that prohibits funds from being used for new housing construction or repair or reconstruction of existing housing in Bosnia and Herzegovina unless directly related to efforts of United States troops to promote peace in said country. The agreement also includes language, similar to that contained in both the House bill and the Senate amendment, that authorizes the President to withhold funds made available for economic revitalization for Bosnia and Herzegovina if he determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina is not in compliance with the Dayton agreement regarding the removal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian and Bosnian officials has not been terminated.

The conference agreement retains language from the House limiting the assistance for Bosnia and Herzegovina to \$200,000,000. However, this limitation excludes funds for police training and related expenses. The conference agreement includes up to \$15,000,000 for this purpose. The conferees endorse the House report language encouraging the State Department to seek

funds from other nations for police training activities in Bosnia, and expect that any proposal to provide more than \$15,000,000 for police training and related expenses will be subject to notification.

The conference agreement also includes House language not in the Senate amendment to allow for up to \$7,000,000 for modifying direct loans and loan guarantees for Bosnia and Herzegovina.

The conferees recognize that realtors in the United States have had success in working with the Eastern Europe Real Property Foundation. Building and privatizing real estate markets is still a priority in building a free and democratic economy. The conferees recommend funding at up to \$2,000,000 over the next two years to continue to develop professional associations with ethics and laws that will lead to a private real estate market throughout Central Europe.

The conferees recommend that AID and the Department of State make best efforts to provide funding at the fiscal year 1996 level for the Russian, Eurasian, and East European Research and Training Program (title VIII), both in this account and in "Assistance for the New Independent States of the Former Soviet Union".

#### ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

The conference agreement appropriates \$770,000,000 instead of \$625,000,000 as proposed by the House and \$800,000,000 as proposed by the Senate. The conferees did not include Senate language that allowed for the transfer of up to \$22,000,000 to the Export-Import Bank and up to \$8,000,000 to the Micro and Small Enterprise Program of AID.

#### RUSSIA-IRAN

The conference agreement provides that fifty percent of the funds allocated for the Government of Russia shall be withheld from obligation until the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia has terminated implementation of arrangements to provide Iran with certain goods and services related to nuclear and ballistic missile programs in Iran. The managers also include a provision allowing the President to waive the provisions of the paragraph if he finds that continuing assistance to the Government of Russia is vital to the national security interests of the United States and that the Government of Russia is taking meaningful steps to limit major supply contracts and curtail the transfer of technology. The Senate had no similar waiver provision.

#### GAZPROM FINANCING

The managers understand that the Chairman of the Export Import Bank signed a memorandum of understanding with Gazprom in 1994 providing up to \$750 million in guarantees of commercial loans for the purchase of American equipment and services to improve the efficiency and productivity of Russian oil and gas fields. Since implementation, the Bank has approved or has under consideration \$338 million in financing.

In 1996, the Iran Libya Sanctions Act went into effect requiring the President to impose sanctions against companies which invest more than \$20 million in the development of Iran's energy sector. The managers are concerned by reports that Gazprom has agreed to participate in a \$2 billion project to develop Iranian energy fields. The managers strongly oppose the use of Bank financing to directly or indirectly support the development of Iranian gas and oil fields and urge the Board of the Bank to suspend all Gazprom transactions for a period of review to assure no funds are used for these purposes.

#### UKRAINE

The conference agreement earmarks \$225,000,000 for Ukraine with the understanding that Ukraine will undertake significant economic reforms which are additional to those which were undertaken in previous years.

The conferees take note of important developments which have enhanced stability in Ukraine including the introduction of a new currency, passage of a Constitution and completion of a new NATO-Ukraine security agreement. The conferees take note of President Kuchma's recent initiatives to combat corruption, privatize state owned, enterprises and replace senior officials opposed to serious reforms. While welcome, these efforts must be expanded and measured by immediate, concrete progress on legal, political and economic reforms. Reforms, especially in the agriculture sector, are essential if U.S. and multilateral assistance is to achieve meaningful results. Without them, it will be difficult for Ukraine to prosper and secure its political independence.

To encourage results, the conferees have withheld 50 percent of the funding for Ukraine until the Secretary of State is able to certify that specific cases involving U.S. companies have been resolved. The conferees have taken this action with the view that the private sector is key to Ukraine's economic growth. Resolution of these cases, as well as similar complaints by Ukrainian firms, and improvements in the legal system are necessary if Ukraine is to restore private sector confidence and attract investment capital.

With parliamentary elections scheduled in March 1998, the managers strongly support expanded political party training and election-related activities to encourage informed participation and an open, fair process. The conferees remain concerned that the current Rada has opposed many of President Kuchma's reform initiatives. The conferees note that the outcome of the elections could have a significant impact on the future assistance program as well as private sector investment.

The managers expect that not less than \$25,000,000 of the funds allocated to Ukraine be transferred to the Department of Energy's International Nuclear Safety Program for simulators, training, and safety analysis at nuclear reactors in Ukraine. The managers direct the Department of Energy's INSP office to consult with the Senate and House committees prior to any allocation of funds. The conference agreement also includes language modifying prior year language on nuclear safety analyses to extend the time available for such activities in Ukraine.

The conference has deleted House language terminating assistance to the Government of Ukraine if the President determines and reports to the Committees that the Government of Ukraine is engaged in military cooperation with the Government of Libya. There was no similar Senate provision, and the conferees have been assured by the State Department that there is no cooperation with Libya at the present time. The managers caution Ukraine to move immediately to halt any and all transfers of weapons to terrorist states.

#### COMMERCIAL LAW REFORM

The Senate version of the bill included \$25,000,000 for commercial law reform in Ukraine. The House bill did not include such a provision.

The conferees express strong support for commercial law reform in Ukraine. The conferees strongly urge AID to set aside funds for comprehensive legal restructuring in Ukraine necessary to support a decentralized market-oriented economic system, including the enactment of all necessary substantive commercial law procedures, the implementation of reforms necessary to establish an independent judiciary and bar, the education of judges, attorneys, law students, and related public education.

#### SOUTHERN CAUCASUS REGION

The conference agreement provides for a new Southern Caucasus Region funding category that is not contained in the House bill or Senate amendment. The managers seek to make the maximum use of American assistance as an incentive for the regional parties to cooperate with the Minsk Group and other international mediators seeking to bring peace to the South Caucasus. The managers are convinced that the ready availability of international reconstruction aid, including the potential U.S. initial contribution provided in this conference agreement, will encourage leaders to make peace. The managers intend that emphasis be placed on restoring transportation, telecommunications, and other infrastructure that promote regional economic integration.

The managers include in the \$250,000,000 made available for the Southern Caucasus specific funding for three areas of United States national interest in the region:

(1) up to \$70,000,000 to aid the refugees and internally displaced persons affected by the conflicts in the Caucasus, and if feasible, provide the United States share of an international effort to reconstruct the regions most affected by the conflict once interim settlements are agreed to. The managers direct the Coordinator to move forthwith to provide assistance of \$12,500,000 for victims of the Nagorno-Karabakh conflict and \$5,000,000 for victims of the Abkhazia conflict;

(2) the amount of \$87,500,000 for Armenia (not including, under the previous category, aid for Armenians residing outside the boundaries of Armenia), a country in the center of a volatile region that cannot prosper without renewed trade and communications with its sometimes hostile neighbors; and

(3) the amount of \$92,500,000 for Georgia (not including, under the previous category, aid for Georgians displaced from

Abkhazia) a key country providing regional leadership for conflict resolution and economic reform. Training and infrastructure support for customs and border control by Georgian officials should be a high priority for use of these funds.

In order to facilitate United States leadership in the Minsk Group process, the managers have included in the conference agreement language renewing Congressional concern about blockades of Armenia, but have exempted humanitarian aid to refugees and displaced persons throughout the Southern Caucasus from restrictions imposed by the FREEDOM Support Act. This should facilitate American assistance to residents of Nagorno-Karabakh as well as persons displaced from neighboring regions of Azerbaijan.

The bill again contains language which restates section 907 of the FREEDOM Support Act (P.L. 102-511). The managers recognize that restrictions contained in section 907 are applicable to assistance to the Government of Azerbaijan.

The conference agreement does not exempt reconstruction aid from the restrictions imposed by the FREEDOM Support Act. The managers assume that in the event that an interim settlement is reached with regard to Nagorno-Karabakh, any blockades will be lifted and the President will be in a position to make the determination necessary to lift such restrictions.

In addition to provisions included in prior year Appropriations Acts, the conference agreement allows for limited support for United States commercial entities, as proposed by the Senate, by clarifying that the Foreign Commercial Service and the Trade and Development Agency can function in Azerbaijan. Both House and Senate provisions relating to the Export-Import Bank were deleted from the conference agreement.

It is the intent of the conferees that in the case of any assistance funded or otherwise provided pursuant to this Act, the direct beneficiaries of which are required by law to be United States entities (e.g., in which guaranties or insurance are provided to U.S. entities), such assistance shall not be considered assistance to a foreign country or government, and therefore is not covered by restrictions on such assistance.

In order to provide flexibility for the Executive branch, the conference agreement includes a provision allowing the Secretary of State to use up to \$43,750,000 from the Southern Caucasus funding category for other areas of the former Soviet Union, if she reports to Congress that the full amount cannot be effectively utilized. The managers anticipate that this provision would be used only if an interim settlement proposed by the Minsk Group is not agreed to by May 30, 1998.

#### ARMENIA

Because of concern about the impact of the continuing physical isolation of Armenia from several of its neighbors and the uneven performance of her economy, the conferees direct that the Agency for International Development and other United States Government agencies provide no less than \$82,500,000 for technical and humanitarian assistance requested by the Government of Armenia and qualified non-governmental organizations in Armenia. This level of assistance is provided with the understanding that Arme-

nia will undertake significant economic reforms which are additional to those which were undertaken in previous years.

As Armenian Prime Minister Kocharian recently stated, "further economic growth largely depends on foreign investment and from that point of view, the role of the Armenian diaspora can scarcely be overestimated." Without a favorable investment climate, no amount of American Government assistance will bring prosperity to Armenia or its neighbors.

#### GEORGIA

Because of the constructive role undertaken by Georgia in attempting to resolve regional conflicts and its economic and democratic progress, the conferees direct that the Agency for International Development and other United States Government agencies provide no less than \$87,500,000 for technical, security, and humanitarian assistance requested by the Government of Georgia and qualified non-governmental organizations in Georgia.

#### LACK OF PRIORITY FOR HEALTH, POPULATION, AND ENVIRONMENT PROGRAMS

The conferees are distressed that the NIS assistance program has made Health, Population, and Environment projects a low priority. Virtually all of the New Independent States have severe health and environmental problems. Unfortunately, the positive changes in the areas of democratization and privatization in these republics has been accompanied by a steady deterioration in the quality of health care. Health indicators in virtually all republics reflect this trend. Few if any environmental guidelines or laws exist in the NIS republics, and there is little capacity to implement them even where there do exist. A low percentage of women in the NIS have access to family planning services. Dramatic reductions in abortion rates have been achieved in areas where U.S. resources have been made available for such services.

The conferees have agreed to provide a \$145,000,000 or 23 percent increase in the funds for the NIS program for fiscal year 1998. The magnitude of the problems mentioned above should not prevent the Coordinator from devoting additional resources to them, particularly in light of the large increase in the NIS account. The conferees expect the priorities reflected in the fiscal year 1998 NIS program, including the Partnership for Freedom, to be revisited and that significant additional resources will be devoted to the Health, Population, and Environmental programs.

#### RUSSIAN FAR EAST

The Russian Far East is widely recognized as vital to the overall development of the Russian Federation's economy. Its rich natural resource base and proximity to robust Pacific rim economies have attracted the attention of many international companies, but the investment climate remains difficult because of governance issues in the region.

The Russian Far East presents a unique set of investment opportunities which have been overlooked in past United States economic cooperation initiatives in Russia. As the Partnership for



Freedom program will designate selected regions in the Russian Federation as especially attractive for American investment, the managers direct the Coordinator to designate at least one such region in the Russian Far East. The conferees also urge the Board of the United States Russia Investment Fund (TUSRIF) to develop a lending mechanism to increase investment in small- to medium-sized business projects in the Russian Far East.

#### RURAL AND AGRICULTURAL REGIONS OF RUSSIA AND CENTRAL ASIA

The failure of a market economy to develop in rural and agricultural regions of the Russian Federation, Ukraine, and Central Asia is noted with concern by the conferees. The Coordinator is encouraged to take the lagging pace of reform in rural Russia into account as he selects regions of concentration for United States technical cooperation. To this end, consideration should be given to forging links between American institutions and Russian agricultural universities and institutes, as well as strengthening and replicating ongoing collaborative efforts between academic and commercial enterprises. Also, the Administrator of AIDS is requested to provide in writing no later than December 15, 1997, the Agency's strategic objectives (including a financial plan) with region to economic growth in rural areas of the Central Asian republics, including public health and environmental indicators and the role of American-Israeli cooperative research and development in the region.

#### NIS COORDINATOR PERSONNEL PRESENCE IN REGION

The conferees are concerned about the lack of personnel in the New Independent States coordinating United States assistance programs. The Office of the Coordinator of NIS assistance has no full time personnel in Moscow and only one full time position in the Southern Caucasus. As the office charged with developing and coordinating all U.S. assistance programs in the New Independent States, it is imperative that adequate personnel resources be made available in the region. The conferees expect this situation to be addressed promptly.

#### HEALTH ISSUES RESULTING FROM THE CHORNOBYL NUCLEAR ACCIDENT

The conferees urge AID to supplement the generosity tens of thousands of Americans have directed to the victims of the Chornobyl nuclear tragedy. Active consideration should be given to providing ways to decontaminate fresh milk in Ukraine and Belarus in order to increase its acceptability to children and mothers. The conferees request that the Coordinator work with relevant federal agencies to determine the viability of installing and operating effective and affordable technology to decontaminate milk supplies in the contaminated region. Emphasis should be placed on the development of privately-owned dairies and milk processing plants. This priority supersedes any non-conforming "strategic objectives" of USAID.

## CRIME AND CORRUPTION

The conferees agree with the House report language characterizing officially tolerated corruption as the biggest impediment to private investment and economic growth in the former Soviet Union. The report requested by the House from the Secretary of State and the Coordinator should be provided to both Committees no later than 90 days following enactment of this Act.

## ENTERPRISE FUNDS

The conference agreement does not reserve any funds for the Trans-Caucasus Enterprise Fund as proposed by the Senate. The House bill did not address this matter.

The conference agreement includes a Senate provision that none of the funds provided under this heading or in prior appropriations Acts may be made available to invest in a joint public-private management entity established by the Defense Enterprise Fund.

During fiscal year 1997, the Defense Enterprise Fund (DEF) received a final installment of \$15,000,000 of a \$71,000,000 commitment from the United States Government. Release of these resources was conditioned upon an understanding by the DEF senior management that the funds would be directly invested in defense conversion projects and related activities. The managers expect that during fiscal year 1998, none of the government funds provided to the DEF will be used for any other purposes. The conference language is not intended to limit or prevent the managers of the Fund from raising private capital or receiving contributions from multilateral financial institutions to invest in the Fund's projects or activities.

The conferees direct the Coordinator for United States Assistance to the New Independent States, in consultation with the implementing agency, to submit a report to the Committees on Appropriations no later than 60 days after the date of enactment of this Act on the rate of obligation and risk and anticipated returns associated with commitments made to the United States-Russia Investment Fund (TUSRIF). The report shall include a recommendation on the continued relevance and advisability of the initial planned life of project funding commitment for TUSRIF.

## CIVIL SOCIETY AND CONTINUED DEVELOPMENT OF A FREE PRESS

The conferees endorse the House report language on civil society and continued development of a free press. In addition, the Coordinator is encouraged to continue support for the long-term development of an independent print media in Russia and Ukraine, utilizing organizations with demonstrated experience in working with print media in countries of the region.

## ENDORSEMENT OF OTHER PRIORITIES IN THE PARTNERSHIP FOR FREEDOM

The managers endorse the House report language on the important role of American business centers and centers for business skills development in the Partnership for Freedom initiative. The conferees also support the Senate report language with regard to

expansion of support for sustainable programs at Russian agricultural institutions.

#### MONGOLIA

The conference agreement deletes the Senate earmark of \$12,000,000 for Mongolia, but retains authority for funds provided under this heading to be used in Mongolia.

Positive economic and political developments in Mongolia make clear that a robust program of assistance especially in the areas of judicial, tax, banking, commercial and related legal code reforms could have a major impact securing free market democracy. The managers believe the current conditions in Mongolia offer a unique opportunity to carry out significant, permanent reforms in a short period with minimal resources and yet a lasting impact. Therefore, the managers direct that not less than \$12,000,000 be made available from development assistance funds and resources made available under the New Independent States heading.

In addition, the managers are concerned about continued reports that AID intends to close its mission in Ulan Bator at the end of fiscal year 1998. The managers oppose closure of the mission at this time and request consultation in advance of any such decision. While Mongolia represents a unique opportunity to provide short term support and quickly graduate a nation from U.S. aid programs, a closure in 1998 would compromise prospects for successfully completing reforms.

The managers strongly encourage the Coordinator and the Administrator to coordinate completion of programs to modernize the Mongolian energy sector. The managers recognize that the Mongolian Government is committed to infrastructure development and environmental protection, the latter adding value to the economy because of the potential for ecotourism. Institutions such as the Academy of Natural Sciences can help Mongolian scientists through cooperative research programs that promote environmentally sensitive economic development in Mongolia.

#### DISTRIBUTION OF CONTRACTS TO SMALL AND DISADVANTAGED BUSINESS

In fiscal year 1996 because of concern that small and disadvantaged businesses were not receiving a fair share of contracts from AID, particularly in the NIS programs, the Conference report contained language directing AID to take immediate measures to ensure that all contractors be given a fair chance to perform and receive contracts. While the initial actions taken by AID were encouraging, recent actions have brought AID commitment to this directive into doubt. The conferees expect AID to adhere to the earlier directive with respect to allowing small and disadvantaged contractors the opportunity to compete fairly for AID contracts.

## INDEPENDENT AGENCY

## PEACE CORPS

The conference agreement appropriates \$222,000,000 as proposed by the House instead of \$206,000,000 as proposed by the Senate.

## DEPARTMENT OF STATE

## INTERNATIONAL NARCOTICS CONTROL

The conference agreement appropriates \$215,000,000 for "International Narcotics Control". The House bill proposed \$230,000,000 for this account, while the Senate amendment contained an appropriation of \$216,200,000.

In addition, the conference agreement includes \$15,000,000 in a new account, "Narcotics Interdiction", in order to provide the Bureau of International Narcotics and Law Enforcement Affairs (INL) with the flexibility and funds to procure Black Hawk helicopters for the Colombian National Police. The bureau is directed to use the funds in this account, together with base funds from "International Narcotics Control", to procure three Black Hawk utility helicopters, including maintenance and training, for the National Police solely for counternarcotics purposes, at a cost of \$36,000,000. In addition, \$14,000,000 should be made available to provide upgrades for UH-1H Huey helicopters for the Colombian National Police solely for counternarcotics purposes.

The managers are extremely concerned about reports that Colombian heroin is flooding the U.S. market. According to the Drug Enforcement Administration, 60 percent of all heroin recently seized on American streets is of Colombian origin. The new appropriations account, together with base funds in "International Narcotics Control", is intended to address the equipment shortfall of the Colombian National Police.

The conferees are also concerned that helicopters for drug interdiction were removed from Guatemala several years ago. The transit of drugs through Guatemala has re-emerged as a serious problem, and the managers would support the proposed redeployment of helicopters from Bolivia to that country.

The conference agreement includes language from the House bill, deleted by the Senate amendment, that allows the Bureau to use section 608 of the Foreign Assistance Act, without regard to its restrictions, to receive non-lethal excess property from an agency of the U.S. government for use in a foreign country, subject to notification.

The conference agreement does not contain Senate language providing not less than \$10,000,000 for law enforcement training and education and not less than \$22,000,000 for anti-crime programs. However, the conferees expect that not less than the 1997 levels for each such activity (\$9,000,000 and \$20,000,000, respectively) will be provided in fiscal year 1998.

The conference agreement includes language requiring a report from the Secretary of State, in consultation with the Office of National Drug Control Policy, 60 days after enactment on overseas

counter-narcotics activities. The Senate amendment would have prohibited funding for counter-narcotics activities until such report was submitted. The House bill did not address this matter.

The conference agreement includes language from the Senate amendment providing not to exceed \$5,000,000 for the operations of a Western Hemisphere International Law Enforcement Academy; however, the reference to the Organization of American States is deleted. Although the House bill did not address this matter, the conferees endorse the House report language regarding the regional training center.

The conference agreement includes language withholding from obligation 10 percent of the funds appropriated under "International Narcotics Control" and "Narcotics Interdiction" until the Secretary of State submits a financial plan for the use of all funds made available in these accounts.

The conferees support the development of plant pathogens capable of destroying illicit drug crops and expect the Department to fund research on such biocontrol agents, such as the program at Montana State University.

The conferees support the intent of the Senate report language on international crime and the need for the Secretary of State to reestablish a task force on international crime.

The conferees are very concerned that many people in Ecuador are being denied due process in its judicial system. Many of them, including several United States citizens, have been held for months or years without regard to rights accorded them under Ecuadoran and international law. The conferees strongly urge the Department of State to actively encourage Ecuadoran law enforcement and judicial officials they cooperate with under the International Narcotics Control programs to fulfill their responsibilities in a manner consistent with requirements of law and treaty obligations.

#### MIGRATION AND REFUGEE ASSISTANCE

The conference agreement includes Senate language, not in the House bill, that provides not less than \$80,000,000 for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

The conferees remain strongly committed to assisting the Government of Israel to resettle refugees in Israel from the former Soviet Union, Eastern Europe, and elsewhere. Since 1989, Israel has absorbed more than 700,000 refugees from countries of distress. The funds provided in the conference agreement assist in the transportation and initial absorption costs for more than 100,000 refugees per year. While there has been a modest decrease in the number of refugees coming to Israel this year, the conferees note that the historically unprecedented numbers still arriving and in need continue to strain the resources of the Government of Israel. Should the current decline in the number of refugees arriving in Israel continue, the conferees expect this program to be funded at \$70,000,000 in fiscal year 1999 and \$60,000,000 in fiscal year 2000.

The conferees believe the United States should play a leadership role in helping to establish a fund through the United Nations High Commissioner for Refugees for vulnerable refugee children, particularly those separated from their parents. The conferees rec-

ommend that approximately \$5,000,000 in fiscal year 1998 funds be made available for this purpose.

The conferees also support the House report language on assisting Tibetan refugees.

#### REFUGEE RESETTLEMENT ASSISTANCE

The conference agreement appropriates \$5,000,000 for "Refugee Resettlement Assistance" as proposed by the House. The Senate amendment contained no provision on this matter.

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

The conference agreement appropriates \$133,000,000 for "Nonproliferation, Anti-Terrorism, Demining and Related Programs" instead of \$129,000,000 as proposed by the Senate and \$118,000,000 as proposed by the House.

#### DEMINING ACTIVITIES

The conference agreement recommends \$20,000,000 be utilized to support global demining activities. The conferees strongly support programs to locate and remove landmines and other unexploded ordnance, including mine awareness and education, mapping and marking, and training of deminers. In addition, the conferees urge the Department of State, in consultation with the humanitarian demining training program at the Department of Defense, to explore opportunities for the United States to provide technical advice and assistance to Russia and other new independent states in the clearance of landmines, including the southern Caucasus region.

#### KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION

The conference agreement provides that not to exceed \$30,000,000 may be made available to the Korean Peninsula Energy Development Organization (KEDO) only for administrative expenses and heavy fuel oil costs associated with the Agreed Framework as proposed by the Senate, instead of \$25,000,000 as proposed by the House. The conference agreement also stipulates that the President must certify that canning activities associated with the Agreed Framework are scheduled to be completed by April 1, 1998. The conference agreement provides that an additional \$10,000,000 may be made available to KEDO if the Secretary of State certifies that additional funds have been provided by foreign donors to KEDO sufficient to cover all outstanding debts owed by KEDO for heavy fuel oil. The managers also agree that none of the funds in this bill that are made available for KEDO in fiscal year 1997 may be used to contribute to the light-water nuclear reactors being provided to North Korea under the terms of the Agreed Framework.

#### NONPROLIFERATION ACTIVITIES

The conference agreement recommends \$15,000,000 for the Nonproliferation and Disarmament Fund. The conferees strongly support the core nonproliferation activities of the NDF. The NDF is designed to provide the Secretary of State with a flexible funding

source to respond to urgent, unanticipated nonproliferation activities of immediate concern to the United States. Longer term programmatic activities, such as export controls, should be funded separately outside of the NDF account and therefore subject to the normal conditions for legislative oversight and review. For this reason the conference agreement recommends that \$3,000,000 in NADR account funds be used to support export control related activities.

The conferees also note that there may be numerous nonproliferation programs which could logically be included in the NADR account in order to facilitate the continued rationalization of government-wide nonproliferation programs and activities. The conferees stress that the Committees on Appropriations are prepared to work with the Administration in this ongoing rationalization process as the Administration prepares its fiscal year 1999 request.

### TITLE III—MILITARY ASSISTANCE

#### INTERNATIONAL MILITARY EDUCATION AND TRAINING

The conference agreement appropriates \$50,000,000 as proposed by the House instead of \$47,000,000 as proposed by the Senate.

#### SCHOOL OF THE AMERICAS

The conference agreement retains language proposed by the House which makes the obligation of funds under this heading to support IMET training at the School of the Americas contingent upon certification by the Secretary of Defense that the instruction and training provided by the School of the Americas is fully consistent with training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to train United States military personnel; second, the Secretary of State, in consultation with the Secretary of Defense, has developed and issued specific guidelines governing the selection and screening of candidates for instruction at the School of the Americas; and third, the Department of Defense has submitted to the Committees on Appropriations a report detailing the training activities of the School of the Americas and a general assessment regarding the performance of its graduates during 1996.

#### GUATEMALA AND INDONESIA

The conference agreement includes language proposed by the House which limits Indonesia and Guatemala to expanded IMET only and, in the case of Guatemala, the conferees expect the administration to obligate funds subject to the regular notification procedures of the Committees on Appropriations. The conferees agree that expanded IMET for Guatemala shall be used to support the peace settlement and that qualified non-military personnel should be well represented in such courses to the extent practical.

## CIVILIAN PARTICIPATION IN IMET

The conference agreement also includes language proposed by the Senate which allows IMET participation by civilian personnel who are not members of a government if their participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights.

## MONGOLIA

The conferees commend the Department of Defense for the Department's implementation of the fiscal year 1997 IMET program in Mongolia in a manner consistent with the objectives outlined in the Statement of Managers for Public Law 104-208. The conferees urge continued support for this important program in Mongolia, particularly in the expanded IMET area.

## FOREIGN MILITARY FINANCING PROGRAM (GRANT PROGRAM)

The conference agreement appropriates \$3,296,550,000 instead of \$3,308,950,000 as proposed by the Senate and \$3,259,250,000 as proposed by the House.

## THE MIDDLE EAST

The conference agreement inserts earmarks for Israel, Egypt and Jordan which provide that not less than \$1,800,000,000 shall be available for grants only for Israel, not less than \$1,300,000,000 shall be available for grants only for Egypt, and not less than \$75,000,000 shall be available for assistance for Jordan. The conference agreement also directs the President to draw down not less than \$25,000,000 in defense equipment and services for Jordan, the aggregate value of which shall count against the earmark for Jordan.

## POLAND, HUNGARY AND THE CZECH REPUBLIC

The conference agreement provides that not less than \$50,000,000 in funds made available for FMF grants and FMF loans should be made available for Poland, Hungary, and the Czech Republic to facilitate the integration of these nations into NATO.

## THE BALTIC NATIONS

The conference agreement provides that \$18,300,000 should be made available to Estonia, Latvia and Lithuania. These funds are provided to enhance programs aimed at improving the military capabilities of these nations and to strengthen their interoperability and standardization with NATO, including the development of a regional airspace control system. Given progress in economic reform and meeting military guidelines for prospective NATO members, the conferees believe the Baltic nations will make an important contribution to enhancing stability and peace in Europe and are strong candidates for NATO membership.

The conference agreement retains House language which provides that the obligation of funds for any non-NATO country participating in the Partnership for Peace shall be subject to notification.



## FMF LOAN PROGRAM

The conference agreement also appropriates \$60,000,000 as proposed by the House for the subsidy cost of direct loans instead of \$74,000,000 as proposed by the Senate. The conference agreement provides that these funds are available to support not to exceed \$657,000,000 in direct loans as proposed by the House instead of \$759,500,000 as proposed by the Senate.

The conference agreement deletes a Senate earmark of \$8,000,000 for loans to Estonia, Latvia, and Lithuania. Increased assistance for these countries is provided under the grant FMF program.

The conference agreement retains the House levels of \$105,000,000 and \$150,000,000 as ceilings on FMF loans to Greece and Turkey respectively instead of \$122,500,000 and \$175,000,000 as proposed by the Senate.

## FMF ADMINISTRATIVE EXPENSES

The conference agreement includes House language which provides that not more than \$350,000,000 of the funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 1998, instead of \$355,000,000 as proposed by the Senate.

## FMF LOAN CRITERIA

The conference managers are extremely concerned that the Administration has apparently abandoned its long-standing credit criteria for determining eligibility for the FMF loan program. The conferees note that previous year funds were made available to support the FMF loan program based upon a clear understanding, provided by the Administration at the time the funds were being requested, of its loan criteria and its intended application. The conferees note that the current application of the FMF loan program is not consistent with these presentations. The conferees direct the Secretary of State, in consultation with the Secretary of Defense, Secretary of the Treasury, the Director of the Office of Management and Budget, and in coordination with the Director of the Congressional Budget Office, to review the current FMF loan policy and its application to current and proposed program participants and to report to the Committees on Appropriations, within 180 days of enactment of this Act, on these issues, to include a statement specifically detailing Administration FMF loan policy and credit risk criteria. The conferees also direct the Secretary of Defense to report to the Committees on Appropriations on a quarterly basis, beginning January 1, 1998, on the current credit risk ratings for potential and current FMF loan program participants.

## PEACEKEEPING OPERATIONS

The conference agreement provides \$77,500,000 for peacekeeping operations as proposed by the House instead of \$75,000,000 as proposed by the Senate.

## MULTILATERAL FORCE AND OBSERVERS

The conferees note that the current Director General of the Sinai Multilateral Force and Observers is concluding his last term in office. The conferees expect a report from the Secretary of State, prior to the release of the U.S. share of the Observer Force funding, on the status of efforts to replace the Director General.

## AFRICAN CRISIS RESPONSE INITIATIVE

The conferees note that funds provided to support the African Crisis Response Initiative should be utilized to foster the growth of democracy and the protection of human rights in Africa and should not be directed to undemocratic governments with a history of human rights abuses by their militaries. The conferees agree with the Department of State that "it is important that countries selected to receive additional training and equipment have military establishments that accept the supremacy of democratic civilian government." The conferees expect the Administration to consult closely with the Committees on Appropriations, prior to obligating such funds, to ensure this minimum standard is met.

## MOROCCO

The conferees congratulate both Morocco and the POLISARIO for reaching an agreement to allow a free, fair and transparent referendum on the future of the people of the Western Sahara, and recognize the efforts of United Nations Personal Envoy James Baker in reaching this agreement. The conferees expect full implementation of the terms of the agreement and encourage the Department of State to play an active role in ensuring full implementation. The conferees also urge both parties to engage in the exchange of all prisoners of war, political prisoners and political detainees.

## TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

## FUNDS APPROPRIATED TO THE PRESIDENT

## INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT GLOBAL ENVIRONMENT FACILITY

The conference agreement appropriates \$47,500,000 instead of \$60,000,000 as proposed by the Senate and \$35,000,000 as proposed by the House.

## CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

The conference agreement appropriates \$1,034,503,100 instead of \$1,034,500,000 as proposed by the Senate and \$606,000,000 as proposed by the House.

The agreement prohibits obligation of IDA funds until the Secretary of the Treasury certifies that procurement restrictions on American firms under the Interim Trust Fund have been lifted. Both the House and Senate bills included similar language on this matter.

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS  
MULTILATERAL INVESTMENT FUND

The conference agreement appropriates \$30,000,000 for the Multilateral Investment Fund, all of which was previously due. The House bill contained no funds for this program.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

The conference agreement appropriates \$150,000,000 for the Asian Development Fund as proposed by the Senate instead of \$100,000,000 as proposed by the House. Of this amount, \$50,000,000 was previously due.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

The conference agreement includes \$45,000,000 for the African Development Fund, instead of \$50,000,000 as proposed by the House (including Section 579 of the House bill). The Senate amendment did not include any funds for this institution. The entire amount provided was previously due.

NORTH AMERICAN DEVELOPMENT BANK

The House bill and the Senate amendment included \$56,500,000 for the North American Development Bank, and the conference agreement includes language providing that \$250,000 of these funds are for contributions previously due. In addition, language is included that limits to \$41,250,000 the amount of funds that may be expended in fiscal year 1998 for purchase of capital shares in the bank. This action is being done solely for budgetary reasons and does not reflect any lack of support for the North American Development Bank.

LOANS TO THE INTERNATIONAL MONETARY FUND; NEW  
ARRANGEMENTS TO BORROW

The conference agreement does not appropriate funds for the proposed New Arrangements to Borrow. The Senate proposed \$3,521,000,000, denominated as the dollar equivalent of IMF Special Drawing Rights. The House bill did not include any appropriation for this purpose. The managers defer this item without prejudice.

AUTHORIZATIONS FOR INTERNATIONAL FINANCIAL INSTITUTIONS

The statutory authority required by the Secretary of the Treasury to activate several of the appropriations provided for international financial institutions is found in section 560 of the conference agreement.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

The conference agreement appropriates \$192,000,000 instead of \$194,000,000 as proposed by the House and \$277,000,000 as proposed by the Senate. The conference agreement does not include funding for the United Nations Children's Fund (UNICEF) in this account, as proposed by the Senate. Funding of \$100,000,000 for

UNICEF is contained in “Child Survival and Disease Programs Fund” under title II.

The conference agreement includes House language on the United Nations Population Fund (UNFPA) that limits funding to UNFPA to one-half of the funding ceiling of \$25,000,000 prior to March 1, 1998, and requires that no later than February 15, 1998, the Secretary of State shall submit a report to the Committees on Appropriations indicating the amount UNFPA is budgeting for the People’s Republic of China in 1998. In addition, the language requires that any amount UNFPA plans to spend in the People’s Republic of China in 1998 will be deducted from the amount of funds provided to UNFPA after March 1, 1998. Finally, with respect to any funds made available to UNFPA, the language requires UNFPA to maintain such funds in a separate account and not to commingle them with any other funds.

The conference agreement does not contain Senate language providing \$5,000,000 for the World Food Program, but does include language indicating that \$4,000,000 should be made available for this purpose. The House bill contained no provision on this matter.

The conference agreement deletes House language prohibiting the use of funds for the United Nations development group or any similar organization. The House bill provision, as well as House and Senate report language, reflect concern about proposals formerly under consideration at the United Nations that would have merged and consolidated UNICEF with other United Nations development organizations, thereby threatening UNICEF’s unique mission for the children of the world and its ability to raise private sector funding. Since the reform plan announced by the Secretary-General on July 16, 1997, appears to preserve the special mandate of UNICEF for children, the conference agreement does not contain this funding prohibition. However, the managers intend to monitor closely the impact upon UNICEF of the implementation of the United Nations reform plan. The managers expect that the independence of UNICEF will be continued and that its ability to work for the survival, protection, and development of vulnerable children will remain uncompromised. The managers expect this to be a top priority of the Department of State as well, and expect to receive regular consultations as the reform plan proceeds.

The conferees support the Administration’s request level for the United Nations Development Program (UNDP), but expect that not less than \$98,000,000 should be made available for UNDP in fiscal year 1998. The conferees also support the work of the United Nations Voluntary Fund for Victims of Torture and expect that the Administration will make every effort to support this organization at the highest level possible.

#### TITLE V—GENERAL PROVISIONS

##### *Sec. 501. Obligations during last month of availability*

The conference agreement contains House language providing that not more than 15 percent of any appropriation item made available by this Act shall be obligated during the last month of availability, except for funds under the headings “International Disaster Assistance” and “United States Emergency Refugee and

Migration Assistance Fund”. The Senate amendment contained no provision on this matter.

*Sec. 502. Prohibition of bilateral funding for international financial institutions*

The conference agreement includes language proposed by the House which prohibits funds in title II being used to carry out the provisions of section 209(d) of the Foreign Assistance Act, notwithstanding section 614 of said Act. The Senate amendment contained no provision on this matter.

*Sec. 509. Transfers between accounts*

The conference agreement includes House language providing that the exercise of the authority under this section shall be subject to the regular notification procedures of the Committees on Appropriations, except for transfers specifically referred to in this Act. The Senate amendment did not include the requirement for notification.

*Sec. 512. Limitation on assistance to countries in default*

The conference agreement includes a waiver for Liberia from the requirements of section 620(q) of the Foreign Assistance Act as proposed by the House. The Senate addressed this matter in section 561 of the Senate amendment.

*Sec. 513. Commerce and trade*

The conference agreement restores House language at the end of subsection (a) that provides authority to the Board of the Export-Import Bank to waive the prohibition on the use of funds to establish or expand production of commodities that could adversely affect United States producers. The Senate amendment did not contain this provision.

*Sec. 515. Notification requirements*

The conference agreement makes “Child Survival and Disease Programs Fund”, as proposed by the House, subject to the notification requirements of this section. The Senate amendment had deleted the reference to this account.

*Sec. 519. Reporting requirement*

The conference agreement amends permanent law as proposed by the Senate to provide that the reports required by section 25(a)(1) of the Arms Export Control Act shall be submitted to the Committees on Appropriations. The House bill required such reports, but did not amend permanent law.

*Sec. 520. Special notification requirements*

The conference agreement adds “Panama” as proposed by the House to the list of countries subject to the special notification requirements of this section. It also deletes “Russia” from this list, as proposed by the Senate. The Senate provisions adding “Guatemala” and “Dominican Republic” are not included in the conference agreement.

*Sec. 522. Child survival, AIDS and other activities*

The conference agreement includes Senate language limiting to \$10,000,000 the funds that may be made available to reimburse specified organizations for certain activities in support of family planing activities, child survival activities, and activities relating to research on, and the treatment and control of, HIV/AIDS, as well as Senate language including basic education activities under the authority of the section. The House bill had similar language, but the limitation was \$8,000,000 and did not include basic education activities.

*Sec. 526. Authorization requirement*

The conference agreement includes Senate language waiving the authorization requirements of section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities act for the funds appropriated in this Act. The House bill made these funds subject to these authorization requirements.

*Sec. 536. Extension of authority to obligate funds to close the special defense acquisition fund*

The conference agreement includes language proposed by the House which amends title III of Public Law 103-306 to extend through fiscal year 2000 the authority to obligate funds to close the Special Defense Acquisition Fund. The Senate amendment contained no provision on this matter.

*Sec. 537. Authorities for the Peace Corps, the Inter-American Foundation and the African Development Foundation*

The conference agreement restores House language providing authority for the Inter-American Foundation and the African Development Foundation to operate in foreign countries notwithstanding other provisions of this or other Acts. The Senate amendment deleted the language providing such authority.

*Sec. 539. Special authorities*

The conference agreement deletes "Cambodia" from the provisions that exempt assistance to that country from any other provision of law as proposed by the Senate, but restores House language exempting humanitarian assistance for the peoples of Bosnia and Herzegovina and Croatia from any other provision of law.

The conference agreement also deletes Senate language allowing for the use of up to \$40,000,000 under the authority (relating to unanticipated contingencies) of section 451 of the Foreign Assistance Act. The House bill does not address the matter. The permanent statutory limit is \$25,000,000.

The conference agreement includes language in a new subsection (d) which enables the President to waive section 1003 of Public Law 100-204, relating to prohibitions regarding the Palestinian Liberation Organization, if the President determines that it is important to the national security interests of the United States.

*Sec. 540. Policy on terminating the Arab League boycott of Israel*

The conference agreement includes language proposed by the House which deals with the decision in 1997 by the Arab League to reinstate the boycott of Israel and encourages the President to take certain specific steps in response to this decision.

*Sec. 542. Eligibility for assistance*

The conference agreement includes House language regarding exemptions from restrictions on certain assistance if carried out by nongovernmental organizations. The Senate amendment included similar language, but did not include "Assistance for Eastern Europe and Baltic States" under the terms of the provision. This section allows development assistance to be provided for nongovernmental organizations in cases where such assistance would otherwise be barred because of a statutory prohibition on assistance to a country. Under this authority, assistance provided through nongovernmental organizations may only marginally benefit the government of a country otherwise prohibited from receiving assistance through, for example, the necessary use of government facilities by nongovernmental organizations providing assistance to the people of that country. Except in such limited circumstances, the fact that assistance may be provided through nongovernmental organizations does not mean that the assistance can be provided to the government. Rather, the provision was first enacted in recognition that a government's actions should not automatically bar assistance to the people of a country through nongovernmental channels. It is with this intention that the conferees have expanded the scope of the current authority to include the former Soviet Union and Eastern Europe.

*Sec. 545. Prohibition on publicity or propaganda*

The conference agreement includes House language limiting to \$500,000 the amount that may be made available to carry out the provisions of section 316 of Public Law 96-533 relating to hunger and development education. The Senate bill did not include a limitation.

*Sec. 546. Purchase of American-made equipment and products*

The conference agreement combines this section with section 558, as proposed by the Senate. The language requires, to the greatest extent practicable, that any entity receiving assistance under this Act should receive notice that it is the Sense of the Congress that all equipment and products funded by this Act should be American-made.

*Sec. 550. Prohibition on assistance to foreign governments that export lethal military equipment to countries supporting international terrorism*

The conference agreement provides that the prohibition on assistance called for in subsection (a) applies with respect to a contract entered into after October 1, 1997 instead of "April 24, 1996" as proposed by the House and "after the date of enactment of this Act" as proposed by the Senate.

*Sec. 553. War crimes tribunals drawdown*

The conference agreement changes the designation of the section title to include the word “drawdown” as proposed by the Senate.

*Sec. 557. Equitable allocation of funds*

The conference agreement inserts House language providing that not more than 18 percent of the funds appropriated to carry out the provisions of sections 103 through 106 and chapter 4 of part II of the Foreign Assistance Act that are made available for Latin America and the Caribbean region may be made available, through bilateral and regional programs, to provide assistance to any one country in such region. The Senate bill did not include this provision.

*Sec. 560. Authorization requirement for international financial institutions*

The conference agreement includes language from title IV of the Senate amendment authorizing appropriations over several years of \$1,600,000,000 for the International Development Association (IDA), \$285,772,500 for paid-in capital of the European Bank for Reconstruction and Development, \$400,000,000 for the Asian Development Bank, and \$76,832,001 for paid-in capital of the Inter-American Development Bank. The House bill authorized \$606,000,000 for the IDA.

The conference agreement also amends current law to require the International Finance Corporation to comply with environmental standards that apply to other multilateral institutions. It also includes a provision (from Senate section 568) relating to procurement opportunities available to United States suppliers and community participation in the planning and implementation of multilateral bank projects.

The multilateral lending banks are encouraged to undertake an assessment of the transparency and integrity of procurements they finance, including a finding on the utility of using independent third party procurement monitoring services. Such services may help U.S. companies compete for MDB procurement awards.

*Sec. 561. Sanctions against countries harboring war criminals*

The conference agreement inserts House language on this matter, except that there is no reference to the International Criminal Tribunal for the former Yugoslavia. Under subsection (a), the language authorizes the President to withhold funds for countries harboring war criminals as described in this section. Under subsection (b), the language states the President should instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, assistance to countries described in this section. The Senate amendment would have required that assistance be withheld, and would have limited the application of the provision to war criminals indicted by the International Criminal Tribunal for Rwanda.



*Sec. 562. Limitation on assistance to Haiti*

The conference agreement inserts a substitute provision limiting assistance to the Government of Haiti (updating what is known as the Dole Amendment). The conference substitute is similar to the Senate provision, but requires that the privatization of at least three major state enterprises be substantially completed as proposed by the House.

*Sec. 563. Requirement for disclosure of foreign aid in report of Secretary of State*

The conference agreement continues and updates prior year language requiring that the annual report on the voting record of foreign countries at the United Nations include a side-by-side comparison showing the amount of U.S. assistance provided to each country in fiscal year 1997. The Senate bill was identical except that it referenced the fiscal year 1996.

*Sec. 564. Restrictions on voluntary contributions to United Nations agencies*

The conference agreement includes House language prohibiting payment of any voluntary contribution to the United Nations (including the United Nations Development Program) if the U.N. implements any taxation on any United States national or corporation. The Senate amendment did not address this matter.

*Sec. 565. Assistance to Turkey*

The conference agreement inserts language which limits "Economic Support Funds" to Turkey to \$40,000,000; provides that not less than 50 percent of such funds shall be made available for the purposes of supporting private nongovernmental organizations engaged in strengthening democratic institutions in Turkey, providing economic assistance for individuals and communities affected by civil unrest, and supporting and promoting peaceful solutions and economic development which will contribute to the settlement of regional problems in Turkey. The conferees agree that the cash transfer and direct project assistance components of Turkey's assistance are not severable and if, for whatever reason, the directed assistance were not provided and spent in the manner provided in subsection (b), the Government of Turkey would not receive the direct government-to-government assistance. Furthermore, the conferees also agree that the Agency for International Development will be responsible for administering the project elements of subsection (b) utilizing NGO's, PVO's and other instrumentalities consistent with the purposes outlined in subsection (b) and in consultation with the Committees on Appropriations.

The conferees also expect that the implementation of subsection (b) will be carried out in consultation with the Government of Turkey, which should include the participation of nongovernmental organizations where necessary and appropriate. The conferees note that it is neither the intent of the conference, nor is the effect of this provision, to impinge upon Turkey's national sovereignty.

The Senate amendment did not contain a provision on this matter.

*Sec. 566. Limitation on assistance to the Palestinian Authority*

The conference agreement includes language which provides that none of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II (Economic Support Fund) of the Foreign Assistance Act of 1961 may be obligated or expended with respect to providing funds to the Palestinian Authority. The conference agreement allows the President to waive this prohibition if it is determined that it is "important to the national security interests of the United States." The waiver is effective for a period of not more than six months at a time and shall not apply beyond twelve months after enactment of this Act.

Both the House bill and the Senate amendment included similar provisions banning funds for the Palestinian Authority and the P.L.O. but each would have allowed for the provision of funds based upon a detailed but different Presidential certification. Both House and Senate bills include identical language (Section 552) which bans assistance to the P.L.O.

*Sec. 567. Limitation on assistance to the Government of Croatia*

The conference agreement includes language proposed by the House that bars use of funds made available to the Government of Croatia in title II to relocate the remains of Croatian Ustashe soldiers to the site of the World War II concentration camp at Jasenovac, Croatia. The Senate bill did not address this matter.

*Sec. 568. Burma labor report*

The conference agreement includes language requiring a report from the Secretary of Labor, in consultation with the Secretary of State, on labor practices in Burma. The Senate amendment included the requirement for a report from the Secretary of Labor, as well as details regarding contents of the report. The House bill did not address this matter.

The conferees request the report address allegations and details on child labor practices, workers' rights, the forced relocation of laborers, and the use of forced labor to support the tourism industry and the construction of the Yadonna gas pipeline. To assure an understanding of its accuracy, the conferees also expect an evaluation of the cooperation and access afforded in Burma to the officials engaged in the preparation of the report.

*Sec. 569. Haiti*

The conference agreement includes Senate language making the Government of Haiti eligible to purchase defense articles and services under the Arms Export Control Act for the Haitian National Police and Coast Guard, subject to notification. The House bill contained no provision on this matter.

*Sec. 570. Limitation on assistance to security forces*

The conference agreement includes language, similar to that in the Senate amendment, which prohibits funds in this Act from being provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations

that the government of such country is taking effective measures to bring responsible members of the security forces to justice. The language also provides that nothing in this section shall be construed to withhold funds from any unit credibly alleged to be involved in gross violations of human rights. In addition, if funds are withheld pursuant to this section, the Secretary is directed to inform promptly the foreign government of the basis for such action and shall, to the maximum extent practicable, assist the foreign government in taking effective measures to bring the responsible members of the security forces to justice so funds to the unit may resume.

The conferees are aware that there may be instances when providing information to a foreign government would compromise sources and methods, or endanger witnesses. The phrase "to the maximum extent practicable" ensures, among other things, that sources, methods and the safety of witnesses are fully protected. By "taking effective measures to bring responsible members of the security forces unit to justice", the conferees intend that the government carry out a credible investigation and that the individuals involved face appropriate disciplinary action or impartial prosecution in accordance with local law.

The House bill contained no provision on this matter.

*Sec. 571. Limitations on transfer of military equipment to East Timor*

The conference agreement includes language which requires that any agreement for sale, transfer, or licensing of any lethal equipment or helicopters for Indonesia entered into by the United States shall state that the United States expects that such items will not be used in East Timor. The conference agreement also provides that nothing in this section shall be construed to limit Indonesia's inherent right to legitimate national self-defense as recognized under the United Nations Charter and international law.

The conferees recognize Indonesia's important contribution to regional security and its inherent right of self-defense under the United Nations Charter. The conferees note, however, that U.S. military equipment has been used by Indonesian troops in East Timor. The conferees are concerned that U.S. military equipment not be used in a manner inconsistent with international law, particularly with respect to the observance of human rights and therefore have included bill language which makes clear that such items should not be used in East Timor.

The House bill did not contain a provision on this matter.

*Sec. 572. Transparency of budgets*

The conference agreement includes Senate language amending section 576 (a)(1) and (a)(2) of Public Law 104-208 to require that countries have in place a functioning system for reporting to civilian authorities audits of receipts and expenditures that fund activities of the armed forces and security forces in order to receive U.S. support for multilateral assistance through international financial institutions, and to condition U.S. support for such assistance on the requirement that information be provided to the international

financial institution on such audit process if requested by such institution. The House bill contained no provision on this matter.

*Sec. 573. Restrictions on funding to countries providing sanctuary to indicted war criminals*

The conference agreement includes language prohibiting bilateral assistance and the support of the United States for certain multilateral assistance, for countries and entities not in compliance with the war crimes provisions of the Dayton peace accords for the former Yugoslavia. The Senate bill contained language which prohibited most support for such countries and entities until measurable progress was made with respect to the arrest and transfer to The Hague of indicted war criminals. The House addressed the issue of war crimes in the former Yugoslavia in section 565 of the House bill, which would have authorized the President to withhold assistance to countries that granted sanctuary to war criminals.

The conferees expect that the provision of United States assistance to Croatia and Bosnia through international financial institutions will be coordinated with U.S. foreign policy objectives. With respect to the exemption in the section for bilaterally and multilaterally funded cross-border infrastructure projects, the conferees intend that the exemption should apply only to projects which are predominantly located in and predominantly benefit a nonsanctioned entity and include a small portion that extends into a contiguous sanctioned entity for the purpose of completing the project. The conferees note that Republicka Srpska has failed to arrest and transfer any of the 53 publicly indicted war criminals believed to be in its territory.

*Sec. 574. Extension of certain adjudication provisions*

The conference agreement includes Senate language that extends for an additional year (until October 1, 1998) the provisions of section 599D and 599E of Public Law 101-167; these provisions establish categories of aliens for purposes of refugee determinations, and provide for the adjustment of immigrant status for certain Soviet and Indochinese aliens. The House bill did not contain a provision on this matter.

The managers expect that this matter will be addressed in the future by the committees of jurisdiction, and do not anticipate making another extension in an appropriations act.

*Sec. 575. Additional requirements relating to stockpiling of defense articles for foreign countries*

The conference agreement includes language proposed by the Senate which in subsection (a) amends section 514(b)(2)(A) of the Foreign Assistance Act by authorizing additions to defense stockpiles for foreign countries of \$60,000,000 for fiscal year 1998. Subsection (b) amends section 514(b)(2)(B) of the same act to authorize, for fiscal year 1998, not more than \$40,000,000 for stockpiles in the Republic of Korea and not more than \$20,000,000 for stockpiles in Thailand. The House bill did not contain a provision on this matter.

*Sec. 576. Delivery of drawdown by commercial transportation services*

The conference agreement includes Senate language which amends section 506 of the Foreign Assistance Act of 1961, as follows: (1) requires a report to Congress detailing all defense articles, defense services, and military education and training delivered to a recipient country or international organization upon delivery of such articles or upon completion of such services, including whether any savings were realized by utilizing commercial transport services; and (2) authorizes, as part of any drawdown of defense or other articles or commodities, that such drawdown may include the supply of commercial transportation and related services that are acquired by contract for the purposes of the drawdown in question if the cost to acquire such commercial transportation and related services is less than the cost to the United States Government of providing such services from agency assets. The House bill did not contain a provision on this matter.

*Sec. 577. To prohibit foreign assistance to the Government of Russia should it implement laws which would discriminate against minority religious faiths in the Russian Federation*

The conference agreement inserts a new provision instead of language proposed by the Senate. The House did not address this matter.

The conference substitute is effective 150 days after enactment. Upon its effective date, the President is allowed 30 days to certify the Congress that the Government of the Russian Federation has not implemented any measure that discriminates against religion in violation of international agreements that include Russia. In the absence of such certification, funds appropriated under the Act may not be obligated for the Government of the Russian Federation.

The managers note continued Congressional concern over the issue of religious freedom in the Russian Federation. Despite the personal intervention of the Vice President and many members of Congress, President Yeltsin signed into law a measure which could threaten religious freedom in Russia.

The conferees consider implementation of the new law on religion by national, regional, and local entities in Russia to be the determining factor regarding religious freedom. The operative phase in this section should be interpreted by the Administration as giving it discretion to determine if the Russian government's actions are discriminatory.

The conferees acknowledge the advances that the Russian Federation has made in the areas of human rights and democratic political reforms. Congress has saluted its past willingness to allow freedom of speech, assembly, and religion. The managers remain optimistic that religious diversity and freedom of religious expression can survive in the Russian Federation.

*Sec. 578. U.S. policy regarding support for countries of the South Caucasus and Central Asia*

The conference agreement includes Senate language supporting the development of strong political and economic ties between

countries of the Southern Caucasus and Central Asia regions and the West; the language also addresses United States policy with regard to the independence of Southern Caucasus and Central Asia republics and resolutions of regional conflicts.

*Sec. 579. Pakistan*

The conference agreement includes language proposed by the Senate to amend section 239(f) of the Foreign Assistance Act of 1961 to exempt the Overseas Private Investment Corporation from provisions in the Foreign Assistance Act prohibiting OPIC activity in Pakistan and expressing the sense of the Congress that the Director of the Trade and Development Agency should “use funds made available” to promote United States exports to Pakistan. The conference agreement deletes language proposed by the Senate to amend section 638(b) of the Foreign Assistance Act of 1961 to exempt Pakistan from prohibitions on certain training activities. The House bill did not address this matter.

*Sec. 580. Requirements for the reporting to Congress of the costs to the Federal Government associated with the proposed agreement to reduce greenhouse gas emissions*

The conference agreement includes Senate language, except for a date change, requiring the President to report on federal expenditures for climate and global change programs and activities. The report is required by November 15, 1997, rather than October 15, 1997, as in the Senate amendment. The House bill did not address the matter. The managers are concerned about the Administration’s failure to comply with a similar information request in the fiscal year 1997 Foreign Operations, Export Financing and Related Programs Appropriations Act.

*Sec. 581. Authority to issue insurance and extend financing*

The conference agreement includes Senate language extending the operations of the Overseas Private Investment Corporation for two additional years within an overall credit ceiling of \$29,000,000,000. It does not include a Senate provision extending the operations of the Export-Import Bank.

*Sec. 582. Withholding assistance to countries violating United Nations sanctions against Libya*

The conference agreement language is similar to that in the Senate amendment requiring the President to withhold 5 percent of the funds (other than humanitarian and development assistance) allocated to any country that is violating sanctions against Libya. The language also includes a provision to allow the President to waive this section if he determines that to do so is in the national security interest of the United States.

If the President exercises his waiver authority under this section, the determination is to be provided in writing to the Committees on Appropriations.

*Sec. 583. War crimes prosecution*

The conference agreement includes language similar to that in the Senate amendment that amends the War Crimes Act of 1996.

The language is identical to the language of H.R. 1348, which passed the House of Representatives on July 29, 1997. This provision defines war crimes for the purposes of the War Crimes Act. The House bill did not address this matter.

*Sec. 584. International military education and training programs for Latin America*

The conference agreement includes language similar to that proposed by the Senate which provides that the Secretary of Defense, in consultation with the Secretary of State, should make every effort to ensure that approximately 30 percent of IMET funds for Latin America will be used to support enrollment in expanded IMET courses. In addition the conference agreement provides that the Secretary of State, in consultation with the Secretary of Defense, should identify sufficient numbers of qualified, nonmilitary personnel from countries in Latin America so that approximately 25 percent of the total number of individuals from Latin American countries attending United States supported IMET programs and the Center for Hemispheric Defense Studies at the National Defense University are civilians. Not later than twelve months after the date of enactment of this Act, the Secretary of Defense, in consultation with the Secretary of State, shall report in writing to the appropriate committees of the Congress on the progress made to improve military training of Latin American participants in the areas of human rights and civilian control of the military. The Secretary shall include in the report plans for implementing additional expanded IMET programs for Latin America during the next three fiscal years.

The House bill did not contain a provision on this matter.

*Sec. 585. Aid to the Government of the Democratic Republic of Congo*

The conference agreement modifies Senate language regarding assistance to the Democratic Republic of Congo. It would prohibit assistance to the central government of the Democratic Republic of Congo until the President reports that said government is cooperating fully with investigators from the United Nations in accounting for human rights violations committed in the Democratic Republic of Congo or adjacent countries. The House bill did not contain a provision on this matter.

*Sec. 586. Assistance for the Middle East*

The conference agreement inserts language which provides that of the funds appropriated by this Act under the headings "Economic Support Fund", "Foreign Military Financing", "International Military Education and Training", "Peacekeeping Operations", for refugees resettling in Israel under the heading "Migration and Refugee Assistance", and for assistance for Israel to carry out provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 under the heading "Nonproliferation, Anti-Terrorism, Demining, and Related Programs", not more than a total of \$5,402,850,000 may be made available for Israel, Egypt, Jordan, Lebanon, the West Bank and Gaza, the Israel-Lebanon Monitoring Group, the Multinational Force and Observers, the Middle East Regional De-

mocracy Fund, Middle East Regional Cooperation, and Middle East Multilateral Working Groups, unless the President determines and certifies to the Committees on Appropriations that it is important to the national security interest of the United States to exceed \$5,402,850,000 and any such additional funds shall only be provided through the regular notification procedures of the Committees on Appropriations. The conference agreement also includes language which would prevent the use of prior year funds in the accounts listed in this section but allocated for recipients outside of the Middle East region to fund programs covered by the limitation on funds for Middle East countries and activities required by this section. The conferees included this provision in order to make certain that prior year funds for other regions such as Africa and Latin America would not be used to support Middle East related activities.

*Sec. 587. Agriculture*

The conference agreement modifies subsection (k) under the heading "Assistance for the New Independent States of the Former Soviet Union" in the Foreign Operations, Export Financing and Related Programs Act, 1997, by striking "not less than" and inserting "up to" with regard to \$35,000,000 made available for agricultural projects, including those undertaken through the Food Systems Restructuring Program.

*Sec. 588. Enterprise fund restrictions*

The conference agreement includes a modification to Senate language limiting payments to enterprise fund personnel. The conferees agree to limit certain forms of future compensation unless notified in advance by the Committee on Appropriations.

*Sec. 589 Cambodia*

The conference agreement includes language stating the Secretary of the Treasury should instruct the United States Executive Directors of international financial institutions to use the voice and vote of the United States to oppose loans to the Government of Cambodia. The language is similar to that included in the House bill and the Senate amendment.

*Sec. 591. Development credit authority*

The conference agreement provides \$7,500,000 for a new enhanced credit authority and \$500,000 to be derived from AID operating expenses. The managers intend for the credit facility to fund a program in the Russian Far East providing market rate loans and guarantees to finance non-sovereign and sovereign development projects. These projects shall concentrate on development of the energy sector, telecommunications and infrastructure requirements, especially improvements to ports. The managers believe U.S. expertise, technology and services have the potential to make a significant contribution to the development of the region's vast natural resources while generating income, jobs and economic growth. The managers believe this credit facility should complement resources and activities provided by U.S. trade promotion agencies to the private sector.



No later than 60 days after the date of enactment of this Act, the managers request a report from the Coordinator of Assistance for the New Independent State clarifying a development strategy for the Russian Far East including an evaluation of the current and potential contribution of each agency funded by this Act.

*Sec. 592. Authorization for population planning*

The conference agreement includes House language limiting to \$385,000,000 the funds available under title II of this Act for population planning activities or other population assistance. The Senate included a separate appropriations account for these activities at a level of \$435,000,000. The conference agreement also includes language providing for monthly apportionments for this funding at a level of not to exceed 8.34 percent.

CASH FLOW FINANCING

The conference agreement strikes language proposed by the House requiring that FMF procurements in excess of \$100,000,000 which are approved for cash flow financing shall be subject to notification. A similar notification requirement is included in permanent law (Public Law 104–164). The Senate bill contained no provision on this matter.

RESTRICTIONS ON THE TERMINATION OF SANCTIONS AGAINST SERBIA AND MONTENEGRO

The conference agreement does not include language from the Senate amendment prohibiting the lifting of sanctions, prohibitions, or requirements of section 1511 of Public Law 103–160 regarding Serbia or Montenegro unless certain specified conditions are met. The House bill contained no provision on this matter.

USE OF AMERICAN RESOURCES

The conference agreement deletes House language regarding the use of American resources. However, this provision has been merged in its entirety with section 546 of the conference agreement.

GUATEMALA

The conference agreement strikes both the House and Senate language and includes under the heading “International Military Education and Training” language limiting Guatemala to expanded IMET only.

NORTH KOREA

The conference agreement deletes language proposed by the House which requires the Secretary of State, in consultation with the Secretary of Defense, to submit semiannual reports to the Committees on Appropriations on the status of the North Korean military. This report is already required in permanent law. The Senate bill did not contain a similar provision.

SENSE OF THE CONGRESS RELATING TO INTERNATIONAL ADOPTION  
LAWS AND PRACTICES OF PARAGUAY

The conference agreement deletes a Sense-of-the-Congress resolution dealing with the plight of Americans seeking to adopt children in Paraguay. The managers have been informed by the Department of State that the Secretary has become personally involved in this matter, and that a new adoption law is expected to be passed in Paraguay at any time. The Senate amendment did not contain a provision on this matter.

WITHHOLDING OF ASSISTANCE TO AGENCY SUPPORTING NUCLEAR  
POWER PLANT IN CUBA

The conference agreement strikes language proposed by the House which would prohibit funds under the heading "Non-proliferation, Antiterrorism, Demining, and Related Programs" that are made available for the International Atomic Energy Agency from being made available for programs and projects in Cuba. The Senate bill had no similar provision. The conferees remain convinced that the Juragua nuclear facility in Cuba is extremely unsafe and should not be completed. The conferees therefore direct the Secretary of State, prior to the obligation of funds for the IAEA, to certify to the Committees on Appropriations that none of the funds provided will be used to facilitate the activation of the Juragua nuclear plant in Cuba.

LIMITATION ON PROCUREMENT OUTSIDE OF THE UNITED STATES

The conference agreement deletes House language restricting the use of United States funds in foreign countries to buy products or services, including defense articles or defense services, from certain other foreign nations. The Senate bill did not include a similar provision.

AUTHORIZATION FOR NATO EXPANSION

The conference agreement strikes a provision proposed by the House which provides that no funds in this Act may be used to pay for NATO expansion not authorized by law. The conferees note that the authorization of funds to support the future enlargement of NATO's is within the purview of responsibilities of the relevant authorization committees of the House and Senate. The Senate did not include a similar provision.

TRANSFER AMENDMENT

The conference agreement deletes House language that reduced amounts otherwise available for the Economic Support Fund by \$25,000,000 and increased the amount available for the African Development Fund by the same amount.

SENSE OF CONGRESS REGARDING COSTS OF THE PARTNERSHIP FOR  
PEACE PROGRAM AND NATO EXPANSION

The conference agreement strikes the House language on this matter, however, the conferees strongly support the intent of

the language which states that all member nations of NATO should contribute their proportionate share to pay for costs of the Partnership for Peace program and any future costs attributable to NATO expansion. The conferees direct the Secretary of State, in consultation with the Secretary of Defense, to report to the appropriate committees of the Congress within 90 days of enactment of this Act on the efforts being undertaken by the United States to ensure that the United States does not bear an unfair or disproportionate share of the financial burden of NATO enlargement. The Senate amendment did not address this matter.

#### INTERNATIONAL FINANCIAL INSTITUTION POLICIES

The Senate provision relating to procurement opportunities available to United States suppliers and community participation in the planning and implementation of multilateral bank projects is incorporated in section 560 of the conference agreement.

#### EXCESS DEFENSE ARTICLES FOR CERTAIN EUROPEAN COUNTRIES

The conference agreement deletes Senate language amending section 105 of Public Law 104–164 to extend the authorities of such section to fiscal years 1998 and 1999. The House bill did not contain a provision on this matter.

#### SENSE OF THE SENATE REGARDING ESTONIA, LATVIA, AND LITHUANIA

The conference agreement does not include Sense-of-the-Senate language regarding Estonia, Latvia, and Lithuania, proposed by the Senate but not addressed in the House bill. The conferees strongly support increased security relations between NATO and the Baltic nations and the conference agreement includes a fifty percent increase over the level requested by the administration in grant Foreign Military Financing assistance for Latvia, Lithuania and Estonia.

#### PROMOTION OF RELIGIOUS FREEDOM AND HUMAN RIGHTS

The conference agreement does not include language proposed by the Senate, but not addressed in the House bill, regarding an annual report on religious persecution and establishing a Prisoner Information Registry. In addition, the Senate language contained a provision expressing the Sense of the Congress that a Commission on Security and Cooperation in Asia should be established.

The managers agree to defer to Leadership initiatives to move freestanding legislation on the major issue of religious freedom.

#### UNITED STATES INTELLIGENCE ACTIVITIES RELATED TO MONITORING HUMAN RIGHTS ABUSES AND RELIGIOUS PERSECUTION

The conference agreement deletes Senate language requiring the President to undertake additional reporting to the Intelligence Committees. The managers defer to the committees of jurisdiction in this matter.

SENSE OF THE SENATE ON THE EUROPEAN COMMISSION'S HANDLING  
OF THE BOEING AND McDONNELL DOUGLAS MERGER

The conference agreement deletes Senate language expressing the Sense of the Senate regarding European objections to a merger of two major American firms. The House bill did not contain a provision on this matter.

USE OF FUNDS FOR THE UNITED STATES-ASIA ENVIRONMENTAL  
PARTNERSHIP

The conference agreement deletes Senate language authorizing, notwithstanding any other provision of law, funds to be made available for activities in the People's Republic of China through the United States-Asia Environmental Partnership program. The House bill did not address this matter.

LIBERATION TIGERS OF TAMIL EELAM

The conference agreement deletes Senate language expressing the Sense of the Senate that the State Department should list the Liberation Tigers of Tamil Ecelam as a terrorist organization. The House bill did not address this matter.

LIMITATION ON INTERNATIONAL MILITARY EDUCATION AND TRAINING  
ASSISTANCE FOR PERU

The conference agreement deletes language proposed by the Senate prohibiting IMET funds for Peru unless the President certifies that the Government of Peru is taking all necessary steps to ensure that United States citizens held in prisons in Peru are accorded timely, open and fair legal proceedings in civilian courts. The House bill did not contain a similar provision.

The conferees direct the Secretary of State, the Secretary of the Treasury, and the Administrator of the Agency for International Development to use the diplomatic and financial resources and influence available to them to encourage the Government of Peru to take all necessary steps to ensure that United States citizens held in prisons in Peru are treated humanely and accorded timely, open and fair legal proceedings in civilian courts. The conferees request that, no later than March 1, 1998, the Secretary of State submit a report to the Committees on Appropriations describing the Administration's efforts to achieve these ends and the response of the Government of Peru.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1998 recommended by the Committee of Conference, with comparisons to the fiscal year 1997 amount, the 1998 budget estimates, and the House and Senate bills for 1998 follow:

New budget (obligational) authority, fiscal year 1997 .....	\$12,311,119,710
Budget estimates of new (obligational) authority, fiscal year 1998	16,888,168,980
House bill, fiscal year 1998 .....	12,311,414,980
Senate bill, fiscal year 1998 .....	16,859,708,000
Conference agreement, fiscal year 1998 .....	13,190,968,080
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1997 .....	+879,848,370

Budget estimates of new (obligational) authority, fiscal year 1998 .....	-3,697,200,900
House bill, fiscal year 1998 .....	+879,553,100
Senate bill, fiscal year 1998 .....	-3,668,739,920

SONNY CALLAHAN,  
 JOHN EDWARD PORTER,  
 RON PACKARD,  
 JOE KNOLLENBERG,  
 MIKE FORBES,  
 JACK KINGSTON,  
 R.P. FRELINGHUYSEN,  
 BOB LIVINGSTON,  
 NANCY PELOSI,  
 SIDNEY R. YATES,  
 NITA M. LOWEY,  
 ESTEBAN E. TORRES,  
 DAVID OBEY,

*Managers on the Part of the House.*

MITCH McCONNELL,  
 ARLEN SPECTER,  
 JUDD GREGG,  
 RICHARD SHELBY,  
 R.F. BENNETT,  
 BEN NIGHTHORSE CAMPBELL,  
 TED STEVENS,  
 THAD COCHRAN,  
 PATRICK J. LEAHY,  
 DANIEL K. INOUE,  
 FRANK R. LAUTENBERG,  
 TOM HARKIN,

*Managers on the Part of the Senate.*

