

107TH CONGRESS
1ST SESSION

H. R. 3566

To provide for the establishment of a trust fund at the International Bank for Reconstruction and Development to address long-term food production and rural development needs in Afghanistan and the Central Asian Republics.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 20, 2001

Mr. BEREUTER (for himself, Mrs. CLAYTON, Mr. NETHERCUTT, Mr. SAWYER, Mr. OSBORNE, Mr. HALL of Ohio, Mrs. JOHNSON of Connecticut, Mr. DOGGETT, Mr. EHLERS, Mr. GEORGE MILLER of California, Mr. SHAYS, Ms. MILLENDER-McDONALD, Mr. SNYDER, Mr. WAXMAN, Mr. PAYNE, and Ms. BALDWIN) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To provide for the establishment of a trust fund at the International Bank for Reconstruction and Development to address long-term food production and rural development needs in Afghanistan and the Central Asian Republics.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Afghanistan and Cen-
3 tral Asian Republics Sustainable Food Production Trust
4 Fund Act of 2001”.

5 **SEC. 2. FINDINGS.**

6 The Congress finds that—

7 (1) abject poverty and the inability to produce
8 food, even at the subsistence level, in the rural,
9 mountainous areas of Afghanistan and the Central
10 Asian Republics have plagued the region for over 20
11 years;

12 (2) extended food shortages in this region have
13 resulted in the consumption of seed supplies and
14 breeding livestock necessary to continue farming and
15 food production;

16 (3) ongoing and violent conflict in the region
17 has badly damaged or destroyed the basic irrigation
18 systems necessary for food production;

19 (4) despite the delivery of over \$185,000,000 in
20 aid from the United States in fiscal year 2001 to-
21 ward humanitarian assistance needs in Afghanistan,
22 millions of people remain at risk of severe malnutri-
23 tion and starvation in the short- and long-terms;

24 (5) on October 4, 2001, President George W.
25 Bush announced that the people of Afghanistan, and
26 the governments of Pakistan, Iran, Tajikistan,

1 Uzbekistan, and Turkmenistan will receive an addi-
2 tional \$320,000,000 humanitarian assistance pack-
3 age for emergency food and refugee assistance to ad-
4 dress the region's immediate needs during the war
5 on terrorism; and

6 (6) in addition to addressing short-term emer-
7 gency assistance needs in Afghanistan and the
8 mountainous regions of the Central Asian Republics,
9 addressing the long-term food production and rural
10 development issues in region will be critical to at-
11 taining some stability in the region.

12 **SEC. 3. ESTABLISHMENT.**

13 (a) NEGOTIATIONS FOR ESTABLISHMENT OF TRUST
14 FUND.—The Secretary of the Treasury shall seek to enter
15 into negotiations with the International Bank for Recon-
16 struction and Development, in consultation with the Ad-
17 ministrator of the United States Agency for International
18 Development and other United States Government agen-
19 cies, and with the member nations of the Bank and with
20 other interested parties, for the establishment within the
21 Bank of—

22 (1) the Afghanistan and Central Asian Repub-
23 lics Sustainable Food Production Trust Fund (in
24 this Act referred to as the “Trust Fund”) in accord-
25 ance with the provisions of this Act; and

1 (2) the Advisory Board to the Trust Fund in
2 accordance with section 6.

3 (b) PURPOSE.—The purpose of the Trust Fund
4 should be to use contributed funds to develop sustainable
5 food production for Afghanistan and the mountainous re-
6 gions of other countries of Central Asia through re-
7 stocking seed, replacing breeding livestock, restoring basic
8 irrigation systems, and providing access to credit for food
9 production, processing, or marketing enterprises through
10 rural microenterprise loan programs.

11 (c) COMPOSITION.—

12 (1) IN GENERAL.—It is the sense of the Con-
13 gress that the Trust Fund should be governed by a
14 Board of Trustees, which should be composed of
15 representatives of the participating donor countries
16 to the Trust Fund. Individuals appointed to the
17 Board should have demonstrated knowledge and ex-
18 perience in the fields of agriculture production and
19 rural microenterprise loan programs.

20 (2) UNITED STATES REPRESENTATION.—

21 (A) IN GENERAL.—If there is a Board of
22 Trustees of the Trust Fund, the United States
23 representative shall be the Administrator of the
24 United States Agency for International Devel-
25 opment or the Administrator's designee.

1 (B) EFFECTIVE AND TERMINATION
2 DATES.—

3 (i) EFFECTIVE DATE.—This para-
4 graph shall take effect upon the date the
5 Secretary of the Treasury certifies to Con-
6 gress that an agreement establishing the
7 Trust Fund and providing for a United
8 States member of the Board of Trustees is
9 in effect.

10 (ii) TERMINATION DATE.—The posi-
11 tion established by subparagraph (A) is
12 abolished upon the date of termination of
13 the Trust Fund.

14 **SEC. 4. GRANT AUTHORITIES.**

15 (a) PROGRAM OBJECTIVES.—It is the sense of the
16 Congress that:

17 (1) IN GENERAL.—In carrying out the purpose
18 of section 3(b), the Trust Fund, acting through the
19 Board of Trustees, should provide only grants to
20 nongovernmental organizations for the purpose of
21 carrying out the activities described in paragraph (2)
22 in Afghanistan and the other countries of Central
23 Asia in accordance with this section.

24 (2) ACTIVITIES SUPPORTED.—

1 (A) IN GENERAL.—Among the activities
2 for which the Trust Fund should provide grants
3 should be—

4 (i) procurement of seed for local food
5 production;

6 (ii) replacement of breeding livestock;

7 (iii) restoration of basic irrigation sys-
8 tems;

9 (iv) establishment of access to credit
10 for food production, processing, or mar-
11 keting enterprises through rural micro-
12 enterprise loan programs; and

13 (v) providing technical assistance.

14 (B) LIMITATION.—Amounts received under
15 a grant should not be used to carry out activi-
16 ties related to emergencies or disasters.

17 (3) APPLICATIONS.—A nongovernmental orga-
18 nization that desires to receive a grant under this
19 section should submit an application for the grant to
20 the Board of Trustees. The application should be de-
21 veloped by the nongovernmental organization in
22 close consultation with local indigenous entities, or
23 associated persons of a village or villages, located in
24 the country within which the activities supported by
25 the grant will be carried out.

1 (4) IMPLEMENTATION OF PROGRAM OBJEC-
2 TIVES.—In carrying out the objectives of paragraph
3 (1), the Trust Fund should—

4 (A) coordinate its activities with govern-
5 ments of countries authorized to receive grants
6 under this section, local and regional govern-
7 ments of such countries, nongovernmental orga-
8 nizations operating in such countries, and pri-
9 vate donors;

10 (B) provide minimal supplementary grants
11 for associated administrative costs to the na-
12 tional and regional governments of the country
13 for which grants to nongovernmental organiza-
14 tions are approved under this section;

15 (C) provide oversight of grants disbursed
16 under this section, including procedures under
17 which a nongovernmental organization that mis-
18 uses grant funds or otherwise fails to ade-
19 quately carry out the activities described in
20 paragraph (2) should be disqualified from re-
21 ceiving additional grants under this section for
22 not less than 1 year; and

23 (D) coordinate efforts with national, re-
24 gional, and local government officials to conduct
25 an annual review of disbursement of grant

1 funds and the effectiveness of activities carried
2 out with grant funds.

3 (b) RESTRICTION RELATING TO THE USE OF
4 UNITED STATES FUNDS IN AFGHANISTAN.—Funds made
5 available under this Act may not be used during a fiscal
6 year for any activity in Afghanistan which is described in
7 subsection (a)(2) unless the Secretary of State certifies
8 for the fiscal year that there has been substantial progress
9 made toward the establishment of a government in Af-
10 ghanistan that meets the following requirements:

11 (1) The government includes broad representa-
12 tion from the diverse ethnic and religious groups of
13 Afghanistan, including both men and women from
14 such groups.

15 (2) The government does not sponsor terrorism
16 or harbor terrorists.

17 (3) The government demonstrates a strong and
18 determined commitment to eliminating the produc-
19 tion of opium-producing poppies.

20 (4) The government meets the conditions out-
21 lined in the United Nations Universal Declaration of
22 Human Rights.

23 **SEC. 5. ADMINISTRATION.**

24 (a) SENSE OF THE CONGRESS.—It is the sense of the
25 Congress that:

1 (1) APPOINTMENT OF AN ADMINISTRATOR.—

2 The Board of Trustees, in consultation with the ap-
3 propriate officials of the Bank, should appoint an
4 Administrator who should be responsible for man-
5 aging the day-to-day operations of the Trust Fund.

6 (2) AUTHORITY TO SOLICIT AND ACCEPT CON-

7 TRIBUTIONS.—The Trust Fund should be authorized
8 to solicit and accept contributions from govern-
9 ments, the private sector, and nongovernmental enti-
10 ties of all kinds.

11 (3) SELECTION OF PROJECTS AND RECIPI-

12 ENTS.—The Board of Trustees should establish—

13 (A) criteria for the selection of projects to
14 receive support from the Trust Fund;

15 (B) standards and criteria regarding quali-
16 fications of recipients of such support;

17 (C) such rules and procedures as may be
18 necessary for cost-effective management of the
19 Trust Fund and the projects that it funds;

20 (D) such rules and procedures as may be
21 necessary to ensure transparency and account-
22 ability in the grant-making process; and

23 (E) criteria for an annual review process
24 for all projects receiving grants.

1 (4) TRANSPARENCY OF OPERATIONS.—The
2 Board of Trustees should ensure full and prompt
3 public disclosure of the proposed objectives, financial
4 organization, and operations of the Trust Fund.

5 (b) ACCOUNTABILITY OF FUNDS AND CRITERIA FOR
6 PROGRAMS.—As part of the negotiations described in sec-
7 tion 3(a), the Secretary of the Treasury shall, consistent
8 with subsection (a)(3) of this section—

9 (1) take such actions as are necessary to ensure
10 that the Bank will have in effect adequate proce-
11 dures and standards to account for and monitor the
12 use of funds contributed to the Trust Fund, includ-
13 ing the cost of administering the Trust Fund; and

14 (2) seek agreement on the criteria that should
15 be used to determine the programs and activities
16 that should be assisted by the Trust Fund.

17 **SEC. 6. ADVISORY BOARD.**

18 (a) SENSE OF THE CONGRESS.—It is the sense of the
19 Congress that:

20 (1) IN GENERAL.—There should be an Advisory
21 Board to the Trust Fund.

22 (2) APPOINTMENTS.—The members of the Ad-
23 visory Board should be drawn from—

24 (A) a broad range of individuals with expe-
25 rience and leadership in the fields of develop-

1 ment, with particular priority for individuals
2 with experience in agricultural production and
3 rural microenterprise loan programs; and

4 (B) representatives of relevant United Na-
5 tions agencies and nongovernmental organiza-
6 tions with on-the-ground experience in countries
7 authorized to receive grants.

8 (3) RESPONSIBILITIES.—The Advisory Board
9 should provide advice and guidance to the Board of
10 Trustees on the development and implementation of
11 programs and projects to be assisted by the Trust
12 Fund and on leveraging donations to the Trust
13 Fund.

14 (4) PROHIBITION ON PAYMENT OF COMPENSA-
15 TION.—Except for travel expenses (including per
16 diem in lieu of subsistence), no member of the Advi-
17 sory Board should receive compensation for services
18 performed as a member of the Board.

19 (b) UNITED STATES REPRESENTATIVE.—Notwith-
20 standing any other provision of law (including an inter-
21 national agreement), a representative of the United States
22 on the Advisory Board may not accept compensation for
23 services performed as a member of the Board, except that
24 such representative may accept travel expenses, including
25 per diem in lieu of subsistence, while away from the rep-

1 representative's home or regular place of business in the per-
2 formance of services for the Board.

3 **SEC. 7. REPORTS TO CONGRESS.**

4 (a) ANNUAL REPORTS BY SECRETARY OF THE
5 TREASURY.—

6 (1) IN GENERAL.—Not later than 1 year after
7 the date of the enactment of this Act, and annually
8 thereafter for the duration of the Trust Fund, the
9 Secretary of the Treasury shall submit to the appro-
10 priate committees of Congress a report on the Trust
11 Fund.

12 (2) REPORT ELEMENTS.—The report shall in-
13 clude a description of—

14 (A) the goals of the Trust Fund;

15 (B) the programs, projects, and activities
16 supported by the Trust Fund;

17 (C) private and governmental contributions
18 to the Trust Fund;

19 (D) the criteria that have been established,
20 acceptable to the Secretary of the Treasury and
21 the Administrator of the United States Agency
22 for International Development, that would be
23 used to determine the programs and activities
24 that should be assisted by the Trust Fund;

1 (E) an assessment regarding the extent to
 2 which the Government of Afghanistan does or
 3 does not meet the requirements of section 4(b)
 4 for that fiscal year; and

5 (F) with respect to a fiscal year for which
 6 Afghanistan is eligible to receive a grant under
 7 section 4, the impact of programming on food
 8 production and rural development in Afghani-
 9 stan.

10 (b) GAO REPORT ON TRUST FUND EFFECTIVE-
 11 NESS.—Not later than 2 years after the date of the enact-
 12 ment of this Act, the Comptroller General of the United
 13 States shall submit to the appropriate committees of the
 14 Congress a report evaluating the effectiveness of the Trust
 15 Fund, including—

16 (1) the effectiveness of the programs, projects,
 17 and activities described in subsection (a)(2)(B) in
 18 building sustainable food production and rural
 19 microenterprise loans in the countries authorized to
 20 receive grants under this section; and

21 (2) an assessment of the merits of continued
 22 United States financial contributions to the Trust
 23 Fund.

24 (c) APPROPRIATE COMMITTEES DEFINED.—In sub-
 25 section (a), the term “appropriate committees” means the

1 Committee on Foreign Relations and the Committee on
2 Appropriations of the Senate and the Committee on Inter-
3 national Relations, the Committee on Financial Services,
4 and the Committee on Appropriations of the House of
5 Representatives.

6 **SEC. 8. AUTHORIZATION OF APPROPRIATIONS.**

7 In addition to any other funds authorized to be ap-
8 propriated for multilateral or bilateral programs related
9 to sustainable food production and microenterprise sys-
10 tems, there is authorized to be appropriated to the Sec-
11 retary of the Treasury \$25,000,000 for fiscal year 2002
12 and \$50,000,000 for each of the fiscal years 2003 through
13 2006 for payment to the Trust Fund. Of the amount ap-
14 propriated pursuant to the authorization of appropriations
15 under the preceding sentence for a fiscal year 60 percent
16 should be designated for grants for Afghanistan.

17 **SEC. 9. CERTIFICATION REQUIREMENT.**

18 (a) IN GENERAL.—Prior to the initial obligation or
19 expenditure of funds appropriated pursuant to section 8,
20 the Secretary of the Treasury shall certify that adequate
21 procedures and standards have been established to ensure
22 accountability for and monitoring of the use of funds con-
23 tributed to the Trust Fund, including the cost of admin-
24 istering the Trust Fund.

1 (b) TRANSMITTAL OF CERTIFICATION.—The certifi-
2 cation required by subsection (a), and the bases for that
3 certification, shall be submitted by the Secretary of the
4 Treasury to Congress.

5 **SEC. 10. DEFINITIONS.**

6 In this Act:

7 (1) BANK.—The term “Bank” means the Inter-
8 national Bank for Reconstruction and Development.

9 (2) OTHER COUNTRIES OF CENTRAL ASIA.—
10 The term “other countries of Central Asia” means
11 Kyrgyzstan, Pakistan, Tajikistan, Turkmenistan,
12 and Uzbekistan.

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