

108TH CONGRESS
2D SESSION

S. 2305

To authorize programs that support economic and political development in the Greater Middle East and Central Asia and support for three new multilateral institutions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 8, 2004

Mr. HAGEL (for himself and Mr. LIEBERMAN) introduced the following bill;
which was read twice and referred to the Committee on Foreign Relations

A BILL

To authorize programs that support economic and political development in the Greater Middle East and Central Asia and support for three new multilateral institutions, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Greater Middle East
5 and Central Asia Development Act of 2004”.

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to authorize assistance for
8 political freedom and economic development, particularly

1 through private sector development, in the Greater Middle
2 East and Central Asia, including contributions to and par-
3 ticipation in 3 new entities: a Trust for Democracy, a De-
4 velopment Foundation, and a Development Bank.

5 **SEC. 3. FINDINGS.**

6 Congress makes the following findings:

7 (1) The terrorist attacks of September 11,
8 2001, signaled a turning point in United States for-
9 eign policy.

10 (2) Al Qaeda and affiliated groups have estab-
11 lished a terrorist network with linkages in Afghani-
12 stan, Pakistan, throughout the Greater Middle East
13 and Central Asia, and around the world.

14 (3) The war on terrorism requires that the
15 United States consider the Greater Middle East and
16 Central Asia as a strategic region with its own polit-
17 ical, economic, and security dynamics.

18 (4) While rich in cultural, geographic, and lan-
19 guage diversity, the Greater Middle East and Cen-
20 tral Asia face common impediments to economic de-
21 velopment and political freedom.

22 (5) Although poverty and economic under-
23 development do not alone cause terrorism, the ex-
24 pansion of economic growth, free trade, and private
25 sector development can contribute to an environment

1 that undercuts radical political tendencies that give
2 rise to terrorism.

3 (6) Given the relationship between economic
4 and political development and winning the global
5 war on terror, America's support for freedom in the
6 Greater Middle East and Central Asia must be
7 matched with expanded and new programs of part-
8 nership with the people and governments of the re-
9 gion to promote good governance, political freedom,
10 private sector development, and more open econo-
11 mies.

12 (7) The United States and other donors should
13 support those citizens of the Greater Middle East
14 and Central Asia who share our desire to undertake
15 reforms that result in more open political and eco-
16 nomic systems.

17 (8) Turkey, which should be supported in its
18 aspirations for membership in the European Union,
19 plays a pivotal and unique role in efforts to bring
20 economic development and stability to the Greater
21 Middle East and Central Asia.

22 (9) The President should seek new mechanisms
23 to work together with European and other nations,
24 as well as with the countries of the Greater Middle
25 East and Central Asia to promote political and eco-

1 nomic development in the Greater Middle East and
 2 Central Asia.

3 (10) Because the dynamics of the Greater Mid-
 4 dle East and Central Asia have a serious impact on
 5 global security, the North Atlantic Treaty Organiza-
 6 tion (NATO) should now shift its strategic focus to
 7 the region, including expanded roles in Iraq, Afghan-
 8 istan, and the Mediterranean.

9 **SEC. 4. DEFINITION; SPECIAL RULE.**

10 (a) GREATER MIDDLE EAST AND CENTRAL ASIA DE-
 11 FINED.—In this Act, the term “Greater Middle East and
 12 Central Asia” means the 22 members of the Arab League
 13 (Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jor-
 14 dan, Kuwait, Lebanon, Libya, Mauritania, Morocco,
 15 Oman, the Palestinian Authority, Qatar, Saudi Arabia,
 16 Somalia, Sudan, Syria, Tunisia, United Arab Emirates,
 17 and Yemen), Afghanistan, Iran, Israel, Kazakhstan,
 18 Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan,
 19 and Uzbekistan.

20 (b) SPECIAL RULE.—A country listed in subsection
 21 (a) may not receive assistance under this Act if such coun-
 22 try is identified as a country supporting international ter-
 23 rorism pursuant to section 6(j)(1)(A) of the Export Ad-
 24 ministration Act of 1979 (as in effect pursuant to the
 25 International Emergency Economic Powers Act; 50 U.S.C.

1 1701 et seq.), section 40(d) of the Arms Export Control
2 Act (22 U.S.C. 2780(d)), section 620A of the Foreign As-
3 sistance Act of 1961 (22 U.S.C. 2371), or any other provi-
4 sion of law.

5 **SEC. 5. AUTHORIZATION OF ASSISTANCE.**

6 Notwithstanding any other provision of law, the
7 President is authorized to provide assistance to the Great-
8 er Middle East and Central Asia for the purpose of pro-
9 moting economic and political freedoms, free trade, and
10 private sector development, including the programs de-
11 scribed in the following paragraphs:

12 (1) UNITED STATES CONTRIBUTION TO AND
13 MEMBERSHIP IN A GREATER MIDDLE EAST AND
14 CENTRAL ASIA DEVELOPMENT BANK.—The Presi-
15 dent is authorized to work with other donors and
16 representatives from the Greater Middle East and
17 Central Asia to establish a Greater Middle East and
18 Central Asia Development Bank to promote private
19 sector development, trade, including intra-regional
20 trade, and investment in the Greater Middle East
21 and Central Asia.

22 (2) CREATION OF A GREATER MIDDLE EAST
23 AND CENTRAL ASIA DEVELOPMENT FOUNDATION.—
24 The President is authorized to work with other do-
25 nors and representatives from the Greater Middle

1 East and Central Asia to establish a multilateral
2 Greater Middle East and Central Asia Development
3 Foundation to assist in the administration and imple-
4 mentation of assistance programs, including public-
5 private programs, pursuant to this Act, with specific
6 emphasis on programs at the grass-roots level, to in-
7 clude volunteer-based organizations and other non-
8 governmental organizations that support private sec-
9 tor development, entrepreneurship, and development
10 of small- and medium-size enterprises and exchanges.

11 (3) CREATION OF TRUST FOR DEMOCRACY.—
12 The President is authorized to establish, together
13 with other donors and private sector and nongovern-
14 mental leaders from the Greater Middle East and
15 Central Asia, a multilateral, public-private Trust for
16 Democracy to support grass-roots development of
17 civil society, democratic reform, good governance
18 practices, and rule of law reform in the Greater Mid-
19 dle East and Central Asia. Private foundations shall
20 be encouraged to participate in the Trust through
21 the provision of matching funds.

1 **SEC. 6. SENSE OF CONGRESS REGARDING COORDINATION**
2 **OF ASSISTANCE TO THE GREATER MIDDLE**
3 **EAST AND CENTRAL ASIA.**

4 Recognizing the importance of coordination of assist-
5 ance to the Greater Middle East and Central Asia, and
6 the strategic imperatives required by the war on terrorism,
7 it is the sense of Congress that—

8 (1) the Secretary of State and the heads of
9 other relevant Government agencies should consider
10 new approaches to the coordination of the provision
11 of political and economic support for the Greater
12 Middle East and Central Asia; and

13 (2) the Secretary of State should consider ap-
14 pointing a Coordinator for Assistance to the Greater
15 Middle East and Central Asia.

16 **SEC. 7. PROGRAM REPORTS.**

17 (a) REQUIREMENT FOR REPORTS.—Beginning on
18 January 31, 2005, and annually thereafter, the President
19 shall submit to Congress a report on the progress of the
20 Greater Middle East and Central Asia, the Greater Middle
21 East and Central Asia Development Bank, the Greater
22 Middle East and Central Asia Development Foundation,
23 and the Trust for Democracy in developing more open po-
24 litical and economic systems and the degree to which
25 United States assistance has been effective at promoting
26 these changes.

1 (b) CONTENT.—The reports required by subsection
2 (a) shall include general information regarding such
3 progress and specific information on the progress of each
4 of the Greater Middle East and Central Asia Development
5 Bank, the Greater Middle East and Central Asia Develop-
6 ment Foundation, and the Trust for Democracy in—

7 (1) encouraging entrepreneurial development
8 and supporting growth of small- and medium-size
9 enterprises in the Greater Middle East and Central
10 Asia;

11 (2) promoting private sector development,
12 democratic political reform, good governance build-
13 ing, rule of law reform, and other appropriate goals
14 in the Greater Middle East and Central Asia;

15 (3) fostering intra-regional trade and invest-
16 ment by United States businesses and financial in-
17 stitutions in the Greater Middle East and Central
18 Asia;

19 (4) developing public-private partnerships to
20 carry out the purpose of this Act; and

21 (5) encouraging the involvement of the Greater
22 Middle East and Central Asia, and other donors in
23 each institution.

1 **SEC. 8. ENTERPRISE FUNDS REPORTS TO CONGRESS.**

2 Not later than 1 year after the date of enactment
3 of this Act, the President shall submit to Congress a com-
4 prehensive report evaluating the appropriateness of the es-
5 tablishment of enterprise funds in the Greater Middle
6 East and Central Asia. The report shall evaluate whether
7 and to what extent enterprise funds might be an effective
8 mechanism for promoting economic reform and investment
9 in the Greater Middle East and Central Asia.

10 **SEC. 9. REPORT ON COORDINATION OF ASSISTANCE TO**
11 **THE GREATER MIDDLE EAST AND CENTRAL**
12 **ASIA.**

13 Not later than 1 year after the date of enactment
14 of this Act, the President shall submit to Congress a re-
15 port that describes the measures that have been employed,
16 and the measures that are planned to be employed, to im-
17 prove the coordination within the Department of State and
18 among the heads of the relevant Government agencies of
19 the provision of support to the Greater Middle East and
20 Central Asia.

21 **SEC. 10. NOTIFICATIONS TO CONGRESS REGARDING AS-**
22 **SISTANCE.**

23 Section 634A of the Foreign Assistance Act of 1961
24 (22 U.S.C. 2394–1) (relating to reprogramming notifica-
25 tions) shall apply with respect to obligations of funds
26 made available to carry out this Act.

1 **SEC. 11. AUTHORIZATION OF APPROPRIATIONS.**

2 (a) AUTHORIZATION OF APPROPRIATIONS.—In addi-
3 tion to funds otherwise available for such purpose and for
4 the countries to which this Act applies, there are author-
5 ized to be appropriated to the Department of State to
6 carry out the provisions of this Act, \$1,000,000,000 for
7 each of the fiscal years 2005 through 2009.

8 (b) AVAILABILITY OF FUNDS.—Amounts appro-
9 priated pursuant to subsection (a) shall remain available
10 until expended.

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