

Union Calendar No. 108

105TH CONGRESS
1ST Session

H. R. 2159

[Report No. 105-176]

A BILL

Making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes.

JULY 14, 1997

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

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Making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 1997

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

A BILL

Making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any
4 money in the Treasury not otherwise appropriated, for the
5 fiscal year ending September 30, 1998, and for other pur-
6 poses, namely:

1 TITLE I—EXPORT AND INVESTMENT
2 ASSISTANCE

3 EXPORT-IMPORT BANK OF THE UNITED STATES

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

21 SUBSIDY APPROPRIATION

22 For the cost of direct loans, loan guarantees, insur-
23 ance, and tied-aid grants as authorized by section 10 of
24 the Export-Import Bank Act of 1945, as amended,
25 \$632,000,000 to remain available until September 30,
26 1999: *Provided*, That such costs, including the cost of

1 modifying such loans, shall be as defined in section 502
2 of the Congressional Budget Act of 1974: *Provided fur-*
3 *ther*, That such sums shall remain available until 2013 for
4 the disbursement of direct loans, loan guarantees, and in-
5 surance obligated in fiscal years 1998 and 1999: *Provided*
6 *further*, That funds appropriated by this paragraph are
7 made available notwithstanding section 2(b)(2) of the Ex-
8 port-Import Bank Act of 1945, in connection with the pur-
9 chase or lease of any product by any East European coun-
10 try, any Baltic State, or any agency or national thereof.

11 ADMINISTRATIVE EXPENSES

12 For administrative expenses to carry out the direct
13 and guaranteed loan and insurance programs (to be com-
14 puted on an accrual basis), including hire of passenger
15 motor vehicles and services as authorized by 5 U.S.C.
16 3109, and not to exceed \$20,000 for official reception and
17 representation expenses for members of the Board of Di-
18 rectors, \$48,614,000: *Provided*, That necessary expenses
19 (including special services performed on a contract or fee
20 basis, but not including other personal services) in connec-
21 tion with the collection of moneys owed the Export-Import
22 Bank, repossession or sale of pledged collateral or other
23 assets acquired by the Export-Import Bank in satisfaction
24 of moneys owed the Export-Import Bank, or the investiga-
25 tion or appraisal of any property, or the evaluation of the
26 legal or technical aspects of any transaction for which an

1 application for a loan, guarantee or insurance commitment
2 has been made, shall be considered nonadministrative ex-
3 penses for the purposes of this heading: *Provided further,*
4 That, notwithstanding subsection (b) of section 117 of the
5 Export Enhancement Act of 1992, subsection (a) thereof
6 shall remain in effect until October 1, 1998.

7 OVERSEAS PRIVATE INVESTMENT CORPORATION

8 NONCREDIT ACCOUNT

9 The Overseas Private Investment Corporation is au-
10 thorized to make, without regard to fiscal year limitations,
11 as provided by 31 U.S.C. 9104, such expenditures and
12 commitments within the limits of funds available to it and
13 in accordance with law as may be necessary: *Provided,*
14 That the amount available for administrative expenses to
15 carry out the credit and insurance programs (including an
16 amount for official reception and representation expenses
17 which shall not exceed \$35,000) shall not exceed
18 \$32,000,000: *Provided further,* That project-specific trans-
19 action costs, including direct and indirect costs incurred
20 in claims settlements, and other direct costs associated
21 with services provided to specific investors or potential in-
22 vestors pursuant to section 234 of the Foreign Assistance
23 Act of 1961, shall not be considered administrative ex-
24 penses for the purposes of this heading.

1 FUNDS APPROPRIATED TO THE PRESIDENT

2 TRADE AND DEVELOPMENT AGENCY

3 For necessary expenses to carry out the provisions
4 of section 661 of the Foreign Assistance Act of 1961,
5 \$40,000,000: *Provided*, That the Trade and Development
6 Agency may receive reimbursements from corporations
7 and other entities for the costs of grants for feasibility
8 studies and other project planning services, to be deposited
9 as an offsetting collection to this account and to be avail-
10 able for obligation until September 30, 1999, for necessary
11 expenses under this paragraph: *Provided further*, That
12 such reimbursements shall not cover, or be allocated
13 against, direct or indirect administrative costs of the agen-
14 cy.

15 TITLE II—BILATERAL ECONOMIC ASSISTANCE

16 FUNDS APPROPRIATED TO THE PRESIDENT

17 For expenses necessary to enable the President to
18 carry out the provisions of the Foreign Assistance Act of
19 1961, and for other purposes, to remain available until
20 September 30, 1998, unless otherwise specified herein, as
21 follows:

22 AGENCY FOR INTERNATIONAL DEVELOPMENT

23 CHILD SURVIVAL AND DISEASE PROGRAMS FUND

24 For necessary expenses to carry out the provisions
25 of part I and chapter 4 of part II of the Foreign Assist-
26 ance Act of 1961, for child survival, basic education, as-

1 sistance to combat tropical and other diseases, and related
2 activities, in addition to funds otherwise available for such
3 purposes, \$650,000,000, to remain available until ex-
4 pended: *Provided*, That this amount shall be made avail-
5 able for such activities as (1) immunization programs, (2)
6 oral rehydration programs, (3) health and nutrition pro-
7 grams, and related education programs, which address the
8 needs of mothers and children, (4) water and sanitation
9 programs, (5) assistance for displaced and orphaned chil-
10 dren, (6) programs for the prevention, treatment, and con-
11 trol of, and research on, tuberculosis, HIV/AIDS, polio,
12 malaria and other diseases, (7) not to exceed \$98,000,000
13 for basic education programs for children, and (8) a con-
14 tribution on a grant basis to the United Nations Chil-
15 dren's Fund (UNICEF) pursuant to section 301 of the
16 Foreign Assistance Act of 1961.

17 **DEVELOPMENT ASSISTANCE**

18 For necessary expenses to carry out the provisions
19 of sections 103 through 106 and chapter 10 of part I of
20 the Foreign Assistance Act of 1961, title V of the Inter-
21 national Security and Development Cooperation Act of
22 1980 (Public Law 96-533) and the provisions of section
23 401 of the Foreign Assistance Act of 1969,
24 \$1,167,000,000, to remain available until September 30,
25 1999: *Provided*, That of the amount appropriated under
26 this heading, up to \$2,000,000 may be made available for

1 the Inter-American Foundation: *Provided further*, That of
2 the amount appropriated under this heading, up to
3 \$2,500,000 may be made available for the African Devel-
4 opment Foundation: *Provided further*, That none of the
5 funds made available in this Act nor any unobligated bal-
6 ances from prior appropriations may be made available to
7 any organization or program which, as determined by the
8 President of the United States, supports or participates
9 in the management of a program of coercive abortion or
10 involuntary sterilization: *Provided further*, That none of
11 the funds made available under this heading may be used
12 to pay for the performance of abortion as a method of
13 family planning or to motivate or coerce any person to
14 practice abortions; and that in order to reduce reliance
15 on abortion in developing nations, funds shall be available
16 only to voluntary family planning projects which offer, ei-
17 ther directly or through referral to, or information about
18 access to, a broad range of family planning methods and
19 services: *Provided further*, That in awarding grants for
20 natural family planning under section 104 of the Foreign
21 Assistance Act of 1961 no applicant shall be discriminated
22 against because of such applicant's religious or conscien-
23 tious commitment to offer only natural family planning;
24 and, additionally, all such applicants shall comply with the
25 requirements of the previous proviso: *Provided further*,

1 That for purposes of this or any other Act authorizing
2 or appropriating funds for foreign operations, export fi-
3 nancing, and related programs, the term “motivate”, as
4 it relates to family planning assistance, shall not be con-
5 strued to prohibit the provision, consistent with local law,
6 of information or counseling about all pregnancy options:
7 *Provided further*, That nothing in this paragraph shall be
8 construed to alter any existing statutory prohibitions
9 against abortion under section 104 of the Foreign Assist-
10 ance Act of 1961: *Provided further*, That none of the funds
11 made available under this heading may be used for any
12 activity which is in contravention to the Convention on
13 International Trade in Endangered Species of Flora and
14 Fauna (CITES).

15 PRIVATE AND VOLUNTARY ORGANIZATIONS

16 None of the funds appropriated or otherwise made
17 available by this Act for development assistance may be
18 made available to any United States private and voluntary
19 organization, except any cooperative development organi-
20 zation, which obtains less than 20 per centum of its total
21 annual funding for international activities from sources
22 other than the United States Government: *Provided*, That
23 the requirements of the provisions of section 123(g) of the
24 Foreign Assistance Act of 1961 and the provisions on pri-
25 vate and voluntary organizations in title II of the “Foreign
26 Assistance and Related Programs Appropriations Act,

1 1985” (as enacted in Public Law 98–473) shall be super-
2 seded by the provisions of this section, except that the au-
3 thority contained in the last sentence of section 123(g)
4 may be exercised by the Administrator with regard to the
5 requirements of this paragraph.

6 Funds appropriated or otherwise made available
7 under title II of this Act should be made available to pri-
8 vate and voluntary organizations at a level which is equiv-
9 alent to the level provided in fiscal year 1995. Such private
10 and voluntary organizations shall include those which op-
11 erate on a not-for-profit basis, receive contributions from
12 private sources, receive voluntary support from the public
13 and are deemed to be among the most cost-effective and
14 successful providers of development assistance.

15 INTERNATIONAL DISASTER ASSISTANCE

16 For necessary expenses for international disaster re-
17 lief, rehabilitation, and reconstruction assistance pursuant
18 to section 491 of the Foreign Assistance Act of 1961, as
19 amended, \$190,000,000, to remain available until ex-
20 pended.

21 DEBT RESTRUCTURING

22 For the cost, as defined in section 502 of the Con-
23 gressional Budget Act of 1974, of modifying direct loans
24 and loan guarantees, as the President may determine, for
25 which funds have been appropriated or otherwise made
26 available for programs within the International Affairs

1 Budget Function 150, including the cost of selling, reduc-
2 ing, or canceling amounts, through debt buybacks and
3 swaps, owed to the United States as a result of
4 concessional loans made to eligible Latin American and
5 Caribbean countries, pursuant to part IV of the Foreign
6 Assistance Act of 1961; and of modifying concessional
7 loans authorized under title I of the Agricultural Trade
8 Development and Assistance Act of 1954, as amended, as
9 authorized under subsection (a) under the heading “Debt
10 Reduction for Jordan” in title VI of Public Law 103–306;
11 \$27,000,000, to remain available until expended.

12 MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM

13 ACCOUNT

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

1 *Provided further*, That funds made available under this
2 heading shall remain available until September 30, 1999.

3 URBAN AND ENVIRONMENTAL CREDIT PROGRAM

4 ACCOUNT

5 For the cost, as defined in section 502 of the Con-
6 gressional Budget Act of 1974, of guaranteed loans au-
7 thorized by sections 221 and 222 of the Foreign Assist-
8 ance Act of 1961, including the cost of guaranteed loans
9 designed to promote the urban and environmental policies
10 and objectives of part I of such Act, \$3,000,000, to remain
11 available until September 30, 1999: *Provided*, That these
12 funds are available to subsidize loan principal, 100 percent
13 of which shall be guaranteed, pursuant to the authority
14 of such sections. In addition, for administrative expenses
15 to carry out guaranteed loan programs, \$6,000,000, all
16 of which may be transferred to and merged with the ap-
17 propriation for Operating Expenses of the Agency for
18 International Development: *Provided further*, That com-
19 mitments to guarantee loans under this heading may be
20 entered into notwithstanding the second and third sen-
21 tences of section 222(a) and, with regard to programs for
22 Central and Eastern Europe and programs for the benefit
23 of South Africans disadvantaged by apartheid, section
24 223(j) of the Foreign Assistance Act of 1961.

1 PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND
2 DISABILITY FUND

3 For payment to the “Foreign Service Retirement and
4 Disability Fund”, as authorized by the Foreign Service
5 Act of 1980, \$44,208,000.

6 OPERATING EXPENSES OF THE AGENCY FOR
7 INTERNATIONAL DEVELOPMENT

8 For necessary expenses to carry out the provisions
9 of section 667, \$468,750,000: *Provided*, That none of the
10 funds appropriated by this Act for programs administered
11 by the Agency for International Development may be used
12 to finance printing costs of any report or study (except
13 feasibility, design, or evaluation reports or studies) in ex-
14 cess of \$25,000 without the approval of the Administrator
15 of the Agency or the Administrator’s designee.

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

19 For necessary expenses to carry out the provisions
20 of section 667, \$29,047,000, to remain available until Sep-
21 tember 30, 1999, which sum shall be available for the Of-
22 fice of the Inspector General of the Agency for Inter-
23 national Development.

1 OTHER BILATERAL ECONOMIC ASSISTANCE

2 ECONOMIC SUPPORT FUND

3 For necessary expenses to carry out the provisions
4 of chapter 4 of part II, \$2,400,000,000, to remain avail-
5 able until September 30, 1999: *Provided*, That any funds
6 appropriated under this heading that are made available
7 for Israel shall be available on a grant basis as a cash
8 transfer and shall be disbursed within thirty days of enact-
9 ment of this Act or by October 31, 1997, whichever is
10 later: *Provided further*, That in exercising the authority
11 to provide cash transfer assistance for Israel and Egypt,
12 the President shall ensure that the level of such assistance
13 does not cause an adverse impact on the total level of non-
14 military exports from the United States to each such coun-
15 try.

16 INTERNATIONAL FUND FOR IRELAND

17 For necessary expenses to carry out the provisions
18 of chapter 4 of part II of the Foreign Assistance Act of
19 1961, \$19,600,000, which shall be available for the United
20 States contribution to the International Fund for Ireland
21 and shall be made available in accordance with the provi-
22 sions of the Anglo-Irish Agreement Support Act of 1986
23 (Public Law 99–415): *Provided*, That such amount shall
24 be expended at the minimum rate necessary to make time-
25 ly payment for projects and activities: *Provided further*,

1 That funds made available under this heading shall re-
2 main available until September 30, 1999.

3 ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC
4 STATES

5 (a) For necessary expenses to carry out the provisions
6 of the Foreign Assistance Act of 1961 and the Support
7 for East European Democracy (SEED) Act of 1989,
8 \$470,000,000, to remain available until September 30,
9 1999, which shall be available, notwithstanding any other
10 provision of law, for economic assistance and for related
11 programs for Eastern Europe and the Baltic States.

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

23 (c) Funds appropriated under this heading shall be
24 considered to be economic assistance under the Foreign
25 Assistance Act of 1961 for purposes of making available

1 the administrative authorities contained in that Act for
2 the use of economic assistance.

3 (d) None of the funds appropriated under this head-
4 ing may be made available for new housing construction
5 or repair or reconstruction of existing housing in Bosnia
6 and Herzegovina unless directly related to the efforts of
7 United States troops to promote peace in said country.

8 (e) With regard to funds appropriated or otherwise
9 made available under this heading for the economic revi-
10 talization program in Bosnia and Herzegovina, and local
11 currencies generated by such funds (including the conver-
12 sion of funds appropriated under this heading into cur-
13 rency used by Bosnia and Herzegovina as local currency
14 and local currency returned or repaid under such pro-
15 gram)—

16 (1) the Administrator of the Agency for Inter-
17 national Development shall provide written approval
18 for grants and loans prior to the obligation and
19 expenditure of funds for such purposes, and prior to
20 the use of funds that have been returned or repaid
21 to any lending facility or grantee; and

22 (2) the provisions of section 531 of this Act
23 shall apply.

24 (f) With regard to funds appropriated under this
25 heading that are made available for economic revitaliza-

1 tion programs in Bosnia and Herzegovina, 50 percent of
2 such funds shall not be available for obligation unless the
3 President determines and certifies to the Committee on
4 Appropriations that the Federation of Bosnia and
5 Herzegovina has complied with article III of annex 1–A
6 of the General Framework Agreement for Peace in Bosnia
7 and Herzegovina concerning the withdrawal of foreign
8 forces, and that intelligence cooperation on training, inves-
9 tigation, and related activities between Iranian officials
10 and Bosnian officials has been terminated.

11 (g) Not to exceed \$200,000,000 of the funds appro-
12 priated under this heading may be made available for
13 Bosnia and Herzegovina.

14 (h) Not to exceed \$7,000,000 of the funds made
15 available for Bosnia and Herzegovina may be made avail-
16 able for the cost, as defined in section 502 of the Congres-
17 sional Budget Act of 1974, of modifying direct loans and
18 loan guarantees for said country.

19 ASSISTANCE FOR THE NEW INDEPENDENT STATES OF
20 THE FORMER SOVIET UNION

21 (a) For necessary expenses to carry out the provisions
22 of chapter 11 of part I of the Foreign Assistance Act of
23 1961 and the FREEDOM Support Act, for assistance for
24 the new independent states of the former Soviet Union
25 and for related programs, \$625,000,000, to remain avail-
26 able until September 30, 1999: *Provided*, That the provi-

1 sions of such chapter shall apply to funds appropriated
2 by this paragraph.

3 (b) None of the funds appropriated under this head-
4 ing shall be transferred to the Government of Russia—

5 (1) unless that Government is making progress
6 in implementing comprehensive economic reforms
7 based on market principles, private ownership, nego-
8 tiating repayment of commercial debt, respect for
9 commercial contracts, and equitable treatment of
10 foreign private investment; and

11 (2) if that Government applies or transfers
12 United States assistance to any entity for the pur-
13 pose of expropriating or seizing ownership or control
14 of assets, investments, or ventures.

15 (c) Funds may be furnished without regard to sub-
16 section (b) if the President determines that to do so is
17 in the national interest.

18 (d) None of the funds appropriated under this head-
19 ing shall be made available to any government of the new
20 independent states of the former Soviet Union if that gov-
21 ernment directs any action in violation of the territorial
22 integrity or national sovereignty of any other new inde-
23 pendent state, such as those violations included in the Hel-
24 sinki Final Act: *Provided*, That such funds may be made
25 available without regard to the restriction in this sub-

1 section if the President determines that to do so is in the
2 national security interest of the United States: *Provided*
3 *further*, That the restriction of this subsection shall not
4 apply to the use of such funds for the provision of assist-
5 ance for purposes of humanitarian, disaster and refugee
6 relief.

7 (e) None of the funds appropriated under this head-
8 ing for the new independent states of the former Soviet
9 Union shall be made available for any state to enhance
10 its military capability: *Provided*, That this restriction does
11 not apply to demilitarization or nonproliferation programs.

12 (f) Funds appropriated under this heading shall be
13 subject to the regular notification procedures of the Com-
14 mittees on Appropriations.

15 (g) Funds made available in this Act for assistance
16 to the new independent states of the former Soviet Union
17 shall be subject to the provisions of section 117 (relating
18 to environment and natural resources) of the Foreign As-
19 sistance Act of 1961.

20 (h) In issuing new task orders, entering into con-
21 tracts, or making grants, with funds appropriated under
22 this heading or in prior appropriations Acts, for projects
23 or activities that have as one of their primary purposes
24 the fostering of private sector development, the Coordina-
25 tor for United States Assistance to the New Independent

1 States and the implementing agency shall encourage the
2 participation of and give significant weight to contractors
3 and grantees who propose investing a significant amount
4 of their own resources (including volunteer services and
5 in-kind contributions) in such projects and activities.

6 (i) Funds appropriated under this heading or in prior
7 appropriations Acts that are or have been made available
8 for an Enterprise Fund may be deposited by such Fund
9 in interest-bearing accounts prior to the disbursement of
10 such funds by the Fund for program purposes. The Fund
11 may retain for such program purposes any interest earned
12 on such deposits without returning such interest to the
13 Treasury of the United States and without further appro-
14 priation by the Congress. Funds made available for Enter-
15 prise Funds shall be expended at the minimum rate nec-
16 essary to make timely payment for projects and activities.

17 (j)(1) None of the funds appropriated under this
18 heading may be made available for Russia unless the
19 President determines and certifies in writing to the Com-
20 mittees on Appropriations that the Government of Russia
21 has terminated implementation of arrangements to pro-
22 vide Iran with technical expertise, training, technology, or
23 equipment necessary to develop a nuclear reactor, related
24 nuclear research facilities or programs, or ballistic missile
25 capability.

1 (2) Fifty percent of the funds appropriated under this
2 heading that are allocated for Russia may be made avail-
3 able notwithstanding paragraph (1) if the President deter-
4 mines that making such funds available is vital to the na-
5 tional security interest of the United States. Any such de-
6 termination shall cease to be effective six months after
7 being made unless the President determines that its con-
8 tinuation is vital to the national security interest of the
9 United States.

10 (k)(1) Funds appropriated under this heading may
11 not be made available for the Government of Ukraine if
12 the President determines and reports to the Committees
13 on Appropriations that the Government of Ukraine is en-
14 gaged in military cooperation with the Government of
15 Libya.

16 (2) Paragraph (1) shall not apply if the President
17 determines that making such funds available is vital to
18 the national security interest of the United States. Any
19 such determination shall cease to be effective six months
20 after being made unless the President determines that its
21 continuation is vital to the national security interest of
22 the United States.

23 (l) Funds made available under this Act or any other
24 Act may not be provided for assistance to the Government
25 of Azerbaijan until the President determines, and so re-

1 ports to the Congress, that the Government of Azerbaijan
2 is taking demonstrable steps to cease all blockades and
3 other offensive uses of force against Armenia and
4 Nagorno-Karabakh: *Provided*, That the restriction of this
5 subsection and section 907 of the FREEDOM Support
6 Act shall not apply to activities promoting democracy or
7 assistance under title V of the FREEDOM Support Act
8 and section 1424 of Public Law 104–201: *Provided fur-*
9 *ther*, That none of the funds appropriated or otherwise
10 made available under this Act may be utilized by the Ex-
11 port-Import Bank of the United States, the Overseas Pri-
12 vate Investment Corporation, or the Trade and Develop-
13 ment Agency to provide financing (including direct loans,
14 loan guarantees, and insurance) or other assistance con-
15 trary to the provisions of section 907 of the FREEDOM
16 Support Act.

17 (m) Funds appropriated under this heading shall be
18 made available for humanitarian assistance through non-
19 governmental organizations for refugees, displaced per-
20 sons, and needy civilians in conflictive zones throughout
21 the Trans-Caucasus, including Nagorno-Karabagh, not-
22 withstanding any other provision of this or any other Act.

23 (n) Of the funds appropriated under this heading
24 that are allocated for Ukraine, 50 percent shall be with-
25 held from obligation and expenditure until the Secretary

1 of State certifies to the Committees on Appropriations
2 that the Government of Ukraine: (1) is enforcing the April
3 10, 1997 Anti-Corruption decree of President Kuchma;
4 (2) has substantially completed the privatization of state
5 owned agricultural storage, distribution, equipment and
6 supply monopolies; and (3) has fully resolved most of the
7 commercial disputes involving complaints by United States
8 investors to the Embassy in Kiev as of April 30, 1997
9 and established a permanent legal mechanism for commer-
10 cial dispute resolution.

11 INDEPENDENT AGENCIES

12 INTER-AMERICAN FOUNDATION

13 For necessary expenses to carry out the functions of
14 the Inter-American Foundation in accordance with section
15 401 of the Foreign Assistance Act of 1969, and to make
16 such contracts and commitments without regard to fiscal
17 year limitations, as provided by 31 U.S.C. 9104,
18 \$20,000,000.

19 AFRICAN DEVELOPMENT FOUNDATION

20 For necessary expenses to carry out title V of the
21 International Security and Development Cooperation Act
22 of 1980, Public Law 96–533, and to make such contracts
23 and commitments without regard to fiscal year limitations
24 as provided by 31 U.S.C. 9104, \$11,500,000: *Provided,*
25 That funds made available to grantees may be invested
26 pending expenditure for project purposes when authorized

1 by the President of the Foundation: *Provided further*, That
2 interest earned shall be used only for the purposes for
3 which the grant was made: *Provided further*, That this au-
4 thority applies to interest earned both prior to and follow-
5 ing enactment of this provision: *Provided further*, That
6 notwithstanding section 505(a)(2) of the African Develop-
7 ment Foundation Act, in exceptional circumstances the
8 board of directors of the Foundation may waive the
9 \$250,000 limitation contained in that section with respect
10 to a project: *Provided further*, That the Foundation shall
11 provide a report to the Committee on Appropriations after
12 each time such waiver authority is exercised.

13 PEACE CORPS

14 For expenses necessary to carry out the provisions
15 of the Peace Corps Act (75 Stat. 612), \$222,000,000, in-
16 cluding the purchase of not to exceed five passenger motor
17 vehicles for administrative purposes for use outside of the
18 United States: *Provided*, That none of the funds appro-
19 priated under this heading shall be used to pay for abor-
20 tions: *Provided further*, That funds appropriated under
21 this heading shall remain available until September 30,
22 1999.

23 DEPARTMENT OF STATE

24 INTERNATIONAL NARCOTICS CONTROL

25 For necessary expenses to carry out section 481 of
26 the Foreign Assistance Act of 1961, \$230,000,000: *Pro-*

1 *vided*, That during fiscal year 1998, the Department of
2 State may also use the authority of section 608 of the
3 Act, without regard to its restrictions, to receive non-lethal
4 excess property from an agency of the United States Gov-
5 ernment for the purpose of providing it to a foreign coun-
6 try under chapter 8 of part I of that Act subject to the
7 regular notification procedures of the Committees on Ap-
8 propriations: *Provided further*, That none of the funds
9 made available under this heading may be provided to any
10 unit of the security forces of a foreign country if the Sec-
11 retary of State has credible evidence to believe such unit
12 has committed gross violations of human rights unless the
13 Secretary determines and reports to the Committees on
14 Appropriations that the government of such country is
15 taking steps to bring the responsible members of the secu-
16 rity forces unit to justice.

17 MIGRATION AND REFUGEE ASSISTANCE

18 For expenses, not otherwise provided for, necessary
19 to enable the Secretary of State to provide, as authorized
20 by law, a contribution to the International Committee of
21 the Red Cross, assistance to refugees, including contribu-
22 tions to the International Organization for Migration and
23 the United Nations High Commissioner for Refugees, and
24 other activities to meet refugee and migration needs; sala-
25 ries and expenses of personnel and dependents as author-
26 ized by the Foreign Service Act of 1980; allowances as

1 authorized by sections 5921 through 5925 of title 5, Unit-
2 ed States Code; purchase and hire of passenger motor ve-
3 hicles; and services as authorized by section 3109 of title
4 5, United States Code, \$650,000,000: *Provided*, That not
5 more than \$12,000,000 shall be available for administra-
6 tive expenses.

7 REFUGEE RESETTLEMENT ASSISTANCE

8 For necessary expenses for the targeted assistance
9 program authorized by title IV of the Immigration and
10 Nationality Act and section 501 of the Refugee Education
11 Assistance Act of 1980 and administered by the Office of
12 Refugee Resettlement of the Department of Health and
13 Human Services, in addition to amounts otherwise avail-
14 able for such purposes, \$5,000,000.

15 UNITED STATES EMERGENCY REFUGEE AND MIGRATION
16 ASSISTANCE FUND

17 For necessary expenses to carry out the provisions
18 of section 2(c) of the Migration and Refugee Assistance
19 Act of 1962, as amended (22 U.S.C. 260(c)),
20 \$50,000,000, to remain available until expended: *Pro-*
21 *vided*, That the funds made available under this heading
22 are appropriated notwithstanding the provisions contained
23 in section 2(c)(2) of the Migration and Refugee Assistance
24 Act of 1962 which would limit the amount of funds which
25 could be appropriated for this purpose.

1 NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND
2 RELATED PROGRAMS

3 For necessary expenses for nonproliferation, anti-ter-
4 rorism and related programs and activities, \$118,000,000,
5 to carry out the provisions of chapter 8 of part II of the
6 Foreign Assistance Act of 1961 for anti-terrorism assist-
7 ance, section 504 of the FREEDOM Support Act for the
8 Nonproliferation and Disarmament Fund, section 23 of
9 the Arms Export Control Act for demining activities, not-
10 withstanding any other provision of law, including activi-
11 ties implemented through nongovernmental and inter-
12 national organizations, section 301 of the Foreign Assist-
13 ance Act of 1961 for a voluntary contribution to the Inter-
14 national Atomic Energy Agency (IAEA) and a voluntary
15 contribution to the Korean Peninsula Energy Develop-
16 ment Organization (KEDO): *Provided*, That of this
17 amount not to exceed \$15,000,000, to remain available
18 until expended, may be made available for the Non-
19 proliferation and Disarmament Fund, notwithstanding
20 any other provision of law, to promote bilateral and multi-
21 lateral activities relating to nonproliferation and disar-
22 mament: *Provided further*, That such funds may also be
23 used for such countries other than the new independent
24 states of the former Soviet Union and international orga-
25 nizations when it is in the national security interest of the

1 United States to do so: *Provided further*, That such funds
2 shall be subject to the regular notification procedures of
3 the Committees on Appropriations: *Provided further*, That
4 funds appropriated under this heading may be made avail-
5 able for the International Atomic Energy Agency only if
6 the Secretary of State determines (and so reports to the
7 Congress) that Israel is not being denied its right to par-
8 ticipate in the activities of that Agency: *Provided further*,
9 That not to exceed \$25,000,000 may be made available
10 to the Korean Peninsula Energy Development Organiza-
11 tion (KEDO) only for administrative expenses and heavy
12 fuel oil costs associated with the Agreed Framework: *Pro-*
13 *vided further*, That such funds may be obligated to KEDO
14 only if, thirty days prior to such obligation of funds, the
15 President certifies and so reports to Congress that (1)(A)
16 the parties to the Agreed Framework are taking steps to
17 assure that progress is made on the implementation of the
18 January 1, 1992, Joint Declaration on the
19 Denuclearization of the Korean Peninsula and the imple-
20 mentation of the North-South dialogue, and (B) North
21 Korea is complying with the other provisions of the Agreed
22 Framework between North Korea and the United States
23 and with the Confidential Minute; (2) North Korea is co-
24 operating fully in the canning and safe storage of all spent
25 fuel from its graphite-moderated nuclear reactors and that

1 such canning and safe storage is scheduled to be com-
2 pleted by the end of fiscal year 1998; and (3) North Korea
3 has not significantly diverted assistance provided by the
4 United States for purposes for which it was not intended:
5 *Provided further*, That the President may waive the certifi-
6 cation requirements of the preceding proviso if the Presi-
7 dent determines that it is vital to the national security
8 interests of the United States: *Provided further*, That no
9 funds may be obligated for KEDO until 30 calendar days
10 after submission to Congress of the waiver permitted
11 under the preceding proviso: *Provided further*, That the
12 obligation of any funds for KEDO shall be subject to the
13 regular notification procedures of the Committees on Ap-
14 propriations: *Provided further*, That the Secretary of State
15 shall submit to the appropriate congressional committees
16 an annual report (to be submitted with the annual presen-
17 tation for appropriations) providing a full and detailed ac-
18 counting of the fiscal year request for the United States
19 contribution to KEDO, the expected operating budget of
20 the Korean Peninsula Energy Development Organization,
21 to include unpaid debt, proposed annual costs associated
22 with heavy fuel oil purchases, the amount of funds pledged
23 by other donor nations and organizations to support
24 KEDO activities on a per country basis, and other related
25 activities.

1 TITLE III—MILITARY ASSISTANCE

2 FUNDS APPROPRIATED TO THE PRESIDENT

3 INTERNATIONAL MILITARY EDUCATION AND TRAINING

4 For necessary expenses to carry out the provisions
5 of section 541 of the Foreign Assistance Act of 1961,
6 \$50,000,000: *Provided*, That funds appropriated under
7 this heading for grant financed military education and
8 training for Indonesia and Guatemala may only be avail-
9 able for expanded international military education and
10 training: *Provided further*, That none of the funds appro-
11 priated under this heading may be made available to sup-
12 port grant financed military education and training at the
13 School of the Americas unless (1) the Secretary of Defense
14 certifies that the instruction and training provided by the
15 School of the Americas is fully consistent with training
16 and doctrine, particularly with respect to the observance
17 of human rights, provided by the Department of Defense
18 to United States military students at Department of De-
19 fense institutions whose primary purpose is to train Unit-
20 ed States military personnel, (2) the Secretary of Defense
21 certifies that the Secretary of State, in consultation with
22 the Secretary of Defense, has developed and issued specific
23 guidelines governing the selection and screening of can-
24 didates for instruction at the School of the Americas, and
25 (3) the Secretary of Defense submits to the Committees

1 on Appropriations a report detailing the training activities
2 of the School of the Americas and a general assessment
3 regarding the performance of its graduates during 1996.

4 FOREIGN MILITARY FINANCING PROGRAM

5 For expenses necessary for grants to enable the
6 President to carry out the provisions of section 23 of the
7 Arms Export Control Act, \$3,259,250,000: *Provided*, That
8 funds appropriated by this paragraph that are made avail-
9 able for Israel and Egypt shall be made available only as
10 grants: *Provided further*, That the funds appropriated by
11 this paragraph for Israel shall be disbursed within thirty
12 days of enactment of this Act or by October 31, 1997,
13 whichever is later: *Provided further*, That to the extent
14 that the Government of Israel requests that funds be used
15 for such purposes, grants made available for Israel by this
16 paragraph shall, as agreed by Israel and the United
17 States, be available for advanced weapons systems, of
18 which not less than \$475,000,000 shall be available for
19 the procurement in Israel of defense articles and defense
20 services, including research and development: *Provided*
21 *further*, That funds made available under this paragraph
22 shall be nonrepayable notwithstanding any requirement in
23 section 23 of the Arms Export Control Act: *Provided fur-*
24 *ther*, That none of the funds made available under this
25 heading shall be available for any non-NATO country par-
26 ticipating in the Partnership for Peace Program except

1 through the regular notification procedures of the Com-
2 mittees on Appropriations.

3 For the cost, as defined in section 502 of the Con-
4 gressional Budget Act of 1974, of direct loans authorized
5 by section 23 of the Arms Export Control Act as follows:
6 cost of direct loans, \$60,000,000: *Provided*, That these
7 funds are available to subsidize gross obligations for the
8 principal amount of direct loans of not to exceed
9 \$657,000,000: *Provided further*, That the rate of interest
10 charged on such loans shall be not less than the current
11 average market yield on outstanding marketable obliga-
12 tions of the United States of comparable maturities: *Pro-*
13 *vided further*, That funds appropriated under this heading
14 shall be made available for Greece and Turkey only on
15 a loan basis, and the principal amount of direct loans for
16 each country shall not exceed the following: \$105,000,000
17 only for Greece and \$150,000,000 only for Turkey.

18 None of the funds made available under this heading
19 shall be available to finance the procurement of defense
20 articles, defense services, or design and construction serv-
21 ices that are not sold by the United States Government
22 under the Arms Export Control Act unless the foreign
23 country proposing to make such procurements has first
24 signed an agreement with the United States Government
25 specifying the conditions under which such procurements

1 may be financed with such funds: *Provided*, That all coun-
2 try and funding level increases in allocations shall be sub-
3 mitted through the regular notification procedures of sec-
4 tion 515 of this Act: *Provided further*, That funds made
5 available under this heading shall be obligated upon appor-
6 tionment in accordance with paragraph (5)(C) of title 31,
7 United States Code, section 1501(a): *Provided further*,
8 That none of the funds appropriated under this heading
9 shall be available for Sudan and Liberia: *Provided further*,
10 That funds made available under this heading may be
11 used, notwithstanding any other provision of law, for activi-
12 ties related to the clearance of landmines and unexploded
13 ordnance, and may include activities implemented through
14 nongovernmental and international organizations: *Pro-*
15 *vided further*, That only those countries for which assist-
16 ance was justified for the “Foreign Military Sales Financ-
17 ing Program” in the fiscal year 1989 congressional pres-
18 entation for security assistance programs may utilize
19 funds made available under this heading for procurement
20 of defense articles, defense services or design and con-
21 struction services that are not sold by the United States
22 Government under the Arms Export Control Act: *Provided*
23 *further*, That, subject to the regular notification proce-
24 dures of the Committees on Appropriations, funds made
25 available under this heading for the cost of direct loans

1 may also be used to supplement the funds available under
2 this heading for grants, and funds made available under
3 this heading for grants may also be used to supplement
4 the funds available under this heading for the cost of di-
5 rect loans: *Provided further*, That funds appropriated
6 under this heading shall be expended at the minimum rate
7 necessary to make timely payment for defense articles and
8 services: *Provided further*, That not more than
9 \$23,250,000 of the funds appropriated under this heading
10 may be obligated for necessary expenses, including the
11 purchase of passenger motor vehicles for replacement only
12 for use outside of the United States, for the general costs
13 of administering military assistance and sales: *Provided*
14 *further*, That none of the funds appropriated under this
15 heading shall be available for Guatemala: *Provided further*,
16 That not more than \$350,000,000 of funds realized pursu-
17 ant to section 21(e)(1)(A) of the Arms Export Control Act
18 may be obligated for expenses incurred by the Department
19 of Defense during fiscal year 1998 pursuant to section
20 43(b) of the Arms Export Control Act, except that this
21 limitation may be exceeded only through the regular notifi-
22 cation procedures of the Committees on Appropriations.

23 PEACEKEEPING OPERATIONS

24 For necessary expenses to carry out the provisions
25 of section 551 of the Foreign Assistance Act of 1961,
26 \$77,500,000: *Provided*, That none of the funds appro-

1 priated under this paragraph shall be obligated or ex-
2 pended except as provided through the regular notification
3 procedures of the Committees on Appropriations.

4 TITLE IV—MULTILATERAL ECONOMIC
5 ASSISTANCE

6 FUNDS APPROPRIATED TO THE PRESIDENT
7 INTERNATIONAL FINANCIAL INSTITUTIONS
8 CONTRIBUTION TO THE INTERNATIONAL BANK FOR
9 RECONSTRUCTION AND DEVELOPMENT

10 For payment to the International Bank for Recon-
11 struction and Development by the Secretary of the Treas-
12 ury, for the United States contribution to the Global Envi-
13 ronment Facility (GEF), \$35,000,000, to remain available
14 until September 30, 1999.

15 CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT
16 ASSOCIATION

17 For payment to the International Development Asso-
18 ciation by the Secretary of the Treasury, \$606,000,000,
19 for the United States contribution to the eleventh replen-
20 ishment, to remain available until expended: *Provided,*
21 That none of the funds may be obligated until the Sec-
22 retary of the Treasury certifies to the Committees on Ap-
23 propriations that procurement restrictions applicable to
24 the United States under the terms of the Interim Trust
25 Fund have been lifted and that the total unobligated bal-
26 ance available for open competition has been released.

1 CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT
2 BANK

3 For payment to the Inter-American Development
4 Bank by the Secretary of the Treasury, for the United
5 States share of the paid-in share portion of the increase
6 in capital stock, \$25,610,667, and for the United States
7 share of the increase in the resources of the Fund for Spe-
8 cial Operations, \$20,835,000, to remain available until ex-
9 pended.

10 LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

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

16 CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

17 For payment to the Asian Development Bank by the
18 Secretary of the Treasury for the United States share of
19 the paid-in portion of the increase in capital stock,
20 \$13,221,596, to remain available until expended.

21 LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

22 The United States Governor of the Asian Develop-
23 ment Bank may subscribe without fiscal year limitation
24 to the callable capital portion of the United States share
25 of such capital stock in an amount not to exceed
26 \$647,858,204.

1 CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

2 For the United States contribution by the Secretary
3 of the Treasury to the increases in resources of the Asian
4 Development Fund, as authorized by the Asian Develop-
5 ment Bank Act, as amended (Public Law 89-369),
6 \$100,000,000, to remain available until expended.

7 CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

8 For the United States contribution by the Secretary
9 of the Treasury to the increase in resources of the African
10 Development Fund, \$25,000,000, to remain available until
11 expended.

12 CONTRIBUTION TO THE EUROPEAN BANK FOR

13 RECONSTRUCTION AND DEVELOPMENT

14 For payment to the European Bank for Reconstruc-
15 tion and Development by the Secretary of the Treasury,
16 \$35,778,717, for the United States share of the paid-in
17 portion of the increase in capital stock, to remain available
18 until expended.

19 LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

20 The United States Governor of the European Bank
21 for Reconstruction and Development may subscribe with-
22 out fiscal year limitation to the callable capital portion of
23 the United States share of such capital stock in an amount
24 not to exceed \$123,237,803.

1 NORTH AMERICAN DEVELOPMENT BANK

2 For payment to the North American Development
3 Bank by the Secretary of the Treasury, for the United
4 States share of the paid-in portion of the capital stock,
5 \$56,500,000, to remain available until expended.

6 LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

7 The United States Governor of the North American
8 Development Bank may subscribe without fiscal year limi-
9 tation to the callable capital portion of the United States
10 share of the capital stock of the North American Develop-
11 ment Bank in an amount not to exceed \$318,750,000.

12 INTERNATIONAL ORGANIZATIONS AND PROGRAMS

13 For necessary expenses to carry out the provisions
14 of section 301 of the Foreign Assistance Act of 1961, and
15 of section 2 of the United Nations Environment Program
16 Participation Act of 1973, \$194,000,000: *Provided*, That
17 none of the funds appropriated under this heading shall
18 be made available for the United Nations Fund for
19 Science and Technology: *Provided further*, That none of
20 the funds appropriated under this heading that are made
21 available to the United Nations Population Fund
22 (UNFPA) shall be made available for activities in the Peo-
23 ple's Republic of China: *Provided further*, That not more
24 than \$25,000,000 of the funds appropriated under this
25 heading may be made available to the UNFPA: *Provided*
26 *further*, That not more than one-half of this amount may

1 be provided to UNFPA before March 1, 1998, and that
2 no later than February 15, 1998, the Secretary of State
3 shall submit a report to the Committees on Appropriations
4 indicating the amount UNFPA is budgeting for the Peo-
5 ple’s Republic of China in 1998: *Provided further*, That
6 any amount UNFPA plans to spend in the People’s Re-
7 public of China in 1998 shall be deducted from the
8 amount of funds provided to UNFPA after March 1,
9 1998, pursuant to the previous provisos: *Provided further*,
10 That with respect to any funds appropriated under this
11 heading that are made available to UNFPA, UNFPA shall
12 be required to maintain such funds in a separate account
13 and not commingle them with any other funds: *Provided*
14 *further*, That none of the funds appropriated under this
15 heading may be made available to the Korean Peninsula
16 Energy Development Organization (KEDO) or the Inter-
17 national Atomic Energy Agency (IAEA): *Provided further*,
18 That none of the funds appropriated under this heading
19 may be made available to the United Nations development
20 group or any similar organization.

21 TITLE V—GENERAL PROVISIONS

22 OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

23 SEC. 501. Except for the appropriations entitled
24 “International Disaster Assistance”, and “United States
25 Emergency Refugee and Migration Assistance Fund”, not

1 more than 15 per centum of any appropriation item made
2 available by this Act shall be obligated during the last
3 month of availability.

4 PROHIBITION OF BILATERAL FUNDING FOR
5 INTERNATIONAL FINANCIAL INSTITUTIONS

6 SEC. 502. Notwithstanding section 614 of the For-
7 eign Assistance Act of 1961, as amended, none of the
8 funds contained in title II of this Act may be used to carry
9 out the provisions of section 209(d) of the Foreign Assist-
10 ance Act of 1961.

11 LIMITATION ON RESIDENCE EXPENSES

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

19 LIMITATION ON EXPENSES

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

24 LIMITATION ON REPRESENTATIONAL ALLOWANCES

25 SEC. 505. Of the funds appropriated or made avail-
26 able pursuant to this Act, not to exceed \$95,000 shall be

1 available for representation allowances for the Agency for
2 International Development during the current fiscal year:
3 *Provided*, That appropriate steps shall be taken to assure
4 that, to the maximum extent possible, United States-
5 owned foreign currencies are utilized in lieu of dollars:
6 *Provided further*, That of the funds made available by this
7 Act for general costs of administering military assistance
8 and sales under the heading “Foreign Military Financing
9 Program”, not to exceed \$2,000 shall be available for en-
10 tertainment expenses and not to exceed \$50,000 shall be
11 available for representation allowances: *Provided further*,
12 That of the funds made available by this Act under the
13 heading “International Military Education and Training”,
14 not to exceed \$50,000 shall be available for entertainment
15 allowances: *Provided further*, That of the funds made
16 available by this Act for the Inter-American Foundation,
17 not to exceed \$2,000 shall be available for entertainment
18 and representation allowances: *Provided further*, That of
19 the funds made available by this Act for the Peace Corps,
20 not to exceed a total of \$4,000 shall be available for enter-
21 tainment expenses: *Provided further*, That of the funds
22 made available by this Act under the heading “Trade and
23 Development Agency”, not to exceed \$2,000 shall be avail-
24 able for representation and entertainment allowances.

1 PROHIBITION ON FINANCING NUCLEAR GOODS

2 SEC. 506. None of the funds appropriated or made
3 available (other than funds for “Nonproliferation, Anti-
4 terrorism, Demining and Related Programs”) pursuant to
5 this Act, for carrying out the Foreign Assistance Act of
6 1961, may be used, except for purposes of nuclear safety,
7 to finance the export of nuclear equipment, fuel, or tech-
8 nology.

9 PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN
10 COUNTRIES

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

19 MILITARY COUPS

20 SEC. 508. None of the funds appropriated or other-
21 wise made available pursuant to this Act shall be obligated
22 or expended to finance directly any assistance to any coun-
23 try whose duly elected Head of Government is deposed by
24 military coup or decree: *Provided*, That assistance may be
25 resumed to such country if the President determines and
26 reports to the Committees on Appropriations that subse-

1 quent to the termination of assistance a democratically
2 elected government has taken office.

3 TRANSFERS BETWEEN ACCOUNTS

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

15 DEOBLIGATION/REOBLIGATION AUTHORITY

16 SEC. 510. (a) Amounts certified pursuant to section
17 1311 of the Supplemental Appropriations Act, 1955, as
18 having been obligated against appropriations heretofore
19 made under the authority of the Foreign Assistance Act
20 of 1961 for the same general purpose as any of the head-
21 ings under title II of this Act are, if deobligated, hereby
22 continued available for the same period as the respective
23 appropriations under such headings or until September
24 30, 1998, whichever is later, and for the same general pur-
25 pose, and for countries within the same region as origi-
26 nally obligated: *Provided*, That the Appropriations Com-

1 mittees of both Houses of the Congress are notified fifteen
2 days in advance of the reobligation of such funds in ac-
3 cordance with regular notification procedures of the Com-
4 mittees on Appropriations.

5 (b) Obligated balances of funds appropriated to carry
6 out section 23 of the Arms Export Control Act as of the
7 end of the fiscal year immediately preceding the current
8 fiscal year are, if deobligated, hereby continued available
9 during the current fiscal year for the same purpose under
10 any authority applicable to such appropriations under this
11 Act: *Provided*, That the authority of this subsection may
12 not be used in fiscal year 1998.

13 AVAILABILITY OF FUNDS

14 SEC. 511. No part of any appropriation contained in
15 this Act shall remain available for obligation after the ex-
16 piration of the current fiscal year unless expressly so pro-
17 vided in this Act: *Provided*, That funds appropriated for
18 the purposes of chapters 1, 8, and 11 of part I, section
19 667, and chapter 4 of part II of the Foreign Assistance
20 Act of 1961, as amended, and funds provided under the
21 heading "Assistance for Eastern Europe and the Baltic
22 States", shall remain available until expended if such
23 funds are initially obligated before the expiration of their
24 respective periods of availability contained in this Act:
25 *Provided further*, That, notwithstanding any other provi-
26 sion of this Act, any funds made available for the purposes

1 of chapter 1 of part I and chapter 4 of part II of the
2 Foreign Assistance Act of 1961 which are allocated for
3 cash disbursements in order to address balance of pay-
4 ments or economic policy reform objectives, shall remain
5 available until expended: *Provided further*, That the report
6 required by section 653(a) of the Foreign Assistance Act
7 of 1961 shall designate for each country, to the extent
8 known at the time of submission of such report, those
9 funds allocated for cash disbursement for balance of pay-
10 ment and economic policy reform purposes.

11 LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

12 SEC. 512. No part of any appropriation contained in
13 this Act shall be used to furnish assistance to any country
14 which is in default during a period in excess of one cal-
15 endar year in payment to the United States of principal
16 or interest on any loan made to such country by the Unit-
17 ed States pursuant to a program for which funds are ap-
18 propriated under this Act: *Provided*, That this section and
19 section 620(q) of the Foreign Assistance Act of 1961 shall
20 not apply to funds made available in this Act or during
21 the current fiscal year for Nicaragua and Liberia, and for
22 any narcotics-related assistance for Colombia, Bolivia, and
23 Peru authorized by the Foreign Assistance Act of 1961
24 or the Arms Export Control Act.

1 COMMERCE AND TRADE

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

22 (b) None of the funds appropriated by this or any
23 other Act to carry out chapter 1 of part I of the Foreign
24 Assistance Act of 1961 shall be available for any testing
25 or breeding feasibility study, variety improvement or intro-

1 duction, consultancy, publication, conference, or training
2 in connection with the growth or production in a foreign
3 country of an agricultural commodity for export which
4 would compete with a similar commodity grown or pro-
5 duced in the United States: *Provided*, That this subsection
6 shall not prohibit—

7 (1) activities designed to increase food security
8 in developing countries where such activities will not
9 have a significant impact in the export of agricul-
10 tural commodities of the United States; or

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

13 SURPLUS COMMODITIES

14 SEC. 514. The Secretary of the Treasury shall in-
15 struct the United States Executive Directors of the Inter-
16 national Bank for Reconstruction and Development, the
17 International Development Association, the International
18 Finance Corporation, the Inter-American Development
19 Bank, the International Monetary Fund, the Asian Devel-
20 opment Bank, the Inter-American Investment Corpora-
21 tion, the North American Development Bank, the Euro-
22 pean Bank for Reconstruction and Development, the Afri-
23 can Development Bank, and the African Development
24 Fund to use the voice and vote of the United States to
25 oppose any assistance by these institutions, using funds
26 appropriated or made available pursuant to this Act, for

1 the production or extraction of any commodity or mineral
2 for export, if it is in surplus on world markets and if the
3 assistance will cause substantial injury to United States
4 producers of the same, similar, or competing commodity.

5 NOTIFICATION REQUIREMENTS

6 SEC. 515. For the purposes of providing the Execu-
7 tive Branch with the necessary administrative flexibility,
8 none of the funds made available under this Act for “Child
9 Survival and Disease Programs Fund”, “Development As-
10 sistance”, “International organizations and programs”,
11 “Trade and Development Agency”, “International narcot-
12 ics control”, “Assistance for Eastern Europe and the Bal-
13 tic States”, “Assistance for the New Independent States
14 of the Former Soviet Union”, “Economic Support Fund”,
15 “Peacekeeping operations”, “Operating expenses of the
16 Agency for International Development”, “Operating ex-
17 penses of the Agency for International Development Office
18 of Inspector General”, “Nonproliferation, anti-terrorism,
19 demining and related programs”, “Foreign Military Fi-
20 nancing Program”, “International military education and
21 training”, “Inter-American Foundation”, “African Devel-
22 opment Foundation”, “Peace Corps”, “Migration and ref-
23 ugee assistance”, shall be available for obligation for ac-
24 tivities, programs, projects, type of materiel assistance,
25 countries, or other operations not justified or in excess of
26 the amount justified to the Appropriations Committees for

1 obligation under any of these specific headings unless the
2 Appropriations Committees of both Houses of Congress
3 are previously notified fifteen days in advance: *Provided*,
4 That the President shall not enter into any commitment
5 of funds appropriated for the purposes of section 23 of
6 the Arms Export Control Act for the provision of major
7 defense equipment, other than conventional ammunition,
8 or other major defense items defined to be aircraft, ships,
9 missiles, or combat vehicles, not previously justified to
10 Congress or 20 per centum in excess of the quantities jus-
11 tified to Congress unless the Committees on Appropria-
12 tions are notified fifteen days in advance of such commit-
13 ment: *Provided further*, That this section shall not apply
14 to any reprogramming for an activity, program, or project
15 under chapter 1 of part I of the Foreign Assistance Act
16 of 1961 of less than 10 per centum of the amount pre-
17 viously justified to the Congress for obligation for such
18 activity, program, or project for the current fiscal year:
19 *Provided further*, That the requirements of this section or
20 any similar provision of this Act or any other Act, includ-
21 ing any prior Act requiring notification in accordance with
22 the regular notification procedures of the Committees on
23 Appropriations, may be waived if failure to do so would
24 pose a substantial risk to human health or welfare: *Pro-*
25 *vided further*, That in case of any such waiver, notification

1 to the Congress, or the appropriate congressional commit-
2 tees, shall be provided as early as practicable, but in no
3 event later than three days after taking the action to
4 which such notification requirement was applicable, in the
5 context of the circumstances necessitating such waiver:
6 *Provided further*, That any notification provided pursuant
7 to such a waiver shall contain an explanation of the emer-
8 gency circumstances.

9 Drawdowns made pursuant to section 506(a)(2) of
10 the Foreign Assistance Act of 1961 shall be subject to the
11 regular notification procedures of the Committees on Ap-
12 propriations.

13 LIMITATION ON AVAILABILITY OF FUNDS FOR
14 INTERNATIONAL ORGANIZATIONS AND PROGRAMS
15 SEC. 516. Notwithstanding any other provision of law
16 or of this Act, none of the funds provided for “Inter-
17 national Organizations and Programs” shall be available
18 for the United States proportionate share, in accordance
19 with section 307(c) of the Foreign Assistance Act of 1961,
20 for any programs identified in section 307, or for Libya,
21 Iran, or, at the discretion of the President, Communist
22 countries listed in section 620(f) of the Foreign Assistance
23 Act of 1961, as amended: *Provided*, That, subject to the
24 regular notification procedures of the Committees on Ap-
25 propriations, funds appropriated under this Act or any
26 previously enacted Act making appropriations for foreign

1 operations, export financing, and related programs, which
2 are returned or not made available for organizations and
3 programs because of the implementation of this section
4 or any similar provision of law, shall remain available for
5 obligation through September 30, 1999.

6 ECONOMIC SUPPORT FUND ASSISTANCE FOR ISRAEL

7 SEC. 517. The Congress finds that progress on the
8 peace process in the Middle East is vitally important to
9 United States security interests in the region. The Con-
10 gress recognizes that, in fulfilling its obligations under the
11 Treaty of Peace Between the Arab Republic of Egypt and
12 the State of Israel, done at Washington on March 26,
13 1979, Israel incurred severe economic burdens. Further-
14 more, the Congress recognizes that an economically and
15 militarily secure Israel serves the security interests of the
16 United States, for a secure Israel is an Israel which has
17 the incentive and confidence to continue pursuing the
18 peace process. Therefore, the Congress declares that, sub-
19 ject to the availability of appropriations, it is the policy
20 and the intention of the United States that the funds pro-
21 vided in annual appropriations for the Economic Support
22 Fund which are allocated to Israel shall not be less than
23 the annual debt repayment (interest and principal) from
24 Israel to the United States Government in recognition that
25 such a principle serves United States interests in the re-
26 gion.

1 PROHIBITION ON FUNDING FOR ABORTIONS AND
2 INVOLUNTARY STERILIZATION

3 SEC. 518. None of the funds made available to carry
4 out part I of the Foreign Assistance Act of 1961, as
5 amended, may be used to pay for the performance of abor-
6 tions as a method of family planning or to motivate or
7 coerce any person to practice abortions. None of the funds
8 made available to carry out part I of the Foreign Assist-
9 ance Act of 1961, as amended, may be used to pay for
10 the performance of involuntary sterilization as a method
11 of family planning or to coerce or provide any financial
12 incentive to any person to undergo sterilizations. None of
13 the funds made available to carry out part I of the Foreign
14 Assistance Act of 1961, as amended, may be used to pay
15 for any biomedical research which relates in whole or in
16 part, to methods of, or the performance of, abortions or
17 involuntary sterilization as a means of family planning.
18 None of the funds made available to carry out part I of
19 the Foreign Assistance Act of 1961, as amended, may be
20 obligated or expended for any country or organization if
21 the President certifies that the use of these funds by any
22 such country or organization would violate any of the
23 above provisions related to abortions and involuntary steri-
24 lizations: *Provided*, That none of the funds made available

1 under this Act may be used to lobby for or against abor-
2 tion.

3 AUTHORIZATION FOR POPULATION PLANNING

4 SEC. 518A. Not to exceed \$385,000,000 of the funds
5 appropriated in title II of this Act may be made available
6 for population planning activities or other population as-
7 sistance.

8 REPORTING REQUIREMENT

9 SEC. 519. The President shall submit to the Commit-
10 tees on Appropriations the reports required by section
11 25(a)(1) of the Arms Export Control Act.

12 SPECIAL NOTIFICATION REQUIREMENTS

13 SEC. 520. None of the funds appropriated in this Act
14 shall be obligated or expended for Colombia, Haiti, Libe-
15 ria, Pakistan, Panama, Peru, Russia, Serbia, Sudan, or
16 the Democratic Republic of Congo except as provided
17 through the regular notification procedures of the Com-
18 mittees on Appropriations.

19 DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

20 SEC. 521. For the purpose of this Act, “program,
21 project, and activity” shall be defined at the Appropria-
22 tions Act account level and shall include all Appropriations
23 and Authorizations Acts earmarks, ceilings, and limita-
24 tions with the exception that for the following accounts:
25 Economic Support Fund and Foreign Military Financing
26 Program, “program, project, and activity” shall also be

1 considered to include country, regional, and central pro-
2 gram level funding within each such account; for the devel-
3 opment assistance accounts of the Agency for Inter-
4 national Development “program, project, and activity”
5 shall also be considered to include central program level
6 funding, either as (1) justified to the Congress, or (2) allo-
7 cated by the executive branch in accordance with a report,
8 to be provided to the Committees on Appropriations within
9 thirty days of enactment of this Act, as required by section
10 653(a) of the Foreign Assistance Act of 1961.

11 CHILD SURVIVAL AND AIDS ACTIVITIES

12 SEC. 522. Up to \$8,000,000 of the funds made avail-
13 able by this Act for assistance for family planning, health,
14 child survival, and AIDS, may be used to reimburse Unit-
15 ed States Government agencies, agencies of State govern-
16 ments, institutions of higher learning, and private and vol-
17 untary organizations for the full cost of individuals (in-
18 cluding for the personal services of such individuals) de-
19 tailed or assigned to, or contracted by, as the case may
20 be, the Agency for International Development for the pur-
21 pose of carrying out family planning activities, child sur-
22 vival activities, and activities relating to research on, and
23 the treatment and control of acquired immune deficiency
24 syndrome in developing countries: *Provided*, That funds
25 appropriated by this Act that are made available for child
26 survival activities or activities relating to research on, and

1 the treatment and control of, acquired immune deficiency
2 syndrome may be made available notwithstanding any pro-
3 vision of law that restricts assistance to foreign countries:
4 *Provided further*, That funds appropriated by this Act that
5 are made available for family planning activities may be
6 made available notwithstanding section 512 of this Act
7 and section 620(q) of the Foreign Assistance Act of 1961.

8 PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN
9 COUNTRIES

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

17 RECIPROCAL LEASING

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

21 NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

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

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

9 AUTHORIZATION REQUIREMENT

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

14 PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST
15 COUNTRIES

16 SEC. 527. (a) Notwithstanding any other provision
17 of law, funds appropriated for bilateral assistance under
18 any heading of this Act and funds appropriated under any
19 such heading in a provision of law enacted prior to enact-
20 ment of this Act, shall not be made available to any coun-
21 try which the President determines—

22 (1) grants sanctuary from prosecution to any
23 individual or group which has committed an act of
24 international terrorism, or

25 (2) otherwise supports international terrorism.

1 (b) The President may waive the application of sub-
2 section (a) to a country if the President determines that
3 national security or humanitarian reasons justify such
4 waiver. The President shall publish each waiver in the
5 Federal Register and, at least fifteen days before the waiv-
6 er takes effect, shall notify the Committees on Appropria-
7 tions of the waiver (including the justification for the waiv-
8 er) in accordance with the regular notification procedures
9 of the Committees on Appropriations.

10 COMMERCIAL LEASING OF DEFENSE ARTICLES

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

1 COMPETITIVE INSURANCE

2 SEC. 528A. All Agency for International Development
3 contracts and solicitations, and subcontracts entered into
4 under such contracts, shall include a clause requiring that
5 United States insurance companies have a fair oppor-
6 tunity to bid for insurance when such insurance is nec-
7 essary or appropriate.

8 STINGERS IN THE PERSIAN GULF REGION

9 SEC. 529. Except as provided in section 581 of the
10 Foreign Operations, Export Financing, and Related Pro-
11 grams Appropriations Act, 1990, the United States may
12 not sell or otherwise make available any Stingers to any
13 country bordering the Persian Gulf under the Arms Ex-
14 port Control Act or chapter 2 of part II of the Foreign
15 Assistance Act of 1961.

16 DEBT-FOR-DEVELOPMENT

17 SEC. 530. In order to enhance the continued partici-
18 pation of nongovernmental organizations in economic as-
19 sistance activities under the Foreign Assistance Act of
20 1961, including endowments, debt-for-development and
21 debt-for-nature exchanges, a nongovernmental organiza-
22 tion which is a grantee or contractor of the Agency for
23 International Development may place in interest bearing
24 accounts funds made available under this Act or prior Acts
25 or local currencies which accrue to that organization as
26 a result of economic assistance provided under title II of

1 this Act and any interest earned on such investment shall
2 be used for the purpose for which the assistance was pro-
3 vided to that organization.

4 SEPARATE ACCOUNTS

5 SEC. 531. (a) SEPARATE ACCOUNTS FOR LOCAL
6 CURRENCIES.—(1) If assistance is furnished to the gov-
7 ernment of a foreign country under chapters 1 and 10 of
8 part I or chapter 4 of part II of the Foreign Assistance
9 Act of 1961 under agreements which result in the genera-
10 tion of local currencies of that country, the Administrator
11 of the Agency for International Development shall—

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

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

16 (i) the amount of the local currencies to be
17 generated, and

18 (ii) the terms and conditions under which
19 the currencies so deposited may be utilized, con-
20 sistent with this section; and

21 (C) establish by agreement with that govern-
22 ment the responsibilities of the Agency for Inter-
23 national Development and that government to mon-
24 itor and account for deposits into and disbursements
25 from the separate account.

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

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

9 (i) project and sector assistance activities,

10 or

11 (ii) debt and deficit financing; or

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

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

21 (4) TERMINATION OF ASSISTANCE PROGRAMS.—
22 Upon termination of assistance to a country under chap-
23 ters 1 or 10 of part I or chapter 4 of part II (as the case
24 may be), any unencumbered balances of funds which re-
25 main in a separate account established pursuant to sub-

1 section (a) shall be disposed of for such purposes as may
2 be agreed to by the government of that country and the
3 United States Government.

4 (5) CONFORMING AMENDMENTS.—The provisions of
5 this subsection shall supersede the tenth and eleventh pro-
6 visos contained under the heading “Sub-Saharan Africa,
7 Development Assistance” as included in the Foreign Oper-
8 ations, Export Financing, and Related Programs Appro-
9 priations Act, 1989 and sections 531(d) and 609 of the
10 Foreign Assistance Act of 1961.

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

21 (b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—
22 (1) If assistance is made available to the government of
23 a foreign country, under chapters 1 or 10 of part I or
24 chapter 4 of part II of the Foreign Assistance Act of 1961,
25 as cash transfer assistance or as nonproject sector assist-

1 ance, that country shall be required to maintain such
2 funds in a separate account and not commingle them with
3 any other funds.

4 (2) APPLICABILITY OF OTHER PROVISIONS OF
5 LAW.—Such funds may be obligated and expended not-
6 withstanding provisions of law which are inconsistent with
7 the nature of this assistance including provisions which
8 are referenced in the Joint Explanatory Statement of the
9 Committee of Conference accompanying House Joint Res-
10 olution 648 (H. Report No. 98–1159).

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

21 (4) EXEMPTION.—Nonproject sector assistance funds
22 may be exempt from the requirements of subsection (b)(1)
23 only through the notification procedures of the Commit-
24 tees on Appropriations.

1 COMPENSATION FOR UNITED STATES EXECUTIVE
2 DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

3 SEC. 532. (a) No funds appropriated by this Act may
4 be made as payment to any international financial institu-
5 tion while the United States Executive Director to such
6 institution is compensated by the institution at a rate
7 which, together with whatever compensation such Director
8 receives from the United States, is in excess of the rate
9 provided for an individual occupying a position at level IV
10 of the Executive Schedule under section 5315 of title 5,
11 United States Code, or while any alternate United States
12 Director to such institution is compensated by the institu-
13 tion at a rate in excess of the rate provided for an individ-
14 ual occupying a position at level V of the Executive Sched-
15 ule under section 5316 of title 5, United States Code.

16 (b) For purposes of this section, “international finan-
17 cial institutions” are: the International Bank for Recon-
18 struction and Development, the Inter-American Develop-
19 ment Bank, the Asian Development Bank, the Asian De-
20 velopment Fund, the African Development Bank, the Afri-
21 can Development Fund, the International Monetary Fund,
22 the North American Development Bank, and the Euro-
23 pean Bank for Reconstruction and Development.

1 COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST
2 IRAQ

3 SEC. 533. None of the funds appropriated or other-
4 wise made available pursuant to this Act to carry out the
5 Foreign Assistance Act of 1961 (including title IV of
6 chapter 2 of part I, relating to the Overseas Private In-
7 vestment Corporation) or the Arms Export Control Act
8 may be used to provide assistance to any country that is
9 not in compliance with the United Nations Security Coun-
10 cil sanctions against Iraq unless the President determines
11 and so certifies to the Congress that—

12 (1) such assistance is in the national interest of
13 the United States;

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

16 (3) the assistance to be provided will be human-
17 itarian assistance for foreign nationals who have fled
18 Iraq and Kuwait.

19 COMPETITIVE PRICING FOR SALES OF DEFENSE

20 ARTICLES

21 SEC. 534. Direct costs associated with meeting a for-
22 eign customer's additional or unique requirements will
23 continue to be allowable under contracts under section
24 22(d) of the Arms Export Control Act. Loadings applica-
25 ble to such direct costs shall be permitted at the same

1 rates applicable to procurement of like items purchased
2 by the Department of Defense for its own use.

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

5 SEC. 535. Title III of Public Law 103–306 is amend-
6 ed under the heading “Special Defense Acquisition Fund”
7 by striking “1998” and inserting “2000”.

8 CASH FLOW FINANCING

9 SEC. 536. For each country that has been approved
10 for cash flow financing (as defined in section 25(d) of the
11 Arms Export Control Act, as added by section 112(b) of
12 Public Law 99–83) under the Foreign Military Financing
13 Program, any Letter of Offer and Acceptance or other
14 purchase agreement, or any amendment thereto, for a pro-
15 curement in excess of \$100,000,000 that is to be financed
16 in whole or in part with funds made available under this
17 Act shall be submitted through the regular notification
18 procedures to the Committees on Appropriations.

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

22 SEC. 537. Unless expressly provided to the contrary,
23 provisions of this or any other Act, including provisions
24 contained in prior Acts authorizing or making appropria-
25 tions for foreign operations, export financing, and related
26 programs, shall not be construed to prohibit activities au-

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

8 IMPACT ON JOBS IN THE UNITED STATES

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

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

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

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

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

15 RESTRICTIONS ON THE TERMINATION OF SANCTIONS

16 AGAINST SERBIA AND MONTENEGRO

17 SEC. 539. (a) RESTRICTIONS.—Notwithstanding any
18 other provision of law, no sanction, prohibition, or require-
19 ment described in section 1511 of the National Defense
20 Authorization Act for Fiscal Year 1994 (Public Law 103–
21 160), with respect to Serbia or Montenegro, may cease
22 to be effective, unless—

23 (1) the President first submits to the Congress
24 a certification described in subsection (b); and

25 (2) the requirements of section 1511 of that
26 Act are met.

1 (b) CERTIFICATION.—A certification described in this
2 subsection is a certification that—

3 (1) there is substantial progress toward—

4 (A) the realization of a separate identity
5 for Kosova and the right of the people of
6 Kosova to govern themselves; or

7 (B) the creation of an international protec-
8 torate for Kosova;

9 (2) there is substantial improvement in the
10 human rights situation in Kosova;

11 (3) international human rights observers are al-
12 lowed to return to Kosova; and

13 (4) the elected government of Kosova is per-
14 mitted to meet and carry out its legitimate mandate
15 as elected representatives of the people of Kosova.

16 (c) WAIVER AUTHORITY.—The President may waive
17 the application in whole or in part, of subsection (a) if
18 the President certifies to the Congress that the President
19 has determined that the waiver is necessary to meet emer-
20 gency humanitarian needs or to achieve a negotiated set-
21 tlement of the conflict in Bosnia and Herzegovina that is
22 acceptable to the parties.

23 SPECIAL AUTHORITIES

24 SEC. 540. (a) Funds appropriated in title II of this
25 Act that are made available for Afghanistan, Lebanon,
26 and Cambodia, and for victims of war, displaced children,

1 displaced Burmese, humanitarian assistance for Romania,
2 and humanitarian assistance for the peoples of Bosnia and
3 Herzegovina, Croatia, and Kosova, may be made available
4 notwithstanding any other provision of law: *Provided*,
5 That any such funds that are made available for Cam-
6 bodia shall be subject to the provisions of section 531(e)
7 of the Foreign Assistance Act of 1961 and section 906
8 of the International Security and Development Coopera-
9 tion Act of 1985.

10 (b) Funds appropriated by this Act to carry out the
11 provisions of sections 103 through 106 of the Foreign As-
12 sistance Act of 1961 may be used, notwithstanding any
13 other provision of law, for the purpose of supporting tropi-
14 cal forestry and energy programs aimed at reducing emis-
15 sions of greenhouse gases, and for the purpose of support-
16 ing biodiversity conservation activities: *Provided*, That
17 such assistance shall be subject to sections 116, 502B, and
18 620A of the Foreign Assistance Act of 1961.

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

23 POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT
24 OF ISRAEL

25 SEC. 541. It is the sense of the Congress that—

1 (1) the Arab League countries should imme-
2 diately and publicly renounce the primary boycott of
3 Israel and the secondary and tertiary boycott of
4 American firms that have commercial ties with Is-
5 rael; and

6 (2) the decision by the Arab League in 1997 to
7 reinstate the boycott against Israel was deeply trou-
8 bling and disappointing; and

9 (3) the Arab League should immediately re-
10 scind its decision on the boycott and its members
11 should develop normal relations with their neighbor
12 Israel; and

13 (4) the President should—

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

20 (B) take into consideration the participa-
21 tion of any recipient country in the primary
22 boycott of Israel and the secondary and tertiary
23 boycotts of American firms that have commer-
24 cial relations with Israel when determining
25 whether to sell weapons to said country;

1 (C) report to Congress on the specific
2 steps being taken by the President to bring
3 about a public renunciation of the Arab primary
4 boycott of Israel and the secondary and tertiary
5 boycotts of American firms that have commer-
6 cial relations with Israel and to expand the
7 process of normalizing ties between Arab
8 League countries and Israel; and

9 (D) encourage the allies and trading part-
10 ners of the United States to enact laws prohib-
11 iting businesses from complying with the boy-
12 cott and penalizing businesses that do comply.

13 ANTI-NARCOTICS ACTIVITIES

14 SEC. 542. (a) Of the funds appropriated or otherwise
15 made available by this Act for “Economic Support Fund”,
16 assistance may be provided to strengthen the administra-
17 tion of justice in countries in Latin America and the Car-
18 ibbean and in other regions consistent with the provisions
19 of section 534(b) of the Foreign Assistance Act of 1961,
20 except that programs to enhance protection of participants
21 in judicial cases may be conducted notwithstanding section
22 660 of that Act.

23 (b) Funds made available pursuant to this section
24 may be made available notwithstanding section 534(c) and
25 the second and third sentences of section 534(e) of the
26 Foreign Assistance Act of 1961. Funds made available

1 pursuant to subsection (a) for Bolivia, Colombia and Peru
2 may be made available notwithstanding section 534(c) and
3 the second sentence of section 534(e) of the Foreign As-
4 sistance Act of 1961.

5 ELIGIBILITY FOR ASSISTANCE

6 SEC. 543. (a) ASSISTANCE THROUGH NONGOVERN-
7 MENTAL ORGANIZATIONS.—Restrictions contained in this
8 or any other Act with respect to assistance for a country
9 shall not be construed to restrict assistance in support of
10 programs of nongovernmental organizations from funds
11 appropriated by this Act to carry out the provisions of
12 chapters 1 and 10 and 11 of part I, and chapter 4 of
13 part II, of the Foreign Assistance Act of 1961: *Provided*,
14 That the President shall take into consideration, in any
15 case in which a restriction on assistance would be applica-
16 ble but for this subsection, whether assistance in support
17 of programs of nongovernmental organizations is in the
18 national interest of the United States: *Provided further*,
19 That before using the authority of this subsection to fur-
20 nish assistance in support of programs of nongovern-
21 mental organizations, the President shall notify the Com-
22 mittees on Appropriations under the regular notification
23 procedures of those committees, including a description of
24 the program to be assisted, the assistance to be provided,
25 and the reasons for furnishing such assistance: *Provided*
26 *further*, That nothing in this subsection shall be construed

1 to alter any existing statutory prohibitions against abor-
2 tion or involuntary sterilizations contained in this or any
3 other Act.

4 (b) PUBLIC LAW 480.—During fiscal year 1998, re-
5 strictions contained in this or any other Act with respect
6 to assistance for a country shall not be construed to re-
7 strict assistance under the Agricultural Trade Develop-
8 ment and Assistance Act of 1954: *Provided*, That none
9 of the funds appropriated to carry out title I of such Act
10 and made available pursuant to this subsection may be
11 obligated or expended except as provided through the reg-
12 ular notification procedures of the Committees on Appro-
13 priations.

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

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

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

23 EARMARKS

24 SEC. 544. (a) Funds appropriated by this Act which
25 are earmarked may be reprogrammed for other programs
26 within the same account notwithstanding the earmark if

1 compliance with the earmark is made impossible by oper-
2 ation of any provision of this or any other Act or, with
3 respect to a country with which the United States has an
4 agreement providing the United States with base rights
5 or base access in that country, if the President determines
6 that the recipient for which funds are earmarked has sig-
7 nificantly reduced its military or economic cooperation
8 with the United States since enactment of the Foreign Op-
9 erations, Export Financing, and Related Programs Appro-
10 priations Act, 1991; however, before exercising the author-
11 ity of this subsection with regard to a base rights or base
12 access country which has significantly reduced its military
13 or economic cooperation with the United States, the Presi-
14 dent shall consult with, and shall provide a written policy
15 justification to the Committees on Appropriations: *Pro-*
16 *vided*, That any such reprogramming shall be subject to
17 the regular notification procedures of the Committees on
18 Appropriations: *Provided further*, That assistance that is
19 reprogrammed pursuant to this subsection shall be made
20 available under the same terms and conditions as origi-
21 nally provided.

22 (b) In addition to the authority contained in sub-
23 section (a), the original period of availability of funds ap-
24 propriated by this Act and administered by the Agency
25 for International Development that are earmarked for par-

1 ticular programs or activities by this or any other Act shall
2 be extended for an additional fiscal year if the Adminis-
3 trator of such agency determines and reports promptly to
4 the Committees on Appropriations that the termination of
5 assistance to a country or a significant change in cir-
6 cumstances makes it unlikely that such earmarked funds
7 can be obligated during the original period of availability:
8 *Provided*, That such earmarked funds that are continued
9 available for an additional fiscal year shall be obligated
10 only for the purpose of such earmark.

11 CEILINGS AND EARMARKS

12 SEC. 545. Ceilings and earmarks contained in this
13 Act shall not be applicable to funds or authorities appro-
14 priated or otherwise made available by any subsequent Act
15 unless such Act specifically so directs.

16 PROHIBITION ON PUBLICITY OR PROPAGANDA

17 SEC. 546. No part of any appropriation contained in
18 this Act shall be used for publicity or propaganda purposes
19 within the United States not authorized before the date
20 of enactment of this Act by the Congress: *Provided*, That
21 not to exceed \$500,000 may be made available to carry
22 out the provisions of section 316 of Public Law 96-533.

23 USE OF AMERICAN RESOURCES

24 SEC. 547. To the maximum extent possible, assist-
25 ance provided under this Act should make full use of

1 American resources, including commodities, products, and
2 services.

3 PROHIBITION OF PAYMENTS TO UNITED NATIONS

4 MEMBERS

5 SEC. 548. None of the funds appropriated or made
6 available pursuant to this Act for carrying out the Foreign
7 Assistance Act of 1961, may be used to pay in whole or
8 in part any assessments, arrearages, or dues of any mem-
9 ber of the United Nations.

10 CONSULTING SERVICES

11 SEC. 549. The expenditure of any appropriation
12 under this Act for any consulting service through procure-
13 ment contract, pursuant to section 3109 of title 5, United
14 States Code, shall be limited to those contracts where such
15 expenditures are a matter of public record and available
16 for public inspection, except where otherwise provided
17 under existing law, or under existing Executive order pur-
18 suant to existing law.

19 PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

20 SEC. 550. None of the funds appropriated or made
21 available pursuant to this Act shall be available to a pri-
22 vate voluntary organization which fails to provide upon
23 timely request any document, file, or record necessary to
24 the auditing requirements of the Agency for International
25 Development.

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

5 SEC. 551. (a) None of the funds appropriated or oth-
6 erwise made available by this Act may be available to any
7 foreign government which provides lethal military equip-
8 ment to a country the government of which the Secretary
9 of State has determined is a terrorist government for pur-
10 poses of section 40(d) of the Arms Export Control Act.
11 The prohibition under this section with respect to a for-
12 eign government shall terminate 12 months after that gov-
13 ernment ceases to provide such military equipment. This
14 section applies with respect to lethal military equipment
15 provided under a contract entered into after April 24,
16 1996.

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

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

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

4 WITHHOLDING OF ASSISTANCE FOR PARKING FINES

5 OWED BY FOREIGN COUNTRIES

6 SEC. 552. (a) IN GENERAL.—Of the funds made
7 available for a foreign country under part I of the Foreign
8 Assistance Act of 1961, an amount equivalent to 110 per-
9 cent of the total unpaid fully adjudicated parking fines
10 and penalties owed to the District of Columbia by such
11 country as of the date of enactment of this Act shall be
12 withheld from obligation for such country until the Sec-
13 retary of State certifies and reports in writing to the ap-
14 propriate congressional committees that such fines and
15 penalties are fully paid to the government of the District
16 of Columbia.

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

23 LIMITATION ON ASSISTANCE FOR THE PLO FOR THE

24 WEST BANK AND GAZA

25 SEC. 553. None of the funds appropriated by this Act
26 may be obligated for assistance for the Palestine Libera-

1 tion Organization for the West Bank and Gaza unless the
2 President has exercised the authority under section 604(a)
3 of the Middle East Peace Facilitation Act of 1995 (title
4 VI of Public Law 104–107) or any other legislation to sus-
5 pend or make inapplicable section 307 of the Foreign As-
6 sistance Act of 1961 and that suspension is still in effect:
7 *Provided*, That if the President fails to make the certifi-
8 cation under section 604(b)(2) of the Middle East Peace
9 Facilitation Act of 1995 or to suspend the prohibition
10 under other legislation, funds appropriated by this Act
11 may not be obligated for assistance for the Palestine Lib-
12 eration Organization for the West Bank and Gaza.

13 EXPORT FINANCING TRANSFER AUTHORITIES

14 SEC. 554. Not to exceed 5 percent of any appropria-
15 tion other than for administrative expenses made available
16 for fiscal year 1998 for programs under title I of this Act
17 may be transferred between such appropriations for use
18 for any of the purposes, programs and activities for which
19 the funds in such receiving account may be used, but no
20 such appropriation, except as otherwise specifically pro-
21 vided, shall be increased by more than 25 percent by any
22 such transfer: *Provided*, That the exercise of such author-
23 ity shall be subject to the regular notification procedures
24 of the Committees on Appropriations.

WAR CRIMES TRIBUNALS

1
2 SEC. 555. If the President determines that doing so
3 will contribute to a just resolution of charges regarding
4 genocide or other violations of international humanitarian
5 law, the President may direct a drawdown pursuant to sec-
6 tion 552(c) of the Foreign Assistance Act of 1961, as
7 amended, of up to \$25,000,000 of commodities and serv-
8 ices for the United Nations War Crimes Tribunal estab-
9 lished with regard to the former Yugoslavia by the United
10 Nations Security Council or such other tribunals or com-
11 missions as the Council may establish to deal with such
12 violations, without regard to the ceiling limitation con-
13 tained in paragraph (2) thereof: *Provided*, That the deter-
14 mination required under this section shall be in lieu of
15 any determinations otherwise required under section
16 552(c): *Provided further*, That 60 days after the date of
17 enactment of this Act, and every 180 days thereafter, the
18 Secretary of State shall submit a report to the Committees
19 on Appropriations describing the steps the United States
20 Government is taking to collect information regarding alle-
21 gations of genocide or other violations of international law
22 in the former Yugoslavia and to furnish that information
23 to the United Nations War Crimes Tribunal for the former
24 Yugoslavia.

1 LANDMINES

2 SEC. 556. Notwithstanding any other provision of
3 law, demining equipment available to the Agency for Inter-
4 national Development and the Department of State and
5 used in support of the clearing of landmines and
6 unexploded ordnance for humanitarian purposes may be
7 disposed of on a grant basis in foreign countries, subject
8 to such terms and conditions as the President may pre-
9 scribe.

10 RESTRICTIONS CONCERNING THE PALESTINIAN

11 AUTHORITY

12 SEC. 557. None of the funds appropriated by this Act
13 may be obligated or expended to create in any part of Je-
14 rusalem a new office of any department or agency of the
15 United States Government for the purpose of conducting
16 official United States Government business with the Pal-
17 estinian Authority over Gaza and Jericho or any successor
18 Palestinian governing entity provided for in the Israel-
19 PLO Declaration of Principles: *Provided*, That this re-
20 striction shall not apply to the acquisition of additional
21 space for the existing Consulate General in Jerusalem:
22 *Provided further*, That meetings between officers and em-
23 ployees of the United States and officials of the Palestin-
24 ian Authority, or any successor Palestinian governing en-
25 tity provided for in the Israel-PLO Declaration of Prin-
26 ciples, for the purpose of conducting official United States

1 Government business with such authority should continue
2 to take place in locations other than Jerusalem. As has
3 been true in the past, officers and employees of the United
4 States Government may continue to meet in Jerusalem on
5 other subjects with Palestinians (including those who now
6 occupy positions in the Palestinian Authority), have social
7 contacts, and have incidental discussions.

8 PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

9 SEC. 558. None of the funds appropriated or other-
10 wise made available by this Act under the heading
11 “INTERNATIONAL MILITARY EDUCATION AND TRAINING”
12 or “FOREIGN MILITARY FINANCING PROGRAM” for Infor-
13 mational Program activities may be obligated or expended
14 to pay for—

15 (1) alcoholic beverages;

16 (2) food (other than food provided at a military
17 installation) not provided in conjunction with Infor-
18 mational Program trips where students do not stay
19 at a military installation; or

20 (3) entertainment expenses for activities that
21 are substantially of a recreational character, includ-
22 ing entrance fees at sporting events and amusement
23 parks.

24 EQUITABLE ALLOCATION OF FUNDS

25 SEC. 559. Not more than 18 percent of the funds
26 appropriated by this Act to carry out the provisions of sec-

1 tions 103 through 106 and chapter 4 of part II of the
2 Foreign Assistance Act of 1961, that are made available
3 for Latin America and the Caribbean region may be made
4 available, through bilateral and Latin America and the
5 Caribbean regional programs, to provide assistance for
6 any country in such region.

7 PURCHASE OF AMERICAN-MADE EQUIPMENT AND
8 PRODUCTS

9 SEC. 560. (a) SENSE OF CONGRESS.—It is the sense
10 of the Congress that, to the greatest extent practicable,
11 all equipment and products purchased with funds made
12 available in this Act should be American-made.

13 (b) NOTICE REQUIREMENT.—In providing financial
14 assistance to, or entering into any contract with, any en-
15 tity using funds made available in this Act, the head of
16 each Federal agency, to the greatest extent practicable,
17 shall provide to such entity a notice describing the state-
18 ment made in subsection (a) by the Congress.

19 LIMITATION OF FUNDS FOR NORTH AMERICAN
20 DEVELOPMENT BANK

21 SEC. 561. None of the Funds appropriated in this
22 Act under the heading “North American Development
23 Bank” and made available for the Community Adjustment
24 and Investment Program shall be used for purposes other
25 than those set out in the binational agreement establishing
26 the Bank.

1 INTERNATIONAL DEVELOPMENT ASSOCIATION

2 SEC. 562. In order to pay for the United States con-
3 tribution to the eleventh replenishment of the resources
4 of the International Development Association, there are
5 authorized to be appropriated, without fiscal year limita-
6 tion, \$606,000,000 for payment by the Secretary of the
7 Treasury.

8 SPECIAL DEBT RELIEF FOR THE POOREST

9 SEC. 563. (a) AUTHORITY TO REDUCE DEBT.—The
10 President may reduce amounts owed to the United States
11 (or any agency of the United States) by an eligible country
12 as a result of—

13 (1) guarantees issued under sections 221 and
14 222 of the Foreign Assistance Act of 1961; or

15 (2) credits extended or guarantees issued under
16 the Arms Export Control Act.

17 (b) LIMITATIONS.—

18 (1) The authority provided by subsection (a)
19 may be exercised only to implement multilateral offi-
20 cial debt relief and referendum agreements, com-
21 monly referred to as “Paris Club Agreed Minutes”.

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

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

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

11 (1) does not have an excessive level of military
12 expenditures;

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

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

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

21 (5) is not ineligible for assistance because of the
22 application of section 527 of the Foreign Relations
23 Authorization Act, fiscal years 1994 and 1995.

24 (d) AVAILABILITY OF FUNDS.—The authority pro-
25 vided by subsection (a) may be used only with regard to

1 funds appropriated by this Act under the heading “Debt
2 restructuring”.

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

9 AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

10 SEC. 564. (a) LOANS ELIGIBLE FOR SALE, REDUC-
11 TION, OR CANCELLATION.—

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

23 (A) debt-for-equity swaps, debt-for-develop-
24 ment swaps, or debt-for-nature swaps; or

25 (B) a debt buyback by an eligible country
26 of its own qualified debt, only if the eligible

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

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

20 (3) ADMINISTRATION.—The Facility, as defined
21 in section 702(8) of the Foreign Assistance Act of
22 1961, shall notify the administrator of the agency
23 primarily responsible for administering part I of the
24 Foreign Assistance Act of 1961 of purchasers that
25 the President has determined to be eligible, and

1 shall direct such agency to carry out the sale, reduc-
2 tion, or cancellation of a loan pursuant to this sec-
3 tion. Such agency shall make an adjustment in its
4 accounts to reflect the sale, reduction, or cancella-
5 tion.

6 (4) LIMITATION.—The authorities of this sub-
7 section shall be available only to the extent that ap-
8 propriations for the cost of the modification, as de-
9 fined in section 502 of the Congressional Budget Act
10 of 1974, are made in advance.

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

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

21 (d) DEBTOR CONSULTATIONS.—Before the sale to
22 any eligible purchaser, or any reduction or cancellation
23 pursuant to this section, of any loan made to an eligible
24 country, the President should consult with the country
25 concerning the amount of loans to be sold, reduced, or

1 canceled and their uses for debt-for-equity swaps, debt-
2 for-development swaps, or debt-for-nature swaps.

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

7 GUATEMALA

8 SEC. 565. (a) Funds provided in this Act may be
9 made available for the Guatemalan military forces, and
10 the restriction on Guatemala under the heading “Foreign
11 Military Financing Program” shall not apply, only if the
12 President determines and certifies to the Congress that
13 the Guatemalan military is cooperating fully with efforts
14 to resolve human rights abuses which elements of the Gua-
15 temalan military forces are alleged to have committed, or-
16 dered or attempted to thwart the investigation of, and to
17 implement the peace settlement.

18 (b) The prohibition contained in subsection (a) shall
19 not apply to funds made available to implement a ceasefire
20 or peace agreement.

21 (c) Any funds made available pursuant to subsections
22 (a) or (b) shall be subject to the regular notification proce-
23 dures of the Committees on Appropriations.

1 SANCTIONS AGAINST COUNTRIES HARBORING WAR
2 CRIMINALS

3 SEC. 566. (a) BILATERAL ASSISTANCE.—The Presi-
4 dent is authorized to withhold funds appropriated by this
5 Act under the Foreign Assistance Act of 1961 or the Arms
6 Export Control Act for any country described in sub-
7 section (c).

8 (b) MULTILATERAL ASSISTANCE.—The Secretary of
9 the Treasury should instruct the United States executive
10 directors of the international financial institutions to work
11 in opposition to, and vote against, any extension by such
12 institutions of financing or financial or technical assist-
13 ance to any country described in subsection (c).

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

18 (1) have been indicted by the International
19 Criminal Tribunal for the former Yugoslavia, the
20 International Criminal Tribunal for Rwanda, or any
21 other international tribunal with similar standing
22 under international law, or

23 (2) have been indicted for war crimes or crimes
24 against humanity committed during the period be-

1 ginning March 23, 1933 and ending on May 8, 1945
2 under the direction of, or in association with—

3 (A) the Nazi government of Germany;

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

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

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

12 LIMITATION ON ASSISTANCE FOR HAITI

13 SEC. 567. (a) LIMITATION.—None of the funds ap-
14 propriated or otherwise made available by this Act, may
15 be provided to the Government of Haiti until the President
16 reports to Congress that—

17 (1) the Government is conducting thorough in-
18 vestigations of extrajudicial and political killings
19 that have taken place in Haiti since February 12,
20 1996; and

21 (2) the Government has completed privatization
22 of (or placed under long-term private management
23 contract) at least three major public enterprises.

24 (b) Nothing in this section shall be construed to re-
25 strict the provision of humanitarian, law enforcement,
26 antinarotics, or electoral assistance.

1 (c) The President may waive the requirements of this
2 section on a semiannual basis if he determines and cer-
3 tifies to the appropriate committees of Congress that it
4 is in the national interest of the United States.

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

7 SEC. 568. (a) FOREIGN AID REPORTING REQUIRE-
8 MENT.—In addition to the voting practices of a foreign
9 country, the report required to be submitted to Congress
10 under section 406(a) of the Foreign Relations Authoriza-
11 tion Act, fiscal years 1990 and 1991 (22 U.S.C. 2414a),
12 shall include a side-by-side comparison of individual coun-
13 tries’ overall support for the United States at the United
14 Nations and the amount of United States assistance pro-
15 vided to such country in fiscal year 1997.

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

20 RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO
21 UNITED NATIONS AGENCIES

22 SEC. 569. (a) PROHIBITION ON VOLUNTARY CON-
23 TRIBUTIONS FOR THE UNITED NATIONS.—None of the
24 funds appropriated or otherwise made available by this
25 Act may be made available to pay any voluntary contribu-
26 tion of the United States to the United Nations (including

1 the United Nations Development Program) if the United
2 Nations implements or imposes any taxation on any Unit-
3 ed States persons.

4 (b) CERTIFICATION REQUIRED FOR DISBURSEMENT
5 OF FUNDS.—None of the funds appropriated or otherwise
6 made available under this Act may be made available to
7 pay any voluntary contribution of the United States to the
8 United Nations (including the United Nations Develop-
9 ment Program) unless the President certifies to the Con-
10 gress 15 days in advance of such payment that the United
11 Nations is not engaged in any effort to implement or im-
12 pose any taxation on United States persons in order to
13 raise revenue for the United Nations or any of its special-
14 ized agencies.

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

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

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

23 NORTH KOREA

24 SEC. 570. Ninety days after the date of enactment
25 of this Act, and every 180 days thereafter, the Secretary
26 of State, in consultation with the Secretary of Defense,

1 shall provide a report in a classified or unclassified form
2 to the Committee on Appropriations including the follow-
3 ing information:

4 (a) a best estimate on fuel used by the military
5 forces of the Democratic People’s Republic of Korea
6 (DPRK);

7 (b) the deployment position and military train-
8 ing and activities of the DPRK forces and best esti-
9 mate of the associated costs of these activities;

10 (c) steps taken to reduce the DPRK level of
11 forces; and

12 (d) cooperation, training, or exchanges of infor-
13 mation, technology or personnel between the DPRK
14 and any other nation supporting the development or
15 deployment of a ballistic missile capability.

16 ASSISTANCE TO TURKEY

17 SEC. 571. (a) Not more than \$40,000,000 of the
18 funds appropriated in this Act under the heading “Eco-
19 nomic Support Fund” may be made available for Turkey.

20 (b) Of the funds made available under the heading
21 “Economic Support Fund” for Turkey, not less than fifty
22 percent of these funds shall be made available for the pur-
23 pose of supporting private nongovernmental organizations
24 engaged in strengthening democratic institutions in Tur-
25 key, providing economic assistance for individuals and
26 communities affected by civil unrest, and supporting and

1 promoting peaceful solutions and economic development
2 which will contribute to the settlement of regional prob-
3 lems in Turkey.

4 This Act may be cited as the “Foreign Operations,
5 Export Financing, and Related Programs Appropriations
6 Act, 1998”.