To amend the Foreign Assistance Act of 1961 to support the economic and political independence of the countries of the South Caucasus and Central Asia.

A BILL

[Report No. 106-45]

S. 579

Calendar No. 106
To amend the Foreign Assistance Act of 1961 to target assistance to support the economic and political independence of the countries of the South Caucasus and Central Asia.

1. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Silk Road Strategy Act of 1999”.

SEC. 2. FINDINGS.

Congress makes the following findings:

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

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

(3) The development of strong political, economic, and security ties among countries of the South Caucasus and Central Asia and the West will foster stability in this region, which is vulnerable to political and economic pressures from the south, north, and east.

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

(5) Many of the countries of the South Caucasus have secular Muslim governments that are seeking closer alliance with the United States and that have diplomatic and commercial relations with Israel.

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

(7) United States foreign policy and international assistance should be narrowly targeted to support the economic and political independence as well as democracy building, free market policies, human rights, and regional economic integration of the countries of the South Caucasus and Central Asia.

SEC. 3. POLICY OF THE UNITED STATES.

It shall be the policy of the United States in the countries of the South Caucasus and Central Asia—
(1) to promote and strengthen independence, sovereignty, democratic government, and respect for human rights;

(2) to promote tolerance, pluralism, and understanding and counter racism and anti-Semitism;

(3) to assist actively in the resolution of regional conflicts and to facilitate the removal of impediments to cross-border commerce;

(4) to promote friendly relations and economic cooperation;

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

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

(7) to support United States business interests and investments in the region.
SEC. 4. UNITED STATES EFFORTS TO RESOLVE CONFLICTS IN THE SOUTH CAUCASUS AND CENTRAL ASIA.

It is the sense of Congress that the President should use all diplomatic means practicable, including the engagement of senior United States Government officials, to press for an equitable, fair, and permanent resolution to the conflicts in the South Caucasus and Central Asia.


Part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new chapter:

“CHAPTER 12—SUPPORT FOR THE ECONOMIC AND POLITICAL INDEPENDENCE OF THE COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA

“SEC. 499. UNITED STATES ASSISTANCE TO PROMOTE RECONCILIATION AND RECOVERY FROM REGIONAL CONFLICTS.

“(a) PURPOSE OF ASSISTANCE.—The purposes of assistance under this section include—

“(1) the creation of the basis for reconciliation between belligerents;
“(2) the promotion of economic development in areas of the countries of the South Caucasus and Central Asia impacted by civil conflict and war; and

“(3) the encouragement of broad regional cooperation among countries of the South Caucasus and Central Asia that have been destabilized by internal conflicts.

“(b) AUTHORIZATION FOR ASSISTANCE.—

“(1) IN GENERAL.—To carry out the purposes of subsection (a), the President is authorized to provide humanitarian assistance and economic reconstruction assistance for the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).

“(2) DEFINITION OF HUMANITARIAN ASSISTANCE.—In this subsection, the term ‘humanitarian assistance’ means assistance to meet humanitarian needs, including needs for food, medicine, medical supplies and equipment, education, and clothing.

“(c) ACTIVITIES SUPPORTED.—Activities that may be supported by assistance under subsection (b) include—

“(1) providing for the humanitarian needs of victims of the conflicts;

“(2) facilitating the return of refugees and internally displaced persons to their homes; and
“(3) assisting in the reconstruction of residential and economic infrastructure destroyed by war.
“(d) POLICY.—It is the sense of Congress that the United States should, where appropriate, support the establishment of neutral, multinational peacekeeping forces to implement peace agreements reached between belligerents in the countries of the South Caucasus and Central Asia.

“SEC. 499A. ECONOMIC ASSISTANCE.
“(a) PURPOSE OF ASSISTANCE.—The purpose of assistance under this section is to foster economic growth and development, including the conditions necessary for regional economic cooperation, in the South Caucasus and Central Asia.
“(b) AUTHORIZATION FOR ASSISTANCE.—To carry out the purpose of subsection (a), the President is authorized to provide assistance for the countries of the South Caucasus and Central Asia to support the activities described in subsection (c).
“(c) ACTIVITIES SUPPORTED.—In addition to the activities described in section 498, activities supported by assistance under subsection (b) should support the development of the structures and means necessary for the growth of private sector economies based upon market principles.
“(d) POLICY.—It is the sense of Congress that the United States should—

“(1) assist the countries of the South Caucasus and Central Asia to develop policies, laws, and regulations that would facilitate the ability of those countries to develop free market economies and to join the World Trade Organization to enjoy all the benefits of membership; and

“(2) consider the establishment of zero-to-zero tariffs between the United States and the countries of the South Caucasus and Central Asia.

“SEC. 499B. DEVELOPMENT OF INFRASTRUCTURE.

“(a) PURPOSE OF PROGRAMS.—The purposes of programs under this section include—

“(1) to develop the physical infrastructure necessary for regional cooperation among the countries of the South Caucasus and Central Asia; and

“(2) to encourage closer economic relations and to facilitate the removal of impediments to cross-border commerce among those countries and the United States and other developed nations.

“(b) AUTHORIZATION FOR PROGRAMS.—To carry out the purposes of subsection (a), the following types of programs for the countries of the South Caucasus and Cen-
tral Asia may be used to support the activities described in subsection (c):

“(1) Activities by the Export-Import Bank to complete the review process for eligibility for financing under the Export-Import Bank Act of 1945.

“(2) The provision of insurance, reinsurance, financing, or other assistance by the Overseas Private Investment Corporation.

“(3) Assistance under section 661 of this Act (relating to the Trade and Development Agency).

“(c) Activities Supported.—Activities that may be supported by programs under subsection (b) include promoting actively the participation of United States companies and investors in the planning, financing, and construction of infrastructure for communications, transportation, including air transportation, and energy and trade including highways, railroads, port facilities, shipping, banking, insurance, telecommunications networks, and gas and oil pipelines.

“(d) Policy.—It is the sense of Congress that the United States representatives at the International Bank for Reconstruction and Development, the International Finance Corporation, and the European Bank for Reconstruction and Development should encourage lending to the countries of the South Caucasus and Central Asia to
assist the development of the physical infrastructure nec-
essary for regional economic cooperation.

“SEC. 499C. BORDER CONTROL ASSISTANCE.

“(a) PURPOSE OF ASSISTANCE.—The purpose of as-
sistance under this section includes the assistance of the
countries of the South Caucasus and Central Asia to se-
cure their borders and implement effective controls nec-
essay to prevent the trafficking of illegal narcotics and
the proliferation of technology and materials related to
weapons of mass destruction (as defined in section
2332a(e)(2) of title 18, United States Code), and to con-
tain and inhibit transnational organized criminal activi-
ties.

“(b) AUTHORIZATION FOR ASSISTANCE.—To carry
out the purpose of subsection (a), the President is author-
ized to provide assistance to the countries of the South
Caucasus and Central Asia to support the activities de-
scribed in subsection (c).

“(c) ACTIVITIES SUPPORTED.—Activities that may
be supported by assistance under subsection (b) include
assisting those countries of the South Caucasus and Cen-
tral Asia in developing capabilities to maintain national
border guards, coast guard, and customs controls.

“(d) POLICY.—It is the sense of Congress that the
United States should encourage and assist the develop-
ment of regional military cooperation among the countries
of the South Caucasus and Central Asia through pro-
grams such as the Central Asian Battalion and the Part-
nership for Peace of the North Atlantic Treaty Organiza-
tion.

“SEC. 499D. STRENGTHENING DEMOCRACY, TOLERANCE,
AND THE DEVELOPMENT OF CIVIL SOCIETY.

“(a) PURPOSE OF ASSISTANCE.—The purpose of as-
sistance under this section is to promote institutions of
democratic government and to create the conditions for
the growth of pluralistic societies, including religious toler-
ance and respect for internationally recognized human
rights.

“(b) AUTHORIZATION FOR ASSISTANCE.—To carry
out the purpose of subsection (a), the President is author-
ized to provide the following types of assistance to the
countries of the South Caucasus and Central Asia:

“(1) Assistance for democracy building, includ-
ing programs to strengthen parliamentary institu-
tions and practices.

“(2) Assistance for the development of non-
governmental organizations.

“(3) Assistance for development of independent
media.
“(4) Assistance for the development of the rule of law, a strong independent judiciary, and transparency in political practice and commercial transactions.

“(5) International exchanges and advanced professional training programs in skill areas central to the development of civil society.

“(6) Assistance to promote increased adherence to civil and political rights under section 116(e) of this Act.

“(c) Activities Supported.—Activities that may be supported by assistance under subsection (b) include activities that are designed to advance progress toward the development of democracy.

“(d) Policy.—It is the sense of Congress that the Voice of America and RFE/RL, Incorporated, should maintain high quality broadcasting for the maximum duration possible in the native languages of the countries of the South Caucasus and Central Asia.

“SEC. 499E. INELIGIBILITY FOR ASSISTANCE.

“(a) In General.—Except as provided in subsection (b), assistance may not be provided under this chapter for the government of a country of the South Caucasus or Central Asia if the President determines and certifies to
the appropriate congressional committees that the government of such country—

“(1) is engaged in a consistent pattern of gross violations of internationally recognized human rights;

“(2) has, on or after the date of enactment of this chapter, knowingly transferred to another country—

“(A) missiles or missile technology inconsistent with the guidelines and parameters of the Missile Technology Control Regime (as defined in section 11B(c) of the Export Administration Act of 1979 950 U.S.C. App. 2410b(c); or

“(B) any material, equipment, or technology that would contribute significantly to the ability of such country to manufacture any weapon of mass destruction (including nuclear, chemical, and biological weapons) if the President determines that the material, equipment, or technology was to be used by such country in the manufacture of such weapons;

“(3) has repeatedly provided support for acts of international terrorism; or
“(4) is prohibited from receiving such assist-
ance by chapter 10 of the Arms Export Control Act
or section 306(a)(1) and 307 of the Chemical and
Biological Weapons Control and Warfare Elimi-
“(b) EXCEPTIONS TO INELIGIBILITY.—
“(1) EXCEPTIONS.—Assistance prohibited by
subsection (a) or any similar provision of law, other
than assistance prohibited by the provisions referred
to in paragraphs (2) and (4) of subsection (a), may
be furnished under any of the following cir-
cumstances:
“(A) The President determines that fur-
nishing such assistance is important to the na-
tional interest of the United States.
“(B) The President determines that fur-
nishing such assistance will foster respect for
internationally recognized human rights and the
rule of law or the development of institutions of
democratic governance.
“(C) The assistance is furnished for the al-
leviation of suffering resulting from a natural
or man-made disaster.
“(D) The assistance is provided under the secondary school exchange program administered by the United States Information Agency.

“(2) REPORT TO CONGRESS.—The President shall immediately report to Congress any determination under paragraph (1) (A) or (B) or any decision to provide assistance under paragraph (1)(C).

“SEC. 499F. ADMINISTRATIVE AUTHORITIES.

“(a) ASSISTANCE THROUGH GOVERNMENTS AND NONGOVERNMENTAL ORGANIZATIONS.—Assistance under this chapter may be provided to governments or through nongovernmental organizations.

“(b) USE OF ECONOMIC SUPPORT FUNDS.—Except as otherwise provided, any funds that have been allocated under chapter 4 of part II for assistance for the independent states of the former Soviet Union may be used in accordance with the provisions of this chapter.

“(c) TERMS AND CONDITIONS.—Assistance under this chapter shall be provided on such terms and conditions as the President may determine.

“(d) AVAILABLE AUTHORITIES.—The authority in this chapter to provide assistance for the countries of the South Caucasus and Central Asia is in addition to the authority to provide such assistance under the FREEDOM Support Act (22 U.S.C. 5801 et seq.) or any other Act,
and the authorities applicable to the provision of assistance under chapter 11 may be used to provide assistance under this chapter.

“SEC. 499G. DEFINITIONS.

“In this chapter:

“(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

“(2) COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA.—The term ‘countries of the South Caucasus and Central Asia’ means Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.”.

SEC. 6. RESTRICTION ON ASSISTANCE FOR GOVERNMENT OF AZERBAIJAN.

Section 907 of the Freedom Support Act (22 U.S.C. 5812 note) is amended—

(1) by inserting “(a) RESTRICTION.—”; and

(2) by adding at the end the following:

“(b) WAIVER.—The restriction on assistance in subsection (a) shall not apply if the President determines, and so certifies to Congress, that the application of the restric-
tion would not be in the national interests of the United States.”.

SEC. 7. ANNUAL REPORT.

Section 104 of the FREEDOM Support Act (22 U.S.C. 5814) is amended—

(1) by striking “and” at the end of paragraph (3);

(2) by striking the period at the end of para-
graph (4) and inserting “; and”; and

(3) by adding the following new paragraph:

“(5) with respect to the countries of the South Caucasus and Central Asia—

“(A) identifying the progress of United States foreign policy to accomplish the policy identified in section 3 of the Silk Road Strategy Act of 1999;

“(B) evaluating the degree to which the as-
sistance authorized by chapter 12 of part I of the Foreign Assistance Act of 1961 has been able to accomplish the purposes identified in those sections; and

“(C) recommending any additional initia-
tives that should be undertaken by the United States to implement the policy and purposes
contained in the Silk Road Strategy Act of 1999.”

SEC. 8. CONFORMING AMENDMENTS.

Section 102(a) of the FREEDOM Support Act (Public Law 102–511) is amended in paragraphs (2) and (4) by striking each place it appears “this Act)” and inserting “this Act and the Silk Road Strategy Act of 1999)”.

SEC. 9. DEFINITIONS.

In this Act:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

(2) COUNTRIES OF THE SOUTH CAUCASUS AND CENTRAL ASIA.—The term “countries of the South Caucasus and Central Asia” means Armenia, Azerbaijan, Georgia, Kazakstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.