

112TH CONGRESS
2D SESSION

H. R. 6644

To establish a framework for effective, transparent, and accountable United States foreign assistance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2012

Mr. BERMAN (for himself and Mr. CONNOLLY of Virginia) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Ways and Means, Oversight and Government Reform, Armed Services, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a framework for effective, transparent, and accountable United States foreign assistance, and for other purposes.

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

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Global Partnerships Act of 2012”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

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- Sec. 4. Principles of assistance.
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1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

1 (1) In an increasingly interdependent world, the
2 health, prosperity, freedom, and security of the peo-
3 ple of the United States are strengthened when the
4 people of all countries can enjoy these same advan-
5 tages.

6 (2) The development of a healthier, more peace-
7 ful, democratic, just and prosperous world requires
8 the sustained and substantial investment of United
9 States human and financial resources in fostering
10 international cooperation and in building the capac-
11 ity of other countries to meet the needs of their peo-
12 ple and to conduct themselves responsibly in the
13 international system.

14 (3) Foreign assistance is not only a reflection of
15 the values, generosity, and goodwill of the people of
16 the United States, but also an essential means for
17 achieving United States foreign policy, economic,
18 and national security objectives.

19 **SEC. 3. STATEMENT OF POLICY.**

20 It is the policy of the United States to help build and
21 sustain an international community composed of states
22 that meet basic human needs, resolve conflicts peacefully,
23 respect fundamental freedoms, cooperate to address issues
24 that transcend national boundaries, use wisely the world's
25 limited resources in a sustainable manner, and work to-

ward the achievement of economic well-being for all people.

SEC. 4. PRINCIPLES OF ASSISTANCE.

In order to maximize effectiveness and efficiency, United States foreign assistance should be carried out in accordance with the following principles:

(1) Foreign assistance is not an end in itself. The purpose of foreign assistance is to create the conditions under which it is no longer needed.

(2) United States foreign assistance should support the development of human, financial, organizational, and technical capacity of partner countries, both within government and among civil society, that is sustainable over the long term and leads to self-reliance.

(3) United States foreign assistance, regardless of type, purpose, or recipient, should respect human rights and democratic processes.

(4) United States embassies and United States Agency for International Development missions in partner countries should be accorded a central role in planning, budgeting, and decisionmaking with respect to United States foreign assistance to those countries.

1 (5) United States foreign assistance programs
2 should be carried out in collaboration with a wide
3 variety of partners, including multilateral organiza-
4 tions, governments of partner countries at all levels,
5 intermediate representative institutions, and inter-
6 national, United States, and local civil society orga-
7 nizations.

8 (6) Nonemergency United States foreign assist-
9 ance should be provided pursuant to well-coordinated
10 strategies with specific goals and measurable objec-
11 tives, while preserving the flexibility to respond to
12 rapidly changing situations.

13 (7) Monitoring and evaluation of United States
14 foreign assistance should be conducted systemati-
15 cally to ensure financial accountability, evaluate per-
16 formance, assess impact, determine lessons learned,
17 disseminate findings, and identify steps for improve-
18 ment.

19 (8) Because gender equality is essential to de-
20 mocracy, human rights and economic development,
21 the needs, views, rights, roles, and resources of
22 women should be taken into account in all stages of
23 the foreign assistance process, including strategic
24 planning, budgeting, design, implementation, moni-
25 toring, and evaluation.

1 (9) Because natural resources and a healthy,
2 functioning environment underpin sustainable eco-
3 nomic growth, health, and food security, the likely
4 impact of United States foreign assistance policies
5 and programs upon the environment should be taken
6 into account in all stages of the foreign assistance
7 process. Effective action should be taken to mitigate
8 any negative impacts and to ensure that all people
9 enjoy the same degree of protection from environ-
10 mental and health hazards.

11 (10) The United States Government should
12 publish timely, detailed, and comprehensive informa-
13 tion on the budgeting, delivery, and expenditure of
14 United States foreign assistance in order to enhance
15 transparency and accountability for results and
16 should encourage and facilitate similar transparency
17 by the partner country regarding its national budg-
18 et, government contracts, and aid-related expendi-
19 tures.

20 (11) United States foreign assistance should be
21 conducted within a coherent and coordinated struc-
22 ture that establishes clear lines of authority, delin-
23 eates responsibilities, rationalizes functions, closes
24 gaps, promotes policy consistency, and ensures civil-
25 ian leadership.

1 (12) To ensure that United States foreign as-
2 sistance achieves its intended objectives and to maxi-
3 mize its impact, the United States Government
4 should design and implement such assistance in
5 partnership with local stakeholders, including as ap-
6 propriate and feasible, governments, intermediate
7 representative institutions, civil society organiza-
8 tions, and affected communities.

9 (13) The success of United States foreign as-
10 sistance in meeting humanitarian, foreign policy,
11 and national security objectives depends on the sus-
12 tained commitment of adequate and reliable budg-
13 etary resources as well as on the development, train-
14 ing, and maintenance of a diverse and experienced
15 corps of professionals to design, manage, implement,
16 and monitor such foreign assistance.

17 **SEC. 5. PURPOSES OF ASSISTANCE.**

18 United States foreign assistance under this Act shall
19 be provided in accordance with the policy set forth in sec-
20 tion 3 and the principles set forth in section 4 to achieve
21 the following interrelated and mutually reinforcing pur-
22 poses:

23 (1) Reducing global poverty and alleviating
24 human suffering.

25 (2) Advancing peace and mitigating crises.

- 1 (3) Supporting human rights and democracy.
- 2 (4) Building and reinforcing strategic partner-
- 3 ships.
- 4 (5) Countering transnational threats.
- 5 (6) Sustaining the global environment.
- 6 (7) Expanding prosperity through trade and in-
- 7 vestment.

8 **SEC. 6. DEFINITIONS.**

9 Except as otherwise provided, in this Act:

10 (1) ADMINISTRATOR.—The term “Adminis-

11 trator” means the Administrator of the United

12 States Agency for International Development.

13 (2) AGENCY OR USAID.—The term “Agency” or

14 “USAID” means the United States Agency for

15 International Development.

16 (3) APPROPRIATE CONGRESSIONAL COMMIT-

17 TEES.—The term “appropriate congressional com-

18 mittees” means—

19 (A) the Committee on Foreign Affairs and

20 the Committee on Appropriations of the House

21 of Representatives; and

22 (B) the Committee on Foreign Relations

23 and the Committee on Appropriations of the

24 Senate.

1 (4) BASIC HUMAN NEEDS.—The term “basic
2 human needs” means the requirements for sus-
3 taining life, health, and human dignity.

4 (5) CIVIL SOCIETY ORGANIZATION.—The term
5 “civil society organization” means—

6 (A) a registered or unregistered nonprofit
7 organization, independent of the government
8 and state, including a private and voluntary or-
9 ganization, community or faith-based organiza-
10 tion, advocacy group, business or trade associa-
11 tion, cooperative, credit union, labor union, or
12 philanthropic foundation;

13 (B) an independent media, educational, or
14 research institution; or

15 (C) a private enterprise, including an
16 international development firm, bank or other
17 financial institution, or a business of any type.

18 (6) COUNTRY.—The term “country” means the
19 government, civil society, and intermediate rep-
20 resentative institutions of a state or specially admin-
21 istered area.

22 (7) DEVELOPMENT ASSISTANCE.—The term
23 “development assistance” means—

24 (A) assistance under—

25 (i) subtitle A of title I;

1 (ii) the Millennium Challenge Act of
2 2003 (22 U.S.C. 7701 et seq.);

3 (iii) the United States Leadership
4 Against HIV/AIDS, Tuberculosis, and Ma-
5 laria Act of 2003 (22 U.S.C. 7601 et seq.);

6 (iv) title V of the International Secu-
7 rity and Development Cooperation Act of
8 1980 (22 U.S.C. 290h et seq.; relating to
9 the African Development Foundation); or

10 (v) section 401 of the Foreign Assist-
11 ance Act of 1969 (22 U.S.C. 290f; relating
12 to the Inter-American Foundation);

13 (B) official development assistance under
14 any provision of law; and

15 (C) reconstruction assistance under any
16 provision of law.

17 (8) ECONOMIC ASSISTANCE.—The term “eco-
18 nomic assistance” means foreign assistance, other
19 than assistance under subtitle B or C of title IV.

20 (9) FEDERAL AGENCY.—The term “Federal
21 agency” has the meaning given the term Executive
22 agency in section 105 of title 5, United States Code.

23 (10) FOREIGN ASSISTANCE.—The term “foreign
24 assistance” means any tangible or intangible item
25 provided by the United States Government to a for-

1 eign country or international organization under this
2 or any other Act, including any training, service, or
3 technical advice, any item of real, personal, or mixed
4 property, any agricultural commodity, any gift, loan,
5 sale, credit, guarantee, or export subsidy, United
6 States dollars, and any currencies of any foreign
7 country which are owned by the United States Gov-
8 ernment.

9 (11) FUNDAMENTAL FREEDOMS.—The term
10 “fundamental freedoms” means the freedoms of as-
11 sociation, assembly, expression, and religion.

12 (12) GENOCIDE.—The term “genocide” means
13 an offense as described in section 1091 of title 18,
14 United States Code.

15 (13) HUMANITARIAN ASSISTANCE.—The term
16 “humanitarian assistance” means—

17 (A) assistance under subtitle B of title I;

18 (B) emergency food assistance under title
19 II of the Agricultural Trade Development and
20 Assistance Act of 1954 (Public Law 83–480);
21 and

22 (C) refugee and migration assistance under
23 the Migration and Refugee Act of 1962.

24 (14) INSTITUTION OF HIGHER EDUCATION.—
25 The term “institution of higher education” has the

1 meaning given such term under section 101 of the
2 Higher Education Act of 1965 (20 U.S.C. 1001).

3 (15) INTERMEDIATE REPRESENTATIVE INSTI-
4 TUTION.—The term “intermediate representative in-
5 stitution” means an organization with the mandate
6 to represent citizens in government and in political
7 processes, such as a legislature, political party, advi-
8 sory commission, or municipal council.

9 (16) INTERNATIONAL ORGANIZATION.—The
10 term “international organization” means an inter-
11 national organization as defined in section 1 of the
12 International Organizations Immunities Act (22
13 U.S.C. 288).

14 (17) MARGINALIZED GROUP.—The term
15 “marginalized group”—

16 (A) means a group that is excluded by law,
17 policy, or practice from participating on a full
18 and equal basis in the political, economic, and
19 social life of a country, including the enjoyment
20 of all rights and freedoms; and

21 (B) includes women, poor people, youth,
22 refugees, displaced or stateless persons, persons
23 belonging to racial, national, ethnic, religious or
24 linguistic minorities, persons with disabilities,

1 and persons discriminated against on the basis
2 of their sexual orientation or gender identity.

3 (18) MASS ATROCITIES.—The term “mass
4 atrocities” includes war crimes, genocide or acts that
5 may constitute genocide, and other crimes against
6 humanity.

7 (19) MILITARY EDUCATION AND TRAINING.—
8 The term “military education and training” includes
9 formal or informal instruction of foreign students in
10 the United States or overseas by officers or employ-
11 ees of the United States, contract technicians, con-
12 tractors (including instruction at civilian institu-
13 tions), or by correspondence courses, technical, edu-
14 cational, or informational publications and media of
15 all kinds, training aids, orientation, and military ad-
16 vice to foreign military units and forces.

17 (20) NOTWITHSTANDING, ETC.—The terms
18 “notwithstanding any other provision of law” and
19 “notwithstanding any provision of this or any other
20 Act” shall not apply to title 31, United States Code,
21 the Congressional Budget and Impoundment Control
22 Act of 1974, or the Budget Enforcement Act of
23 1990.

1 (21) PARTNER COUNTRY.—The term “partner
2 country” means a country that is receiving or is eli-
3 gible to receive foreign assistance.

4 (22) PRIVATE AND VOLUNTARY ORGANIZA-
5 TION.—The term “private and voluntary organiza-
6 tion” means a nonprofit, nongovernmental organiza-
7 tion.

8 (23) PRIVATE PARTNER.—The term “private
9 partner” means—

10 (A) a non-United States Government enti-
11 ty that—

12 (i) enters into a contract, as described
13 in section 6303 of title 31, United States
14 Code, with the United States Government;

15 (ii) accepts a grant, as described in
16 section 6304 of title 31, United States
17 Code, from the United States Government;
18 or

19 (iii) enters into a cooperative agree-
20 ment, as described in section 6305 of title
21 31, United States Code, with the United
22 States Government,
23 relating to the use by that entity of foreign as-
24 sistance; and

1 (B) any subcontractor or subgrantee there-
2 of.

3 (24) SECRETARY.—The term “Secretary”
4 means the Secretary of State.

5 (25) SECURITY ASSISTANCE.—The term “secu-
6 rity assistance” means foreign assistance under title
7 IV or title V.

8 (26) UNITED STATES.—The term “United
9 States”, when used in the geographic sense, includes
10 each State of the several States, the District of Co-
11 lumbia, the Commonwealth of Puerto Rico, Amer-
12 ican Samoa, Guam, the Commonwealth of the
13 Northern Mariana Islands, the Virgin Islands of the
14 United States, and any other territory or possession
15 of the United States.

16 (27) UNITED STATES ARMED FORCES.—The
17 term “United States Armed Forces” means the
18 Army, Navy, Air Force, Marine Corps, and Coast
19 Guard.

20 **TITLE I—REDUCING GLOBAL**
21 **POVERTY AND ALLEVIATING**
22 **HUMAN SUFFERING**

23 **SEC. 1001. FINDINGS.**

24 Congress finds the following:

1 (1) The abject and dehumanizing conditions of
2 extreme poverty, which affect more than a billion
3 people around the world, are inimical to the achieve-
4 ment of a healthy, peaceful, democratic, just and
5 prosperous world and an affront to shared human
6 values.

7 (2) A principal objective of United States for-
8 eign policy is reducing global poverty and its worst
9 physical manifestations through the encouragement
10 and sustained support of the people of developing
11 countries in their efforts to acquire the knowledge
12 and resources essential to building the economic, po-
13 litical, and social institutions that will improve the
14 quality of their lives.

15 (3) Strengthening democratic governance and
16 the political voice of poor and marginalized groups
17 not only directly combats poverty but also helps
18 build responsive, accountable state institutions es-
19 sential to sustain the positive impact of foreign as-
20 sistance over the long-term.

21 (4) United States efforts to reduce global pov-
22 erty and alleviate human suffering reflect the com-
23 passion and generosity of the American people, while
24 also serving United States economic and national se-
25 curity interests. Poor and unstable countries make

1 unreliable trading partners and weak markets for
2 United States goods and services. Violent extremism
3 that threatens United States national security flour-
4 ishes where democratic governance is weak, justice is
5 uncertain, and legal avenues for change are in short
6 supply.

7 (5) Complementing the long-term objective of
8 reducing global poverty, the humanitarian concern
9 and tradition of the people of the United States de-
10 mands a commitment to saving lives and alleviating
11 human suffering resulting from natural and human-
12 caused disasters, and to taking effective action to
13 prevent, prepare for, and mitigate such disasters.

14 (6) Pursuit of these interrelated objectives re-
15 quires that development and humanitarian concerns
16 be fully reflected throughout United States foreign
17 policy, and that resources for these purposes be ade-
18 quately and reliably budgeted and effectively and ef-
19 ficiently utilized.

20 (7) In order to achieve United States foreign
21 policy and national security objectives, the United
22 States should act in concert with other countries and
23 multilateral institutions to mobilize adequate re-
24 sources from public and private sources for poverty
25 reduction and humanitarian relief.

1 **SEC. 1002. STATEMENT OF POLICY.**

2 It is the policy of the United States to undertake best
3 efforts to—

4 (1) reduce global poverty, including by estab-
5 lishing and meeting, in cooperation with govern-
6 ments of developing countries, other public and pri-
7 vate donors, multilateral institutions, nongovern-
8 mental organizations, businesses, and affected com-
9 munities, international targets for the reduction of
10 poverty; and

11 (2) prevent, prepare for, mitigate, and respond
12 to humanitarian crises wherever such crises may
13 occur.

14 **SEC. 1003. ENCOURAGEMENT OF UNITED STATES PRIVATE**
15 **AND VOLUNTARY COOPERATION.**

16 (a) FINDINGS.—Congress finds the following:

17 (1) The sustained participation of United
18 States private and voluntary organizations, commu-
19 nity and faith-based organizations, charitable foun-
20 dations, labor unions, cooperatives, and credit unions
21 in international development and humanitarian re-
22 lief, rehabilitation, and reconstruction significantly
23 reduces poverty and alleviates human suffering
24 through—

25 (A) application of accumulated expertise in
26 the discipline of development;

1 (B) provision of social services in under-
2 served communities;

3 (C) building the capacity of local organiza-
4 tions to operate with maximum effectiveness,
5 thereby strengthening civil society and advanc-
6 ing self-reliance;

7 (D) establishing long-term partnerships
8 with and between local communities, civil soci-
9 ety organizations and governments of devel-
10 oping countries at all levels, thus helping to
11 strengthen accountability, reduce corruption,
12 build capable institutions, and sustain progress;

13 (E) empowering marginalized groups
14 through access to information and a leadership
15 role in decisionmaking processes; and

16 (F) serving as a voice for the poor and
17 bringing best practices and lessons learned to
18 bear on policymaking processes in the United
19 States and worldwide.

20 (2) Such organizations, foundations, unions,
21 and cooperatives, by mobilizing private United
22 States financial and human resources, reflect the
23 values and goodwill of the people of the United
24 States and embody the American spirit of self-help.

1 (3) Advocacy groups and organizations that
2 represent American political, legal, academic and
3 business life have developed long-standing relation-
4 ships with their overseas counterparts, helping to
5 build people-to-people networks that strengthen civil
6 society, protect human rights, support democratic
7 institutions and foster a policy environment condu-
8 cive to economic development.

9 (4) Similarly, the sustained participation of
10 United States educational and research institutions
11 in building the scientific, educational, and service ca-
12 pacities of developing countries is vital to the eco-
13 nomic and social development of those countries, and
14 at the same time strengthens the faculty and pro-
15 grams available to United States students.

16 (5) Because of their ability to attract and lever-
17 age private contributions, the entities described in
18 paragraphs (1) through (4) are extremely cost-effec-
19 tive partners for providing foreign assistance.

20 (6) Because such entities, often using their own
21 resources, develop and maintain long-term and inde-
22 pendent relationships with their counterparts in for-
23 eign countries, they provide great expertise in pro-
24 gram implementation, an important source of knowl-
25 edge about local needs, attitudes, customs, and con-

1 ditions, and a critical means for building trust and
2 goodwill with local communities.

3 (b) STATEMENT OF POLICY.—It is the policy of the
4 United States to—

5 (1) encourage and facilitate, as appropriate,
6 international activities of United States private and
7 voluntary organizations, community and faith-based
8 organizations, charitable foundations, labor unions,
9 cooperatives, credit unions, and educational and re-
10 search institutions in furtherance of the goals of this
11 title;

12 (2) co-design, co-fund, and co-manage projects
13 and strategies with such entities to meet jointly
14 agreed development objectives;

15 (3) strengthen the capacity of such entities,
16 without compromising their private and independent
17 nature, to undertake effective international assist-
18 ance efforts; and

19 (4) streamline and simplify the process by
20 which such entities may compete for resources made
21 available under this title.

22 **SEC. 1004. ENCOURAGEMENT OF UNITED STATES BUSINESS**
23 **PARTICIPATION.**

24 (a) FINDINGS.—Congress finds the following:

1 (1) United States businesses, including inter-
2 national development firms, are significant contribu-
3 tors to humanitarian relief and broad-based eco-
4 nomic growth in developing countries, through—

5 (A) the donation of financial resources,
6 technology, goods, and services;

7 (B) the sharing of training, technical,
8 managerial, and business skills;

9 (C) the investment of capital and the de-
10 velopment of trade relationships;

11 (D) the establishment and maintenance of
12 partnerships with the governments of devel-
13 oping countries, local communities, and civil so-
14 ciety organizations;

15 (E) partnering with local businesses and
16 entrepreneurs;

17 (F) the expansion of job opportunities in
18 impoverished communities; and

19 (G) the encouragement of private sector
20 development and of the legal and institutional
21 framework to support such development.

22 (2) Such businesses are often staffed by individ-
23 uals with a strong commitment to and knowledge of
24 developing countries, many of whom have served

1 overseas, and who bring American values, know-how,
2 and spirit of innovation.

3 (3) While some United States businesses have
4 a long history of engagement with international de-
5 velopment, bringing extensive experience, strong
6 local ties and a proven track record of achievement,
7 many others seek to establish first-time partnerships
8 and new joint ventures.

9 (4) By leveraging contributions of United
10 States businesses and facilitating public-private
11 partnerships, the United States Government can
12 maximize the impact of its efforts to improve social
13 and economic conditions in developing countries.

14 (b) STATEMENT OF POLICY.—It is the policy of the
15 United States to—

16 (1) encourage and facilitate, to the maximum
17 extent practicable, participation by United States
18 businesses in achieving the purposes of this title;

19 (2) promote awareness by United States busi-
20 nesses, including small businesses, of opportunities
21 to promote economic growth and expand markets in
22 developing countries;

23 (3) facilitate partnerships between United
24 States business and international and local non-
25 governmental organizations, including private and

1 voluntary organizations, community and faith-based
2 organizations, charitable foundations, labor unions,
3 cooperatives, credit unions, and educational and re-
4 search institutions, to reduce poverty and alleviate
5 human suffering;

6 (4) build strategic alliances with United States
7 businesses, drawing on their unique assets and expe-
8 rience, to solve complex problems in developing coun-
9 tries; and

10 (5) co-design, co-fund, and co-manage projects
11 and strategies with United States business partners
12 to meet jointly agreed development objectives.

13 **SEC. 1005. DEVELOPMENT PARTNERSHIPS FELLOWS PRO-**
14 **GRAM.**

15 (a) IN GENERAL.—The Administrator is authorized
16 and encouraged to establish a program of exchanges to
17 strengthen individual and institutional capacity, share
18 knowledge and best practices, build partnering skills and
19 develop networks through professional exchanges between
20 the Agency and the private sector, including businesses
21 and nonprofit institutions.

22 (b) STRATEGIC FOCUS.—The exchanges authorized
23 under subsection (a) should be designed to fill gaps and
24 build capacity in areas of critical need, as determined by
25 the Administrator and the private sector entity.

1 (c) COMPETITIVE AWARDS.—The process for select-
2 ing individuals for the exchanges authorized under sub-
3 section (a) should be open and competitive, while offering
4 opportunities to individuals with varying levels of profes-
5 sional experience.

6 (d) STATUS OF EMPLOYMENT.—Notwithstanding
7 any other provision of law, during the period of ex-
8 change—

9 (1) each participating individual (hereinafter re-
10 ferred to as a “Fellow”) shall continue to receive his
11 or her salary, benefits, and rights of employment
12 from the Agency or private sector entity, as the case
13 may be; and

14 (2) in the case of a Fellow who is an employee
15 of a private sector entity and is working at the
16 Agency, the Fellow shall not be considered to be a
17 Federal employee of the Agency, except for purposes
18 of obtaining necessary access to buildings, office
19 supplies, equipment and facilities.

20 (e) PARITY IN EXCHANGE.—The Administrator shall
21 ensure that the total number of Fellows who are employees
22 of the Agency and are working at private sector entities
23 is substantially equivalent to the total number of Fellows
24 who are employees of private sector entities and are work-
25 ing at the Agency.

1 (f) OTHER COSTS AND EXPENSES.—The Adminis-
2 trator shall prescribe policies and procedures regarding
3 costs and expenses for Fellows other than policies and pro-
4 cedures regarding salaries and benefits.

5 (g) TERM OF SERVICE.—The Administrator shall de-
6 termine appropriate lengths of service for Fellows, except
7 that such service may not exceed a period of 2 years.

8 **Subtitle A—Reducing Global**
9 **Poverty**

10 **SEC. 1011. FINDINGS.**

11 Congress finds the following:

12 (1) The goal of international development is to
13 improve the quality of life for all people while pre-
14 serving that opportunity for future generations.

15 (2) Successful economic development includes
16 the eradication of extreme poverty and its worst
17 physical manifestations.

18 (3) Abuses of power, failure to respect human
19 rights, exclusion of and discrimination against soci-
20 etal groups, and unchecked violence, particularly
21 against women and girls, are impediments to eco-
22 nomic development.

23 (4) While each country must marshal its own
24 economic and human resources in order to build and
25 maintain the political, social, and economic institu-

1 tions necessary to reduce poverty and improve the
2 quality of life for its people, the magnitude of the
3 need far exceeds the resources of most developing
4 countries.

5 (5) The United States has acknowledged a col-
6 lective responsibility for, as well as a national inter-
7 est in, the reduction of global poverty through the
8 promotion of long-term development that is
9 participatory, equitable, self-reliant, and environ-
10 mentally sustainable.

11 (6) A human rights-based approach that fo-
12 cuses on empowering women and girls has been
13 shown to maximize development outcomes.

14 (7) Development is a long-term process that re-
15 quires sustained attention and resources. Foreign
16 assistance to achieve short-term political objectives
17 or meet emergency humanitarian needs should not
18 come at the expense of efforts to address the root
19 causes of poverty and human suffering.

20 **SEC. 1012. STATEMENT OF POLICY.**

21 It is the policy of the United States to reduce global
22 poverty by helping poor people in developing countries to
23 participate in a process of self-sustaining, equitable, and
24 environmentally sound economic growth through produc-
25 tive work and to influence decisions that shape their lives,

1 with the goal of increasing their incomes and their access
2 to public services that will enable them to satisfy their
3 basic needs, exercise their rights, and lead lives of decency,
4 dignity, and hope.

5 **SEC. 1013. PRINCIPLES OF ASSISTANCE.**

6 In order to maximize the reduction of global poverty,
7 assistance under this subtitle should be carried out in ac-
8 cordance with the following principles:

9 (1) Development is primarily the responsibility
10 of the people of developing countries themselves. As-
11 sistance should be used in support of, rather than
12 substitution for, the self-help efforts that are essen-
13 tial to successful economic development.

14 (2) Assistance should be demand-driven and de-
15 signed to support partner country ownership by re-
16 specting the development goals chosen through an
17 open and inclusive process in the partner country.

18 (3) The United States Government should work
19 to broaden country-level policy dialogue on develop-
20 ment by promoting an open and inclusive process for
21 choosing development goals, and by increasing the
22 capacity of all stakeholders to participate meaning-
23 fully in that process.

24 (4) Persons affected by conflict or disaster—in-
25 cluding refugees, stateless persons, and internally

1 displaced persons, particularly those in protracted
2 situations—are among the world’s most vulnerable
3 to poverty, exclusion, exploitation and other abuses.
4 Although they have tremendous potential to con-
5 tribute to the growth and development of the com-
6 munities and countries where they reside, these pop-
7 ulations often lack access to development resources
8 and programs. Such populations, as well as other
9 marginalized groups, must be explicitly included in
10 country development programs and national develop-
11 ment strategies.

12 (5) Assistance should be concentrated in coun-
13 tries that have the greatest need for outside assist-
14 ance and that will make the most effective use of
15 such assistance in achieving the purposes of this
16 subtitle.

17 (6) Program selection and design should be
18 linked to results, by using performance frameworks
19 and indicators that are included in or consistent
20 with a developing country’s national development
21 strategy, where possible, and by strengthening the
22 country’s capacity and demand for results-based
23 management.

24 (7) When partner country systems are trans-
25 parent, accountable and effective, the United States

1 Government should use such systems for delivering
2 assistance. Where use of such systems is not fea-
3 sible, the United States should establish additional
4 safeguards and measures in ways that strengthen
5 rather than undermine country systems.

6 (8) Even in countries where there is a strong
7 and capable state, civil society should be included in
8 the planning, design, management, delivery, moni-
9 toring and evaluation of foreign assistance.

10 (9) Assistance should focus on building the self-
11 sufficiency of developing countries by upgrading
12 human, technical, and institutional capacity, both in-
13 side and outside government, to effectively plan,
14 manage, implement, monitor, and evaluate budgets,
15 policies, and programs in a transparent and account-
16 able manner that supports development objectives.

17 (10) The United States Government should
18 take all appropriate steps to harmonize its planning,
19 funding, conditionality, disbursement, monitoring,
20 evaluation, and reporting with governments of devel-
21 oping countries and with other donors, including
22 multilateral institutions, in order to simplify and re-
23 duce the administrative burdens, achieve a more ef-
24 fective division of labor that builds on donors' com-

1 parative advantages, and improve accountability for
2 results.

3 (11) In consultation with Congress and in con-
4 junction with the Interagency Policy Committee on
5 Global Development established under section 1020,
6 the Administrator should engage in strategic and
7 budgetary planning over a 3- to 5-year period that
8 will enable the disbursement of assistance in a more
9 timely and predictable manner.

10 (12) Personnel and management systems of the
11 Agency should incorporate incentives for innovation
12 and experimentation, with tolerance of reasonable
13 risk-taking and training on risk-management.

14 (13) Poverty reduction efforts should promote a
15 policy environment and legal framework that is con-
16 ducive to broad-based and sustainable economic
17 growth, including—

18 (A) respect for the rule of law;

19 (B) fair, accessible, and timely administra-
20 tion of justice;

21 (C) representative and accountable institu-
22 tions of governance;

23 (D) protection of human rights and funda-
24 mental freedoms;

1 (E) mechanisms of accountability and
2 transparency;

3 (F) security of person, property and invest-
4 ments;

5 (G) enforcement of contracts and intellec-
6 tual property rights;

7 (H) encouragement of private enterprise,
8 free markets and labor rights; and

9 (I) a vibrant and informed civil society.

10 (14) An effective United States strategy to pro-
11 mote global poverty reduction and contribute to
12 broad-based, sustainable economic growth must in-
13 corporate all United States policies having an impact
14 on development, which include foreign assistance,
15 debt relief, trade, agriculture, migration and remit-
16 tances, environmental protection, technology trans-
17 fer, and arms sales.

18 (15) Assistance should be provided in a manner
19 that is flexible enough to adapt to the unique needs
20 and capabilities of specific developing countries and
21 changing situations on the ground, while remaining
22 transparent and predictable enough to allow devel-
23 oping countries and other partners to plan and
24 budget efficiently.

1 (16) Assistance should give priority to under-
2 takings that will directly improve the lives of the
3 poorest, most vulnerable and marginalized groups,
4 and strengthen their capacity to participate in the
5 political, economic, and social development of their
6 countries.

7 (17) Investments in research, the fostering of
8 innovation and the application of technology are es-
9 sential to expanding the impact and effectiveness of
10 development policies and programs. To ensure that
11 such research, innovation and technology are appro-
12 priately harnessed, development assistance policies
13 and programs should promote data collection and
14 rigorous analysis, evidence-based decisionmaking, a
15 culture of learning, a mechanism for scaling up suc-
16 cessful methods and activities, and a process for
17 sharing best practices.

18 (18) Gender equality is a matter of funda-
19 mental human rights, as well as being essential to
20 the reduction of poverty and to the health, education
21 and well-being of families and communities. Assist-
22 ance should encourage and promote the full partici-
23 pation of women and girls in the decisions that af-
24 fect their lives, elevate the role of women in their so-
25 cieties, ensure that women are fully integrated into

1 United States policies and programs, afford women
2 opportunities to support themselves and their fami-
3 lies, equip and empower women to serve as leaders
4 and as agents of transformation, and protect women
5 and girls against discrimination and violence.

6 (19) Assistance should promote the wise and ef-
7 ficient use of natural resources to ensure stable eco-
8 nomic growth and a healthy environment in which to
9 live, learn, and work.

10 (20) Policies and programs carried out under
11 this subtitle should promote, protect, and ensure the
12 full and equal enjoyment of all human rights and
13 fundamental freedoms by all persons with disabil-
14 ities, respect their inherent dignity, and encourage
15 their full and effective participation in society on an
16 equal basis with others.

17 (21) International and United Nations-affiliated
18 agencies and multilateral development institutions
19 are essential components of United States poverty
20 reduction efforts. The United States Government
21 should recognize the comparative advantages of such
22 institutions, particularly with respect to investments
23 in capital-intensive projects and in countries and re-
24 gions where the United States does not have a large
25 physical presence, while supporting reforms to make

1 such institutions more accountable, responsive, and
2 representative. In addition to direct financial con-
3 tributions, the United States Government should
4 provide technical and logistical assistance to such in-
5 stitutions as appropriate.

6 (22) Private investment and philanthropy and
7 individual remittances are increasingly important
8 sources of development resources. The United States
9 Government should help to link the United States
10 private sector with appropriate local partners, to en-
11 courage private investment in economic and social
12 development programs to which the United States
13 lends support, and to ensure complementarity be-
14 tween public and private development efforts.

15 (23) Assistance should be planned and utilized
16 to encourage regional cooperation among developing
17 countries in the solution of common problems and
18 the development of shared resources.

19 **SEC. 1014. GOALS OF ASSISTANCE.**

20 In order to reduce poverty in developing countries,
21 assistance under this subtitle shall be designed to further
22 the following goals:

- 23 (1) Accelerating economic growth.
- 24 (2) Promoting food security.
- 25 (3) Advancing health.

1 (4) Expanding quality education.

2 (5) Protecting and restoring the natural envi-
3 ronment.

4 (6) Improving access to safe water, sanitation,
5 and housing.

6 (7) Fostering gender equality.

7 (8) Strengthening democratic governance.

8 **SEC. 1015. DEVELOPMENT SUPPORT FUNDS.**

9 (a) AUTHORIZATION OF ASSISTANCE.—

10 (1) IN GENERAL.—The Administrator is au-
11 thorized to provide assistance, on such terms and
12 conditions as the Administrator may determine, to
13 developing countries, in accordance with the policy
14 described in section 1012 and the principles de-
15 scribed in section 1013, to further the goals de-
16 scribed in section 1014.

17 (2) COUNTRY STRATEGIES.—The annual con-
18 gressional budget justification submitted under sec-
19 tion 9302 shall specify the amount of funds to be
20 made available to prepare and carry out Country
21 Development Cooperation Strategies under section
22 1018.

23 (3) AVAILABILITY.—Funds made available
24 under this section for a fiscal year are authorized to
25 remain available until expended.

1 (4) DESIGNATION OF FUNDS.—Assistance au-
2 thorized under this subsection shall be known as
3 “Development Support Funds”.

4 (b) SUSTAINABILITY AND LOCAL PROCUREMENT.—
5 In providing assistance authorized under subsection (a),
6 the Administrator—

7 (1) shall, to the maximum extent feasible, em-
8 phasize the development of local capacity and the es-
9 tablishment of sustainable institutions in the partner
10 country; and

11 (2) should, to the extent feasible and if cost-ef-
12 fective, procure required goods and services in the
13 partner country, or, if local procurement is not fea-
14 sible or cost-effective, in another developing country
15 in the same region.

16 (c) FACTORS.—In determining the amount of assist-
17 ance to be provided for each country the Administrator
18 shall take into account the following factors:

19 (1) The absolute number and proportion of peo-
20 ple in such country living in poverty.

21 (2) The country’s ranking on the Human De-
22 velopment Index or other similar measures of living
23 standards and overall well-being.

24 (3) The country’s per capita income.

1 (4) The availability of domestic resources for
2 development within such country.

3 (5) The availability of resources from other do-
4 nors and investors in such country.

5 (6) The extent to which there is a political, so-
6 cial, and economic environment in such country that
7 will enable funds to be used effectively and account-
8 ably to achieve lasting results.

9 (7) The performance record of the country in
10 reducing poverty and responsibly using foreign as-
11 sistance, if any, in the previous three to five-year pe-
12 riod.

13 (8) The country's demonstrated commitment to
14 its own development, including investments in its
15 people.

16 (9) Any other factors that the Administrator
17 determines to be appropriate.

18 (d) CRITERIA AND METHODOLOGY.—

19 (1) ESTABLISHMENT.—The Administrator shall
20 establish the criteria and methodology for deter-
21 mining the amount of assistance to be provided for
22 each country under subsection (a). Such criteria and
23 methodology shall—

24 (A) be based on the factors listed in sub-
25 section (c);

1 (B) use, to the maximum extent possible,
2 objective and quantifiable indicators; and

3 (C) ensure that an appropriate proportion
4 of funds are made available for each geographic
5 region of the world.

6 (2) CONGRESSIONAL CONSULTATION.—The Ad-
7 ministrator shall consult with the appropriate con-
8 gressional committees on the criteria and method-
9 ology, including indicators, established pursuant to
10 paragraph (1).

11 (3) PUBLIC AVAILABILITY.—The criteria and
12 methodology, including indicators, established pursu-
13 ant to paragraph (1) shall be made publicly available
14 on the Internet website of the Agency.

15 (4) ANNUAL BUDGET SUBMISSION.—For each
16 fiscal year, the Administrator shall include in the
17 congressional budget justification submitted under
18 section 9302 the rankings of each country according
19 to the criteria and methodology established pursuant
20 to paragraph (1).

21 (e) FULL FUNDING OF PROJECTS AND ACTIVI-
22 TIES.—

23 (1) IN GENERAL.—Subject to paragraph (2),
24 funds may be obligated to carry out a Country De-
25 velopment Cooperation Strategy under section 1018

1 or a sector strategy for development transmitted
2 under section 1019 only pursuant to an agreement
3 for a project or activity that constitutes an obliga-
4 tion of the full estimated amount of foreign assist-
5 ance for the life of such project or activity.

6 (2) RULES OF CONSTRUCTION.—For purposes
7 of this section—

8 (A) an obligation includes any sub-obliga-
9 tion of funds initially obligated under a Stra-
10 tegic Objective Agreement or other similar
11 agreement;

12 (B) an agreement includes any grant, co-
13 operative agreement, or contract entered into by
14 the United States Government or a partner
15 country with funds made available to carry out
16 this subtitle; and

17 (C) funds, in addition to those obligated
18 pursuant to subsection (a), may be obligated for
19 a project or activity if the Administrator deter-
20 mines, on a case-by-case basis, and reports such
21 determination to the appropriate congressional
22 committees, that an additional obligation of
23 funds is necessary in order to enable the Ad-
24 ministrator to meet development objectives that

1 could otherwise not be met absent such addi-
2 tional obligation.

3 (3) OUTLAYS AND EXPENDITURES.—The re-
4 quirement in paragraph (1) shall not be construed to
5 require outlays or expenditures for a project or ac-
6 tivity which does not meet all applicable conditions
7 relating to performance, accountability, and eligi-
8 bility.

9 **SEC. 1016. INNOVATION FUND.**

10 (a) ESTABLISHMENT.—The Administrator is author-
11 ized to establish a fund to support innovative projects and
12 evidence-based solutions that may be tested, replicated,
13 and scaled up in partner countries to significantly improve
14 development outcomes.

15 (b) FUNDING.—The Administrator is authorized—
16 (1) to transfer to the fund up to \$50,000,000
17 of amounts made available for a fiscal year under
18 section 1015, which may be used notwithstanding
19 any other provision of law; and

20 (2) to accept contributions to the fund from
21 foundations, corporations, and educational and non-
22 governmental organizations.

23 (c) DOCUMENTATION.—A detailed description of all
24 obligations and expenditures from the fund shall be made
25 publicly available on the Internet website of the Agency,

1 including a description of amounts, beneficiaries, loca-
2 tions, and intended purposes, at the time the obligation
3 or expenditure is made.

4 (d) LESSONS LEARNED.—Each project supported by
5 the fund shall be independently evaluated, and the results
6 and lessons learned shall be made publicly available on the
7 Internet website of the Agency.

8 **SEC. 1017. UNITED STATES STRATEGY FOR GLOBAL DEVEL-**
9 **OPMENT.**

10 (a) IN GENERAL.—Under the direction of the Presi-
11 dent, and consistent with the results of the Quadrennial
12 Diplomacy, Development, and Security Review, the Inter-
13 agency Policy Committee on Global Development estab-
14 lished under section 1020 shall prepare on a quadrennial
15 basis a comprehensive strategy to further the United
16 States foreign policy objective of promoting global develop-
17 ment. Such strategy shall be known as the “United States
18 Strategy for Global Development”.

19 (b) ELEMENTS.—The strategy required under sub-
20 section (a) shall—

21 (1) establish clear and specific goals and objec-
22 tives for United States policies and programs to ad-
23 vance global development that are consistent with
24 the principles of section 1013, internationally agreed
25 development goals, and developing country priorities;

1 (2) explain how such goals and objectives are
2 informed by and will be coordinated with inter-
3 nationally agreed goals, developing country strate-
4 gies, and the programs of other bilateral and multi-
5 lateral donors;

6 (3) identify major policy changes and key prior-
7 ities for assistance that will be necessary to achieve
8 such goals and objectives;

9 (4) provide evidence and data to support the
10 proposed strategy and demonstrate how it would im-
11 prove development effectiveness;

12 (5) define the respective roles of each Federal
13 agency in carrying out the strategy;

14 (6) outline a process to enhance coordination
15 among each such agency to ensure policy and pro-
16 gram coherence;

17 (7) review and improve mechanisms for con-
18 sulting with other development stakeholders;

19 (8) describe how crosscutting themes such as
20 gender equality, human rights, environment, and
21 conflict prevention will be integrated throughout the
22 strategy;

23 (9) recommend mechanisms to ensure that the
24 strategy can be adjusted to respond to new informa-

1 tion and changing situations on the ground and to
2 reflect best practices and lessons learned;

3 (10) estimate the requirements for human and
4 financial resources and overseas infrastructure to
5 carry out the strategy over the subsequent 4-year
6 period; and

7 (11) include a plan, budget, and timetable for
8 implementing the strategy, including any legislative
9 requests and Executive orders to be issued.

10 (c) CONSULTATION.—In preparing the strategy re-
11 quired under subsection (a), the Interagency Policy Com-
12 mittee on Global Development established under section
13 1020 shall consult with the appropriate congressional com-
14 mittees and relevant stakeholders.

15 (d) TRANSMISSION TO CONGRESS.—

16 (1) IN GENERAL.—Not later than 180 days
17 after the date of the enactment of this Act and every
18 four years thereafter, the President shall transmit to
19 the appropriate congressional committees a copy of
20 the strategy required under subsection (a).

21 (2) AVAILABILITY TO PUBLIC.—The strategy
22 transmitted under paragraph (1) shall be published
23 on the Internet at the time of transmission to the
24 appropriate congressional committees.

1 **SEC. 1018. COUNTRY DEVELOPMENT COOPERATION STRAT-**
2 **EGIES.**

3 (a) IN GENERAL.—Every 3 to 5 years, the Mission
4 Director of the Agency in each country described in sub-
5 section (b) shall prepare a strategy for United States poli-
6 cies and programs relating to development in such coun-
7 try. Such strategy shall be known as the “Country Devel-
8 opment Cooperation Strategy”.

9 (b) COUNTRY DESCRIBED.—A country described in
10 this subsection is a country in which—

11 (1) there is a full Agency mission; and

12 (2) significant violent conflict is neither ongoing
13 nor likely.

14 (c) ELEMENTS.—Each strategy required under sub-
15 section (a) shall be consistent with the principles of section
16 1013 and shall contain the following elements:

17 (1) An overview of the country’s own develop-
18 ment strategy and national sectoral plans, as re-
19 flected in its Poverty Reduction Strategy Paper or
20 other official documents.

21 (2) An analysis of the process by which the
22 country established its development strategy, includ-
23 ing the extent to which the strategy reflects the
24 input of marginalized groups and affected commu-
25 nities.

1 (3) An assessment of current gaps between re-
2 lief and development programming, the country's
3 vulnerability to a natural or human-caused disaster
4 and to the outbreak of violent conflict, and the steps
5 being taken to close current programming gaps and
6 to prevent, prepare for, or mitigate such a disaster
7 or conflict.

8 (4) An assessment of the country's vulnerability
9 to climate change, and the special challenges such
10 change is likely to pose.

11 (5) An assessment of the progress the country
12 has made toward meeting its development goals and
13 of the results of foreign assistance in the previous 3
14 to 5 years.

15 (6) An analysis of the major obstacles and chal-
16 lenges to achievement of the country's development
17 strategy, or in cases in which there is no strategy or
18 the strategy is deeply flawed, the obstacles and chal-
19 lenges to achievement of internationally agreed de-
20 velopment goals in the country.

21 (7) A description of the specific ways in which
22 the United States can most effectively invest in the
23 country's development, including a review of the
24 roles of the various donors and the areas of United
25 States comparative advantage.

1 (8) A description of the roles of each partici-
2 pating Federal agency in carrying out the strategy.

3 (9) A description of the consultative mecha-
4 nisms used in developing the strategy and the stake-
5 holders consulted.

6 (10) A description of the mechanisms by which
7 United States Government policies and programs re-
8 lating to development will be harmonized with the
9 country's development strategy and assistance from
10 other donors.

11 (11) A description of the linkages between the
12 strategy and relevant sector strategies for develop-
13 ment, including any assistance to be provided for the
14 country pursuant to a sector strategy.

15 (12) An evaluation of the risks and tradeoffs
16 contained in the approach recommended in the strat-
17 egy.

18 (13) Specific, measurable goals and objectives
19 for development assistance to the country over the
20 next 3 to 5 years, including a list of indicators to
21 be used in assessing impact, which to the maximum
22 extent practicable shall reflect the country's develop-
23 ment strategy, shall be gender-disaggregated, and
24 shall emphasize the reduction of extreme poverty.

1 (14) The total amount of development assist-
2 ance requested for the country over the period of the
3 strategy, and the estimated amount that would be
4 devoted to each goal and objective for such assist-
5 ance.

6 (15) A description of the types of projects and
7 activities to be supported in pursuit of each goal and
8 objective for such assistance.

9 (16) A description of the likely types of part-
10 ners for each type of project or activity, which to the
11 maximum extent practicable shall utilize and
12 strengthen local procurement and delivery systems.

13 (17) A description of the personnel resources
14 needed to implement the strategy, and any bureau-
15 cratic, logistical, or infrastructural impediments to
16 deploying such resources.

17 (18) A description of how development assist-
18 ance will build local capacity, strengthen country
19 ownership, improve country systems, advance demo-
20 cratic governance, and reflect country priorities.

21 (19) A plan and budget for monitoring the per-
22 formance and evaluating the impact of development
23 assistance, which to the maximum extent practicable
24 shall utilize and strengthen local monitoring and

1 evaluation systems, and shall include data on a sex-
2 disaggregated basis.

3 (20) A description of how development assist-
4 ance will help to promote regional cooperation and
5 integration.

6 (d) CONSULTATION.—In preparing the strategy re-
7 quired under subsection (a), the Mission Director shall
8 consult with a wide range of relevant stakeholders to en-
9 sure that the strategy is appropriate to local needs and
10 conditions and incorporates the views of the partner coun-
11 try.

12 (e) REVIEW AND COORDINATION.—

13 (1) BY ADMINISTRATOR.—Each strategy pre-
14 pared under subsection (a) shall be submitted to the
15 Administrator for review and approval.

16 (2) BY IPC.—Each strategy reviewed and ap-
17 proved under paragraph (1) shall be transmitted to
18 the Interagency Policy Committee on Global Devel-
19 opment established under section 1020 to ensure co-
20 ordination with the United States Global Develop-
21 ment Strategy and all other United States policies
22 and programs relating to the partner country.

23 (f) TRANSMISSION.—

1 (1) TO CONGRESS.—Each strategy prepared
2 under subsection (a) shall be transmitted to the ap-
3 propriate congressional committees.

4 (2) TO PARTNER COUNTRY.—Each strategy
5 prepared under subsection (a) shall be officially
6 transmitted to the government of the partner coun-
7 try at the same time it is transmitted to the appro-
8 priate congressional committees under paragraph
9 (1).

10 (3) PUBLIC AVAILABILITY.—Each strategy pre-
11 pared under subsection (a) shall be published on the
12 Internet website of the Agency not later than 3 days
13 after it is transmitted to the government of the part-
14 ner country under paragraph (2).

15 (4) REVISIONS.—

16 (A) IN GENERAL.—A strategy prepared
17 under subsection (a) may be revised at any
18 time, but any significant revision to such strat-
19 egy shall be subject to the same consultation,
20 review, and transmission requirements that are
21 applicable to a strategy prepared under sub-
22 section (a).

23 (B) DEFINITION.—In this paragraph, the
24 term “significant revision” means a change—

25 (i) to a goal, objective, or indicator;

- 1 (ii) of more than 20 percent in—
2 (I) the amounts to be provided
3 for a goal or objective; or
4 (II) the number of personnel re-
5 quired; or
6 (iii) in the general nature of the
7 projects or activities to be supported.

8 (g) IMPLEMENTATION.—None of the funds made
9 available under section 1015 may be used to carry out a
10 strategy prepared under subsection (a) until at least 15
11 days after the strategy is transmitted to the appropriate
12 congressional committees under subsection (f)(1).

13 **SEC. 1019. SECTOR STRATEGIES FOR DEVELOPMENT.**

14 (a) IN GENERAL.—Every 4 years, the Administrator
15 shall prepare, consistent with the results of the Quadren-
16 nial Diplomacy, Development, and Security Review pre-
17 pared under section 9101 and the United States Strategy
18 for Global Development prepared under section 1017, in-
19 dividual strategies for achieving each of the goals of assist-
20 ance described in paragraphs (1) through (8) of section
21 1014.

22 (b) ELEMENTS.—Each strategy required under sub-
23 section (a) shall include—

1 (1) specific objectives for the next 4-year pe-
2 riod, including indicators and other measurements of
3 success;

4 (2) a description of how such objectives relate
5 to, are informed by, and will be coordinated with the
6 development goals and relevant sectoral plans of
7 partner countries, as well as with those of other bi-
8 lateral and multilateral donors;

9 (3) a description of the roles of each Federal
10 agency in carrying out the strategy, and the mecha-
11 nisms for coordination;

12 (4) a description of policies and programs need-
13 ed to achieve such objectives, and the proportion of
14 resources to be provided to such policies and pro-
15 grams;

16 (5) a description of the ways in which research,
17 innovation, and technology will be deployed in sup-
18 port of such objectives;

19 (6) a list of priority countries, regions, and in-
20 tended beneficiaries on which resources would be fo-
21 cused;

22 (7) a description of the gender considerations
23 taken into account, the role of women and girls as
24 participants and beneficiaries of the strategy, and
25 the impact the strategy will have on gender equality;

1 (8) a description of how the policies, programs,
2 objectives and priorities have been informed by, and
3 will respond to, conflict strategies and assessments
4 issued pursuant to section 2021;

5 (9) an analysis of the key opportunities and
6 challenges for achieving favorable results in the next
7 4-year period;

8 (10) a mechanism for ensuring that policies and
9 programs undertaken pursuant to the strategy in-
10 form and are informed by, build upon, contribute to,
11 and otherwise advance policies and programs pursu-
12 ant to each of the other sector strategies required
13 under this section;

14 (11) the amounts devoted to similar purposes in
15 the previous 4-year period, the results achieved and
16 the lessons learned; and

17 (12) the requirements for human and financial
18 resources and overseas infrastructure to carry out
19 the strategy over the next 4-year period.

20 (c) CONSULTATION.—In preparing each strategy re-
21 quired under subsection (a), the Administrator shall con-
22 sult with the appropriate congressional committees and a
23 wide range of relevant stakeholders to ensure that the
24 strategy is appropriate to local needs and conditions and
25 incorporates the views of partner countries.

1 (d) REVIEW AND COORDINATION.—Each strategy
2 prepared under subsection (a) shall be transmitted to the
3 Interagency Policy Committee on Global Development es-
4 tablished under section 1020 to ensure coordination with
5 the United States Global Development Strategy and all
6 other United States policies and programs pertaining to
7 that sector.

8 (e) TRANSMISSION TO CONGRESS.—

9 (1) SCHEDULE.—At the time of transmission of
10 the United States Strategy for Global Development
11 pursuant to section 1017, the Administrator shall
12 transmit to the appropriate congressional commit-
13 tees a schedule for the completion within the next 2
14 years of an initial strategy for each of the goals de-
15 scribed in section 1014.

16 (2) REGULAR TRANSMISSION.—Each strategy
17 prepared under subsection (a) shall be transmitted
18 to the appropriate congressional committees.

19 (3) PUBLIC AVAILABILITY.—Each strategy pre-
20 pared under subsection (a) shall be published on the
21 Internet website of the Agency not later than 3 days
22 after it is transmitted to the appropriate congres-
23 sional committees.

24 (4) REVISIONS.—

1 (A) IN GENERAL.—A strategy prepared
2 under subsection (a) and transmitted pursuant
3 to paragraph (2) may be revised at any time,
4 but any significant revision to such strategy
5 shall be subject to the same consultation, re-
6 view, and transmission requirements that are
7 applicable to a strategy prepared under sub-
8 section (a).

9 (B) DEFINITION.—In this paragraph, the
10 term “significant revision” means a change—

- 11 (i) to a goal, objective, or indicator;
- 12 (ii) in the general nature of the poli-
13 cies and programs to be supported;
- 14 (iii) in the priority countries, regions,
15 or intended beneficiaries; or
- 16 (iv) of more than 10 percent of the
17 proportion of resources to be provided to a
18 policy or program.

19 (f) IMPLEMENTATION.—None of the funds made
20 available under section 1015 may be used to carry out a
21 strategy prepared under subsection (a) until at least 15
22 days after the strategy is transmitted to the appropriate
23 congressional committees pursuant to subsection (e).

1 **SEC. 1020. INTERAGENCY POLICY COMMITTEE ON GLOBAL**
2 **DEVELOPMENT.**

3 (a) ESTABLISHMENT.—The President shall establish
4 an Interagency Policy Committee on Global Development
5 (in this section referred to as the “Committee”) to coordi-
6 nate United States budgets, policies, and programs affect-
7 ing international development.

8 (b) MEMBERSHIP.—The Committee shall be com-
9 posed of the Administrator and a senior representative of
10 each Federal agency with policies or programs signifi-
11 cantly affecting international development.

12 (c) CHAIRPERSON.—The President shall designate a
13 member of the Committee to serve as its Chairperson, who
14 shall report directly to the President.

15 (d) VICE CHAIRPERSON.—If the Administrator is not
16 designated as Chairperson pursuant to subsection (c),
17 then the Administrator shall serve as Vice Chairperson of
18 the Committee.

19 (e) MEETINGS.—

20 (1) REGULAR MEETINGS.—Meetings of the
21 Committee shall be held not less often than quar-
22 terly.

23 (2) ADDITIONAL MEETINGS.—In addition to its
24 regular meetings, the Committee shall meet subject
25 to the call of the Chairperson or the Vice Chair-
26 person.

1 (f) SUBORDINATE UNITS.—The Committee may es-
2 tablish such subordinate units as it determines necessary.

3 (g) DUTIES.—The Committee shall—

4 (1) advise the President with respect to the co-
5 ordination of United States budgets, policies, and
6 programs affecting international development, in-
7 cluding programs of bilateral and multilateral devel-
8 opment assistance;

9 (2) promote policy consistency and coherence,
10 and minimize program gaps and duplication;

11 (3) prepare, on a quadrennial basis, a com-
12 prehensive strategy to further the United States for-
13 eign policy objective of reducing global poverty, as
14 described in section 1017;

15 (4) review, upon completion, Country Develop-
16 ment Cooperation Strategies required under section
17 1018, and ensure that such strategies are coordi-
18 nated with the United States Strategy for Global
19 Development and all other United States policies
20 and programs relating to the partner country;

21 (5) review, upon completion, the sector strate-
22 gies for development prepared under section 1019,
23 and ensure that such strategies are coordinated with
24 the United States Strategy for Global Development

1 and all other United States policies and programs
2 relating to that sector;

3 (6) monitor and evaluate the results and impact
4 of the development policies and programs carried out
5 by each Federal agency;

6 (7) facilitate coordination, cooperation, and in-
7 formation sharing among Federal agencies; and

8 (8) define and rationalize the role of each Fed-
9 eral agency in carrying out development policies and
10 programs.

11 (h) STAFFING.—

12 (1) IN GENERAL.—The Administrator shall pro-
13 vide administrative and staff support to the Com-
14 mittee.

15 (2) OTHER AGENCIES.—The head of a Federal
16 agency represented on the Committee may tempo-
17 rarily assign, upon the request of the Chairperson,
18 one or more employees from the agency to the staff
19 of the Committee.

20 **SEC. 1021. GLOBAL DEVELOPMENT COUNCIL.**

21 (a) POLICY.—To help protect national security and
22 further United States economic, humanitarian, and stra-
23 tegic interests in the world, it is the policy of the United
24 States Government to promote and elevate development as
25 a core pillar of United States power and chart a course

1 for development, diplomacy, and defense to reinforce and
2 complement one another. The successful pursuit of devel-
3 opment is essential to advancing United States national
4 security objectives: security, prosperity, respect for uni-
5 versal values, and a just and sustainable international
6 order. The effectiveness of this development policy will de-
7 pend in large measure on how the United States engages
8 with partners, beneficiaries of development assistance, and
9 stakeholders. The United States will use evidence-based
10 decisionmaking in all areas of United States development
11 policy and programs, and will foster development expertise
12 and learning worldwide.

13 (b) ESTABLISHMENT.—

14 (1) IN GENERAL.—The President shall establish
15 a Global Development Council (in this section re-
16 ferred to as the “Council”) to advise and support
17 the President in furtherance of the policy set out in
18 subsection (a).

19 (2) LOCATED WITHIN AGENCY.—The Council
20 shall be established for administrative purposes with-
21 in the Agency, subject to the foreign policy and
22 budgetary guidance of the Secretary.

23 (c) MEMBERSHIP.—

24 (1) IN GENERAL.—The Council shall be com-
25 posed of the following:

1 (A) Not more than 12 individuals from
2 outside the United States Government ap-
3 pointed by the President. Such members may
4 serve as representatives of a variety of sectors,
5 including, among others, institutions of higher
6 education, non-profit and philanthropic organi-
7 zations, civil society, and private industry.

8 (B) The Secretary of State, the Secretary
9 of the Treasury, the Secretary of Defense, the
10 Administrator of the United States Agency for
11 International Development, and the Chief Exec-
12 utive Officer of the Millennium Challenge Cor-
13 poration, who—

14 (i) shall serve as non-voting members
15 of the Council; and

16 (ii) may designate, to perform the
17 Council functions of the member, a senior-
18 level official who is part of the member's
19 department, agency, or office, and who is
20 a full-time officer or employee of the Fed-
21 eral Government.

22 (2) CHAIR AND VICE CHAIR.—The President
23 shall designate a member of the Council to serve as
24 Chair and another member to serve as Vice Chair.
25 The Chair shall convene and preside at meetings of

1 the Council, determine meeting agendas, and direct
2 its work. The Vice Chair shall perform the duties of
3 the Chair in the absence of the Chair and shall per-
4 form such other functions as the Chair may assign.

5 (3) TERMS.—The term of office of a member
6 appointed by the President from outside the United
7 States Government shall be 2 years, and such mem-
8 ber shall be eligible for reappointment and may con-
9 tinue to serve after the expiration of such term until
10 the President appoints a successor. A member ap-
11 pointed to fill a vacancy shall serve only for the un-
12 expired term of such vacancy.

13 (d) FUNCTIONS.—The Council shall meet regularly
14 and shall—

15 (1) inform the policy and practice of United
16 States global development policy and programs by
17 providing advice to the President and other senior
18 officials on issues including—

19 (A) innovative, scalable approaches to de-
20 velopment with proven demonstrable impact,
21 particularly on sustainable economic growth
22 and good governance;

23 (B) areas for enhanced collaboration be-
24 tween the United States Government and public

1 and private sectors to advance development pol-
2 icy;

3 (C) best practices for and effectiveness of
4 research and development in low and middle in-
5 come economies; and

6 (D) long-term solutions to issues central to
7 strategic planning for United States develop-
8 ment efforts;

9 (2) support new and existing public-private
10 partnerships by—

11 (A) identifying key areas for enhanced col-
12 laboration and any barriers to collaboration;
13 and

14 (B) recommending concrete efforts that
15 the private and public sectors together can take
16 to promote economic development priorities and
17 initiatives; and

18 (3) increase awareness and action in support of
19 development by soliciting public input on current
20 and emerging issues in the field of global develop-
21 ment as well as bringing to the President's attention
22 concerns and ideas that would inform policy options.

23 (e) ADMINISTRATION AND RELATED MATTERS.—

24 (1) IN GENERAL.—The heads of executive de-
25 partments and agencies shall assist and provide in-

1 formation to the Council, consistent with applicable
2 law, as may be necessary to carry out the functions
3 of the Council.

4 (2) FUNDING AND ADMINISTRATIVE SUP-
5 PORT.—Funding and administrative support for the
6 Council shall be provided by the Agency to the ex-
7 tent permitted by law and within existing appropria-
8 tions.

9 (3) EXECUTIVE DIRECTOR.—The Administrator
10 shall appoint an Executive Director who shall be a
11 Federal officer or employee of the Agency and serve
12 as a liaison to the Administrator and the Executive
13 Office of the President and consult with relevant
14 Federal departments, agencies, and offices on mat-
15 ters and activities pertaining to the Council.

16 (4) COMPENSATION; TRAVEL EXPENSES.—The
17 members of the Council who are appointed from out-
18 side the Federal Government shall serve without
19 compensation for their work on the Council. Mem-
20 bers of the Council may receive travel expenses, in-
21 cluding per diem in lieu of subsistence, in accord-
22 ance with applicable provisions under subchapter I
23 of chapter 57 of title 5, United States Code.

24 (5) To the extent as the Federal Advisory Com-
25 mittee Act applies to the Council, any functions of

1 the President under such Act, except functions relat-
2 ing to reporting to Congress, shall be performed by
3 the Administrator in accordance with the guidelines
4 issued by the Administrator of General Services.

5 (f) TERMINATION.—

6 (1) IN GENERAL.—Except as provided in para-
7 graph (2), the Council shall terminate on the date
8 that is 2 years after the date of the enactment of
9 this Act.

10 (2) EXTENSION.—The Council may be extended
11 by the President for additional two-year periods.

12 (3) REPORT.—Prior to exercising the authority
13 under paragraph (2) to extend the Council, the
14 President shall submit to the appropriate congres-
15 sional committees a report on the activities of the
16 Council during the previous two-year period.

17 **SEC. 1022. DEVELOPMENT EDUCATION.**

18 The Administrator is authorized to use up to
19 \$1,000,000 of amounts made available under section 1015
20 in any fiscal year to support expansion and improvement
21 of United States education about global poverty, the proc-
22 ess and challenges of international development, and the
23 interdependence of the United States and developing coun-
24 tries.

1 **SEC. 1023. DEFINITIONS.**

2 In this subtitle:

3 (1) **AGRICULTURE.**—The term “agriculture”
4 means the science and practice of activities related
5 to food, feed, livestock, or fiber production, proc-
6 essing, marketing, distribution, utilization, and
7 trade, and encompasses the study and practice of
8 family and consumer sciences, nutrition, food
9 sciences, forestry, wildlife, fisheries, aquaculture,
10 floraculture, livestock management, veterinary medi-
11 cine, and other environmental and natural resource
12 sciences.

13 (2) **AGRICULTURAL DEVELOPMENT.**—The term
14 “agricultural development” means methods to use
15 agriculture as a basis for food security, family liveli-
16 hood, and economic growth by—

17 (A) increasing the productivity of those in-
18 volved in the production of food, fuel, and fiber,
19 including farmers, fishers, foresters, and pas-
20 toralists, particularly those that operate on a
21 small scale;

22 (B) linking producers to consumers
23 through markets, including postharvest activi-
24 ties such as storage, processing, transport, and
25 improving market efficiency;

1 (C) supporting a legal, regulatory, and pol-
2 icy environment that is conducive to agricul-
3 tural investment and production; and

4 (D) strengthening technical, financial, and
5 business service providers that help food pro-
6 ducers grow their enterprises.

7 (3) COUNTRY SYSTEMS.—The term “country
8 systems” means the public financial management,
9 procurement, disbursement, and monitoring and
10 evaluation systems of a country.

11 (4) DEVELOPING COUNTRY.—The term “devel-
12 oping country” means a country or area that is on
13 the List of Official Development Assistance Recipi-
14 ents of the Development Assistance Committee of
15 the Organization for Economic Cooperation and De-
16 velopment.

17 (5) DEVELOPMENT STAKEHOLDER.—The term
18 “development stakeholder”—

19 (A) means an entity directly or indirectly
20 affected by the success of efforts to reduce pov-
21 erty and promote self-sustaining, equitable, and
22 environmentally sound economic growth in a
23 partner country; and

24 (B) includes—

1 (i) national, regional, and local gov-
2 ernments and administering authorities,
3 intermediate representative institutions,
4 civil society organizations, and intended
5 beneficiaries, including marginalized
6 groups;

7 (ii) Federal agencies, congressional
8 committees, the Government Accountability
9 Office, and private partners; and

10 (iii) bilateral, multilateral, and private
11 donors.

12 (6) FOOD SECURITY.—The term “food secu-
13 rity” means that all people at all times have both
14 physical and economic access to sufficient food to
15 meet their dietary needs for a healthy and active
16 life.

17 (7) RELEVANT STAKEHOLDER.—The term “rel-
18 evant stakeholder”—

19 (A) means a party that is—

20 (i) directly or indirectly affected by a
21 particular law, regulation, policy, process,
22 program, project, or activity; or

23 (ii) involved in the funding, design,
24 implementation, auditing, or oversight
25 thereof; and

(B) includes—

(i) national, regional, and local governments and administering authorities, intermediate representative institutions, civil society organizations, and intended beneficiaries, including marginalized groups;

(ii) Federal agencies, congressional committees, the Government Accountability Office, and private partners; and

(iii) bilateral, multilateral, and private donors.

CHAPTER 1—ACCELERATING ECONOMIC GROWTH

SEC. 1101. FINDINGS AND STATEMENT OF POLICY.

(a) FINDINGS.—Congress finds the following:

(1) Broad-based and sustainable economic growth is the most powerful engine for reducing poverty, and is key to advancing human development. It is the surest way for countries to generate the resources they need to address illiteracy, poor health, and other development challenges on their own.

(2) By expanding incomes, economic growth helps families and individuals not only to meet their basic needs, but also to realize their unique capabili-

1 ties, exercise greater freedom in their lives, and
2 achieve their full human potential.

3 (3) Economic growth enables countries to offer
4 better markets for United States goods and services
5 and to become more effective partners with the
6 United States in working toward a more stable,
7 healthy, and prosperous world.

8 (4) Well-functioning, dynamic private markets
9 promote economic activity and accelerate growth,
10 providing increased incomes and employment.

11 (5) To encourage entrepreneurship and private
12 investment, developing countries must create a fa-
13 vorable legal, policy and regulatory environment; an
14 efficient and accountable system of public financial
15 management; fair, transparent and predictable en-
16 forcement of property rights and contracts; effective
17 procedures for resolving economic disputes among
18 firms and individuals; and rigorous efforts to stem
19 bribery and corruption.

20 (6) Even where markets are functioning well,
21 differential access to education, technology, credit
22 and other resources can cause economic benefits to
23 be uneven. Expanding economic opportunity and ac-
24 cess to the tools that help citizens engage in the
25 market economy enables the poor, women and other

1 marginalized groups to participate in and contribute
2 to economic growth.

3 (7) An abundance of young people in a country
4 with a weak economy and non-responsive govern-
5 ment can leave individuals frustrated by the lack of
6 jobs and opportunities. But youth are also key
7 human resources for growth and positive change.
8 When governments embrace policies that promote
9 education, economic opportunities, the empowerment
10 of women, and equitable access to resources, coun-
11 tries can capitalize on the productivity of a growing
12 workforce to boost economic growth.

13 (8) Expanding trade regionally and internation-
14 ally is critical for many of the smallest and poorest
15 developing countries, where local demand is too weak
16 to support large-scale expansion of production, em-
17 ployment, and incomes. Building trade capacity and
18 removing trade barriers are essential to lasting eco-
19 nomic growth.

20 (9) Heavy debt burdens, often accumulated
21 under prior, undemocratic regimes, can undermine
22 the ability of developing countries to invest in their
23 people and make progress fighting poverty.

24 (10) United States international trade and eco-
25 nomic policies are often formulated with little rec-

1 ognition or consideration of their impact on devel-
2 oping countries. More active participation by the
3 Agency in interagency decisionmaking processes can
4 help achieve greater balance among competing
5 United States interests, ensuring that development
6 is duly considered as a priority of United States for-
7 eign policy.

8 (b) STATEMENT OF POLICY.—It is the policy of the
9 United States to work in cooperation with the inter-
10 national community to help partner countries achieve
11 broad-based and sustainable economic growth that—

12 (1) includes all major income groups,
13 marginalized groups and women;

14 (2) significantly reduces poverty;

15 (3) uses natural resources responsibly; and

16 (4) reduces dependence on foreign assistance.

17 **SEC. 1102. GOAL AND OBJECTIVES.**

18 (a) GOAL.—The goal of assistance under this chapter
19 is to accelerate broad-based and sustainable economic
20 growth.

21 (b) OBJECTIVES.—In furtherance of the goal de-
22 scribed in subsection (a), assistance under this chapter
23 shall be designed to help partner countries achieve the fol-
24 lowing objectives:

25 (1) Increase income-generating opportunities.

1 (2) Expand access to markets, capital, credit,
2 land, and other productive resources.

3 (3) Enhance productivity through education
4 and training.

5 (4) Improve the legal, regulatory and policy en-
6 vironment for business and trade.

7 (5) Build human and institutional capacity to
8 compete in the global economy.

9 **SEC. 1103. GLOBAL STRATEGY FOR ECONOMIC GROWTH.**

10 (a) IN GENERAL.—The strategy required under sec-
11 tion 1019 with respect to accelerating economic growth
12 shall be known as the “Global Strategy for Economic
13 Growth”.

14 (b) CONTENTS.—The Global Strategy for Economic
15 Growth shall include, in addition to the elements required
16 under section 1019(b), plans for achieving the goal and
17 objectives of section 1102.

18 (c) GUIDELINES.—The Global Strategy for Economic
19 Growth should—

20 (1) specify the role of microfinance and micro-
21 enterprise development, including the resources to be
22 devoted to promoting microenterprise;

23 (2) identify United States policies relating to
24 trade, agriculture, debt, and other matters that have
25 an impact on economic growth in developing coun-

1 tries, and recommend changes that would enhance
2 development objectives;

3 (3) plan for long-term sustainability through
4 linkages to regional and international markets and
5 private investment;

6 (4) include mechanisms for increasing consulta-
7 tion, cooperation, and coordination with the private
8 sector, in order to attract greater private sector par-
9 ticipation in development activities;

10 (5) address the impact of remittances and iden-
11 tify ways that their development impact can be
12 maximized;

13 (6) recommend methods for reducing illicit out-
14 flows of natural resources and capital from devel-
15 oping countries; and

16 (7) establish mechanisms for improving policy
17 and program coordination among Federal agencies
18 engaged in economic growth activities.

19 **SEC. 1104. ASSISTANCE FOR ECONOMIC GROWTH.**

20 (a) **AUTHORIZATION.**—The Administrator is author-
21 ized to use funds made available under section 1015 to
22 further the goal and objectives of this chapter in partner
23 countries.

24 (b) **ACTIVITIES.**—Assistance authorized under sub-
25 section (a) shall include the following:

1 (1) Expanding income generating opportunities
2 for the poor, including women.

3 (2) Enhancing the workforce by, among other
4 things, providing job training and vocational skills
5 appropriate to local needs and conditions.

6 (3) Improving access, particularly of women
7 and the poor, to markets and productive resources,
8 including credit and financial services, affordable
9 and resource-conserving technologies, technical and
10 market-related information, and property and inher-
11 itance rights.

12 (4) Strengthening the legal, policy, and regu-
13 latory framework for broad-based and sustainable
14 economic growth, including the protection of private
15 property and intellectual property.

16 (5) Supporting the development of cooperatives,
17 credit unions, and labor unions.

18 (6) Expanding local capacity and demand for
19 collection and analysis of statistical information.

20 (7) Promoting the development, reform or re-
21 structuring, as appropriate, of financial, monetary,
22 fiscal and regulatory systems.

23 (8) Building and strengthening institutional ca-
24 pacities to plan, analyze, implement, manage, mon-
25 itor and evaluate economic policies and programs.

1 (9) Promoting sound financial management
2 practices and budgetary policies, and reducing cor-
3 ruption, waste, fraud and abuse.

4 (10) Increasing private sector competitiveness,
5 strengthening local and regional markets, building
6 trade capacity, and expanding trade ties.

7 (11) Promoting collaboration between public
8 and private sector entities for the reduction of pov-
9 erty and its worst physical manifestations, and en-
10 couraging private sector investment in projects bene-
11 fitting the poor.

12 (12) Facilitating the development of social safe-
13 ty nets, pension plans, insurance networks, and
14 other mechanisms designed to improve income secu-
15 rity.

16 (13) Protecting internationally recognized work-
17 er rights, especially with regard to child labor.

18 (14) Developing and identifying analytical tools
19 and methodologies to enable effective targeting and
20 measurement of programs for women, the poor and
21 very poor.

22 (15) Increasing the transparency of budgets
23 and procurement processes, and the effectiveness of
24 oversight, monitoring, accountability and audit
25 mechanisms.

1 **SEC. 1105. FISCAL AND CONTRACT TRANSPARENCY.**

2 (a) ESTABLISHMENT OF INTERNATIONAL STAND-
 3 ARDS.—The United States Government should seek, in
 4 appropriate multilateral fora, to establish voluntary inter-
 5 national standards of fiscal and contract transparency,
 6 such as the public disclosure of budget documentation, in-
 7 cluding receipts and expenditures by ministry, and govern-
 8 ment contracts and licenses for natural resource extrac-
 9 tion, including bidding and concession allocation practices.

10 (b) PARTNERSHIPS FOR TRANSPARENCY.—The Ad-
 11 ministrator is authorized to use funds made available
 12 under this chapter to support improvements to fiscal and
 13 contract transparency in partner countries.

14 (c) REQUIREMENT.—The Administrator shall not
 15 provide direct government-to-government assistance under
 16 this Act for any government that fails to make its national
 17 budget publicly available on an annual basis.

18 (d) DEFINITION.—In this section, the term “govern-
 19 ment-to-government assistance” means assistance for a
 20 project or activity that is managed directly by a partner
 21 government entity using its own financial management
 22 and procurement systems.

23 **Subchapter A—Microenterprise Development**
 24 **Assistance**

25 **SEC. 1111. FINDINGS AND STATEMENT OF POLICY.**

26 (a) FINDINGS.—Congress finds the following:

1 (1) Access by women and the poor to financial
2 and business development services is a vital factor in
3 reducing poverty and promoting sustainable eco-
4 nomic growth in developing countries.

5 (2) Microfinance and microenterprise develop-
6 ment programs have demonstrated high impact and
7 long-term sustainability because they build capacity
8 for self-help among the poor, especially women,
9 thereby broadening the base for and increasing the
10 inclusiveness of economic growth.

11 (3) In order to ensure that microenterprise pro-
12 grams promote the maximum financial inclusion of
13 women, gender analysis should be integrated into
14 microenterprise program design, implementation,
15 monitoring and evaluation.

16 (4) A comprehensive approach to microenter-
17 prise development includes support for the provision
18 of credit, savings, insurance, education and training,
19 technical assistance, business development, and
20 other financial services to women, poor people, and
21 other marginalized groups.

22 (5) Microenterprise development and micro-
23 finance are particularly important to enhancing the
24 livelihoods of refugees, displaced persons, and those
25 affected by conflict, whose routine employment op-

1 opportunities and access to productive resources have
2 been reduced or disrupted.

3 (6) Microenterprise and microfinance activities
4 should be thoroughly integrated into all aspects of
5 development, especially including agriculture and
6 health.

7 (7) United States Government support for
8 microfinance and microenterprise development
9 should complement private initiatives in this area by
10 focusing on those who lack access to formal financial
11 services, and on countries and sectors that have been
12 underserved by private capital flows.

13 (8) United States Government funds should be
14 used to catalyze and attract additional resources, in-
15 cluding private sector funds, investment funds, and
16 the savings of the poor, such as through matching
17 fund opportunities and challenge grants.

18 (9) United States Government-supported micro-
19 finance lending should accept a higher level of risk
20 than private lending in order to promote innovative
21 products and methodologies and serve poorer and
22 harder-to-reach populations.

23 (10) United States Government support for mi-
24 croenterprise development and microfinance should
25 build the capacity of local institutions in order to en-

1 able them to better meet the credit, savings, and
2 training needs of microfinance and microenterprise
3 clients.

4 (11) Microfinance and microenterprise activi-
5 ties, especially those benefitting the very poor,
6 should be a significant component of development
7 assistance.

8 (b) STATEMENT OF POLICY.—It is the policy of the
9 United States to promote a global strategy of financial in-
10 clusion for all, and especially the very poor and women,
11 through support for microfinance and microenterprise de-
12 velopment in partner countries.

13 **SEC. 1112. MICROENTERPRISE FUND.**

14 (a) IN GENERAL.—The Administrator shall establish
15 a centrally managed fund for microfinance and microen-
16 terprise development activities, to be known as the “Micro-
17 enterprise Fund”. Assistance provided through the Micro-
18 enterprise Fund shall be in addition to assistance other-
19 wise made available for such purposes.

20 (b) ACTIVITIES.—Assistance provided through the
21 Microenterprise Fund shall be used to advance the policy
22 described in section 1111(b), including through the fol-
23 lowing activities:

1 (1) Expanding the availability of credit, savings
2 and other financial and nonfinancial services to
3 microfinance and microenterprise clients.

4 (2) Training, technical assistance and business
5 development services for microenterprises.

6 (3) Capacity-building for microfinance and mi-
7 croenterprise institutions.

8 (4) Improving the legal and regulatory environ-
9 ment for microenterprise and for financial institu-
10 tions that serve the poor and very poor.

11 (5) Developing new and innovative microfinance
12 and microenterprise products and services.

13 (6) Developing, identifying and testing tools
14 that facilitate better targeting of programs to the
15 very poor, women, and other disadvantaged groups.

16 (7) Providing targeted core support for micro-
17 finance and microenterprise networks and other
18 practitioners.

19 (c) TARGETING OF ASSISTANCE.—

20 (1) VERY POOR AND WOMEN.—At least 50 per-
21 cent of the assistance provided through the Microen-
22 terprise Fund shall be targeted to microenterprise
23 clients who are very poor, and a significant propor-
24 tion of such assistance shall be targeted to women.

1 (2) POVERTY ASSESSMENT TOOLS.—In tar-
2 geting assistance pursuant to paragraph (1), the Ad-
3 ministrator shall identify, field-test, and certify for
4 use no fewer than two low-cost methods to assess
5 the poverty levels of incoming or prospective clients
6 of microenterprise institutions, and shall require
7 that all private partners use one of the certified
8 methods.

9 (d) PRIVATE PARTNERS.—Assistance provided
10 through the Microenterprise Fund shall emphasize the use
11 of private partners who—

12 (1) match such assistance, to the greatest ex-
13 tent practicable, with non-United States Government
14 resources, including funds from other donors, com-
15 mercial or concessional borrowing, participant sav-
16 ings, and program income;

17 (2) maintain low overhead and administrative
18 costs;

19 (3) are highly technically competitive;

20 (4) design their programs to meet the needs of
21 women;

22 (5) target their resources at the very poor;

23 (6) design their programs for maximum finan-
24 cial sustainability; and

1 (7) adopt robust client protection principles and
2 incorporate them into their practices.

3 **SEC. 1113. OFFICE OF MICROENTERPRISE DEVELOPMENT.**

4 (a) ESTABLISHMENT.—There is established within
5 the Agency an Office of Microenterprise Development
6 (hereafter in this section referred to as the “Office”),
7 which shall be headed by a Director who shall be ap-
8 pointed by the Administrator and who should possess tech-
9 nical expertise and ability to offer leadership in the field
10 of microenterprise development.

11 (b) RESPONSIBILITIES.—The Office shall be respon-
12 sible for—

13 (1) administering the Microenterprise Fund es-
14 tablished under section 1112;

15 (2) developing a comprehensive and coherent
16 plan, which shall be made available to the public, for
17 promoting financial inclusion for all through micro-
18 finance and microenterprise development programs;

19 (3) ensuring that such plan is integrated into
20 the Global Strategy for Economic Growth described
21 in section 1103 and other country and sector strate-
22 gies for development, as appropriate;

23 (4) advising and providing technical support to
24 Agency missions regarding the design and implemen-
25 tation of microfinance and microenterprise develop-

1 ment programs, including through incorporation of
2 such programs into Country Development Coopera-
3 tion Strategies;

4 (5) setting performance goals and indicators to
5 ensure that microfinance and microenterprise devel-
6 opment activities benefit the very poor and women;
7 and

8 (6) collecting and disseminating detailed data to
9 document the impact of microfinance and microen-
10 terprise development activities on the very poor and
11 women.

12 **SEC. 1114. DEFINITIONS.**

13 In this subchapter:

14 (1) MICROENTERPRISE.—The term “microen-
15 terprise” means a firm of 10 or fewer employees, in-
16 cluding unpaid workers, which is owned and oper-
17 ated by someone who is poor.

18 (2) MICROFINANCE.—The term “microfinance”
19 means activities to provide, or to increase the avail-
20 ability of, credit, savings, insurance, and other finan-
21 cial services to microenterprises.

22 (3) VERY POOR.—The term “very poor” refers
23 to individuals whose incomes are—

1 (A) in the bottom 50 percent of those
2 below the poverty line in their country of resi-
3 dence; or

4 (B) below the World Bank international
5 extreme poverty line.

6 **Subchapter B—Small and Medium Enterprise**
7 **Development**

8 **SEC. 1121. FINDINGS AND STATEMENT OF POLICY.**

9 (a) FINDINGS.—Congress finds the following:

10 (1) Small and medium enterprises (SMEs) are
11 key drivers of competition, growth, and job creation,
12 particularly in developing countries. They make up
13 an estimated 90 percent of businesses and over 50
14 percent of employment worldwide.

15 (2) Access to financial services for SMEs re-
16 mains severely constrained in many emerging mar-
17 kets.

18 (3) The global financial crisis created a financ-
19 ing gap that particularly affected SMEs, making it
20 more difficult for these enterprises to find the cap-
21 ital to grow their businesses and create jobs.

22 (4) Even as liquidity is restored to financial in-
23 stitutions, lending volumes remain depressed and
24 SMEs still have limited access to financing.

1 (5) The lack of agribusinesses in rural areas
 2 has contributed to the growth of urban slums and a
 3 burgeoning population of disaffected youth.

4 (6) Increasing access to finance for SMEs is
 5 best achieved by increasing the depth and breadth of
 6 local financial markets and boosting the competitive-
 7 ness of the private financial sector.

8 (7) Enabling growth—and ensuring that poor
 9 people can participate—requires an environment
 10 where people are able to start and grow businesses,
 11 as well as create more jobs.

12 (b) STATEMENT OF POLICY.—It is the policy of the
 13 United States to encourage entrepreneurship and expand
 14 the formal sector in partner countries by—

15 (1) building the capacity of SMEs;

16 (2) increasing SME access to financial services,
 17 technology, training, and other resources; and

18 (3) reducing the legal and bureaucratic hurdles
 19 to starting a business.

20 **SEC. 1122. ASSISTANCE FOR SMALL AND MEDIUM ENTER-**
 21 **PRISES.**

22 The Administrator is authorized to use funds made
 23 available under this chapter for programs to encourage en-
 24 trepreneurship and strengthen small and medium enter-
 25 prises in partner countries, including:

1 (1) Training in entrepreneurship, including
2 basic business management, accounting, book-
3 keeping, marketing, risk management, and computer
4 skills.

5 (2) Agriculture entrepreneurship training, par-
6 ticularly to increase employment opportunities in
7 rural areas.

8 (3) Establishing youth entrepreneurship pro-
9 grams in schools or through community partnerships
10 with business and youth organizations to promote
11 economic skills, ethics, integrity, and healthy life
12 skills among youth.

13 (4) Strengthening laws, regulations, and en-
14 forcement mechanisms to protect national and inter-
15 national intellectual property rights and to protect
16 the people and industries of developing countries
17 against imported counterfeit goods.

18 (5) Combating anti-competitive, unethical, and
19 corrupt practices.

20 (6) Improving the technology and information
21 resources of financial institutions and small and me-
22 dium enterprises.

23 (7) Promoting the establishment of lending pro-
24 grams of financial institutions for small and medium
25 enterprises.

1 (8) Developing internal credit rating systems
 2 and credit assessment tools that improve the ability
 3 of financial institutions to evaluate risk.

4 (9) Programs specifically targeted to small and
 5 medium enterprises owned by women, youth, and
 6 displaced persons.

7 **SEC. 1123. DEFINITION.**

8 In this subchapter, the term “small and medium en-
 9 terprise” means a corporation, sole proprietorship, part-
 10 nership, or other legal entity that—

11 (1) has its principal place of business in a part-
 12 ner country;

13 (2) is owned or controlled by persons who are
 14 citizens of such partner country; and

15 (3) has fewer than 50 employees.

16 **Subchapter C—Other Programs**

17 **SEC. 1131. DEVELOPMENT CREDIT AUTHORITY.**

18 (a) AUTHORIZATION OF CREDIT.—

19 (1) IN GENERAL.—The Administrator is au-
 20 thorized to provide direct loans, loan guarantees,
 21 and other investments involving the extension of
 22 credit to achieve any of the goals of this subtitle in
 23 cases in which—

1 (A) the borrowers or activities are deter-
2 mined to be sufficiently creditworthy and do not
3 otherwise have access to such credit; and

4 (B) the use of credit authority is appro-
5 priate to the achievement of such goals.

6 (2) DESIGNATION.—Assistance authorized
7 under this subsection shall be known as the “Devel-
8 opment Credit Authority”.

9 (b) PRIORITY ACTIVITIES.—To the maximum extent
10 practicable, the Administrator shall give preference to pro-
11 viding assistance authorized under subsection (a) to pro-
12 mote—

13 (1) the policy described in section 1111(b);

14 (2) sustainable urban and environmental activi-
15 ties described in chapters 5 and 6; and

16 (3) policy and institutional reforms in accord-
17 ance with the objectives of this chapter.

18 (c) DEFAULT AND COMMODITY PROVISIONS.—

19 (1) DEFAULT PROVISION.—For purposes of this
20 Act, the default of a private sector recipient of as-
21 sistance provided under this section shall not be con-
22 sidered to be the default of the government of the
23 country in which the private sector recipient is lo-
24 cated.

1 (2) COMMODITY PROVISION.—Assistance may
2 be provided under this section without regard to
3 commodity restrictions (as such term is defined in
4 section 11001).

5 (d) TERMS AND CONDITIONS OF CREDIT ASSIST-
6 ANCE.—

7 (1) IN GENERAL.—Assistance provided under
8 this section shall be offered on such terms and con-
9 ditions, including fees charged, as the Administrator
10 may determine.

11 (2) LIMITATION.—The principal amount of
12 loans made or guaranteed under this section in any
13 fiscal year, with respect to any single country or bor-
14 rower, may not exceed \$100,000,000.

15 (3) FRAUD AND MISREPRESENTATION.—No
16 payment may be made under any guarantee issued
17 under this section for any loss arising out of fraud
18 or misrepresentation for which the party seeking
19 payment is responsible.

20 (e) FULL FAITH AND CREDIT.—All guarantees
21 issued under this section shall constitute obligations, in
22 accordance with the terms of such guarantees, of the
23 United States of America and the full faith and credit of
24 the United States of America is hereby pledged for the

1 full payment and performance of such obligations to the
2 extent of the guarantee.

3 (f) CO-FINANCING AND RISK SHARING.—

4 (1) IN GENERAL.—Assistance provided under
5 this section shall be in the form of co-financing or
6 risk sharing.

7 (2) REQUIREMENT.—Credit assistance may not
8 be provided to a borrower under this section unless
9 the Administrator determines that there are reason-
10 able prospects of repayment by such borrower.

11 (3) ADDITIONAL REQUIREMENT.—The invest-
12 ment or risk of the United States in any one devel-
13 opment activity may not exceed 80 percent of the
14 total outstanding investment or risk.

15 (g) ELIGIBLE BORROWERS.—

16 (1) IN GENERAL.—In order to be eligible to re-
17 ceive credit assistance under this section, a borrower
18 shall be sufficiently credit worthy so that the esti-
19 mated costs (as defined in section 502(5) of the
20 Federal Credit Reform Act of 1990) of the proposed
21 credit assistance for the borrower does not exceed 30
22 percent of the principal amount of credit assistance
23 to be received.

24 (2) ADDITIONAL REQUIREMENT.—

1 (A) IN GENERAL.—With respect to the eli-
2 gibility of a foreign government as an eligible
3 borrower under this section, the Administrator
4 shall make a determination that the additional
5 debt of the government will not exceed the debt
6 repayment capacity of the government.

7 (B) CONSULTATION.—In making a deter-
8 mination under paragraph (A), the Adminis-
9 trator shall consult, as appropriate, with inter-
10 national financial institutions and other institu-
11 tions or agencies that assess debt service capac-
12 ity.

13 (h) ASSESSMENT OF CREDIT RISK.—

14 (1) IN GENERAL.—The Administrator shall use
15 the Interagency Country Risk Assessment System
16 (ICRAS) and the methodology approved by the Of-
17 fice of Management and Budget to assess the cost
18 of risk credit assistance provided under this section
19 to foreign governments.

20 (2) CONSULTATION.—With respect to the provi-
21 sion of credit to nongovernmental organizations, the
22 Administrator—

23 (A) shall consult with appropriate private
24 sector institutions, including large United
25 States private sector debt rating agencies, prior

1 to establishing the risk assessment standards
2 and methodologies to be used; and

3 (B) shall periodically consult with such in-
4 stitutions in reviewing the performance of such
5 standards and methodologies.

6 (3) USE OF COST AND RISK ASSESSMENT DE-
7 TERMINATIONS OF PRIVATE SECTOR CO-FINANCING
8 ENTITIES.—In addition, if the anticipated share of
9 financing attributable to public sector owned or con-
10 trolled entities, including the Agency, exceeds 49
11 percent, the Administrator shall determine the cost
12 (as defined in section 502(5) of the Federal Credit
13 Reform Act of 1990) of such assistance by using the
14 cost and risk assessment determinations of the pri-
15 vate sector co-financing entities.

16 (i) RETENTION OF RECEIPTS COLLECTED.—Receipts
17 collected pursuant to this section, and the Federal Credit
18 Reform Act of 1990, in an amount not to exceed the
19 amount appropriated for a fiscal year, shall be credited
20 as offsetting collections for Development Support Funds,
21 and shall be used to reduce, on a dollar-for-dollar basis,
22 appropriations for that purpose. Amounts collected in a
23 fiscal year in excess of obligations shall remain available
24 until expended.

1 **SEC. 1132. TECHNICAL ASSISTANCE FOR FINANCIAL MAN-**
2 **AGEMENT.**

3 (a) ESTABLISHMENT OF PROGRAM.—

4 (1) IN GENERAL.—The Secretary of the Treas-
5 ury, in consultation with the Secretary of State and
6 the Administrator, is authorized to establish a pro-
7 gram to provide technical assistance to foreign gov-
8 ernments and foreign central banks of partner coun-
9 tries.

10 (2) ROLE OF SECRETARY OF STATE.—The Sec-
11 retary of State shall provide foreign policy guidance
12 to the Secretary of the Treasury to ensure that the
13 program established under this subsection is effec-
14 tively coordinated with United States foreign policy.

15 (3) ROLE OF ADMINISTRATOR.—The Adminis-
16 trator shall provide development guidance to the
17 Secretary of the Treasury to ensure that the pro-
18 gram established under this subsection is effectively
19 coordinated with United States development policy
20 and furthers the goals of this subtitle.

21 (b) CONDUCT OF PROGRAM.—

22 (1) IN GENERAL.—In carrying out the program
23 established under subsection (a), the Secretary of
24 the Treasury shall provide economic and financial
25 technical assistance to foreign governments and for-
26 eign central banks of partner countries by providing

1 advisers with appropriate expertise to advance the
2 enactment of laws and establishment of administra-
3 tive procedures and institutions in such countries to
4 promote financial integrity, financial inclusion, con-
5 sumer protection, financial education, macro-
6 economic and fiscal stability, efficient resource allo-
7 cation, transparent and market-oriented processes
8 and sustainable private sector growth.

9 (2) ADDITIONAL REQUIREMENTS.—To the ex-
10 tent practicable, such technical assistance shall be
11 designed to establish—

12 (A) tax systems that are fair, objective,
13 and efficiently gather sufficient revenues for
14 governmental operations;

15 (B) debt issuance and management pro-
16 grams that rely on market forces;

17 (C) budget planning and implementation
18 that permits responsible fiscal policy manage-
19 ment;

20 (D) commercial banking sector develop-
21 ment that efficiently intermediates between sav-
22 ers and investors; and

23 (E) financial law development and enforce-
24 ment to protect the integrity of financial sys-

1 tems, financial institutions, and government
2 programs.

3 (3) EMPHASIS ON ANTI-CORRUPTION.—Such
4 technical assistance shall include elements designed
5 to combat anti-competitive, unethical, and corrupt
6 activities, including protection against actions that
7 may distort or inhibit transparency in market and
8 trade mechanisms and, to the extent applicable, pri-
9 vatization procedures.

10 (c) ADMINISTRATIVE REQUIREMENTS.—In carrying
11 out the program established under subsection (a), the Sec-
12 retary of the Treasury shall—

13 (1) in consultation with the Secretary of State
14 and the Administrator, establish a methodology for
15 identifying and selecting foreign governments and
16 foreign central banks to receive assistance under the
17 program;

18 (2) prior to selecting a foreign government or
19 foreign central bank to receive assistance under the
20 program, receive the concurrence of the Secretary of
21 State with respect to the selection of such govern-
22 ment or central bank and with respect to the cost
23 of the assistance to such government or central
24 bank;

1 (3) consult with the heads of appropriate Fed-
2 eral agencies and international financial institutions
3 to avoid duplicative efforts with respect to those for-
4 eign countries for which such agencies or organiza-
5 tions provide similar assistance;

6 (4) ensure that the program is consistent with
7 the global, sector, and country strategies being im-
8 plemented by the Agency; and

9 (5) establish and carry out a plan to monitor
10 and evaluate the program, consistent with the re-
11 quirements of section 9201.

12 (d) ADMINISTRATIVE AUTHORITIES.—The adminis-
13 trative authorities applicable to the Secretary of State
14 with respect to funds made available under this Act shall
15 also be applicable to the Secretary of the Treasury with
16 respect to funds made available under this section.

17 (e) ISSUANCE OF REGULATIONS.—The Secretary of
18 the Treasury is authorized to issue such regulations with
19 respect to personal service contractors as the Secretary de-
20 termines necessary to carry out this section.

21 (f) RULE OF CONSTRUCTION.—Nothing in this sec-
22 tion shall be construed to infringe upon the powers or
23 functions of the Secretary of State (including the powers
24 or functions described in section 103 of the Omnibus Dip-
25 lomatic Security and Antiterrorism Act of 1986 (22

1 U.S.C. 4802)) or of any chief of mission (including the
2 powers or functions described in section 207 of the For-
3 eign Service Act of 1980 (22 U.S.C. 3927)).

4 (g) TERMINATION OF ASSISTANCE.—The Secretary
5 of the Treasury shall conclude assistance activities for a
6 recipient foreign government or foreign central bank
7 under the program established under subsection (a) if the
8 Secretary of the Treasury, after consultation with the ap-
9 propriate officers of the United States, determines that
10 such assistance has resulted in the enactment of laws or
11 the establishment of institutions in that country that pro-
12 mote fiscal stability and administrative procedures, effi-
13 cient resource allocation, transparent and market-oriented
14 processes and private sector growth in a sustainable man-
15 ner.

16 (h) DEFINITIONS.—In this section:

17 (1) INTERNATIONAL FINANCIAL INSTITU-
18 TION.—The term “international financial institu-
19 tion” means the International Monetary Fund, the
20 International Bank for Reconstruction and Develop-
21 ment, the International Development Association,
22 the International Finance Corporation, the Multilat-
23 eral Investment Guarantee Agency, the Asian Devel-
24 opment Bank, the Asian Development Fund, the Af-
25 rican Development Bank, the African Development

1 Fund, the Inter-American Development Bank, the
2 Inter-American Investment Corporation, the Euro-
3 pean Bank for Reconstruction and Development,
4 and the Bank for Economic Cooperation and Devel-
5 opment in the Middle East and North Africa.

6 (2) TECHNICAL ASSISTANCE.—The term “tech-
7 nical assistance” includes—

8 (A) the provision of expert advisers to as-
9 sist foreign governments and foreign central
10 banks for the purposes described in subsection
11 (b)(1);

12 (B) training in the partner country, the
13 United States, or elsewhere for the purposes de-
14 scribed in subsection (b)(1);

15 (C) grants of goods, services, or funds to
16 foreign governments and foreign central banks
17 for the purposes described in subsection (b)(1);

18 (D) grants to United States or local non-
19 profit organizations to provide services or prod-
20 ucts which contribute to the provision of advice
21 to foreign governments and foreign central
22 banks; and

23 (E) study tours for foreign officials in the
24 United States or elsewhere for the purpose of
25 providing technical information to such officials.

1 (3) FOREIGN PARTICIPANT.—The term “foreign
2 participant” means a national of a partner country
3 who has been designated to participate in activities
4 under the program established under subsection (a).

5 **CHAPTER 2—PROMOTING FOOD**
6 **SECURITY**

7 **SEC. 1201. FINDINGS AND STATEMENT OF POLICY.**

8 (a) FINDINGS.—Congress finds the following:

9 (1) Hunger robs the poor of a healthy and pro-
10 ductive life and stunts the mental and physical de-
11 velopment of the next generation. The persistence of
12 widespread hunger and malnutrition constitutes an
13 affront to shared moral values and humanitarian
14 principles.

15 (2) Food insecurity and chronic hunger are ex-
16 panding rapidly in developing countries, forcing mil-
17 lions of people into poverty, contributing to political
18 and social instability, eroding economic growth, and
19 undermining investments in basic education, health,
20 environmental protection, and democratic institu-
21 tions.

22 (3) Volatility and real increases in food prices,
23 which are expected to grow as grain production fails
24 to keep pace with rising demand, cause food insecu-

1 rity and hunger for poor people even when sufficient
2 food is available on the market.

3 (4) The changing global climate, as well as the
4 degradation of land and water resources, threatens
5 food security, livelihoods and the environment world-
6 wide but particularly for those already most vulner-
7 able: the millions of rural poor in developing coun-
8 tries.

9 (5) The pressures on world food supplies and
10 agricultural land use caused by population growth,
11 rapid urbanization, energy, agricultural and trade
12 policies in industrialized countries, water scarcity,
13 and climate change require a global commitment to
14 sustainable agriculture and the environment.

15 (6) Lack of transparent regulations, incon-
16 sistent and unpredictable public policies in devel-
17 oping and developed countries, and unreliable mech-
18 anisms to enforce contracts between businesses serve
19 to undermine development goals, deter private in-
20 vestment, and limit the ability of agricultural pro-
21 ducers and businesses to access capital. This situa-
22 tion reduces the incentives for agricultural producers
23 to increase the quantity, quality, and value of their
24 agricultural production.

1 (7) Reducing chronic hunger is essential to
2 build a foundation for investments in health, edu-
3 cation and economic growth. It is critical to the se-
4 curity and productivity of individuals, families, com-
5 munities, and nations.

6 (8) Approximately three-quarters of people in
7 developing countries live in rural areas, with the vast
8 majority dependent on agriculture for their liveli-
9 hoods. Agricultural development is a proven engine
10 of growth that reduces global hunger and poverty.

11 (9) Women will be a pivotal force behind
12 achieving a food secure world. In many developing
13 countries, farming is done mostly by women. How-
14 ever, women only own 2 percent of land worldwide
15 and often have limited access to agriculture inputs,
16 loans, and opportunities to learn about improved
17 techniques. When gains in income are controlled by
18 women, they are more likely to be spent on food and
19 children's needs, thus amplifying the benefits of in-
20 vestments in women across families and generations.

21 (10) The 1,000 days between a woman's preg-
22 nancy and her child's second birthday offer a unique
23 window of opportunity to help families, communities,
24 and countries break the cycle of poverty. Solutions
25 to improve maternal and child nutrition in the

1 1,000-day window are readily available, affordable,
2 and cost-effective, including vitamins and minerals
3 and good nutritional practices, such as
4 breastfeeding.

5 (11) A comprehensive approach to long-term
6 food security should encompass improvements in—

7 (A) food availability, such that sufficient
8 quantities of appropriate, necessary types of
9 food are consistently available to all persons;

10 (B) food access, such that individuals have
11 adequate incomes or other resources to consist-
12 ently maintain an adequate diet, and food is al-
13 located equitably within households;

14 (C) food utilization and consumption, such
15 that people have the knowledge and basic sani-
16 tary conditions to choose, store, prepare and
17 distribute food in a way that results in good nu-
18 trition for all family members;

19 (D) stability, such that the ability to ac-
20 cess and utilize food remains stable and sus-
21 tained over time, regardless of adverse weather
22 conditions, political instability, or economic fac-
23 tors; and

24 (E) food quality and safety, such that food
25 supplies provide adequate nutritional value, are

1 free of contamination, and are fit for human
2 consumption.

3 (12) The greatest potential for significantly ex-
4 panding availability of food for people in rural areas
5 and augmenting world food production at relatively
6 low cost lies in increasing the productivity of small
7 farmers, who constitute a majority of the agricul-
8 tural producers in developing countries.

9 (13) However, increasing the efficiency of agri-
10 cultural producers alone will not result in higher in-
11 comes and reduced hunger unless surplus harvest
12 and products can be sold in well-functioning local,
13 national, regional, or international markets. Develop-
14 ment of strong, integrated, local, national, and re-
15 gional agriculture and food markets will increase the
16 availability of safe and nutritious food, decrease
17 local prices, and expand economic growth.

18 (14) The United States should emphasize poli-
19 cies and programs that assist developing countries to
20 increase their national food security by improving
21 their food policies and management and by strength-
22 ening national food reserves, with particular concern
23 for the needs of the poor, through measures encour-
24 aging domestic production.

1 (15) The long-term food security of developing
2 countries requires that adequate legal and proce-
3 dural mechanisms are in place to protect local rights
4 and the welfare of rural poor people who depend on
5 agriculture for their livelihoods.

6 (16) While the United States cannot be ex-
7 pected to shoulder the majority of global investments
8 in ending hunger and providing food security, the
9 United States can and should lead the international
10 community by demonstrating a sustained commit-
11 ment and a comprehensive approach to meeting
12 international goals and targets for reducing hunger
13 and undernutrition.

14 (17) Partner countries should decide their
15 needs, priorities, and strategies for agricultural de-
16 velopment and food security through an open,
17 participatory and inclusive process that takes into
18 account the needs and views of poor people, women,
19 and other marginalized groups. International efforts
20 to improve food security and nutritional status are
21 not sustainable over the long term without robust
22 leadership and ownership by partner countries.

23 (18) Nongovernmental organizations and co-
24 operatives are particularly important for combating
25 food insecurity and increasing the sustainability of

1 public investments. Given their close ties to local
2 communities, such organizations and cooperatives
3 are often effective at ensuring that people who are
4 very poor and vulnerable are consulted about and
5 benefit from agricultural and nutrition programs.

6 (19) Educational and research institutions play
7 a key role in developing the institutional capacity
8 and human resources of developing countries, includ-
9 ing the establishment and strengthening of agricul-
10 tural research and extension services, the develop-
11 ment of networks for scientific collaboration, the dis-
12 semination of improved methods and technologies,
13 and the training of students, teachers, researchers
14 and practitioners.

15 (20) With their convening authority and tech-
16 nical expertise, multilateral institutions play a cen-
17 tral role in efforts to enhance food security by pro-
18 viding emergency assistance, undertaking research
19 and analysis, offering a platform for sector-wide in-
20 vestments in agriculture, and providing a significant
21 portion of the external financing for investment
22 projects and programs in developing countries. They
23 are important not only to mobilizing and coordi-
24 nating donor country commitments, but also to pro-

1 moting global mutual accountability among donors,
2 partner countries and other stakeholders.

3 (21) Public sector investments alone, while im-
4 portant, are not sufficient to sustainably reduce pov-
5 erty and food insecurity. The private sector brings
6 necessary financial resources, human capital, techno-
7 logical resources, intellectual property, market ac-
8 cess, cutting-edge business practices, in-country net-
9 works, and other relevant experience.

10 (b) STATEMENT OF POLICY.—It is the policy of the
11 United States to recognize the human right to food and
12 to work in cooperation with the international community
13 to end hunger and achieve universal food security.

14 **SEC. 1202. GOAL AND OBJECTIVES.**

15 (a) GOAL.—The goal of assistance under this chapter
16 is to sustainably reduce global hunger.

17 (b) OBJECTIVES.—In furtherance of the goal of sub-
18 section (a), assistance under this chapter shall be designed
19 to help partner countries achieve the following objectives:

20 (1) Accelerating inclusive agriculture sector
21 growth.

22 (2) Improving nutritional status, especially of
23 women and children and other vulnerable popu-
24 lations.

1 (3) Increasing resilience in vulnerable rural
2 communities.

3 **SEC. 1203. GLOBAL STRATEGY FOR FOOD SECURITY.**

4 (a) IN GENERAL.—The strategy required under sec-
5 tion 1019 with respect to food security shall be known as
6 the “Global Strategy for Food Security”.

7 (b) CONTENTS.—The Global Strategy for Food Secu-
8 rity shall include, in addition to the elements required
9 under section 1019(b), plans for achieving the goal and
10 objectives of section 1202.

11 (c) GUIDELINES.—The Global Strategy for Food Se-
12 curity should—

13 (1) address the root causes of hunger that limit
14 the potential of millions of people;

15 (2) reduce gender inequality and integrate gen-
16 der concerns;

17 (3) promote climate-resistant and environ-
18 mentally sustainable agricultural development;

19 (4) concentrate efforts and resources on core
20 countries where the Rome Principles (as defined in
21 section 1208) can best be realized;

22 (5) be tailored to improving the nutritional sta-
23 tus of women, infants and children, particularly dur-
24 ing the 1,000 day critical window of opportunity be-
25 tween a woman’s pregnancy and her child’s second

1 birthday, in which a set of proven nutrition interven-
2 tions can dramatically improve the child's chances of
3 surviving and living a healthy and prosperous life;

4 (6) invest in country-owned plans that are de-
5 signed through an open, participatory, and inclusive
6 process and support results-based programs and
7 partnerships;

8 (7) strengthen strategic coordination to mobi-
9 lize and align the resources of diverse partners and
10 stakeholders;

11 (8) ensure a comprehensive approach that ac-
12 celerates inclusive agricultural-led growth and im-
13 proves nutrition, while also bridging humanitarian
14 relief and sustainable development efforts;

15 (9) leverage the benefits of multilateral institu-
16 tions so that priorities and approaches are aligned,
17 investments are coordinated, and financial and tech-
18 nical assistance gaps are filled; and

19 (10) deliver on sustained and accountable com-
20 mitments, using benchmarks and targets to measure
21 progress toward shared goals, and hold the United
22 States and other stakeholders publicly accountable
23 for achieving results.

1 **SEC. 1204. ASSISTANCE FOR PROMOTING FOOD SECURITY.**

2 (a) AUTHORIZATION.—The Administrator is author-
3 ized to use funds made available under section 1015 to
4 further the goal and objectives of this chapter.

5 (b) ACTIVITIES.—Assistance authorized under sub-
6 section (a) shall include—

7 (1) sustainably improving agricultural produc-
8 tivity by—

9 (A) increasing access to agricultural in-
10 puts, techniques, and technologies that are af-
11 fordable and environmentally responsible;

12 (B) developing inputs, techniques, and
13 technologies that are adapted to local condi-
14 tions;

15 (C) expanding access to knowledge through
16 agricultural extension;

17 (D) strengthening property rights to land
18 and other productive assets;

19 (E) enhancing sustainability and resilience
20 of production through sound environmental and
21 natural resource management;

22 (F) increasing access to dependable and af-
23 fordable financial and risk management serv-
24 ices;

25 (G) strengthening agricultural producer or-
26 ganizations; and

1 (H) strengthening regional harmonization
2 and coordination;

3 (2) expanding markets and trade by—

4 (A) increasing the quality and availability
5 of market information for producers and enter-
6 prise owners;

7 (B) improving post-harvest market infra-
8 structure;

9 (C) improving access to business develop-
10 ment and financial services;

11 (D) enhancing animal, plant and food safe-
12 ty;

13 (E) reducing the time and cost of moving
14 goods across borders;

15 (F) creating an enabling policy environ-
16 ment for agribusiness growth and private in-
17 vestment, including transparent regulations,
18 consistent and predictable public policies, and
19 reliable contract enforcement mechanisms;

20 (G) expanding access to larger and better
21 functioning regional markets; and

22 (H) supporting regional development cor-
23 ridors;

24 (3) raising nutritional status by—

1 (A) supporting community-based programs
2 to deliver nutrition education;

3 (B) improving diet quality and diversity,
4 including in food assistance programs;

5 (C) expanding access to clean water and
6 improved sanitation and promoting good hy-
7 giene practices;

8 (D) expanding delivery of nutrition serv-
9 ices; and

10 (E) facilitating supplementary and thera-
11 peutic feeding;

12 (4) increasing resilience in vulnerable rural
13 communities by—

14 (A) mitigating risks associated with
15 drought, natural disasters, and disease;

16 (B) promoting secure access to land and
17 natural resources;

18 (C) expanding access to financial services,
19 training, and technical assistance for micro-
20 enterprises and small businesses;

21 (D) supporting effective delivery and im-
22 plementation of productive safety nets and so-
23 cial protection systems;

24 (E) building capacity to manage risk
25 through early warning systems, vulnerability as-

1 sessment and mapping, emergency response
2 strategies, and micro-insurance;

3 (F) increasing the benefits of local and re-
4 gional food assistance procurement to
5 smallholder farmers; and

6 (G) adopting and delivering extension and
7 financial services and improved technologies to
8 very poor communities; and

9 (5) supporting a participatory and inclusive
10 process for determining needs, priorities, and strate-
11 gies and holding stakeholders accountable for results
12 by—

13 (A) expanding and facilitating the inclu-
14 sion of women, rural poor people, and other
15 marginalized groups in decisionmaking;

16 (B) building the capacity of the groups de-
17 scribed in subparagraph (A) to participate ef-
18 fectively in decisionmaking;

19 (C) developing and enforcing legal protec-
20 tions for the rights and welfare of the groups
21 described in subparagraph (A);

22 (D) setting meaningful benchmarks and
23 selecting appropriate indicators for the chosen
24 strategies;

1 (E) improving the quality and availability
2 in partner countries of relevant data and anal-
3 ysis; and

4 (F) establishing and strengthening mecha-
5 nisms for monitoring programs, measuring
6 progress, evaluating outcomes, disseminating
7 findings, and integrating best practices and les-
8 sons learned.

9 **SEC. 1205. COLLABORATIVE AGRICULTURAL AND NUTRI-**
10 **TION RESEARCH AND INNOVATION.**

11 (a) PROGRAMS AUTHORIZED.—The Administrator is
12 authorized to use funds made available under this chapter
13 for collaborative agricultural and nutrition research and
14 innovation programs, including—

15 (1) advancing the institutional capacity and
16 human resources of developing countries, including
17 the establishment and strengthening of national ag-
18 ricultural research and extension systems;

19 (2) conducting long-term collaborative research
20 support programs with institutions of higher edu-
21 cation in developing countries, including the training
22 of students, teachers, extension specialists, nutrition-
23 ists, and researchers;

1 (3) developing a global network for scientific
2 collaboration on agricultural development, trade, re-
3 search, and extension services;

4 (4) broadly disseminating agricultural research
5 in developing countries, in partnership with public
6 and private extension systems, cooperatives, and
7 other civil society organizations;

8 (5) expanding learning opportunities about ag-
9 riculture and nutrition for students, teachers, small-
10 scale food producers, school administrators, commu-
11 nity leaders, entrepreneurs, and the general public in
12 developing countries through international intern-
13 ships and exchanges, graduate fellowships, faculty
14 positions, and other means of education and exten-
15 sion, with a focus on reaching women food pro-
16 ducers;

17 (6) incentivizing the development of new and in-
18 novative technology and methods to increase agricul-
19 tural productivity and improve nutritional status;

20 (7) developing scalable and cost-effective pro-
21 grams for training the next generation of agricul-
22 tural researchers and research administrators in
23 partner countries;

1 (8) advancing women’s leadership in science
2 and technology through proactive recruitment, men-
3 toring, and targeted research support;

4 (9) formulating approaches to improving agri-
5 cultural and nutrition education and extension that
6 is relevant to agricultural producers, their needs,
7 and the local environment;

8 (10) creating platforms for improving national
9 capacity to collect, develop, analyze, and disseminate
10 agricultural, nutrition, and market data; and

11 (11) developing mechanisms to hold research
12 institutions accountable for delivering technologies to
13 agricultural producers.

14 (b) RESEARCH PRIORITIES.—In providing assistance
15 for agricultural research under this section, the Adminis-
16 trator should give priority to research that—

17 (1) is aimed at improving food security;

18 (2) specifically addresses the nutritional needs
19 of vulnerable populations;

20 (3) is appropriate to local conditions and prac-
21 tices;

22 (4) conserves the environment and natural re-
23 sources and adapts to and mitigates the impacts of
24 climate change; and

25 (5) builds local capacity.

1 **SEC. 1206. BOARD FOR INTERNATIONAL FOOD AND AGRI-**
2 **CULTURAL DEVELOPMENT.**

3 (a) ESTABLISHMENT.—There is established a Board
4 for International Food and Agricultural Development
5 (hereafter in this section referred to as the “Board”). The
6 Board shall report to the Administrator.

7 (b) PURPOSE.—The purpose of the Board is to advise
8 and assist the Administrator regarding the design and ad-
9 ministration of assistance under section 1205.

10 (c) DUTIES.—The duties of the Board shall include—

11 (1) participating in the formulation of criteria
12 for program design and project selection;

13 (2) evaluating the qualifications of interested
14 institutions of higher education and the dem-
15 onstrated commitment of such institutions to the
16 purposes of this section;

17 (3) recommending appropriate focus countries
18 for programs carried out under this section;

19 (4) assessing the impact of programs carried
20 out under this section and making recommendations
21 for improving the effectiveness of such programs;
22 and

23 (5) advising the Administrator on such issues
24 as the Administrator may request.

25 (d) MEMBERSHIP.—

1 (1) NUMBER AND APPOINTMENT.—The Board
2 shall be composed of at least 7 members, of whom—

3 (A) not less than four members shall be
4 representatives of institutions of higher edu-
5 cation; and

6 (B) not less than three members shall be
7 representatives of United States nongovern-
8 mental organizations or consortia of such orga-
9 nizations devoted to agricultural research, edu-
10 cation, and development.

11 (2) TERMS.—

12 (A) IN GENERAL.—Subject to paragraph
13 (2), the Administrator shall establish the term
14 of membership for each member of the Board
15 at the time of appointment.

16 (B) LIMITATIONS.—A term of membership
17 to the Board may not exceed two years and a
18 member of the Board may serve not more than
19 two consecutive terms during the tenure of an
20 Administrator.

21 (e) CHAIRPERSON AND VICE CHAIRPERSON.—The
22 Chairperson and Vice Chairperson of the Board shall be
23 designated by the Administrator at the time of appoint-
24 ment to the Board.

25 (f) REPORT.—

1 (1) IN GENERAL.—The Board shall submit to
 2 the Administrator on an annual basis a report that
 3 describes the activities of the Board during the pre-
 4 ceding year and contains any other information that
 5 may be required by the Administrator.

6 (2) AVAILABILITY TO PUBLIC.—The Adminis-
 7 trator shall make the report publicly available on the
 8 Internet website of the Agency.

9 (g) MEETINGS.—The Board shall hold not less than
 10 3 meetings each year.

11 (h) SUBORDINATE UNITS.—The Board may create
 12 such subordinate units as may be appropriate for the per-
 13 formance of its duties.

14 (i) EXPENSES.—The Administrator may, on a case-
 15 by-case basis as the Administrator determines appro-
 16 priate, reimburse members of the Board for expenses in-
 17 curred in the performance of their duties (including per
 18 diem in lieu of subsistence while away from their homes
 19 or regular place of business).

20 **SEC. 1207. ASSISTANCE TO INTERNATIONAL AND REGIONAL**
 21 **ORGANIZATIONS.**

22 The Administrator is authorized to use funds made
 23 available under this chapter to build the long-term capac-
 24 ity of international, regional, and sub-regional organiza-

1 tions engaged in agricultural research and development
2 and food security activities, including—

3 (1) the Food and Agricultural Organization;

4 (2) the World Food Program;

5 (3) the International Fund for Agricultural De-
6 velopment;

7 (4) the Global Agriculture and Food Security
8 Program; and

9 (5) the Consultative Group on International Ag-
10 ricultural Research.

11 **SEC. 1208. DEFINITIONS.**

12 In this chapter:

13 (1) **FOOD PRODUCERS.**—The term “food pro-
14 ducers” includes farmers, pastoralists, fishers, and
15 other persons who cultivate or harvest plants or
16 raise animals (terrestrial or aquatic) for consump-
17 tion.

18 (2) **INSTITUTIONS OF HIGHER EDUCATION.**—
19 The term “institutions of higher education”
20 means—

21 (A) those colleges or universities in each
22 State, territory, or possession of the United
23 States, or the District of Columbia, now receiv-
24 ing, or which may hereafter receive, benefits
25 under the Act of July 2, 1862 (known as the

1 First Morrill Act), or the Act of August 30,
2 1890 (known as the Second Morrill Act), which
3 are commonly known as “land-grant” univer-
4 sities;

5 (B) institutions now designated or which
6 may hereafter be designated as sea-grant col-
7 leges under the Act of October 15, 1966
8 (known as the National Sea Grant College and
9 Program Act), which are commonly known as
10 sea-grant colleges;

11 (C) Native American land-grant colleges as
12 authorized under the Equity in Educational
13 Land-Grant Status Act of 1994 (7 U.S.C. 301
14 note); and

15 (D) other United States colleges and uni-
16 versities which—

17 (i) have demonstrable capacity in
18 teaching, research, and extension (includ-
19 ing outreach) activities in the agricultural
20 sciences; and

21 (ii) can contribute effectively to the
22 advancement of the goal and objectives of
23 this chapter.

24 (3) ROME PRINCIPLES.—The term “Rome Prin-
25 ciples” means the Rome Principles for Sustainable

1 Food Security, endorsed by 193 countries at the
2 2009 World Summit on Food Security, which are as
3 follows:

4 (A) Invest in country-owned plans, aimed
5 at channeling resources to well- designed and
6 results-based programs and partnerships.

7 (B) Foster strategic coordination at na-
8 tional, regional and global level to improve gov-
9 ernance, promote better allocation of resources,
10 avoid duplication of efforts and identify re-
11 sponse-gaps.

12 (C) Strive for a comprehensive twin-track
13 approach to food security that consists of—

14 (i) direct action to immediately tackle
15 hunger for the most vulnerable, and

16 (ii) medium- and long-term sustain-
17 able agricultural, food security, nutrition
18 and rural development programs to elimi-
19 nate the root causes of hunger and pov-
20 erty, including through the progressive re-
21 alization of the right to adequate food.

22 (D) Ensure a strong role for the multilat-
23 eral system by sustained improvements in effi-
24 ciency, responsiveness, coordination and effec-
25 tiveness of multilateral institutions.

1 (E) Ensure sustained and substantial com-
2 mitment by all partners to investment in agri-
3 culture and food security and nutrition, with
4 provision of necessary resources in a timely and
5 reliable fashion, aimed at multi-year plans and
6 programs.

7 **CHAPTER 3—ADVANCING HEALTH**

8 **SEC. 1301. FINDINGS AND STATEMENT OF POLICY.**

9 (a) FINDINGS.—Congress finds the following:

10 (1) Saving and enhancing lives through better
11 health is a moral imperative that reflects funda-
12 mental humanitarian values.

13 (2) Strategic investments in global health can
14 spur progress in economic development, job creation,
15 education, agricultural development, gender equity
16 and political stability.

17 (3) Because disease knows no national bounds
18 and can breed hopelessness and despair, support for
19 global health bolsters United States national secu-
20 rity. Such support also builds constructive partner-
21 ships with other governments, with multilateral in-
22 stitutions, between public and private enterprises,
23 and from people to people.

24 (4) United States global health programs
25 should prioritize the poorest and most vulnerable

1 segments of the world's population, including
2 women, newborns and children, persons with disabili-
3 ties, and marginalized communities, and should be
4 designed with their participation wherever possible.

5 (5) Research and innovation play a critical role
6 in achieving health objectives worldwide, fostering
7 the development and introduction of new and im-
8 proved health products and practices and contrib-
9 uting to better policies.

10 (6) For maximum effectiveness, global health
11 programs must be closely integrated with efforts to
12 advance nutrition, improve hygiene, and expand ac-
13 cess to clean water, sanitation, and housing.

14 (7) To make health investments sustainable
15 over the long term, the United States should help
16 build the capacity of—

17 (A) governments of partner countries to
18 plan and budget responsibly, allocate and dis-
19 burse funds equitably, and provide reliable and
20 cost-effective health care; and

21 (B) civil society to participate in decision-
22 making, carry out activities and monitor service
23 delivery.

1 (8) In order to provide for sustainable financing
2 of health care, developing countries must create
3 strong economies and stable tax bases.

4 (9) By setting clear goals and targets and iden-
5 tifying appropriate resources, a comprehensive,
6 multiyear global health strategy can help to ensure
7 policy focus and consistency, promote program inte-
8 gration, strengthen transparency and accountability,
9 build congressional and public support, and accel-
10 erate results.

11 (10) Multilateral approaches offer a vital and
12 necessary complement to bilateral programs. By
13 pooling their resources and harmonizing priorities,
14 the United States and multilateral organizations are
15 better able to meet global challenges, mobilize effec-
16 tive leadership and extend the reach and impact of
17 programs.

18 (b) STATEMENT OF POLICY.—It is the policy of the
19 United States to work in cooperation with the inter-
20 national community to save the greatest possible number
21 of lives and to help countries develop their own capacity
22 to improve the health of their own people.

1 **SEC. 1302. GOAL AND OBJECTIVES.**

2 (a) GOAL.—The goal of assistance under this chapter
3 is to achieve sustained improvements in health status and
4 health systems in partner countries.

5 (b) OBJECTIVES.—In furtherance of the goal of sub-
6 section (a), assistance under this chapter shall be designed
7 to help partner countries achieve the following objectives,
8 including by strengthening health systems:

9 (1) Saving the lives of mothers and children.

10 (2) Protecting communities from disease, both
11 infectious and noncommunicable.

12 (3) Creating an AIDS-free generation.

13 (4) Preventing unintended pregnancies and im-
14 proving reproductive health.

15 **SEC. 1303. GLOBAL HEALTH STRATEGY.**

16 (a) IN GENERAL.—The strategy required under sec-
17 tion 1019 with respect to advancing health shall be known
18 as the “Global Health Strategy”.

19 (b) CONTENTS.—The Global Health Strategy shall
20 include, in addition to the elements required under section
21 1019(b), plans for achieving the goal and objectives of sec-
22 tion 1302.

23 (c) GUIDELINES.—The Global Health Strategy
24 should—

25 (1) focus on women, girls, and gender equality;

1 (2) encourage country ownership and invest in
2 country-led plans;

3 (3) build sustainability through health systems
4 strengthening;

5 (4) strengthen and leverage key multilateral or-
6 ganizations, global health partnerships and private
7 sector engagement;

8 (5) increase impact through strategic coordina-
9 tion and integration, including with efforts in related
10 areas such as nutrition, water, sanitation, and hy-
11 giene;

12 (6) promote learning and accountability
13 through monitoring and evaluation;

14 (7) accelerate results through research and in-
15 novation;

16 (8) address the health-related challenges posed
17 by climate change and other environmental trends;
18 and

19 (9) safeguard the rights and dignity of health
20 workers and patients.

21 **SEC. 1304. ASSISTANCE FOR HEALTH.**

22 (a) **AUTHORIZATION.**—The Administrator is author-
23 ized to use funds made available under section 1015 to
24 further the goal and objectives of this chapter in partner
25 countries.

1 (b) ACTIVITIES.—Assistance authorized under sub-
2 section (a) shall include—

3 (1) supporting the development, implementa-
4 tion, monitoring and evaluation of a country's na-
5 tional health strategy;

6 (2) supporting the recruitment, training, man-
7 agement, retention, effectiveness and equitable dis-
8 tribution within each country of skilled health work-
9 ers;

10 (3) facilitating the development of partnerships
11 and collaboration with educational and research in-
12 stitutions, private corporations, nongovernmental or-
13 ganizations, multilateral institutions and other do-
14 nors, both public and private;

15 (4) building the capacity of local nongovern-
16 mental organizations to participate effectively in the
17 planning, implementation, monitoring and evaluation
18 of health strategies and systems;

19 (5) strengthening financial management, ac-
20 counting, auditing and reporting systems;

21 (6) establishing surveillance systems to detect,
22 identify, and respond to emerging health threats, in-
23 cluding monitoring the spread of disease among ani-
24 mal and plant populations;

1 (7) identifying, preparing for and responding to
2 health-related threats posed by climate change, pol-
3 lution and other environmental factors;

4 (8) improving the quality and availability of
5 health facilities at the national and local level;

6 (9) establishing and strengthening procurement
7 and supply chain management systems to safely, ef-
8 ficiently, and equitably distribute medical and lab-
9 oratory supplies;

10 (10) supporting the development and implemen-
11 tation of national health information systems to se-
12 curely track, compile and manage data, with appro-
13 priate privacy safeguards;

14 (11) supporting evidence-based public health
15 education initiatives that teach healthy habits and
16 behaviors, increase health literacy, and encourage
17 better utilization of the health system;

18 (12) building government capacity to coordinate
19 and harmonize the delivery of health services pro-
20 vided by various donors;

21 (13) developing and improving laboratory re-
22 search and testing capacity; and

23 (14) promoting a legal, policy and regulatory
24 framework conducive to the advancement of public
25 health and sustainable health care financing.

1 (c) PROGRAMS.—Assistance under this chapter in-
2 cludes programs—

3 (1) for child survival and maternal health, as
4 described in subchapter A;

5 (2) to combat disease, as described in sub-
6 chapter B;

7 (3) for family planning and reproductive health,
8 as described in subchapter C; and

9 (4) for research, innovation and development of
10 health technologies, products and practices to ad-
11 vance global health and the objectives of this chap-
12 ter.

13 **SEC. 1305. HEALTH PRINCIPLES AND RESTRICTIONS.**

14 (a) PRINCIPLES.—Funds made available to carry out
15 this chapter shall be provided in accordance with the fol-
16 lowing principles:

17 (1) Patients shall be provided with evidence-
18 based, high-quality, courteous care that upholds
19 internationally recognized human rights and protects
20 human dignity.

21 (2) Patients shall have their privacy respected
22 and the confidentiality of their medical information
23 protected to the maximum extent practicable, with
24 free access to their own health records.

1 (3) Patients shall be provided with accurate
2 health information and quality care on an equitable
3 basis, without discrimination of any kind, coercion
4 or violence, and in a manner that prevents and re-
5 duces stigma.

6 (4) Patients shall have the right to make their
7 own decisions about their health, and shall be pro-
8 vided with relevant, current, medically accurate and
9 understandable information concerning preventive
10 health, diagnosis, all available treatments, and prog-
11 nosis, including the risks and benefits of each treat-
12 ment and any costs involved, except in emergency
13 situations where the patient lacks decisionmaking
14 capacity and the need for an intervention is urgent,
15 or where there is an imminent risk to public health.

16 (5) Patients and individuals participating in
17 biomedical research and experimental treatments
18 shall do so on a strictly voluntary basis, with valid
19 informed consent processes in place, and shall be
20 fully advised of potential risks and benefits.

21 (b) RESTRICTIONS.—None of the funds made avail-
22 able to carry out this title may be used—

23 (1) for the performance of abortion as a method
24 of family planning;

1 (2) to coerce any person to undergo an abor-
2 tion;

3 (3) for the performance of involuntary steriliza-
4 tion as a method of family planning;

5 (4) to coerce any person to undergo steriliza-
6 tion; or

7 (5) for any biomedical research which relates,
8 in whole or in part, to methods of, or the perform-
9 ance of, abortion or involuntary sterilization as a
10 method of family planning.

11 (c) DEFINITIONS.—In this section—

12 (1) the term “abortion as a method of family
13 planning” does not include—

14 (A) abortions provided in the case of rape
15 or incest or to protect the life or health of a
16 woman; or

17 (B) treatment for the complications of in-
18 duced, spontaneous, or unsafely performed
19 abortions.

20 (2) the term “all available treatments” means
21 all treatments that are legally available in the part-
22 ner country; and

23 (3) the term “patients” includes the legal
24 guardians of minors and persons who are incapaci-
25 tated.

1 **Subchapter A—Child Survival and Maternal**
2 **Health**

3 **SEC. 1311. CHILD SURVIVAL.**

4 The Administrator is authorized, notwithstanding
5 any other provision of law except for this chapter, to use
6 funds made available under this chapter for programs to
7 reduce child mortality, including the following:

8 (1) Increasing access to and utilization of ap-
9 propriate interventions to treat life-threatening
10 childhood illnesses, such as polio, measles, diarrhea,
11 and respiratory infections.

12 (2) Improving child and maternal nutrition, in-
13 cluding the delivery of iron, folic acid, zinc, vitamin
14 A, iodine, and other key micronutrients and
15 macronutrients.

16 (3) Preventing the spread of childhood disease
17 and improving child nutrition by expanding access to
18 clean water, improving sanitation, and promoting
19 good hygiene practices.

20 (4) Reducing household dangers, including ex-
21 posure to environmental toxins and indoor smoke
22 from cooking fires.

23 (5) Strengthening early childhood development,
24 including through early nutrition, parenting pro-
25 grams and early education.

1 (6) Enhancing the quality, availability and sus-
2 tainability of key child health interventions by im-
3 proving health care systems, building local capacity,
4 and promoting positive health policies.

5 **SEC. 1312. MATERNAL AND NEWBORN HEALTH.**

6 The Administrator is authorized, notwithstanding
7 any other provision of law except for this chapter, to use
8 funds made available under this chapter for programs to
9 reduce the mortality of, and improve the health of, moth-
10 ers and newborns, including the following:

11 (1) Strengthening preparation for childbirth
12 through education, antenatal care, access to skilled
13 birth attendants, preventing, detecting, and treating
14 infections, and planning for transport.

15 (2) Improving maternal and child nutritional
16 status through dietary improvements, nutrition edu-
17 cation and appropriate micronutrient interventions.

18 (3) Actively discouraging, preventing and re-
19 sponding to harmful behaviors, such as gender-based
20 violence, child marriage and female genital cutting.

21 (4) Promoting safe delivery, birth spacing, and
22 postpartum care, including recognition, referral, and
23 treatment of maternal and newborn complications.

1 (5) Promoting healthy practices such as
2 breastfeeding, proper rest, good hygiene, and nutri-
3 tion.

4 (6) Preventing and responding to long-term dis-
5 ability as a result of pregnancy and birth, including
6 obstetric fistula and anemia.

7 (7) Improving long-term capacity and systems
8 of local institutions to provide quality maternal
9 health care.

10 **SEC. 1313. ASSISTANCE FOR ORPHANS AND OTHER VUL-**
11 **NERABLE CHILDREN.**

12 The Administrator is authorized to use funds made
13 available under this chapter to provide basic care and serv-
14 ices for orphans and other vulnerable children, including:

15 (1) Enabling community-based organizations to
16 provide basic care for orphans and other vulnerable
17 children.

18 (2) Providing school feeding, including the pur-
19 chase of local or regional foodstuffs where appro-
20 priate.

21 (3) Increasing primary school enrollment
22 through the elimination of school fees, where appro-
23 priate, or other barriers to education while ensuring
24 that adequate resources exist for teacher training
25 and infrastructure.

1 (4) Providing employment training and related
2 services for orphans and other vulnerable children
3 who are of legal working age.

4 (5) Protecting and promoting the legal and in-
5 heritance rights of orphans, other vulnerable chil-
6 dren, and widows, and addressing discrimination
7 they often face.

8 (6) Providing culturally appropriate psycho-
9 social support to orphans and other vulnerable chil-
10 dren.

11 (7) Treating orphans and other vulnerable chil-
12 dren with HIV/AIDS through the provision of phar-
13 maceuticals, the recruitment and training of individ-
14 uals to provide pediatric treatment, and the pur-
15 chase of pediatric-specific technologies.

16 (8) Improving the capacity of foreign govern-
17 ment agencies and nongovernmental organizations to
18 prevent child abandonment and provide permanent
19 homes through family reunification, guardianship
20 and adoptions, consistent with the Hague Conven-
21 tion on the Protection of Children and Co-operation
22 in Respect of Inter-Country Adoption.

23 (9) Increasing access to adequate housing and
24 reliable, safe drinking water, sanitation, and hygiene
25 education and supplies.

1 (10) Integrating gender to ensure the unique
2 needs of girl and boy orphans and vulnerable chil-
3 dren are met.

4 **Subchapter B—Combating Disease**

5 **SEC. 1321. ASSISTANCE TO COMBAT HIV/AIDS, TUBER-**
6 **CULOSIS, AND MALARIA.**

7 (a) FINDINGS.—Congress finds that—

8 (1) the global HIV/AIDS pandemic poses a hu-
9 manitarian, economic and security crisis of unprece-
10 dented magnitude that requires urgent and sus-
11 tained attention;

12 (2) worldwide, women of childbearing age ac-
13 count for more than half of people living with HIV/
14 AIDS;

15 (3) tuberculosis is the leading killer of people
16 with HIV/AIDS, and the spread of drug resistant
17 tuberculosis presents a persistent public health
18 threat to the United States;

19 (4) malaria imposes an enormous burden on the
20 social and economic development of poor countries,
21 can be prevented through cost-effective means, and
22 can be cured if promptly diagnosed and adequately
23 treated;

24 (5) the creation of the United States Presi-
25 dent’s Emergency Plan for AIDS Relief (PEPFAR)

1 in 2003 was the largest commitment by any nation
2 to combat a single disease, establishing and expand-
3 ing the infrastructure necessary to deliver preven-
4 tion, care, and treatment services in low-resource
5 settings;

6 (6) due to PEPFAR and multilateral initiatives
7 such as the Global Fund to Fight AIDS, Tuber-
8 culosis and Malaria, significant strides have been
9 made in preventing new cases of disease, treating af-
10 fected persons, training health care workers, and
11 educating families and communities; and

12 (7) to be most sustainable and have the great-
13 est positive impact, programs to combat HIV/AIDS,
14 tuberculosis and malaria should be coordinated and
15 integrated with other global health and health-re-
16 lated programs, including maternal and child health,
17 family planning and reproductive health, nutrition,
18 and water, sanitation, and hygiene.

19 (b) AUTHORIZATION.—The President is authorized to
20 use funds made available under this chapter to—

21 (1) carry out the United States Leadership
22 Against HIV/AIDS, Tuberculosis, and Malaria Act
23 of 2003 (Public Law 108–25), as amended by this
24 Act, and other related laws, including the Tom Lan-
25 tos and Henry J. Hyde United States Global Lead-

1 ership Against HIV/AIDS, Tuberculosis, and Ma-
2 laria Reauthorization Act of 2008 (Public Law 110–
3 293), the Global AIDS and Tuberculosis Relief Act
4 of 2000 (Public Law 106–264), and the Inter-
5 national Malaria Control Act of 2000 (Public Law
6 106–570); and

7 (2) contribute to the Global Fund to Fight
8 AIDS, Tuberculosis and Malaria and the GAVI Alli-
9 ance.

10 (c) OTHER LAWS SUPERSEDED.—The President may
11 exercise the authority of subsection (b) notwithstanding
12 any other provision of law, except the United States Lead-
13 ership Against HIV/AIDS, Tuberculosis, and Malaria Act
14 of 2003 (Public Law 108–25), as amended by this Act.

15 (d) COORDINATION.—Assistance provided under the
16 authorities of this section or the United States Leadership
17 Against HIV/AIDS, Tuberculosis, and Malaria Act of
18 2003 (Public Law 108–25) shall be coordinated with all
19 other health-related programs under this chapter and
20 chapter 6, and shall be included in the Global Health
21 Strategy required under section 1303.

22 **SEC. 1322. ASSISTANCE TO COMBAT NEGLECTED TROPICAL**
23 **DISEASES.**

24 (a) FINDINGS.—Congress finds that—

(3) an integrated approach to controlling NTDs will address a root cause of poverty that affects a significant proportion of the world's population.

21 SEC. 1323. ASSISTANCE FOR DISEASE PREVENTION, CON-
22 TROL, AND TREATMENT.

(1) infectious diseases such as avian and pandemic influenza not only cause death and debili-

1 tating illness in the countries where new strains
2 originate, but can quickly spread around the world;

3 (2) the development and spread of antimicrobial
4 resistance threatens to undermine global efforts to
5 control tuberculosis and other bacterial diseases;

6 (3) developing countries are undergoing a rapid
7 epidemiological transition from infectious diseases
8 such as diarrhea and pneumonia to noncommu-
9 nicable diseases such as cardiovascular disease, can-
10 cer and diabetes, which threatens to overwhelm their
11 strapped health systems and cripple their fragile
12 economies;

13 (4) mental health is an important but fre-
14 quently overlooked or stigmatized aspect of health
15 that requires effective and compassionate treatment
16 and care;

17 (5) improvement in the capacity of developing
18 countries to obtain and use good quality data for
19 surveillance and effective response to emerging
20 health threats helps to protect the health of United
21 States citizens as well as that of local populations;
22 and

23 (6) disease-focused interventions are most effec-
24 tive when they—

25 (A) reflect an evidence-based approach;

1 (B) are integrated across health programs
 2 through a common delivery platform; and

3 (C) support increased collaboration and co-
 4 ordination among country-level stakeholders, in-
 5 cluding partner country governments, other
 6 public and private donors, and international
 7 and nongovernmental organizations.

8 (b) AUTHORIZATION.—The Administrator is author-
 9 ized to use funds made available under this chapter to pro-
 10 vide assistance for the prevention, treatment, control, and
 11 elimination of, and research on, infectious and noncommu-
 12 nicable diseases in partner countries.

13 **Subchapter C—Family Planning and**
 14 **Reproductive Health**

15 **SEC. 1331. ASSISTANCE FOR FAMILY PLANNING AND RE-**
 16 **PRODUCTIVE HEALTH.**

17 (a) FINDINGS.—Congress finds that—

18 (1) reproductive health care is essential to re-
 19 ducing poverty, improving living standards and pro-
 20 tecting human dignity;

21 (2) throughout much of the world, the lack of
 22 access by women, particularly poor women, to repro-
 23 ductive health care contributes to death and suf-
 24 fering, limits women’s ability to make decisions that

1 affect their lives, and undermines the efforts of fam-
2 ilies to lift themselves out of poverty;

3 (3) access to reproductive health care, including
4 voluntary family planning, has a direct and impor-
5 tant impact on child mortality, especially infant mor-
6 tality;

7 (4) closely spaced and ill-timed pregnancies and
8 births contribute to high infant mortality rates, and
9 when mothers die as a result of giving birth, their
10 surviving infants have a greater risk of mortality
11 and poor health status;

12 (5) in many developing countries where there
13 are few hospitals, few doctors, and poor transpor-
14 tation systems, and where women are not highly val-
15 ued, complications of labor often result in death of
16 the mother;

17 (6) lack of availability of emergency obstetric
18 care, along with delays in seeking medical attention,
19 in reaching a medical facility, and in receiving med-
20 ical care once arriving at a facility, contribute to the
21 development of obstetric fistula, increasing the risk
22 of death for both mother and child;

23 (7) voluntary family planning allows women and
24 couples to freely choose the number, timing and

1 spacing of pregnancies, giving families and individ-
2 uals greater control over their lives;

3 (8) young people are particularly at risk of en-
4 gaging in unsafe sexual practices, and should be pro-
5 vided with clear and evidence-based information to
6 help them make informed decisions about their sex-
7 ual and reproductive health and human rights, in-
8 cluding their right to be free from all forms of vio-
9 lence, coercion and discrimination;

10 (9) practices such as child marriage and female
11 genital cutting can harm the health of young people
12 and deprive them of their dignity and human rights.
13 Reproductive health care can play an important role
14 in educating people about the dangers of these prac-
15 tices, and is often the entry point for identification
16 of gender-based violence and sexual abuse;

17 (10) integrating reproductive health care, in-
18 cluding voluntary family planning, with HIV preven-
19 tion programs is critical to combating HIV/AIDS,
20 and can assist in decreasing the stigma associated
21 with a seropositive HIV status;

22 (11) integration of reproductive health care
23 with other health-care and related social services in-
24 creases the effectiveness and efficiency of the health

1 system and meets people's needs for accessible, ac-
2 ceptable, convenient, client-centered care;

3 (12) international goals and targets for reduc-
4 ing poverty and improving maternal health require a
5 significant investment in family planning and repro-
6 ductive health care;

7 (13) international partnerships are required to
8 provide adequate financing for family planning and
9 reproductive health care;

10 (14) cooperating with multilateral and bilateral
11 donors and the private sector can make commodities
12 such as antiretrovirals, maternal health equipment,
13 and contraceptive supplies more accessible for hard-
14 to-reach populations; and

15 (15) by investing in reproductive health care,
16 including voluntary family planning, the United
17 States can improve maternal and child health, lower
18 HIV infection rates, reduce poverty and hunger, ad-
19 vance girls' education, promote gender equality,
20 broaden civic participation in the development proc-
21 ess, and slow the depletion of natural resources.

22 (b) AUTHORIZATION.—The Administrator is author-
23 ized to use funds made available under this chapter for
24 reproductive health care programs, including voluntary
25 family planning, in partner countries.

1 **SEC. 1332. REPRODUCTIVE HEALTH CARE IN EMER-**
2 **GENCIES.**

3 The Administrator is authorized to use funds made
4 available under this subchapter and under subtitle B for
5 programs to provide reproductive health care during hu-
6 manitarian emergencies and complex crises, including:

7 (1) Life-saving priority activities set out in the
8 Sphere Project's Humanitarian Charter and Min-
9 imum Standards in Disaster Response.

10 (2) Preventing sexual violence and providing
11 medical care and psychosocial services to survivors
12 of sexual violence.

13 (3) Voluntary family planning for the duration
14 of displacement.

15 **CHAPTER 4—EXPANDING QUALITY**
16 **EDUCATION**

17 **SEC. 1401. FINDINGS AND STATEMENT OF POLICY.**

18 (a) FINDINGS.—Congress finds the following:

19 (1) Education is a basic human right, indispen-
20 sable for human capacity development and poverty
21 eradication.

22 (2) Basic education is fundamental to develop-
23 ment. No country has reached sustained economic
24 growth without achieving near universal primary
25 education.

1 (3) Quality education reduces poverty and in-
2 equity, lays the foundation for sound governance,
3 civic participation, and strong institutions, and
4 equips people with the knowledge, skills, and self-re-
5 liance they need to increase income and expand op-
6 portunities for employment.

7 (4) While developing countries bear the ulti-
8 mate responsibility for educating their children, the
9 United States and others donors can and should do
10 more to help developing countries address their edu-
11 cation needs.

12 (5) Investing in girls' education delivers sub-
13 stantial returns not only in educational attainment
14 but also in increasing women's and household in-
15 comes, delaying the start of sexual activity, reducing
16 infant mortality, increasing women's political partici-
17 pation, spurring economic growth, and delaying mar-
18 riage.

19 (6) Lack of access to adequate housing, safe
20 drinking water close to home, and to private latrines
21 near home and at school significantly impact girls'
22 attendance and retention at school.

23 (7) Education can help to protect children in
24 conflict situations from physical harm, exploitation,

1 and sexual abuse, as well as to avoid the recruitment
2 of children into armed groups and gangs.

3 (8) The large number of children who are not
4 enrolled in school or who receive a poor quality edu-
5 cation not only results in a loss of human potential,
6 but undermines stability and progress within com-
7 munities and across nations.

8 (9) Expanded access to primary and secondary
9 education will increase the need for qualified teach-
10 ers, and the demand for quality colleges and univer-
11 sities.

12 (10) Exchange programs which bring citizens of
13 developing countries to the United States for train-
14 ing, while helpful in expanding individual opportuni-
15 ties for growth, will not by themselves reach enough
16 students and scholars to have a transformational ef-
17 fect on the economies and human resources of devel-
18 oping countries.

19 (11) Partnerships between educational institu-
20 tions in the United States and developing countries
21 are an important means for sharing knowledge, ex-
22 perience and lessons learned for the benefit of all
23 students.

24 (12) Resources to expand global education will
25 be most effective and efficient if they are trans-

1 parent, increase coordination among governments,
2 private sector and civil society, support national
3 plans and hold all stakeholders accountable.

4 (b) STATEMENT OF POLICY.—It is the policy of the
5 United States to work in cooperation with the inter-
6 national community to achieve quality universal basic edu-
7 cation.

8 **SEC. 1402. GOAL AND OBJECTIVES.**

9 (a) GOAL.—The goal of assistance under this chapter
10 is to increase access to quality education in partner coun-
11 tries.

12 (b) OBJECTIVES.—In furtherance of the goal of sub-
13 section (a), assistance under this chapter shall be designed
14 to help partner countries achieve the following objectives:

15 (1) Expanding access to basic education for all
16 children, particularly marginalized and vulnerable
17 groups.

18 (2) Improving the quality of basic education.

19 (3) Raising adult literacy, especially for women.

20 (4) Reducing gender disparities in primary and
21 secondary education.

22 (5) Strengthening higher education partner-
23 ships and networks.

1 **SEC. 1403. GLOBAL EDUCATION STRATEGY.**

2 (a) IN GENERAL.—The strategy required under sec-
3 tion 1019 with respect to expanding education shall be
4 known as the “Global Education Strategy”.

5 (b) CONTENTS.—The Global Education Strategy
6 shall include, in addition to the elements required under
7 section 1019(b), plans for achieving the goal and objec-
8 tives of section 1402.

9 (c) GUIDELINES.—The Global Education Strategy
10 should—

11 (1) contribute to meeting internationally agreed
12 education goals and targets;

13 (2) be directly responsive to partner country
14 needs, capacity, and commitment, strengthen part-
15 ner countries’ educational systems, and be coordi-
16 nated, where possible, with national education plans;

17 (3) pay particular attention to expanding edu-
18 cational opportunities for marginalized and vulner-
19 able groups, including girls, children affected by or
20 emerging from armed conflict or humanitarian cri-
21 ses, disabled children, children in remote or rural
22 areas, religious or ethnic minorities, indigenous peo-
23 ples, orphans and children impacted by HIV/AIDS,
24 child laborers, and victims of trafficking;

25 (4) identify ways to reduce the adverse impact
26 of HIV/AIDS on education systems;

1 (5) address the challenges posed by large num-
2 bers of out-of-school, unemployed youth;

3 (6) encourage and integrate contributions of
4 strategic direction and financial resources from local
5 and international private sector and civil society or-
6 ganizations, including organizations that represent
7 teachers, students, and parents, interested in sup-
8 porting quality universal basic education efforts;

9 (7) outline plans for ensuring a transition and
10 continuity of educational activities in countries af-
11 fected by or emerging from armed conflict or hu-
12 manitarian crises;

13 (8) expand public-private partnerships in order
14 to leverage resources;

15 (9) promote gender equity and improve edu-
16 cational opportunities for women and girls, and
17 strive to ensure safe schools, equal access, workforce
18 opportunities, leadership role development, and the
19 preservation of dignity and respect;

20 (10) explain how basic education, higher edu-
21 cation, vocational and technical education, literacy
22 instruction, and other formal and nonformal training
23 will be integrated with other activities under this
24 title; and

1 (11) address the problem of financing edu-
2 cation.

3 **SEC. 1404. BASIC EDUCATION ASSISTANCE.**

4 (a) AUTHORIZATION.—The Administrator is author-
5 ized to use funds made available under section 1015 for
6 basic education in accordance with the goal and objectives
7 of this chapter.

8 (b) ACTIVITIES.—Assistance authorized under sub-
9 section (a) shall include—

10 (1) increasing the supply of trained quality
11 teachers, and building systems for the continuing
12 support, training and professional development of all
13 educators;

14 (2) developing and implementing effective, rel-
15 evant curricula;

16 (3) building the institutional capacity of a coun-
17 try to manage basic education systems and measure
18 results;

19 (4) increasing parent and community involve-
20 ment in schools;

21 (5) providing learning materials;

22 (6) working with communities to achieve equity
23 in schools and address gender norms to build sup-
24 port for girls' education;

1 (7) promoting the development and effective use
2 of systems for data collection, monitoring and eval-
3 uation of student-learning outcomes;

4 (8) improving and expanding educational infra-
5 structure;

6 (9) reducing or eliminating fees for tuition, uni-
7 forms and school materials, as well as other barriers
8 to school attendance, for poor and marginalized chil-
9 dren;

10 (10) improving young children's capacity to
11 learn through early childhood development pro-
12 grams;

13 (11) supporting interventions that increase
14 school attendance and performance, such as scholar-
15 ships, school lunch, school health, and water and
16 sanitation programs;

17 (12) ensuring that schools are not incubators
18 for violent extremism;

19 (13) providing life skills training and civic edu-
20 cation, including on human rights, gender equity,
21 and conflict resolution;

22 (14) making schools safe and secure places for
23 learning, free of violence, harassment, exploitation,
24 or intimidation;

1 (15) increasing access to education, improving
2 learning outcomes and increasing educational oppor-
3 tunities for the most disadvantaged populations;

4 (16) ensuring continuation or reestablishment
5 of educational programs and the provision of safe
6 spaces for children in areas of armed conflict or hu-
7 manitarian crisis;

8 (17) increasing the relevance of formal edu-
9 cation systems to the needs of the poor and to dis-
10 affected youth, through reform of curricula, teaching
11 materials, and teaching methods, and improved
12 teacher training;

13 (18) expanding vocational and entrepreneurship
14 skills and opportunities, especially for out-of-school
15 youth, in close linkage with the private sector and in
16 response to market needs;

17 (19) supporting multilateral coordination and
18 financing initiatives for education; and

19 (20) promoting the value of education and in-
20 creasing community and family awareness of the
21 positive impact of education.

22 (c) DEFINITION.—In this chapter, the term “basic
23 education” means an education, generally consisting of
24 completion of 9–10 years of schooling, including efforts
25 to improve early childhood development, primary edu-

1 cation, secondary education, literacy and numeracy train-
2 ing, and life-skills training that prepares an individual to
3 be an active, productive member of society and the work-
4 force.

5 **SEC. 1405. HIGHER EDUCATION PARTNERSHIPS.**

6 (a) FINDINGS.—Congress finds that—

7 (1) basic and higher education are interrelated
8 and together play a critical role in reducing poverty,
9 promoting economic growth, strengthening democ-
10 racy, stemming corruption, alleviating ethnic ten-
11 sions, and enhancing stability;

12 (2) higher education institutions foster critical
13 thinking, scientific discovery, entrepreneurship and
14 innovation in local communities as well as at the na-
15 tional and international level;

16 (3) higher education is essential for developing
17 human capacity to create the next generation of po-
18 litical, professional and business leadership, build an
19 effective and accountable civil service, improve the
20 quality and availability of social services, and
21 strengthen the rule of law;

22 (4) partnerships between institutions of higher
23 education in the United States and developing coun-
24 tries can—

1 (A) increase the quality and availability of,
2 and access to, higher education for secondary
3 school graduates;

4 (B) support the professional development
5 of faculty and staff, strengthen institutional
6 and financial management, and streamline ad-
7 ministrative procedures;

8 (C) expand course offerings, academic re-
9 sources and research opportunities for students
10 and faculty;

11 (D) foster continuing professional relation-
12 ships that build international understanding
13 and collaboration; and

14 (E) facilitate the sharing of knowledge, the
15 identification of common research interests and
16 challenges, and the resolution of complex prob-
17 lems; and

18 (5) partnerships between businesses and higher
19 education institutions in developing countries can
20 help to meet the significant and growing demand for
21 business professionals within both the private and
22 public sectors in developing countries.

23 (b) STATEMENT OF POLICY.—It is the policy of the
24 United States to encourage the expansion and strength-
25 ening of higher education in developing countries, through

1 partnerships with educational institutions, businesses, and
2 nonprofit organizations in the United States.

3 (c) AUTHORIZATION.—The Administrator is author-
4 ized to use assistance made available under this chapter
5 to expand and strengthen institutions of higher education
6 in developing countries through partnerships with—

7 (1) institutions of higher education in the
8 United States;

9 (2) businesses in the United States;

10 (3) nonprofit organizations with experience in
11 the areas of academic institution-building and entre-
12 preneurial and managerial development; and

13 (4) international organizations.

14 (d) ACTIVITIES.—Assistance provided under sub-
15 section (c) shall include—

16 (1) building the capacity of higher education in-
17 stitutions in partner countries;

18 (2) developing academic programs and centers
19 of excellence in areas critical to the partner coun-
20 try's economic development; and

21 (3) improving the quality and availability of,
22 and access to, higher education for students in part-
23 ner countries.

1 **CHAPTER 5—PROTECTING AND RESTOR-**
2 **ING THE NATURAL ENVIRONMENT**

3 **SEC. 1501. FINDINGS AND STATEMENT OF POLICY.**

4 (a) FINDINGS.—Congress finds the following:

5 (1) Sound natural resource management,
6 healthy levels of species diversity, and functioning
7 natural ecosystems are vital to sustainably reducing
8 poverty in developing countries.

9 (2) Natural ecosystems, when properly man-
10 aged, provide economic value to local communities in
11 the form of water, food, medicine, energy, household
12 products, tourism and trade, as well as contributing
13 to the global common good.

14 (3) Nature provides important services for
15 human well-being. For example, forests, floodplains,
16 and wetlands are a natural bulwark against cata-
17 strophic flooding and severe drought, and coral reefs
18 and mangroves reduce the impact of large storms on
19 coastal populations, thereby reducing damages from
20 extreme weather and the need for disaster assist-
21 ance.

22 (4) Natural ecosystems serve as a buffer be-
23 tween wildlife and human populations, minimizing
24 the transmission of highly infectious diseases from
25 animals to people.

1 (5) Many of the most commonly prescribed
2 medicines in the United States are derived directly
3 from natural compounds or patterned after them.
4 The preservation of natural areas and wild species
5 offers the world a rich source of potential cures and
6 treatments for disease and pain.

7 (6) The survival of many animal and plant spe-
8 cies is endangered by poaching and excessive har-
9 vesting, by the presence of toxic chemicals in water,
10 air and soil, and by the destruction of habitats.

11 (7) Degradation of land and water resources
12 impedes efforts to improve agricultural productivity,
13 which will be critical to feeding the world's growing
14 population and is a key engine of economic growth
15 in developing countries.

16 (8) The construction of dams and expansion in
17 biofuel production in developing countries without
18 the necessary environmental safeguards or consulta-
19 tion with the local populations threatens the sustain-
20 ability of aquatic ecosystems and the services they
21 provide for purifying, storing, and delivering water.

22 (9) The continuing and accelerating alteration,
23 destruction, and loss of forests and other natural
24 habitats in developing countries can result in—

25 (A) shortages of fuel;

1 (B) loss of biologically productive wetlands;

2 (C) siltation of lakes, reservoirs, and irri-

3 gation systems;

4 (D) floods, soil erosion and landslides;

5 (E) decimation and dislocation of indige-

6 nous peoples;

7 (F) extinction of plant and animal species;

8 (G) reduced capacity for food production;

9 (H) loss of genetic resources;

10 (I) desertification;

11 (J) increased greenhouse gas emissions;

12 and

13 (K) destabilization of the earth's climate.

14 (10) Women often are especially vulnerable to

15 the impact of natural resource degradation and cli-

16 mate change because they produce most of the food

17 and collect most of the water and firewood in many

18 countries.

19 (11) Mismanagement and unregulated exploi-

20 tation of natural resources has fueled conflict and

21 corruption in many developing countries.

22 (12) Illicit trade in natural resources not only

23 robs poor countries of valuable economic and envi-

24 ronmental resources, but often perpetrates political

25 instability and human rights abuses, including sex-

1 ual violence and the use of children as soldiers,
2 bonded labor and sex slaves.

3 (13) Illegal logging, fishing, and mining in de-
4 veloping countries flood the international market
5 with low-cost products that undercut the competi-
6 tiveness of responsible companies in the United
7 States.

8 (14) Economic growth generally raises energy
9 consumption, and often results in increased emis-
10 sions of greenhouse gases as well as greater pollu-
11 tion of air, land, and water.

12 (15) If current trends in the degradation of
13 natural resources in developing countries continue,
14 they will severely undermine the best efforts to meet
15 basic human needs, to achieve sustained economic
16 growth, and to prevent international tension and
17 conflict.

18 (16) Animals, including livestock, companion
19 animals, and wildlife, are important to human eco-
20 nomic, environmental, and social development as well
21 as to human quality of life. Animals and the people
22 who depend upon them in developing countries will
23 be particularly vulnerable to climate-related natural
24 disasters unless adaptation and mitigation measures
25 are utilized.

1 (17) The world faces enormous, urgent, and
2 complex challenges in conserving and protecting nat-
3 ural resources while fostering economic development,
4 requiring extensive and sustained cooperation be-
5 tween the United States, developing countries and
6 the international community as a whole.

7 (b) STATEMENT OF POLICY.—It is the policy of the
8 United States to work in cooperation with the inter-
9 national community to reduce biodiversity loss and the
10 degradation of natural ecosystems, adapt to and mitigate
11 climate change, and integrate principles of environmental
12 sustainability into policies and programs for international
13 development.

14 **SEC. 1502. GOAL AND OBJECTIVES.**

15 (a) GOAL.—The goal of assistance under this chapter
16 is to help partner countries maximize the environmental
17 sustainability of their development policies and programs.

18 (b) OBJECTIVES.—In furtherance of the goal de-
19 scribed in subsection (a), assistance under this chapter
20 shall be designed to help partner countries achieve the fol-
21 lowing objectives:

22 (1) Protecting and restoring natural eco-
23 systems.

24 (2) Conserving biological diversity.

25 (3) Mitigating and adapting to climate change.

1 (4) Reducing pollution of air, land and water.

2 (5) Increasing energy efficiency.

3 (6) Expanding access to clean, renewable en-
4 ergy sources and technologies.

5 (7) Building capacity for sound natural re-
6 source management.

7 (c) IMPLEMENTATION.—Assistance under this chap-
8 ter should be implemented in a manner that—

9 (1) incorporates and aligns with partner coun-
10 try strategies, plans and priorities;

11 (2) gives due regard to the rights and interests
12 of local and forest-dependent communities, indige-
13 nous peoples, and marginalized and vulnerable social
14 groups, and ensures their full and effective partici-
15 pation in all stages of program planning, implemen-
16 tation, and evaluation; and

17 (3) promotes and integrates women’s empower-
18 ment and gender equality.

19 **SEC. 1503. GLOBAL CONSERVATION STRATEGY.**

20 (a) IN GENERAL.—The strategy required under sec-
21 tion 1019 with respect to protecting and restoring the nat-
22 ural environment shall be known as the “Global Conserva-
23 tion Strategy”.

24 (b) CONTENTS.—The Global Conservation Strategy
25 shall include, in addition to the elements required under

1 section 1019(b), plans for achieving the goal and objec-
2 tives of section 1502.

3 (c) GUIDELINES.—The Global Conservation Strategy
4 should—

5 (1) establish priority countries, regions or nat-
6 ural ecosystems for reducing environmental degrada-
7 tion;

8 (2) identify the economic, health, and conflict-
9 prevention benefits to be achieved through imple-
10 mentation of the strategy;

11 (3) establish policy guidance to link investments
12 in specific conservation programs to the broader
13 goals of reducing poverty and alleviating human suf-
14 fering, and to integrate environmental goals into
15 country-based and sector-based strategies;

16 (4) identify and improve United States policies
17 that affect the conservation of critical natural re-
18 sources and biodiversity abroad;

19 (5) seek to encourage and leverage participation
20 from the private sector, other donor governments,
21 governments of developing countries, international
22 financial institutions, and other international organi-
23 zations to implement the strategy;

1 (6) address the anticipated effects of climate
2 change on highly vulnerable communities and popu-
3 lations and on the achievement of key objectives; and
4 (7) include a review of all executive orders and
5 regulations that may have an impact on the strat-
6 egy.

7 **SEC. 1504. ASSISTANCE FOR ENVIRONMENTAL SUSTAIN-**
8 **ABILITY.**

9 (a) **AUTHORIZATION.**—The Administrator is author-
10 ized to use funds made available under section 1015 to
11 further the goal and objectives of this chapter in partner
12 countries.

13 (b) **ACTIVITIES.**—Assistance provided under sub-
14 section (a) shall include the following:

15 (1) **PROTECTING AND RESTORING NATURAL**
16 **ECOSYSTEMS.**—

17 (A) Conserving, sustainably managing, and
18 restoring natural ecosystems.

19 (B) Establishing, restoring, protecting, and
20 maintaining protected areas, parks and re-
21 serves.

22 (C) Developing and improving governance
23 structures, resource rights and responsibilities,
24 and land use planning to reduce degradation,

1 destruction, and illegal use of natural eco-
2 systems.

3 (D) Reducing greenhouse gas emissions
4 from land use and land-use change, the destruc-
5 tion of wetlands and peatlands and forestry, in-
6 cluding deforestation and forest degradation
7 and enhancement of forest carbon stocks.

8 (E) Studying and assessing the economic
9 value of natural ecosystems and their contribu-
10 tions to addressing poverty-related issues.

11 (F) Developing alternatives and disincen-
12 tives to destructive farming, fishing, and for-
13 estry practices.

14 (2) CONSERVING BIOLOGICAL DIVERSITY.—

15 (A) Protecting and maintaining wildlife
16 and plant habitats, both land and sea.

17 (B) Developing sound wildlife management
18 and plant conservation policies and programs at
19 the local, national, and international levels.

20 (C) Identifying, studying, and cataloging
21 animal and plant species.

22 (D) Establishing effective policies and reg-
23 ulations to reduce loss of biological diversity.

1 (E) Enacting and enforcing anti-poaching
2 measures, including through alternative liveli-
3 hood opportunities.

4 (F) Educating local communities, including
5 civil society organizations, governments and in-
6 termediate representative institutions, about the
7 importance and benefits of conserving biological
8 diversity.

9 (3) MITIGATING AND ADAPTING TO CLIMATE
10 CHANGE.—

11 (A) Researching and assessing climato-
12 logical and socioeconomic factors to identify and
13 prioritize vulnerable populations and natural
14 ecosystems and likely impacts.

15 (B) Developing national and regional cli-
16 mate change adaptation and mitigation plans.

17 (C) Planning, financing and implementing
18 adaptation programs and activities.

19 (D) Increasing resilience to and prepared-
20 ness for climate change and its impacts among
21 highly vulnerable communities and populations,
22 including through capacity building.

23 (E) Supporting the identification and
24 adoption of appropriate renewable and efficient
25 energy technologies.

1 (4) REDUCING POLLUTION OF AIR, LAND AND
2 WATER.—

3 (A) Monitoring, regulating, and mitigating
4 pollutants to air, land and water.

5 (B) Designing, promoting and utilizing
6 clean technologies and practices.

7 (C) Increasing the quality, quantity, and
8 transparency of data regarding the monitoring,
9 regulation and mitigation of pollutants.

10 (D) Developing public awareness cam-
11 paigns and promoting civic participation in en-
12 vironmental stewardship.

13 **SEC. 1505. ASSISTANCE FOR SUSTAINABLE ENERGY AND**
14 **NATURAL RESOURCE MANAGEMENT.**

15 (a) FINDINGS.—Congress finds the following:

16 (1) Access to energy is essential for economic
17 growth, public health, clean water, sanitation, trans-
18 portation, communication, agricultural activities, and
19 the overall progress of developing countries.

20 (2) Many developing countries lack access to
21 the financial resources and technology necessary to
22 locate, explore, and develop indigenous natural re-
23 sources.

24 (3) Black carbon contributes to pollution,
25 health concerns, and significantly warms the Earth's

1 climate system by absorbing radiation, converting it
2 into heat, and releasing heat energy into the atmos-
3 phere.

4 (4) Clean, efficient and renewable energy
5 sources are vital to sustain economic growth and
6 protect human health.

7 (5) Energy must be accessible to the poor in
8 order to ensure that basic human needs are met.

9 (6) Title V of the Nuclear Non-Proliferation
10 Act of 1978 (22 U.S.C. 3261 et seq.) requires the
11 United States to work with developing countries in
12 assessing and finding ways to meet their energy
13 needs through alternatives to nuclear energy that
14 are consistent with economic factors, material re-
15 sources, and environmental protection.

16 (7) Proper management of natural resources
17 can provide the basis for sustainable development
18 while the mismanagement and unregulated exploi-
19 tation of natural resources has fueled conflict and
20 corruption in many countries around the world.

21 (b) AUTHORIZATION.—The Administrator is author-
22 ized to use funds made available under this chapter for
23 programs to promote clean energy technologies, respon-
24 sible stewardship of natural resources, and reliable access
25 by the poor to energy.

1 (c) ACTIVITIES.—Assistance authorized under sub-
2 section (b) shall include the following:

3 (1) INCREASING ENERGY EFFICIENCY.—

4 (A) Development of sound national energy
5 and electricity plans.

6 (B) Improving the efficiency of electricity
7 transmission, distribution, and consumption.

8 (C) Building local capacity to monitor and
9 regulate the energy sector.

10 (2) EXPANDING ACCESS TO CLEAN, RENEW-
11 ABLE ENERGY SOURCES AND TECHNOLOGIES.—

12 (A) Improving the availability of renewable
13 electricity generation from wind, solar,
14 sustainably and locally produced biomass, geo-
15 thermal, marine, or hydrokinetic sources.

16 (B) Expanding the deployment of low or
17 zero emission technologies.

18 (C) Increasing access to clean energy tech-
19 nologies, especially in rural areas.

20 (D) Improving transportation system and
21 vehicle efficiency.

22 (E) Reducing black carbon emissions, in-
23 cluding through the use of clean cookstoves.

1 (F) Building local capacity to operate,
2 maintain and improve clean energy tech-
3 nologies.

4 (G) Mitigating the impacts of energy alter-
5 natives on natural resources and natural eco-
6 systems

7 (3) BUILDING CAPACITY FOR SOUND NATURAL
8 RESOURCE MANAGEMENT.—

9 (A) Enhancing the transparency of reve-
10 nues generated from natural resource extrac-
11 tion.

12 (B) Improving the security of land tenure
13 and property rights, especially for marginalized
14 groups.

15 (C) Building local capacity to assess, mon-
16 itor, and regulate access to natural resources
17 and to evaluate the social and environmental ef-
18 fects of extraction.

19 (D) Improving local capacity to assess the
20 value of environmental services.

21 **SEC. 1506. ENVIRONMENTAL RESTRICTIONS.**

22 (a) RESTRICTION.—Assistance authorized under this
23 subtitle shall not be provided for programs, projects, and
24 activities that—

1 (1) introduce invasive and nonnative plant spe-
2 cies;

3 (2) cause the destruction or degradation of ex-
4 isting natural ecosystems, natural parks, or similar
5 protected areas;

6 (3) result in or cause a loss of biological diver-
7 sity or adversely impact rare, threatened, or endan-
8 gered plant and animal species;

9 (4) involve destructive farming, fishing, and for-
10 est harvesting practices such as slash and burn agri-
11 culture; or

12 (5) provide for the construction of dams or
13 other water control structures that flood natural eco-
14 systems.

15 (b) WAIVER.—The Administrator may waive the re-
16 strictions contained in subsection (a) if the Administrator
17 determines and reports to the appropriate congressional
18 committees that—

19 (1) the proposed program, project, or activity is
20 vital to improving the livelihoods of the rural poor;

21 (2) the proposed program will be conducted in
22 an environmentally sound manner that supports sus-
23 tainable development; and

24 (3) appropriate mitigation activities will be un-
25 dertaken.

1 **SEC. 1507. ENVIRONMENTAL IMPACT STATEMENTS AND AS-**
2 **SESSMENTS.**

3 (a) IN GENERAL.—In implementing programs,
4 projects, and activities under this subtitle, the Adminis-
5 trator shall take fully into account the impact of such pro-
6 grams and projects upon the environment and natural re-
7 sources of developing countries.

8 (b) REQUIRED STATEMENTS AND ASSESSMENTS.—
9 Subject to such procedures as the Administrator considers
10 appropriate, the Administrator shall require that all agen-
11 cies and officials responsible for programs, projects, and
12 activities under this subtitle prepare and take fully into
13 account—

14 (1) an environmental impact statement for any
15 proposed program, project, or activity significantly
16 affecting the environment of the global commons
17 outside the jurisdiction of any country, the environ-
18 ment of the United States, or other aspects of the
19 environment which the Administrator may specify;
20 and

21 (2) an environmental assessment of any pro-
22 posed program, project, or activity significantly af-
23 fecting the environment of any foreign country.

24 (c) MATTERS TO BE INCLUDED.—Environmental
25 impact statements and environmental assessments under-
26 taken pursuant to subsection (b) shall include—

1 (1) recommendations for possible alternatives
2 and mitigation measures;

3 (2) an estimate of greenhouse gas emissions at-
4 tributable to the program, project, or activity; and

5 (3) a special review of any project that will emit
6 more than 100,000 tons of carbon dioxide.

7 (d) LOCAL TECHNICAL RESOURCES.—Environmental
8 impact statements and environmental assessments under-
9 taken pursuant to paragraph (b) should, to the maximum
10 extent feasible, use local technical resources.

11 (e) EXCEPTIONS.—The Administrator may establish
12 exceptions from the requirements of this section for emer-
13 gency conditions and for cases in which the Administrator
14 determines that compliance with those requirements would
15 be seriously detrimental to the foreign policy interests of
16 the United States.

17 (f) PUBLIC AVAILABILITY.—

18 (1) IN THE UNITED STATES.—All environ-
19 mental impact statements and environmental assess-
20 ments shall be published on the Internet website of
21 the Agency not later than 30 days following their
22 completion, and may be accompanied by the Agen-
23 cy's response to the findings therein.

24 (2) IN AFFECTED COUNTRIES.—To the extent
25 feasible, all environmental assessments shall be

1 translated into the local language(s) of the affected
2 communities and made available to the partner gov-
3 ernment, local and international nongovernmental
4 organizations, and affected communities.

5 **SEC. 1508. DEFINITIONS.**

6 In this chapter:

7 (1) **NATURAL ECOSYSTEM.**—The term “natural
8 ecosystem” means a dynamic set of living organisms,
9 including plants, animals, and microorganisms inter-
10 acting among themselves and with the environment
11 in which they live, and includes tropical forests,
12 freshwater, coastal, estuarian and fisheries habitats,
13 coral reefs, natural grasslands, and mangrove for-
14 ests.

15 (2) **GREENHOUSE GAS.**—The term “greenhouse
16 gas” means carbon dioxide, methane, nitrous oxide,
17 sulfur hexafluoride, hydrofluorocarbons emitted from
18 a chemical manufacturing process at an industrial
19 stationary source, any perfluorocarbon, nitrogen
20 trifluoride, any other anthropogenic gas designated
21 as a greenhouse gas by the Administrator for pur-
22 poses of this chapter.

23 (3) **HIGHLY VULNERABLE COMMUNITIES AND**
24 **POPULATIONS.**—The term “highly vulnerable com-
25 munities and populations” means communities and

1 populations that are at risk of substantial adverse
2 impacts of climate change and have limited capacity
3 to respond to such impacts, including impoverished
4 communities, children, women, and indigenous peo-
5 ples.

6 (4) MOST VULNERABLE DEVELOPING COUN-
7 TRIES.—The term “most vulnerable developing
8 countries” means, as determined by the Adminis-
9 trator, developing countries that are at risk of sub-
10 stantial adverse impacts of climate change and have
11 limited capacity to respond to such impacts, consid-
12 ering the approaches included in any international
13 treaties and agreements.

14 **CHAPTER 6—IMPROVING ACCESS TO SAFE**
15 **WATER, SANITATION, AND HOUSING**

16 **SEC. 1601. FINDINGS AND STATEMENT OF POLICY.**

17 (a) FINDINGS.—Congress finds the following:

18 (1) Clean water and sanitation are among the
19 most powerful drivers for human development. They
20 extend opportunity, enhance dignity, and help create
21 a virtuous cycle of improving health and rising
22 wealth.

23 (2) Unsafe drinking water, inadequate sanita-
24 tion, and unsuitable and unhygienic living conditions
25 exact an enormous toll on human health in devel-

1 oping countries, particularly for infants and chil-
2 dren.

3 (3) Diseases linked to unsafe water and poor
4 sanitation, as well as the time and energy women
5 often devote to collecting water, significantly reduce
6 economic productivity in less developed countries
7 and promote lifecycles of disadvantage.

8 (4) Water scarcity has negative consequences
9 for agricultural productivity and food security, and
10 seriously threatens international ability to increase
11 food production at the rate required to meet the
12 needs of the world's growing population.

13 (5) The underlying cause of water scarcity in
14 the large majority of cases is institutional and polit-
15 ical, and requires sustainable and effective water re-
16 source management.

17 (6) Demand for water resources has contributed
18 to armed conflict in many parts of the world, while
19 conflict and civil strife often reduce access to clean
20 water and sanitation for displaced persons and other
21 innocent victims.

22 (7) The continued degradation of watersheds
23 threatens the benefits that healthy natural systems
24 provide, and on which people rely.

1 (8) The effects of climate change are expected
2 to produce severe consequences for water availability
3 and resource management in many developing coun-
4 tries, which could result in severe and chronic water
5 shortages.

6 (9) Unsuitable and unhygienic living conditions
7 can exact a heavy toll on human health and produc-
8 tivity. Adequate housing is often a precondition for
9 the enjoyment of various civic and human rights, in-
10 cluding the rights to work, vote, obtain education,
11 receive health care, and access other social services.

12 (10) Rapid urbanization and future population
13 growth are expected to exacerbate already limited
14 access to water, as well as to adequate housing.

15 (11) Approximately half the world's population
16 lives in cities, often in slums characterized by unsafe
17 water, poor sanitation, lack of basic services, over-
18 crowding, inferior construction and insecure tenure.
19 Because slum populations are growing rapidly, they
20 require increased attention and better integrated
21 programming.

22 (12) Inadequate laws, policies and enforcement
23 mechanisms to protect real property use, lease, and
24 ownership rights often subject slum dwellers to arbi-

1 trary, often supra-market rents, forced evictions,
2 threats, and harassment.

3 (13) Insecurity of tenure severely inhibits eco-
4 nomic development by undermining investment in-
5 centives and constraining the growth of credit mar-
6 kets, imperils the ability of families to achieve sus-
7 tainable livelihoods and assured access to housing,
8 and often contributes to conflict over property
9 rights.

10 (14) Women are affected disproportionately by
11 forced evictions and insecure tenure as a result of
12 gender discrimination, often including gender-biased
13 laws that define women as legal minors or otherwise
14 prevent them from owning or leasing land, property,
15 and housing, making them more vulnerable to pov-
16 erty, violence, and sexual abuse.

17 (15) Expanding access to clean water, sanita-
18 tion, and housing is essential for reducing the global
19 burden of disease, advancing economic and social de-
20 velopment, protecting basic human rights, and miti-
21 gating sources of conflict.

22 (b) STATEMENT OF POLICY.—It is the policy of the
23 United States to recognize the human right to water and
24 adequate housing, and to work in cooperation with the

1 international community to ensure access to safe water,
2 sanitation and adequate housing for all people.

3 **SEC. 1602. GOAL AND OBJECTIVES.**

4 (a) GOAL.—The goal of assistance under this chapter
5 is to improve living conditions and basic human dignity
6 for the world’s poorest people.

7 (b) OBJECTIVES.—In furtherance of the goal of sub-
8 section (a), assistance under this chapter shall be designed
9 to help partner countries achieve the following objectives:

10 (1) Expanding access to sufficient, safe, and af-
11 fordable water for personal and domestic use.

12 (2) Upgrading and expanding basic sanitation.

13 (3) Increasing access to adequate housing.

14 (4) Improving the management of water and re-
15 lated resources for greater sustainability.

16 (5) Enhancing planning for sustainable urban
17 development.

18 **SEC. 1603. GLOBAL STRATEGY FOR WATER, SANITATION**
19 **AND HOUSING.**

20 (a) IN GENERAL.—The strategy required under sec-
21 tion 1019 with respect to improving access to safe water,
22 sanitation, and housing shall be known as the “Global
23 Water, Sanitation and Housing Strategy”.

24 (b) CONTENTS.—The Global Water, Sanitation and
25 Housing Strategy shall include, in addition to the elements

1 required under section 1019(b), plans for achieving the
2 goal and objectives of section 1602.

3 (c) GUIDELINES.—The Global Water, Sanitation and
4 Housing Strategy should—

5 (1) include targets for providing, on a sustain-
6 able basis, first-time access to safe water, basic sani-
7 tation, and adequate housing;

8 (2) prioritize improvements for the poorest peo-
9 ple living under the most inadequate conditions;

10 (3) explain how policies and programs relating
11 to water, sanitation and housing will be integrated
12 with other policies and programs under this title;

13 (4) explain how programs and policies under
14 the strategy will contribute to meeting internation-
15 ally agreed targets relating to access to safe drink-
16 ing water and basic sanitation and improving the
17 lives of slum dwellers;

18 (5) maximize efficiency in water use and sus-
19 tainability of water supplies;

20 (6) identify and promote best practices for mo-
21 bilizing and leveraging public-private partnerships;

22 (7) address the effects of climate change on
23 achieving the goal of this chapter;

1 (8) evaluate the impact of urbanization and
2 general migration trends on water, sanitation, and
3 housing;

4 (9) utilize expertise within the United States
5 Government by improving policy and program co-
6 ordination among relevant Federal agencies, includ-
7 ing the Department of State, the United States
8 Agency for International Development, the Millen-
9 nium Challenge Corporation, the Centers for Disease
10 Control and Prevention, the National Oceanic and
11 Atmospheric Administration, the United States Geo-
12 logical Survey, and the Environmental Protection
13 Agency; and

14 (10) strengthen strategic coordination with,
15 build on the expertise of, and encourage contribu-
16 tions from, a wide variety of stakeholders, including
17 partner governments, the private sector and non-
18 governmental organizations.

19 **SEC. 1604. ASSISTANCE FOR WATER, SANITATION AND**
20 **HOUSING.**

21 (a) **AUTHORIZATION.**—The Administrator is author-
22 ized to use funds made available under section 1015 to
23 further the goal and objectives of this chapter in partner
24 countries.

1 (b) ACTIVITIES.—Assistance authorized under sub-
2 section (a) shall include the following:

3 (1) EXPANDING ACCESS TO CLEAN WATER AND
4 SANITATION.—

5 (A) Assessing water, sanitation, and hy-
6 giene needs.

7 (B) Developing additional, affordable, ac-
8 cessible, and reliable water supplies.

9 (C) Expanding the coverage of existing
10 water and sanitation systems to reach pre-
11 viously underserved populations.

12 (D) Improving water and sanitation infra-
13 structure.

14 (E) Increasing the safety, reliability, and
15 sustainability of, and equity in access to, water
16 supplies, sanitation infrastructure, and hygiene
17 services.

18 (F) Promoting more efficient and sustain-
19 able use of water supplies.

20 (G) Fostering integrated river basin and
21 watershed management.

22 (H) Increasing awareness and use of
23 healthy hygiene practices.

24 (I) Building the capacity of partner coun-
25 tries to plan and manage water resources in an

1 efficient, transparent, inclusive and environ-
2 mentally sustainable manner.

3 (J) Promoting international and regional
4 cooperation to share technologies and best prac-
5 tices.

6 (K) Mitigating conflict over water re-
7 sources.

8 (L) Conducting research and developing
9 technology to further the goal and objectives of
10 this chapter.

11 (2) EXPANDING ACCESS TO ADEQUATE HOUS-
12 ING.—

13 (A) Assessing housing and infrastructure
14 needs.

15 (B) Upgrading existing housing to meet
16 international humanitarian standards.

17 (C) Incentivizing the construction of af-
18 fordable housing units.

19 (D) Improving community infrastructure,
20 such as sidewalks, drainage ditches, and public
21 lighting.

22 (E) Enhancing recognition and protection
23 of legal rights to the ownership, lease and use
24 of real property.

1 (F) Reducing gender and other discrimina-
2 tion in housing, property ownership, and munic-
3 ipal services.

4 (G) Developing and enforcing reasonable
5 housing and construction codes to protect low-
6 income residents and buyers.

7 (H) Encouraging the development and ex-
8 pansion of commercially oriented housing mar-
9 kets in partner countries, including home mort-
10 gage and insurance markets and financing for
11 municipal infrastructure.

12 (I) Building the capacity of partner coun-
13 tries for improved urban planning and manage-
14 ment.

15 **SEC. 1605. DEFINITIONS.**

16 In this chapter—

17 (1) the term “adequate housing” means hous-
18 ing that meets international humanitarian standards
19 and includes—

20 (A) legal security of tenure;

21 (B) availability of services, materials, fa-
22 cilities, and infrastructure;

23 (C) affordability;

24 (D) habitability;

25 (E) accessibility;

1 (F) location; and

2 (G) cultural adequacy; and

3 (2) the term “living conditions” means the ade-
4 quacy of water, sanitation, and housing for human
5 habitation.

6 **CHAPTER 7—FOSTERING GENDER**
7 **EQUALITY**

8 **SEC. 1701. FINDINGS AND STATEMENT OF POLICY.**

9 (a) FINDINGS.—Congress finds the following:

10 (1) Women and girls are the majority of the
11 world’s poor, unschooled, unhealthy, and underfed.

12 (2) Women around the world often work under
13 substandard conditions, for longer hours, and with
14 lower compensation, less income stability and fewer
15 economic opportunities than men.

16 (3) Women are often excluded by law or prac-
17 tice from participating fully and equally in the polit-
18 ical, economic, and social life of their country.

19 (4) Women own significantly less land than
20 men and experience numerous barriers to ownership.
21 Access to land and property rights offers women
22 greater economic opportunity and security, greater
23 protection from physical harm, better access to
24 health, education, and financial services, and im-
25 proved social status.

1 (5) Displaced, refugee, and stateless women and
2 girls in humanitarian emergencies, conflict settings,
3 and natural disasters are at extreme risk of violence,
4 exploitation and intimidation.

5 (6) Violence against women dramatically im-
6 pedes progress in meeting global health goals, in-
7 cluding efforts to reduce maternal mortality and re-
8 verse the spread of HIV/AIDS.

9 (7) Ensuring that women have the ability to ef-
10 fectively plan families is one of the keys to expand-
11 ing their economic opportunities. Yet hundreds of
12 millions of women lack access to affordable, effec-
13 tive, and appropriate contraceptive methods and re-
14 productive health care, putting them at greater risk
15 of unintended pregnancies and serious health com-
16 plications.

17 (8) Studies have shown that investments in
18 women and girls have broad multiplier effects, par-
19 ticularly in the areas of health and education, which
20 over the long run can significantly improve the fu-
21 ture of communities and countries.

22 (9) Investments in women and girls can play a
23 key role in reducing poverty, countering violent ex-
24 tremism, promoting stability, fostering tolerance and

1 reconciliation, and building strong and vibrant civil
2 societies.

3 (10) Increasing women's access to economic op-
4 portunities is crucial to preventing and responding
5 to domestic and sexual violence.

6 (11) Fostering gender equality requires
7 strengthening rules, practices, and institutions that
8 protect the rights of women and men, girls and boys,
9 as well as including them in the design, implementa-
10 tion, and monitoring of programs to reduce poverty
11 and alleviate human suffering.

12 (b) STATEMENT OF POLICY.—It is the policy of the
13 United States to—

14 (1) invest in women and girls in partner coun-
15 tries as a matter of justice and human rights as well
16 as to promote sustainable development and achieve
17 internationally agreed development goals;

18 (2) include women and the organizations that
19 represent them in the design, implementation, and
20 monitoring of programs under this title;

21 (3) mainstream into the design, implementa-
22 tion, and evaluation of policies and programs at all
23 levels an understanding of the distinctive impact
24 that such policies and programs may have on women
25 and girls, men and boys; and

1 (4) promote equal opportunities for all people,
2 regardless of sex, to achieve their personal potential
3 and maximize their contributions to the development
4 of their families, communities, and countries.

5 **SEC. 1702. GOAL AND OBJECTIVES.**

6 (a) GOAL.—The goal of assistance under this chapter
7 is to promote women’s empowerment, gender equality, and
8 gender integration.

9 (b) OBJECTIVES.—In furtherance of the goal of sub-
10 section (a), assistance under this chapter shall be designed
11 to help partner countries achieve the following objectives:

12 (1) Increasing educational, economic, and polit-
13 ical opportunities for women and girls.

14 (2) Building the capacity of women and girls to
15 participate fully in decisions that affect their lives.

16 (3) Reducing legal and social barriers to wom-
17 en’s participation in economic activity and political
18 processes.

19 (4) Expanding the collection of sex-
20 disaggregated data and the use of gender analysis.

21 (5) Integrating gender considerations into all
22 international development policies and programs, in-
23 cluding those carried out by all USAID bureaus, of-
24 fices, and missions.

1 **SEC. 1703. GLOBAL STRATEGY FOR GENDER EQUALITY.**

2 (a) IN GENERAL.—The strategy required under sec-
3 tion 1019 with respect to fostering gender equality shall
4 be known as the “Global Strategy for Gender Equality”.

5 (b) CONTENTS.—The Global Strategy for Gender
6 Equality shall include, in addition to the elements required
7 under section 1019(b), plans for achieving the goal and
8 objectives in section 1702.

9 (c) GUIDELINES.—The Global Strategy for Gender
10 Equality should—

11 (1) be coordinated and integrated with the com-
12 prehensive international strategy to prevent and re-
13 spond to violence against women and girls, as re-
14 quired under section 3203, and with each sector
15 strategy of development, as described in section
16 1019;

17 (2) include plans for preventing child marriage;

18 (3) address the ways in which the exclusion of,
19 and discrimination against, women hinders economic
20 growth and heightens the risks of conflict and insta-
21 bility;

22 (4) discuss exclusionary and discriminatory
23 practices that are particularly harmful for the
24 achievement of United States development goals and
25 identify the countries in which such practices occur;

1 (5) include plans for hiring, training, deploying
2 and retaining a diverse USAID workforce with ap-
3 propriate expertise and responsibility for promoting
4 women’s empowerment, gender equality and gender
5 integration around the world;

6 (6) establish policy and guidance for integrating
7 gender considerations into all other international de-
8 velopment strategies and programs;

9 (7) ensure that the goal and objectives of this
10 chapter are reflected in the USAID’s procurement
11 regulations and procedures; and

12 (8) build accountability for gender integration
13 into monitoring and evaluation systems.

14 (d) PREPARATION.—The Global Strategy for Equal-
15 ity shall be prepared by the Director of the Office of Gen-
16 der Equality and Women’s Empowerment, in coordination
17 with the Policy, Planning and Learning Bureau and the
18 Ambassador-at-Large for Global Women’s Issues.

19 **SEC. 1704. ASSISTANCE FOR GENDER EQUALITY.**

20 (a) IN GENERAL.—The Administrator is authorized
21 to use funds made available under section 1015 to further
22 the goal and objectives of this chapter in partner coun-
23 tries.

24 (b) ACTIVITIES.—Assistance authorized under sub-
25 section (a) shall include—

1 (1) integrating women into the political, social,
2 and economic systems of partner countries;

3 (2) developing laws, regulations, and policies
4 that promote equal rights and prohibit discrimina-
5 tion in partner countries;

6 (3) providing leadership and technical training
7 that improves the capacity of women and girls in
8 partner countries to participate fully in decisions
9 that affect their lives;

10 (4) enhancing the capacity of partner countries
11 to undertake analysis of the specialized needs of
12 women and girls in health, water, sanitation, hous-
13 ing, education, food, legal and financial services, and
14 other sectors, and to develop policies and programs
15 to meet those needs;

16 (5) enhancing the capacity of partner countries
17 to prevent and respond to violence against women
18 and girls; and

19 (6) research and innovation to improve the de-
20 sign, implementation, and monitoring and evaluation
21 of United States foreign assistance for greater effec-
22 tiveness in promoting gender equality and reducing
23 sexual and gender-based violence.

1 **SEC. 1705. OFFICE OF GENDER EQUALITY AND WOMEN'S**
2 **EMPOWERMENT.**

3 (a) **ESTABLISHMENT.**—There is established, within
4 the United States Agency for International Development,
5 an Office of Gender Equality and Women's Empowerment
6 (referred to in this section as the "Office").

7 (b) **DIRECTOR.**—The Office shall be headed by a Di-
8 rector (referred to in this section as the "Director"), who
9 shall be highly qualified in matters relating to inter-
10 national development and gender integration. The Direc-
11 tor shall report directly to the Administrator and consult
12 regularly with the Ambassador-at-Large for Global Wom-
13 en's Issues.

14 (c) **DUTIES.**—The Director shall—

15 (1) advise the Administrator on matters relat-
16 ing to the advancement of women's global develop-
17 ment;

18 (2) lead and coordinate all efforts of the United
19 States Agency for International Development to em-
20 power women and promote gender equality in devel-
21 oping countries, including efforts to prevent and re-
22 spond to gender-based violence;

23 (3) direct the preparation of the Global Strat-
24 egy for Gender Equality under section 1703;

25 (4) mainstream into the design, implementa-
26 tion, and evaluation of policies and programs at all

1 levels an understanding of the distinctive impact
2 that such policies and programs may have on women
3 and girls;

4 (5) assist other bureaus, offices, and overseas
5 missions in designing and revising strategies, pro-
6 grams, projects and activities to empower women
7 and promote gender equality;

8 (6) monitor and evaluate the impact on women
9 and girls of programs carried out by USAID; and

10 (7) disseminate information about lessons
11 learned and best practices for advancing women's
12 global development throughout USAID and other
13 relevant Federal agencies.

14 **SEC. 1706. PREVENTION OF CHILD MARRIAGE.**

15 (a) FINDINGS.—Congress finds the following:

16 (1) Child marriage, also known as “forced mar-
17 riage” or “early marriage”, is a harmful traditional
18 practice that deprives girls of their dignity and
19 human rights.

20 (2) Child marriage as a traditional practice, as
21 well as through coercion or force, is a violation of ar-
22 ticle 16 of the Universal Declaration of Human
23 Rights, which states, “Marriage shall be entered into
24 only with the free and full consent of intending
25 spouses”.

1 (3) Factors perpetuating child marriage include
2 poverty, a lack of educational or employment oppor-
3 tunities for girls, parental concerns to ensure sexual
4 relations within marriage, the dowry system, and the
5 perceived lack of value of girls.

6 (4) Child marriage has negative effects on the
7 health of girls, including significantly increased risk
8 of maternal death and morbidity, infant mortality
9 and morbidity, obstetric fistula, and sexually trans-
10 mitted diseases, including HIV/AIDS.

11 (5) Most countries with high rates of child mar-
12 riage have a legally established minimum age of
13 marriage, yet child marriage persists due to strong
14 traditional norms and the failure to enforce existing
15 laws.

16 (6) Investments in girls' schooling, creating safe
17 community spaces for girls, and programs to build
18 skills for out-of-school girls are all effective and
19 demonstrated strategies for preventing child mar-
20 riage by addressing conditions of poverty, low status,
21 and social norms that contribute to child marriage.

22 (b) STATEMENT OF POLICY.—It is the policy of the
23 United States to seek the elimination of the practice of
24 child marriage.

1 (c) AUTHORIZATION.—The Administrator is author-
2 ized to use funds made available under this chapter for
3 programs to prevent the incidence of child marriage in
4 partner countries through the promotion of educational,
5 health, economic, social, and legal rights of girls and
6 women.

7 (d) PRIORITY.—In providing assistance authorized
8 under subsection (c), the Administrator should give pri-
9 ority to—

10 (1) areas or regions in developing countries in
11 which 40 percent or more of girls under the age of
12 18 are married; and

13 (2) activities to—

14 (A) expand and replicate existing commu-
15 nity-based programs that are successful in pre-
16 venting the incidence of child marriage;

17 (B) establish pilot projects to prevent child
18 marriage; and

19 (C) share evaluations of successful pro-
20 grams, program designs, experiences, and les-
21 sons.

1 **SEC. 1707. COORDINATION OF EFFORTS TO PREVENT**
2 **CHILD MARRIAGE.**

3 (a) DESIGNATION.—The Administrator shall des-
4 ignate an official to lead and coordinate policies and pro-
5 grams of the Agency to prevent child marriage.

6 (b) ADDITIONAL DUTIES.—In addition to the respon-
7 sibilities described in subsection (a), the official designated
8 under subsection (a) shall—

9 (1) ensure that efforts to prevent child mar-
10 riage are integrated into the relevant country and
11 sector strategies prepared in accordance with sec-
12 tions 1018 and 1019; and

13 (2) collect and disseminate information on—

14 (A) best practices for preventing and re-
15 ducing the incidence of child marriage;

16 (B) the incidence of child marriage in part-
17 ner countries where the practice of child mar-
18 riage is prevalent; and

19 (C) the relationship between prevalence of
20 child marriage and the achievement of develop-
21 ment goals.

22 (c) CONSULTATION.—In carrying out the duties
23 under this section, the official designated under subsection
24 (a) shall consult with a wide range of relevant stake-
25 holders.

1 **SEC. 1708. DEFINITIONS.**

2 In this chapter:

3 (1) CHILD MARRIAGE.—The term “child mar-
4 riage” means the marriage of a girl or a boy who
5 has not reached the minimum legal age for marriage
6 in the country of residence, or where there is no
7 such law, under the age of 18.

8 (2) GENDER ANALYSIS.—The term “gender
9 analysis” means the systematic examination of the
10 different roles, rights, resources, constraints, and op-
11 portunities of men and women, boys and girls, in a
12 society, economy, community or family.

13 (3) GENDER EQUALITY.—The term “gender
14 equality” means equal opportunities for all people,
15 regardless of sex, to achieve their personal potential
16 and maximize their contributions to the development
17 of their families, communities, and countries.

18 (4) GENDER INTEGRATION.—The term “gender
19 integration” means incorporating gender analysis
20 and the resulting recommendations in all policies,
21 budgets, programming, and performance monitoring
22 and evaluation.

23 **CHAPTER 8—STRENGTHENING**
24 **DEMOCRATIC GOVERNANCE**

25 **SEC. 1801. FINDINGS AND STATEMENT OF POLICY.**

26 (a) FINDINGS.—Congress finds the following:

1 (1) Democratic development, political pluralism,
2 and respect for internationally recognized human
3 rights are intrinsically linked to economic and social
4 progress. Efforts to reduce poverty and promote
5 broad-based economic growth are more effective and
6 sustainable in a political environment in which fun-
7 damental freedoms and the rule of law are re-
8 spected, government institutions are broadly rep-
9 resentative, and corruption is held to a minimum.

10 (2) Violent extremism that threatens United
11 States national security flourishes where democratic
12 governance is weak, justice uncertain, and legal ave-
13 nues for change in short supply.

14 (3) Democracy can only be sustained in a soci-
15 ety in which the legitimacy of the government rests
16 firmly on the expressed consent of the governed; the
17 rights of all citizens, including minorities, are re-
18 spected and protected; and there is effective civilian
19 control over the military and security forces.

20 (4) There is a growing worldwide movement to-
21 ward more open, just and democratic societies. This
22 trend is essential to achieving the United States ulti-
23 mate objective of worldwide respect for human rights
24 and fundamental freedoms without distinction as to
25 race, sex, language, religion, sexual orientation, or

1 gender identity. At the same time, this trend holds
2 great promise for promoting the peace of the world
3 and the foreign policy, security, and general welfare
4 of the United States.

5 (5) Preventing mass atrocities is a core national
6 security interest and a core moral responsibility of
7 the United States. Governmental engagement on
8 atrocities too often arrives too late, when opportuni-
9 ties for prevention or low-cost, low-risk action have
10 been missed. By helping partner countries to
11 strengthen democratic institutions and practices and
12 to manage diversity peacefully, responsibly and equi-
13 tably, USAID can address many of the structural
14 conditions that give rise to mass atrocities.

15 (6) Persons belonging to racial, ethnic, reli-
16 gious, and linguistic minorities, as well as lesbians,
17 gays, bisexuals, and transgender individuals, and
18 persons with disabilities are often subjected to dis-
19 crimination, harassment, exploitation, intimidation,
20 and exclusion. United States policies and programs
21 should seek to foster equal opportunity and equal ac-
22 cess to justice for all people, including marginalized
23 groups.

24 (7) Civil society organizations and activists
25 worldwide contribute in unique and essential ways to

1 development as innovative agents of change and so-
2 cial transformation. In particular, such organizations
3 have an important role to play in bringing the voices
4 of the poor to influence government policies, and to
5 hold governments and other powerful actors to ac-
6 count for their actions. A diverse, strong, and inde-
7 pendent civil society sector is critical for the sustain-
8 able reduction of poverty.

9 (8) Democracy cannot be imposed from with-
10 out. However, the United States should encourage
11 all states to meet their obligations under inter-
12 national law to uphold and protect human rights
13 and fundamental freedoms, and should support the
14 aspirations of those who seek through peaceful
15 means to make their governments more democratic
16 and accountable.

17 (9) Democracy takes time to become firmly
18 rooted in society and in the political system. While
19 short-term interventions can be important and effec-
20 tive means for preventing abuses and opening win-
21 dows of opportunity, democratic development gen-
22 erally requires sustained effort and a comprehensive
23 approach.

24 (b) STATEMENT OF POLICY.—It is the policy of the
25 United States to—

1 (1) support democratic aspirations and values,
2 foster the spread of democratic institutions, and en-
3 courage universal respect for internationally recog-
4 nized human rights, including civil and political lib-
5 erties;

6 (2) recognize that, to be successful, such sup-
7 port must not be defined narrowly in terms of par-
8 ties and elections and government institutional ca-
9 pacity building, but must include other, equally im-
10 portant, aspects of democratic development, includ-
11 ing—

12 (A) independent and balanced media;

13 (B) impartial and competent judicial proc-
14 esses that deliver access to justice;

15 (C) respect for human rights and funda-
16 mental freedoms; and

17 (D) a vibrant civil society that engages
18 meaningfully with government; and

19 (3) take into consideration a country's commit-
20 ment to good governance, respect for the rule of law
21 and protection of internationally recognized human
22 rights in providing assistance under this subtitle.

1 **SEC. 1802. GOAL AND OBJECTIVES.**

2 (a) GOAL.—The goal of assistance under this chapter
3 is to strengthen democratic institutions and practices and
4 promote human rights in partner countries.

5 (b) OBJECTIVES.—In furtherance of the goal of sub-
6 section (a), assistance under this chapter shall be designed
7 to help partner countries achieve the following objectives:

8 (1) Improving government responsiveness, ac-
9 countability, transparency and effectiveness.

10 (2) Increasing the capacity and participation of
11 civil society.

12 (3) Strengthening the observance of inter-
13 nationally recognized human rights and the rule of
14 law.

15 (4) Fostering political competition and con-
16 sensus-building.

17 (5) Protecting and expanding democratic space
18 for civil society organizations to operate.

19 **SEC. 1803. ASSISTANCE FOR DEMOCRATIC STRENGTH-**
20 **ENING.**

21 (a) IN GENERAL.—The Administrator is authorized
22 to use funds made available under section 1015 to further
23 the goal and objectives of this chapter in partner coun-
24 tries.

25 (b) ACTIVITIES.—Assistance authorized under sub-
26 section (a) shall include support for the following:

1 (1) Conducting free, legitimate, credible, and
2 fair national, state, and local elections.

3 (2) Developing and strengthening open, demo-
4 cratic, peaceful and effective political parties.

5 (3) Enhancing the responsiveness and effective-
6 ness of public administration.

7 (4) Building professional, transparent and re-
8 sponsible legislatures.

9 (5) Developing and strengthening free, inde-
10 pendent and professional media.

11 (6) Fostering inclusive and transparent legisla-
12 tive and regulatory processes at all levels of govern-
13 ment.

14 (7) Decentralization efforts and the develop-
15 ment of capable, representative local government in-
16 stitutions.

17 (8) Strengthening civilian, democratic control
18 over the military.

19 (9) Combating corruption and promoting finan-
20 cial integrity.

21 (10) Improving the independence, impartiality,
22 transparency and competence of judicial officials and
23 processes.

24 (11) Revising and modernizing laws, constitu-
25 tions, and legal frameworks.

1 (12) Expanding access of crime victims and
2 witnesses to legal information and services.

3 (13) Promoting official recognition of, and re-
4 spect in practice for, internationally recognized
5 human rights.

6 (14) Supporting and assisting international and
7 domestic courts and tribunals investigating and
8 prosecuting instances of mass atrocities.

9 (15) Rehabilitating victims of torture, including
10 activities specifically designed to treat the physical
11 and psychological effects of torture.

12 (16) Preventing and responding to abuses such
13 as human trafficking, sexual and gender-based vio-
14 lence, the conscription of children into armed forces,
15 the use of child labor and the practice of child mar-
16 riage.

17 (17) Strengthening the capacity of civil society
18 organizations to participate effectively in public life
19 and provide input into government decisions.

20 (18) Increasing citizen awareness of rights and
21 responsibilities, and encouraging greater participa-
22 tion in political processes.

23 (19) Promoting tolerance, dialogue, and peace-
24 ful dispute resolution.

1 (20) Reducing the risk of mass atrocities
2 through early warning and early action.

3 (21) Fostering equal rights and equal opportu-
4 nities for marginalized groups.

5 (22) Countering laws, regulations, policies, and
6 practices that restrict civil space.

7 (23) Expanding public access to information
8 and communications, including through the Internet.

9 (24) Implementing Action Plans for Human
10 Rights and Democracy prepared pursuant to section
11 3103.

12 **SEC. 1804. ADVISORY COMMITTEE ON DEMOCRACY PRO-**
13 **MOTION.**

14 (a) ESTABLISHMENT.—There is established an Advi-
15 sory Committee on Democracy Promotion (in this section
16 referred to as the “Advisory Committee”). The Advisory
17 Committee shall report to the Secretary and the Adminis-
18 trator.

19 (b) PURPOSE.—The purpose of the Advisory Com-
20 mittee is to review and make recommendations on how to
21 improve United States Government efforts to promote de-
22 mocracy internationally.

23 (c) DUTIES.—The duties of the Advisory Committee
24 shall include consulting with, providing information to,
25 and advising the Secretary and the Administrator on

1 issues relating to democracy promotion in the formulation
2 and implementation of United States foreign policy and
3 foreign assistance, including such matters as—

4 (1) the means by which the United States Gov-
5 ernment should promote democracy, depending on
6 circumstances in foreign countries;

7 (2) the integration of democracy considerations
8 into United States diplomatic and development ef-
9 forts;

10 (3) the special challenges of setting indicators
11 and measuring impact in the field of democracy and
12 governance;

13 (4) lessons learned and best practices in inter-
14 national democracy promotion;

15 (5) the balance between strengthening civil soci-
16 ety and strengthening governance;

17 (6) the application of principles of country own-
18 ership in undemocratic or democratic transition
19 countries;

20 (7) the application of marking and branding
21 rules to democracy programs;

22 (8) the consistency of democracy policies and
23 programs across Federal agencies; and

24 (9) the parameters for operating in undemo-
25 cratic and conflict settings.

1 (d) MEMBERSHIP.—

2 (1) NUMBER AND APPOINTMENT.—The Advi-
3 sory Committee shall be composed of 8 individuals
4 appointed by the Secretary and 7 individuals ap-
5 pointed by the Administrator who are experts in var-
6 ious aspects of the field of international democracy,
7 human rights, and good governance.

8 (2) TERMS.—Members of the Advisory Com-
9 mittee shall serve a term of 2 years, and may be ap-
10 pointed to consecutive terms.

11 (3) INDIVIDUAL CAPACITY.—Members of the
12 Advisory Committee shall serve in an individual, not
13 a representative, capacity.

14 (4) CHAIRPERSON AND VICE CHAIRPERSON.—
15 The Chairperson of the Advisory Committee shall be
16 designated by the Secretary, and the Vice Chair-
17 person of the Advisory Committee shall be des-
18 ignated by the Administrator, at the time of their
19 appointment to the Advisory Committee.

20 (e) REPORT.—

21 (1) IN GENERAL.—The Advisory Committee
22 shall submit to the Secretary and the Administrator
23 on an annual basis a report that describes the activi-
24 ties of the Advisory Committee during the preceding
25 year.

1 (2) AVAILABILITY TO PUBLIC.—The report re-
2 quired by paragraph (1) shall be made publicly
3 available on the Internet.

4 (f) MEETINGS.—The Advisory Committee shall hold
5 not less than 4 meetings each year.

6 (g) SUBCOMMITTEES.—The Advisory Committee may
7 establish subcommittees and special task forces, as deter-
8 mined necessary by the Advisory Committee. Any such
9 subcommittee or special task force shall meet subject to
10 the call of the Chairperson of the subcommittee or special
11 task force, as the case may be.

12 **SEC. 1805. FOREIGN GOVERNMENT APPROVAL AND CONDI-**
13 **TIONALITY.**

14 (a) FOREIGN GOVERNMENT APPROVAL.—The Ad-
15 ministrators shall not require the approval or agreement
16 of a foreign government for—

17 (1) specific programs, projects, or activities au-
18 thorized under this chapter; or

19 (2) specific organizations carrying out assist-
20 ance authorized under this chapter.

21 (b) FOREIGN GOVERNMENT CONDITIONALITY.—The
22 Administrator shall not terminate assistance authorized
23 under this chapter for a country pursuant to, or in order
24 to conclude, an agreement to provide other forms of assist-
25 ance for such country.

1 **SEC. 1806. RELATIONSHIP TO OTHER LAWS.**

2 Assistance authorized under this chapter to promote
3 human rights, strengthen civil society, and foster a free
4 and fair election, referendum, or vote may be made avail-
5 able notwithstanding any provision of law that restricts
6 assistance to a foreign country.

7 **SEC. 1807. PROHIBITING ASSISTANCE TO INFLUENCE THE**
8 **OUTCOME OF ELECTIONS.**

9 (a) IN GENERAL.—No assistance authorized under
10 this chapter shall be used to influence the outcome of any
11 elections in any country.

12 (b) EXCEPTION.—The prohibition in subsection (a)
13 shall not be construed to prohibit programs that make a
14 good faith effort to assist all democratic parties with equi-
15 table levels of assistance.

16 **SEC. 1808. PROTECTED SPEECH.**

17 Notwithstanding any other provision of law, regula-
18 tion, or policy, in determining eligibility for assistance
19 under this title, foreign nongovernmental organizations—

20 (1) shall not be ineligible for such assistance
21 solely on the basis of health or medical services, in-
22 cluding counseling and referral services, provided by
23 such organizations with non-United States Govern-
24 ment funds, if such services—

25 (A) do not violate the laws of the country
26 in which they are being provided, and

1 (B) would not violate United States Fed-
2 eral law if provided in the United States; and
3 (2) shall not be subject to requirements relating
4 to the use of non-United States Government funds
5 for advocacy and lobbying activities other than those
6 that apply to United States nongovernmental organi-
7 zations receiving assistance under this title.

8 **Subtitle B—Alleviating Human**
9 **Suffering**

10 **SEC. 1901. FINDINGS AND STATEMENT OF POLICY.**

11 (a) FINDINGS.—Congress finds the following:

12 (1) Natural disasters can temporarily over-
13 whelm the capacity of countries, regardless of wealth
14 and technological advancement, to meet basic human
15 needs and protect people from harm. Such disasters
16 are likely to increase in number and severity along
17 with the changes in the world's climate, the degrada-
18 tion of the environment, and the expansion of the
19 world's population.

20 (2) Conflict, weak and poor governance, corrup-
21 tion, and repression increase vulnerability to human-
22 itarian crisis, aggravate the impact of physical and
23 environmental shocks, complicate the ability to re-
24 spond effectively, and lengthen the recovery period.

1 (3) Conflicts, human rights violations, and nat-
2 ural disasters often uproot people within their own
3 countries. Forced to abandon their homes and liveli-
4 hoods, and without access to the rights and re-
5 sources available to those who cross an international
6 border, these internally displaced persons are among
7 the world's most vulnerable and neglected people.

8 (4) Persons affected by conflict are at greatly
9 heightened risk of sexual and gender-based violence.
10 Such risk can be mitigated through proper design
11 and implementation of humanitarian programs, es-
12 pecially those relating to water and sanitation,
13 health, shelter, food, education, energy, and liveli-
14 hoods, as well as through specific protection meas-
15 ures.

16 (5) In protracted crises, humanitarian resources
17 are often exhausted before the essential conditions
18 are in place for long-term, sustainable development.
19 In addition, lack of expertise and training, inad-
20 equate coordination, and unclear or narrow man-
21 dates often leave programming gaps. Coordinated
22 action is required to address basic human needs at
23 every stage of the transition, from emergency relief
24 to recovery, rehabilitation, reconstruction, and devel-
25 opment.

1 (6) Continuity of educational activities for all
2 children is an essential humanitarian need. Assist-
3 ance to countries affected by conflict or crisis should
4 include formal and informal education services to en-
5 sure that children are able to continue their school-
6 ing and are protected from physical harm, psycho-
7 logical and social distress, recruitment into armed
8 groups, family separation, and abuses related to
9 their displacement.

10 (7) Nongovernmental organizations play a lead-
11 ing role in humanitarian action, not only by deliv-
12 ering relief in underserved areas, but also by con-
13 tributing a significant proportion of the international
14 resources, by developing effective and innovative
15 techniques and methodologies, by maintaining long-
16 term relationships of trust with affected commu-
17 nities, by establishing reputations for independence,
18 impartiality and neutrality, by integrating knowledge
19 and expertise about local languages, customs, condi-
20 tions, and needs, by bridging the gaps between relief
21 and development, and by advocating for those in
22 greatest need.

23 (8) The United Nations plays a central, unique,
24 and vital role in leading and coordinating inter-
25 national humanitarian assistance. Its organs and af-

1 affiliated agencies have capabilities and expertise that
2 far exceed the ability of any single donor to respond
3 to humanitarian needs. The collective voice of these
4 partners frequently enhances United States bilateral
5 efforts and often plays a useful role in gaining ac-
6 cess and achieving results where United States influ-
7 ence might otherwise be limited.

8 (9) Multilateralism allows the United States to
9 leverage its humanitarian contributions as part of a
10 wider international donor effort and helps ensure
11 that United States efforts complement those of other
12 donors. To be effective, United States engagement
13 with multilateral humanitarian organizations re-
14 quires predictable funding and strong diplomatic en-
15 gagement in policy development and institutional
16 management.

17 (b) STATEMENT OF POLICY.—It is the policy of the
18 United States to save lives, alleviate human suffering
19 wherever possible, and protect vulnerable populations, tak-
20 ing action solely on the basis of need, without discrimina-
21 tion between or within affected populations, without re-
22 gard to diplomatic, economic, military, or other objectives
23 of the United States, and without favoring any side in an
24 armed conflict or other dispute.

1 **SEC. 1902. GOAL AND OBJECTIVES.**

2 (a) GOAL.—The goal of assistance under this subtitle
3 is to save lives, alleviate suffering, maintain human dig-
4 nity, and protect and uphold the rights of extremely vul-
5 nerable people.

6 (b) OBJECTIVES.—In furtherance of the goal of sub-
7 section (a), assistance under this subtitle shall be designed
8 to achieve the following objectives:

9 (1) Provide quick and effective relief in the
10 aftermath of disasters, whether natural or human-
11 caused.

12 (2) Facilitate the transition to self-sufficiency
13 and safe lives and livelihoods.

14 (3) Protect civilians affected by conflict, dis-
15 aster, and displacement from physical harm, perse-
16 cution, exploitation, abuse, malnutrition and disease,
17 family separation, gender-based violence, forcible re-
18 cruitment and other threats to human rights.

19 (4) Build capacity to prevent and mitigate the
20 effects of conflict, disasters, and displacement.

21 **SEC. 1903. HUMANITARIAN PRINCIPLES.**

22 (a) IN GENERAL.—United States humanitarian ac-
23 tion shall be carried out in accordance with the following
24 principles:

1 (1) The central purpose of humanitarian action
2 is to save lives, alleviate human suffering, and pro-
3 tect vulnerable population wherever possible.

4 (2) Humanitarian action should be impartial,
5 based solely on and in proportion to need, without
6 discrimination between or within affected popu-
7 lations, and without regard to the political views, na-
8 tional origin, or religious affiliation of the bene-
9 ficiaries.

10 (3) Humanitarian action should be neutral,
11 without furthering a political or religious agenda or
12 favoring any side in an armed conflict or other dis-
13 pute where such humanitarian action is carried out.

14 (4) Humanitarian action should be independent,
15 without regard to the political, economic, military, or
16 other objectives that any actor may hold in relation
17 to the affected areas and populations.

18 (5) Humanitarian action should be undertaken
19 in accordance with international human rights law,
20 international humanitarian law, refugee law, and the
21 United Nations Guiding Principles on Internal Dis-
22 placement.

23 (6) Humanitarian action should meet inter-
24 national standards, using the SPHERE Minimum
25 Standards for Disaster Response and the Inter-

1 Agency Standing Committee guidelines as bench-
2 marks, should be informed by the INEE Minimum
3 Standards, and should promote the principles and
4 practices of Good Humanitarian Donorship.

5 (7) Protection of civilians affected by conflict,
6 disaster, and displacement from physical harm, per-
7 secution, exploitation, abuse, malnutrition and dis-
8 ease, family separation, sexual and gender-based vio-
9 lence, forcible recruitment, and other threats to
10 human rights is a core element of humanitarian ac-
11 tion.

12 (8) Humanitarian action should be primarily ci-
13 vilian in nature. The Department of Defense should
14 provide humanitarian assistance overseas only as a
15 last resort when there is no comparable civilian al-
16 ternative and when the use of military or civil de-
17 fense assets can uniquely meet a critical humani-
18 tarian need.

19 (9) When the military is required to support a
20 humanitarian response, its participation should be
21 subject to the overall leadership, coordination and
22 policy guidance of civilian agencies, who must be
23 provided the requisite resources and authorities to
24 perform this leadership role.

1 (10) The United States should adopt, between
2 the Department of State and USAID, a lead-agency
3 approach with a clear division of leadership and re-
4 sponsibility for humanitarian response. Under the
5 guidance of the President, the Secretary should lead
6 for operations responding to political and security
7 crises, while the Administrator should lead for oper-
8 ations in response to humanitarian crises resulting
9 from large-scale natural or industrial disasters, fam-
10 ines, disease outbreaks, and other natural phe-
11 nomena.

12 (11) Humanitarian action should be undertaken
13 in a timely, flexible, and efficient manner on the
14 basis of assessed needs.

15 (12) In addition to providing funding for relief
16 efforts, the United States should use its leverage to
17 assist humanitarian agencies in obtaining secure,
18 unfettered access to survivors in crisis situations.

19 (13) To ensure impartiality, neutrality, inde-
20 pendence, and the appearance thereof, humanitarian
21 action should be implemented by intergovernmental
22 and nongovernmental international humanitarian or-
23 ganizations, in partnership with local communities,
24 indigenous organizations, and affected governments
25 whenever possible.

1 (14) Individuals affected by conflict, disaster,
2 persecution, and displacement have the greatest
3 stake in the performance of humanitarian programs
4 and should, to the greatest possible extent, be in-
5 volved in the design, implementation, monitoring,
6 and evaluation of such programs.

7 (15) Humanitarian, reconstruction, and devel-
8 opment programs should be coordinated, planned,
9 and funded to ensure continuity of life-sustaining
10 services during transition phases.

11 (16) Humanitarian, development, and other
12 economic assistance programs should be designed
13 with an eye toward reducing the risk and impact of
14 future conflict and crisis and building resiliency
15 among the most vulnerable populations.

16 (17) United States humanitarian action should
17 strive to ensure that refugees, internally displaced
18 persons, and other conflict-affected individuals and
19 communities are treated equally in the application of
20 policy and the allocation of resources.

21 (18) To promote learning, accountability, trans-
22 parency, and the efficient use of resources, the
23 United States should support independent moni-
24 toring and evaluation of all humanitarian assistance.

25 (b) DEFINITION.—In this section—

1 (1) the term “United States humanitarian ac-
2 tion” or “humanitarian action” means—

3 (A) humanitarian assistance as defined in
4 section 6;

5 (B) assistance under any provision of law
6 to save lives, alleviate human suffering, and
7 protect vulnerable populations in an inter-
8 national disaster; and

9 (C) diplomatic and military activities in
10 support of the goal and objectives of this chap-
11 ter; and

12 (2) the term “INEE Minimum Standards”
13 means the standards for education developed by the
14 Inter-Agency Network on Education in Emergencies
15 for use in emergency response, emergency prepared-
16 ness, and humanitarian advocacy.

17 **SEC. 1904. INTERNATIONAL DISASTER ASSISTANCE.**

18 (a) **AUTHORIZATION.**—Notwithstanding any other
19 provision of this or any other Act, the Administrator is
20 authorized to provide assistance to any foreign country,
21 international organization, or private voluntary organiza-
22 tion, on such terms and conditions as the Administrator
23 may determine, for international disaster relief, recovery,
24 and reconstruction, including assistance relating to dis-
25 aster preparedness, and to the prediction of, and contin-

1 gency planning for, disasters and humanitarian crises
2 abroad.

3 (b) AVAILABILITY OF FUNDS.—Amounts made avail-
4 able under this section are authorized to remain available
5 until expended.

6 (c) REIMBURSEMENT AUTHORITY.—In addition to
7 amounts otherwise available to carry out this section, up
8 to \$100,000,000 of amounts made available under subtitle
9 A in any fiscal year may be obligated for the purposes
10 of, and in accordance with the authorities of, this section.
11 Amounts subsequently made available under this section
12 may be used to reimburse any account under which obliga-
13 tions were incurred under this subsection.

14 **SEC. 1905. EMERGENCY HUMANITARIAN RESPONSE FUND.**

15 (a) AUTHORITY.—Whenever the Administrator deter-
16 mines it to be important to the national interest of the
17 United States, the Administrator is authorized to provide,
18 on such terms and conditions as the Administrator may
19 determine, assistance under this section for the purpose
20 of meeting unexpected urgent humanitarian and food as-
21 sistance needs, notwithstanding any other provision of law.

22 (b) ESTABLISHMENT.—There is established a United
23 States Emergency Humanitarian Response Fund to carry
24 out the purposes of this section (in this section referred
25 to as the “Fund”).

1 (c) TRANSFER AUTHORITY; AVAILABILITY OF
2 FUNDS.—In addition to amounts otherwise available to
3 carry out this section, the President is authorized to trans-
4 fer to the Fund from amounts made available under any
5 other provision of this Act such sums as may be necessary
6 to carry out the purposes of this section, except that the
7 total amount in the Fund at any time shall not exceed
8 \$500,000,000. Amounts in the Fund are authorized to re-
9 main available until expended.

10 (d) NOTIFICATION.—The President shall keep the ap-
11 propriate congressional committees currently informed of
12 the use of funds and the exercise of functions authorized
13 in this section.

14 **SEC. 1906. DEFINITIONS.**

15 In this subtitle:

16 (1) DISASTER.—The term “disaster” means a
17 human-caused or natural occurrence that causes loss
18 of life, health, property, or livelihood, inflicting se-
19 vere destruction and distress.

20 (2) INTERNATIONAL DISASTER RELIEF, RECOV-
21 ERY, AND RECONSTRUCTION.—The term “inter-
22 national disaster relief, recovery, and reconstruc-
23 tion” means—

24 (A) disaster planning and preparedness,
25 disaster risk reduction, and other actions to

1 mitigate death and destruction in the event of
2 a disaster;

3 (B) immediate actions intended to save
4 lives, alleviate human suffering, and protect vul-
5 nerable populations during and after a disaster;

6 (C) short-term measures to facilitate the
7 transition to self-sufficiency and safe lives and
8 livelihoods following a disaster; and

9 (D) actions to begin to reconstitute basic
10 services and facilities following a disaster.

11 (3) PROTECT.—The terms “protect” and “pro-
12 tection”—

13 (A) mean all activities aimed at obtaining
14 full respect for the rights of the individual in
15 accordance with international human rights
16 law, international humanitarian law, refugee
17 law, and the United Nations Guiding Principles
18 on Internal Displacement; and

19 (B) include activities to prevent, reduce, or
20 mitigate the impact of violence, coercion, depri-
21 vation, or abuse on individuals or groups during
22 international disasters.

1 **TITLE II—ADVANCING PEACE**
2 **AND MITIGATING CONFLICT**

3 **SEC. 2001. FINDINGS AND STATEMENT OF POLICY.**

4 (a) FINDINGS.—Congress finds the following:

5 (1) Peacebuilding involves the full range of ap-
6 proaches, processes, and stages of transforming vio-
7 lent conflict into stable, peaceful relationships.

8 (2) Because many of the greatest threats to
9 United States national security have emerged from
10 failed states, it is in the national security interest of
11 the United States to support peacebuilding efforts to
12 stabilize and secure fragile states and states under
13 stress.

14 (3) United States peacebuilding efforts are
15 most effective when they are undertaken in coopera-
16 tion with the international community, and when
17 they build local capacity to prevent and stop violence
18 and mass atrocities.

19 (4) In the event that prevention fails, the
20 United States has an obligation to work both multi-
21 laterally and bilaterally to mobilize diplomatic, hu-
22 manitarian, financial, and when necessary and ap-
23 propriate, military resources to save lives and pro-
24 tect civilian populations.

1 (5) Civil society organizations, including inter-
2 national nongovernmental organizations and local
3 community groups, play an important role in pro-
4 moting nonviolent conflict resolution, fostering har-
5 mony among religions, ethnic groups, communities,
6 and factions, and facilitating second-track diplo-
7 macy. By coordinating with and working through
8 such organizations, the United States can strength-
9 en the effectiveness of its peacebuilding programs.

10 (b) STATEMENT OF POLICY.—It is the policy of the
11 United States to promote civilian security and long-term
12 sustainable, secure, and stable communities.

13 **SEC. 2002. DEFINITION.**

14 In this title, the term “peacebuilding” means activi-
15 ties to prevent armed conflict, prevent and respond to
16 mass atrocities, stabilize weak and fragile states, protect
17 civilians in conflict zones, mitigate crises, help countries
18 to rebuild and recover after conflict, and support transi-
19 tions to peace, stability, and democracy.

20 **Subtitle A—General Authorities**

21 **SEC. 2011. PEACEKEEPING.**

22 (a) STATEMENT OF POLICY.—It is the policy of the
23 United States to employ a variety of unilateral, bilateral,
24 and multilateral means to respond to international con-
25 flicts and crises, placing a high priority upon timely, pre-

1 ventive diplomatic efforts and exercising a leadership role
2 in promoting international efforts to end crises peacefully.

3 (b) AUTHORIZATION.—The Secretary is authorized to
4 provide assistance to foreign countries, international orga-
5 nizations, and regional arrangements, on such terms and
6 conditions as the Secretary may determine, for peace-
7 keeping operations in furtherance of the national security
8 interests of the United States.

9 (c) REIMBURSEMENT.—Such assistance may include
10 reimbursement for expenses incurred pursuant to section
11 7 of the United Nations Participation Act of 1945 (22
12 U.S.C. 287d–1), except that such reimbursements may
13 not exceed \$5,000,000 in any fiscal year unless a greater
14 amount is specifically authorized by law.

15 (d) DETERMINATION.—If the President determines
16 that, as the result of an unforeseen emergency, the provi-
17 sion of assistance under this section in amounts in excess
18 of amounts otherwise made available for such assistance
19 is important to the national interests of the United States,
20 the President may—

21 (1) exercise the authority of section 10602 to
22 transfer amounts made available to carry out section
23 4103 for use under this section without regard to
24 the 20 percent increase limitation contained in sec-
25 tion 10602, except that the total amount so trans-

1 ferred in any fiscal year may not exceed
2 \$15,000,000; and

3 (2) in the event the President also determines
4 that such unforeseen emergency requires the imme-
5 diate provision of assistance under this section, di-
6 rect the drawdown of commodities and services from
7 the inventory and resources of any agency of the
8 United States Government of an aggregate value not
9 to exceed \$25,000,000 in any fiscal year.

10 **SEC. 2012. TRANSITION INITIATIVES.**

11 (a) **AUTHORIZATION.**—The Administrator is author-
12 ized to provide, notwithstanding any other provision of
13 law, assistance to support the transition to peace, democ-
14 racy, and sustainable development of a country or region
15 that is at risk of, in, or in transition from, conflict or civil
16 strife.

17 (b) **USE OF FUNDS.**—Assistance under this section
18 includes support for the following:

19 (1) Developing or strengthening democratic in-
20 stitutions and processes.

21 (2) Short-term economic and political stabiliza-
22 tion.

23 (3) Reconstructing or revitalizing basic infra-
24 structure.

1 (4) Fostering reconciliation and the peaceful
2 resolution of conflict.

3 (c) TRANSFER AUTHORITY.—If the Secretary deter-
4 mines that it is important to the national interests of the
5 United States to provide transition assistance in excess of
6 amounts appropriated or otherwise made available under
7 this section, up to \$25,000,000 of the funds made avail-
8 able under this Act may be used for purposes of this sec-
9 tion and under the authorities applicable to funds made
10 available under this section.

11 (d) NOTIFICATION.—

12 (1) BY ADMINISTRATOR.—The Administrator
13 shall notify the appropriate congressional committees
14 not less than 5 days before beginning a new pro-
15 gram of assistance under this section.

16 (2) BY SECRETARY.—The Secretary shall notify
17 the appropriate congressional committee not less
18 than 5 days before making a transfer pursuant to
19 subsection (c).

20 **SEC. 2013. LIMIT ON PAYMENT TO UNITED NATIONS AND**
21 **AFFILIATED AGENCIES.**

22 Section 404(b) of the Foreign Relations Authoriza-
23 tion Act, Fiscal Years 1994 and 1995 (Public Law 103–
24 236; 22 U.S.C. 287e note) is amended—

1 (1) by striking “CONTRIBUTIONS.—” and all
2 that follows through “Funds authorized” and insert-
3 ing “CONTRIBUTIONS.—Funds authorized”; and
4 (2) by striking paragraph (2).

5 **SEC. 2014. AVAILABILITY OF AIRCRAFT.**

6 (a) IN GENERAL.—The Secretary of Defense is au-
7 thorized to make available, on a nonreimbursable basis,
8 aircraft maintained and operated by the Department of
9 Defense, to transport Department of State personnel to
10 prevent or respond to a conflict or civil strife, including
11 for use by Assistant Secretaries of State to conduct emer-
12 gency diplomatic missions in their regions of concern.
13 Such aircraft may include those aircraft assigned to com-
14 batant commanders in the Unified Command Plan.

15 (b) REQUEST.—A request to utilize the aircraft re-
16 ferred to in subsection (a) shall be provided to the Sec-
17 retary of Defense by the Secretary of State.

18 **SEC. 2015. COMPLEX CRISIS, STABILIZATION, AND PREVEN-**
19 **TION FUND.**

20 (a) ESTABLISHMENT OF FUND.—

21 (1) IN GENERAL.—The Secretary is authorized
22 to establish a fund, to be known as the “Complex
23 Crisis, Stabilization, and Prevention Fund” (referred
24 to in this section as the “Fund”), to provide assist-
25 ance to a country or region designated by the Sec-

1 retary as a country at risk of, in, or in transition
2 from, conflict or civil strife and for other purposes
3 authorized in this section.

4 (2) CONGRESSIONAL NOTIFICATION.—The Sec-
5 retary shall notify the appropriate congressional
6 committees at least five days in advance of an obli-
7 gation of funds under this section.

8 (3) WAIVER.—The requirement for notification
9 under paragraph (2) may be waived if—

10 (A) failure to do so would pose a substan-
11 tial risk to human health or welfare;

12 (B) the appropriate congressional commit-
13 tees are notified not later than three days after
14 an obligation of funds; and

15 (C) such notification contains an expla-
16 nation of the emergency circumstances necessi-
17 tating such waiver.

18 (4) PURPOSE OF ASSISTANCE.—Assistance may
19 be provided under this section for the following pur-
20 poses:

21 (A) Fostering reconstruction or stabiliza-
22 tion.

23 (B) Mitigating or responding to emerging
24 or unforeseen complex crises, including urgent

1 political, social, or economic challenges that
2 threaten stability.

3 (C) Addressing systemic and immediate
4 causes of crises and conflict.

5 (D) Undertaking preventive measures to
6 reduce the risk of crises and conflict and their
7 impact on vulnerable populations.

8 (b) LIMITATION.—The Secretary shall ensure that
9 assistance provided under this section is not used for—

10 (1) assistance of a military nature or for a mili-
11 tary purpose; or

12 (2) participation by an officer or employee of
13 the United States in a foreign police action.

14 (c) CONFLICT PREVENTION.—Not less than 25 per-
15 cent of amounts made available to carry out this section
16 shall be used to support programs and activities to prevent
17 an outbreak or escalation of violence in a country at risk
18 of, in, or in transition from, conflict or civil strife.

19 (d) TRANSFER.—

20 (1) IN GENERAL.—The President may transfer
21 up to \$500,000,000 of amounts made available
22 under any other provision of law to be used to imple-
23 ment the purposes of this section.

24 (2) ADDITIONAL AMOUNTS.—Notwithstanding
25 any other provision of law, up to \$5,000,000 or five

1 percent, whichever is less, of any amounts that are
2 specifically designated by this or any other Act for
3 particular programs or activities may be transferred
4 to carry out the purposes of this section.

5 (e) RELATIONSHIP TO OTHER LAWS.—Assistance
6 provided from the Fund may be made available notwith-
7 standing any other provision of law.

8 **SEC. 2016. ADDRESSING VIOLENCE AGAINST WOMEN AND**
9 **GIRLS IN HUMANITARIAN RELIEF, PEACE-**
10 **KEEPING, CONFLICT, AND POST-CONFLICT**
11 **SETTINGS.**

12 (a) ACTIVITIES OF THE DEPARTMENT OF STATE AND
13 AGENCY.—

14 (1) DUTIES.—The Secretary and the Adminis-
15 trator are authorized to—

16 (A) provide assistance to programs carried
17 out by international organizations, international
18 and local nongovernmental organizations, and
19 governments, as appropriate, that—

20 (i) prevent and respond to violence
21 against women and girls in humanitarian
22 relief, in a country or region at risk of, in,
23 or in transition from, conflict or civil strife;

24 (ii) build the capacity of humanitarian
25 organizations and government authorities,

1 as appropriate, to address the special pro-
2 tection needs of women and children;

3 (iii) support efforts to provide imme-
4 diate assistance to survivors of violence
5 and reintegrate such individuals through
6 education, psychosocial assistance, trauma
7 counseling, family and community reinser-
8 tion and reunification, medical assistance,
9 and economic opportunity programs; and

10 (iv) provide legal services for women
11 and girls who are victims of violence;

12 (B) work to incorporate activities to pre-
13 vent and respond to violence against women
14 and girls internationally into any multilateral or
15 bilateral disarmament, demobilization, rehabili-
16 tation, and reintegration efforts by—

17 (i) providing protection and suitable
18 separate facilities in demobilization and
19 transit centers for women and girls for-
20 merly involved in, or associated with, fight-
21 ing forces;

22 (ii) ensuring equitable reintegration
23 activities and opportunities for such
24 women and girls, including access to

1 schooling, vocational training, employment,
2 and childcare;

3 (iii) providing essential medical care
4 and psychosocial support for such women
5 and girls who are victims of violence; and

6 (iv) incorporating prevention and re-
7 sponse to violence against women and girls
8 into programs for former combatants;

9 (C) designate and deploy specialists in vio-
10 lence against women and girls, as appropriate,
11 as an integral part of the Agency's Disaster As-
12 sistance Response Teams to ensure the integra-
13 tion of prevention and response to violence
14 against women and girls internationally in
15 strategies and programming; and

16 (D) strive to ensure that all private part-
17 ners and others carrying out humanitarian re-
18 lief in a country or region at risk of, in, or in
19 transition from conflict or civil strife—

20 (i) train all humanitarian workers in
21 preventing and responding to violence
22 against women and girls, including in the
23 use of mechanisms to report violence
24 against women and girls;

1 (ii) conduct appropriate public out-
2 reach to make known to the host commu-
3 nity the mechanisms to report violence
4 against women and girls; and

5 (iii) promptly and appropriately re-
6 spond to reports of violence against women
7 and girls and treat survivors in accordance
8 with best practices regarding confiden-
9 tiality.

10 (b) COORDINATION OF UNITED STATES GOVERN-
11 MENT EFFORTS.—The Secretary of Defense and the At-
12 torney General shall coordinate with the Secretary of
13 State and the Administrator when carrying out programs
14 relevant to the purposes of this section.

15 (c) ENHANCING UNITED STATES LEADERSHIP AND
16 ADVOCACY IN THE UNITED NATIONS.—

17 (1) STRENGTHENING UNITED NATIONS PROCE-
18 DURES.—The Secretary, in consultation with the
19 Administrator and the United States Permanent
20 Representative to the United Nations, is authorized
21 to promote United Nations efforts to—

22 (A) develop and implement appropriate
23 training programs for peacekeeping and human-
24 itarian personnel in prevention and response to

1 violence against women and girls internation-
2 ally;

3 (B) meet staffing goals for women military
4 and police peacekeepers, including all-women
5 teams and units;

6 (C) enhance the deployment of civilian
7 women at all levels to serve in peacekeeping
8 missions, including through innovative staffing
9 formulas;

10 (D) institute effective protection mecha-
11 nisms in and around United Nations-managed
12 refugee and internally displaced persons camps;

13 (E) implement a zero tolerance policy for
14 sexual exploitation and abuse in United Nations
15 peacekeeping and humanitarian operations;

16 (F) support countries that contribute
17 troops and police in—

18 (i) taking appropriate actions to pre-
19 vent violence and abuse;

20 (ii) providing materials for pre-deploy-
21 ment and in-theater awareness training;
22 and

23 (iii) taking other actions to promote
24 full accountability in cases of abusive con-

1 duct involving the personnel of such coun-
2 tries;

3 (G) continue to expand appropriate mecha-
4 nisms to permit individuals to safely bring to
5 the attention of United Nations peacekeeping
6 commanders and heads of humanitarian mis-
7 sions allegations of violence against women and
8 girls internationally; and

9 (H) ensure the capacity of the United Na-
10 tions Office of Internal Oversight to investigate
11 in a timely and efficient manner all credible al-
12 legations of violence against women and girls
13 internationally, while protecting the whistle-
14 blower.

15 (d) EMERGENCY RESPONSE TO VIOLENCE AGAINST
16 WOMEN AND GIRLS.—

17 (1) EMERGENCY RESPONSE.—Not later than 45
18 days after receiving a credible report of serious or
19 widespread incidents of violence against women and
20 girls in a situation of armed conflict or civil strife,
21 the Secretary and the Administrator shall, in con-
22 sultation with relevant stakeholders, identify and im-
23 plement emergency response measures.

1 (2) CONSULTATION.—For the purposes of para-
2 graph (1), the term “relevant stakeholders” in-
3 cludes, as appropriate—

4 (A) affected populations;

5 (B) international, multilateral, and non-
6 governmental organizations operating in the af-
7 fected area;

8 (C) the government of the country in
9 which the violence is occurring;

10 (D) governments in the region in which the
11 violence is occurring; and

12 (E) donor governments.

13 (3) CONGRESSIONAL BRIEFINGS.—The Sec-
14 retary shall brief the appropriate congressional com-
15 mittees not less than quarterly on the status of inci-
16 dents of violence against women and girls in situa-
17 tions of armed conflict or civil strife, emergency re-
18 sponse measures taken, and consultations with rel-
19 evant stakeholders.

20 **SEC. 2017. DEMINING ACTIVITIES.**

21 (a) IN GENERAL.—The Secretary is authorized, not-
22 withstanding any other provision of law, to provide assist-
23 ance to foreign countries for demining activities, includ-
24 ing—

25 (1) clearance of unexploded ordinance;

1 (2) the destruction of small arms; and

2 (3) related activities.

3 (b) SPECIAL AUTHORITY.—Subject to such terms
4 and conditions as the Secretary may prescribe, the Sec-
5 retary is authorized to make grants of demining equip-
6 ment to foreign countries and international organizations,
7 for the purposes identified in this section.

8 **SEC. 2018. DISARMAMENT, DEMOBILIZATION, REINTEGRA-**
9 **TION, AND REHABILITATION ACTIVITIES.**

10 (a) IN GENERAL.—The Secretary, in coordination
11 with the Administrator, is authorized to carry out pro-
12 grams in foreign countries to assist the disarmament, de-
13 mobilization, reintegration, and rehabilitation of former
14 combatants.

15 (b) COORDINATION.—The programs referred to in
16 subsection (a) shall be coordinated, as appropriate, with
17 international nongovernmental organizations and the gov-
18 ernment of the country in which any such program is car-
19 ried out.

20 **Subtitle B—Strategies,**
21 **Assessments, and Reports**

22 **SEC. 2021. REGIONAL CONFLICT RISK ASSESSMENT AND**
23 **CONFLICT MITIGATION STRATEGY.**

24 (a) FINDINGS.—Congress finds the following:

1 (1) Armed conflict and civil strife often stem
2 from dynamics that transcend traditional state bor-
3 ders and require cross-border and regional ap-
4 proaches.

5 (2) United States diplomacy is often conducted
6 on a bilateral, state-centric basis that fails to ad-
7 dress problems comprehensively or to identify and
8 assess the full range of issues and opportunities.

9 (3) A comprehensive approach towards conflict
10 prevention is required, incorporating cross border
11 and regional dynamics and non-state actors.

12 (b) CONFLICT ASSESSMENT.—The Secretary, acting
13 through the Under Secretary for Civilian Security, Democ-
14 racy, and Human Rights and in consultation with the Ad-
15 ministrators, shall be responsible for ensuring that an an-
16 nual regional conflict risk assessment is conducted for
17 each geographic region represented by an Assistant Sec-
18 retary. Each assessment shall include the following:

19 (1) An identification of ongoing violent conflicts
20 in the region.

21 (2) An evaluation of the potential for outbreaks
22 of violent conflict in the region.

23 (3) A list of those conflicts determined to be at
24 high risk of outbreak of escalation.

1 (4) A description of new opportunities and chal-
2 lenges for conflict mitigation in the region.

3 (c) CONFLICT MITIGATION STRATEGY.—For each
4 conflict identified in subsection (b)(3), the relevant office
5 or diplomatic or consular post of the Department of State,
6 in consultation with the relevant office or overseas mission
7 of the Agency, shall develop a conflict mitigation strategy.
8 Such strategy shall include the following elements:

9 (1) An analysis of the key drivers of potential
10 conflict.

11 (2) An analysis of the impact of current United
12 States policies and programs on the drivers referred
13 to in paragraph (1).

14 (3) Specific objectives in mitigating conflict for
15 the next 1- to 3-year period, including indicators and
16 other measurements of progress.

17 (4) A plan for ensuring that basic human needs
18 are met and civilians are protected during the period
19 of the strategy.

20 (5) A description of policies and programs
21 needed to achieve the objectives identified in para-
22 graph (3).

23 (6) A description of how such policies and pro-
24 grams will be coordinated with the policies and pro-

1 grams of local partners and the international com-
 2 munity.

3 (7) A description of the roles of each Federal
 4 agency in carrying out the conflict mitigation strat-
 5 egy, and the mechanisms for interagency coordina-
 6 tion.

7 (8) The requirements for human and financial
 8 resources to carry out the conflict mitigation strat-
 9 egy over the next 1- to 3-year period.

10 (d) CONSULTATION.—In preparing each conflict miti-
 11 gation strategy required under subsection (c), the relevant
 12 office or diplomatic or consular post of the Department
 13 of State shall consult with a wide range of local stake-
 14 holders, including civil society organizations.

15 (e) TRANSMISSION TO CONGRESS.—Each conflict
 16 mitigation strategy required under subsection (c) shall be
 17 transmitted to the appropriate congressional committees.

18 **SEC. 2022. DATA ON COSTS INCURRED IN SUPPORT OF**
 19 **UNITED NATIONS PEACEKEEPING OPER-**
 20 **ATIONS.**

21 (a) QUARTERLY REPORTS.—The Secretary of De-
 22 fense shall submit, on a quarterly basis, to the Committee
 23 on Armed Services of the House of Representatives, the
 24 Committee on Armed Services of the Senate, the Com-
 25 mittee on Foreign Affairs of the House of Representatives,

1 and the Committee on Foreign Relations of the Senate
2 a report setting forth all costs (including incremental
3 costs) incurred by the Department of Defense during the
4 preceding quarter in implementing or supporting resolu-
5 tions of the United Nations Security Council, including
6 any such resolution calling for international sanctions,
7 international peacekeeping operations, or humanitarian
8 missions undertaken by the Department of Defense. Each
9 quarterly report shall include an aggregate of all such De-
10 partment of Defense costs by operation or mission.

11 (b) UNITED STATES COSTS.—The President shall
12 annually transmit to the Secretary General of the United
13 Nations the information required under subsection (a).

14 (c) UNITED NATIONS MEMBER STATE COSTS.—The
15 President shall direct the permanent representative of the
16 United States to the United Nations to request that the
17 United Nations compile and publish information con-
18 cerning costs incurred by United Nations Member States
19 in support of the resolutions described in subsection (a).

20 **SEC. 2023. PEACE ON CYPRUS AND IN THE EASTERN MEDI-**
21 **TERRANEAN.**

22 (a) POLICY AND PRINCIPLES.—United States policy
23 regarding Cyprus, Greece, and Turkey shall be directed
24 toward the establishment of stability and peace in the

1 Eastern Mediterranean region and shall therefore be gov-
2 erned by the following principles:

3 (1) The United States shall actively support the
4 resolution of differences in the Eastern Mediterra-
5 nean region through negotiations, encourage all par-
6 ties to avoid provocative actions, and strongly oppose
7 any attempt to resolve disputes through force or
8 threat of force.

9 (2) The United States shall provide defense ar-
10 ticles to Greece and Turkey only with full consider-
11 ation for maintaining balance and stability in the
12 Eastern Mediterranean.

13 (3) Sustained improvement in Greek-Turkish
14 bilateral relations is in the interests of the United
15 States, the North Atlantic Treaty Organization, and
16 the countries of the Eastern Mediterranean region.

17 (4) Consistent with longstanding United States
18 policy, the United States recognizes and shall con-
19 tinue to recognize the sovereignty of the Republic of
20 Cyprus over the whole of Cyprus, other than the
21 British Sovereign Base Areas. Accordingly, the
22 United States recognizes the Republic of Cyprus'
23 rights to its territorial seas and economic exclusion
24 zone (EEZ).

1 (5) The near-term achievement of a just and
2 lasting settlement to the Cyprus problem is a central
3 objective of United States foreign policy.

4 (6) A just settlement on Cyprus must involve
5 the re-unification of the island based on a bi-zonal,
6 bi-communal federation with a single sovereignty,
7 international personality, and citizenship, with its
8 independence and territorial integrity safeguarded,
9 and comprising two politically equal communities, as
10 provided for in relevant United Nations Security
11 Council resolutions.

12 (7) Freedom of religion and respect for the cul-
13 tural and religious heritage of all Cypriot commu-
14 nities shall be protected and promoted throughout
15 the island.

16 (8) Agreement on the near-term return of
17 Greek Cypriot refugees to Famagusta (Varosha)
18 would constitute an important confidence-building
19 measure.

20 (9) The United States shall use its influence to
21 ensure the continuation of the ceasefire on Cyprus
22 until an equitable negotiated settlement is reached.

23 (10) The United States shall use its influence
24 to achieve the withdrawal of Turkish military forces

1 from Cyprus and to effect an end to Turkey's illegal
2 transfer of its citizens to Cyprus.

3 (b) QUARTERLY REPORT.—

4 (1) SENSE OF CONGRESS.—Because progress
5 toward a Cyprus settlement is a high priority of
6 United States policy in the Eastern Mediterranean
7 region, it is the sense of Congress that the President
8 should continually review that progress and should
9 determine United States policy in the region accord-
10 ingly.

11 (2) REPORT.—To facilitate such a review, the
12 President shall, not later than 90 days after the date
13 of the enactment of this Act and at the end of each
14 succeeding 90-day period thereafter, transmit to the
15 Committee on Foreign Affairs of the House of Rep-
16 resentatives and the Committee on Foreign Rela-
17 tions of the Senate a report describing efforts to
18 achieve the demilitarization of Cyprus and a nego-
19 tiated solution to the Cyprus problem.

20 (c) CERTIFICATION.—In order to ensure that security
21 assistance to Greece and Turkey is provided consistent
22 with the policies established in this section, the Secretary
23 shall, whenever transmitting a certification pursuant to
24 section 4382 for Greece or Turkey, include in that certifi-

1 cation a full explanation of how the proposed sale accords
2 with the principles set forth in subsection (a).

3 (d) RESTRICTION.—

4 (1) IN GENERAL.—Beginning on the day after
5 the date of the enactment of this Act, no articles, in-
6 formation, technology or services controlled for ex-
7 port pursuant to this Act, the former authority of
8 the Arms Export Control Act, or the Export Admin-
9 istration Act of 1979 (as continued in effect under
10 the International Emergency Economic Powers Act)
11 may be exported, re-exported, transferred, or pro-
12 vided to a military end-user, or for a military end-
13 use, in the internationally recognized territory of the
14 Republic of Cyprus, including Turkish-occupied
15 northern Cyprus.

16 (2) REPORT.—The President shall submit to
17 Congress a report on any credible information that
18 articles, information, technology, or services have
19 been used in a manner inconsistent with this sub-
20 section.

21 (e) LIMITATION ON FUNDS.—Funds made available
22 for Cyprus under this Act shall be provided only for pro-
23 grams and activities that are consistent with the goal of
24 reunification of Cyprus and the achievement of a bi-com-
25 munal, bi-zonal federation.

1 **Subtitle C—Organizations and**
2 **Personnel**

3 **SEC. 2031. ATROCITIES PREVENTION BOARD.**

4 (a) FINDINGS.—Congress makes the following find-
5 ings:

6 (1) Non-combatants comprise most of the cas-
7 ualties in modern conflict.

8 (2) In many cases, civilian deaths are the result
9 of belligerents deliberately targeting civilians on a
10 wide scale.

11 (3) Civilians are vulnerable both during inter-
12 state conflict and intrastate situations, such as civil
13 wars, insurgencies, and anarchic conditions associ-
14 ated with failed states.

15 (4) There are common variables to situations
16 giving rise to atrocities, including past history of
17 such occurrences, persistence of articulated and non-
18 articulated tensions, and poor or malevolent leader-
19 ship.

20 (5) Most tellingly, atrocities—including geno-
21 cide—often occur when displaced persons attempt to
22 flee conflict.

23 (6) The United States is committed to working
24 with our allies, and to strengthening our own inter-
25 nal capabilities, in order to ensure that the United

1 States and the international community are
2 proactively engaged in a strategic effort to prevent
3 mass atrocities and genocide. In the event that pre-
4 vention fails, the United States will work both multi-
5 laterally and bilaterally to mobilize diplomatic, hu-
6 manitarian, financial, and—in certain instances—
7 military means to prevent and respond to genocide
8 and mass atrocities.

9 (7) Preventing mass atrocities and genocide is
10 a core national security interest and a core moral re-
11 sponsibility of the United States.

12 (8) United States security is affected when
13 masses of civilians are slaughtered, refugees flow
14 across borders, and murderers wreak havoc on re-
15 gional stability and livelihoods.

16 (9) Governmental engagement on atrocities and
17 genocide too often arrives too late, when opportuni-
18 ties for prevention or low-cost, low-risk action have
19 been missed.

20 (10) Ensuring that a full range of options is
21 available to senior policy makers requires a level of
22 governmental organization that matches the method-
23 ical organization characteristic of mass killings.

24 (b) ESTABLISHMENT OF INTERAGENCY ATROCITIES
25 PREVENTION BOARD.—The President shall establish an

1 Interagency Atrocities Prevention Board (in this section
2 referred to as the “Board”) with the following responsibil-
3 ities:

4 (1) Coordinate and synchronize a whole of gov-
5 ernment approach to preventing mass atrocities.

6 (2) Integrate the early warning systems of na-
7 tional security agencies, including intelligence agen-
8 cies, with respect to incidents of mass atrocities and
9 coordinate the policy response to such incidents.

10 (3) Conduct gaming and contingency planning
11 exercises regarding atrocities prevention and re-
12 sponse.

13 (4) Oversee the development and implementa-
14 tion of comprehensive atrocities prevention and re-
15 sponse strategies.

16 (5) Identify available resources and policy op-
17 tions necessary to prevent the emergence or esca-
18 lation of mass atrocities, including—

19 (A) foreign assistance;

20 (B) diplomatic initiatives;

21 (C) deployment of civilian expertise;

22 (D) use of sanctions; and

23 (E) military options.

1 (6) Identify and close gaps in expertise, readi-
2 ness, and planning for atrocities prevention and
3 early action across Federal agencies.

4 (7) Ensure that risk assessments and policies to
5 mitigate identified risks are communicated in a
6 timely fashion to the relevant Federal agencies and
7 integrated into activities.

8 (c) LEADERSHIP.—

9 (1) IN GENERAL.—The Board shall be headed
10 by a senior director selected by the President, and
11 who shall report to the Assistant to the President
12 for National Security Affairs (commonly referred to
13 as the “National Security Advisor”).

14 (2) RESPONSIBILITIES.—The senior director
15 shall have primary responsibility for promoting
16 United States Government policies to protect indi-
17 viduals affected by conflict and atrocities and car-
18 rying out the responsibilities identified in subsection
19 (b).

20 (d) COMPOSITION.—The Board shall be composed of
21 representatives from the following agencies, and such oth-
22 ers as the President determines appropriate:

23 (1) The Department of Defense.

24 (2) The United States Agency for International
25 Development.

1 (3) The Department of State.

2 (4) The Department of Justice.

3 (5) The Department of the Treasury.

4 (6) The Department of Homeland Security.

5 (7) The Central Intelligence Agency.

6 (8) The Office of the Director of National Intel-
7 ligence.

8 (9) The United States Mission to the United
9 Nations.

10 **SEC. 2032. UNDER SECRETARY FOR CIVILIAN SECURITY,**
11 **DEMOCRACY, AND HUMAN RIGHTS.**

12 (a) IN GENERAL.—Section 1(b) of the State Depart-
13 ment Basic Authorities Act of 1956 (22 U.S.C. 2651a(b))
14 is amended—

15 (1) by redesignating paragraph (4) as para-
16 graph (5); and

17 (2) by inserting after paragraph (3) the fol-
18 lowing new paragraph:

19 “(4) UNDER SECRETARY FOR CIVILIAN SECU-
20 RITY, DEMOCRACY, AND HUMAN RIGHTS.—There
21 shall be in the Department of State, among the
22 Under Secretaries authorized by paragraph (1), an
23 Under Secretary for Civilian Security, Democracy,
24 and Human Rights, who shall have primary respon-
25 sibility to assist the Secretary and the Deputy Sec-

1 retary in the formation and implementation of pol-
2 icy, activities, and oversight related to crisis preven-
3 tion and response, democracy, human rights, and
4 labor, and refugees and migration. The Under Sec-
5 retary for Civilian Security, Democracy, and Human
6 Rights shall—

7 “(A) coordinate and implement civilian re-
8 sponses to conflict, including deployment of the
9 Civilian Response Corps;

10 “(B) oversee the full spectrum of conflict-
11 related policies and programs in the Depart-
12 ment of State;

13 “(C) conduct strategic planning and budg-
14 eting for conflict-related activities within the
15 Department of State;

16 “(D) manage prevention and response to
17 refugee and humanitarian crises, including sup-
18 port for major international organizations in-
19 volved in aid to conflict affected populations;
20 and

21 “(E) advance human rights and demo-
22 cratic values.”.

23 (b) ABOLITION.—The position of Under Secretary for
24 Democracy and Global Affairs is hereby abolished.

1 (c) TRANSFER.—Responsibilities for the position of
2 Under Secretary for Democracy and Global Affairs shall
3 be transferred to the Under Secretary for Civilian Secu-
4 rity, Democracy and Human Rights, as appropriate. The
5 individual serving in the capacity of Under Secretary for
6 Democracy and Global Affairs as of the date of the enact-
7 ment of this Act may continue serve in the capacity of
8 the Under Secretary for Civilian Security, Democracy, and
9 Human Rights.

10 (d) CONFORMING AMENDMENT.—Section 2113(a) of
11 the Implementing Recommendations of the 9/11 Commis-
12 sion Act of 2007 (22 U.S.C. 8213(a); Public Law 110–
13 53) is amended by striking “Under Secretary of State for
14 Democracy and Global Affairs” and inserting “Under Sec-
15 retary of State for Civilian Security, Democracy, and
16 Human Rights”.

17 **SEC. 2033. CONFLICT AND STABILIZATION OPERATIONS.**

18 (a) IN GENERAL.—Section 62 of the State Depart-
19 ment Basic Authorities Act of 1956 (22 U.S.C. 2734) is
20 amended to read as follows:

21 **“SEC. 62. CONFLICT AND STABILIZATION OPERATIONS.**

22 “(a) BUREAU OF CONFLICT AND STABILIZATION OP-
23 ERATIONS.—

1 “(1) ESTABLISHMENT.—There is established
2 within the Department of State the Bureau of Con-
3 flict and Stabilization Operations.

4 “(2) ASSISTANT SECRETARY FOR CONFLICT
5 AND STABILIZATION OPERATIONS.—The head of the
6 Bureau shall be the Assistant Secretary for Conflict
7 and Stabilization Operations. The Assistant Sec-
8 retary shall report directly to the Under Secretary
9 for Civilian Security, Democracy, and Human
10 Rights.

11 “(3) FUNCTIONS.—The functions of the Bureau
12 of Conflict and Stabilization Operations shall include
13 the following:

14 “(A) Training, equipping, and deploying
15 the Civilian Response Corps described in sub-
16 section (b)(1).

17 “(B) Developing, at the request of a Chief
18 of Mission, a strategy or plan, and designing
19 relevant programming, for stabilization and re-
20 construction, as appropriate to the local con-
21 text.

22 “(C) At the request of a Chief of Mission,
23 mobilizing and deploying members of the Civil-
24 ian Response Corps as needed.

1 “(D) Entering into appropriate arrange-
2 ments with agencies to carry out activities
3 under this section and the Reconstruction and
4 Stabilization Civilian Management Act of 2008
5 (title XVI of the Duncan Hunter National De-
6 fense Authorization Act for Fiscal Year 2009;
7 Public Law 110–417).

8 “(E) Identifying and recruiting personnel
9 in State and local governments, including law
10 enforcement personnel, and in the private sector
11 who are available to participate in the Reserve
12 Corps established under subsection (b)(1)(B) or
13 to otherwise participate in or contribute to re-
14 construction and stabilization activities.

15 “(F) Taking steps to ensure that training
16 and education of civilian personnel to perform
17 such reconstruction and stabilization operations
18 is adequate and is carried out, as appropriate,
19 with other offices in the Department of State
20 and the United States Agency for International
21 Development involved with reconstruction and
22 stabilization activities.

23 “(G) Maintaining the capacity to field on
24 short notice an evaluation team consisting of

1 personnel from all relevant agencies to under-
2 take on-site needs assessment.

3 “(H) Maintaining a staff of experts to pro-
4 vide technical support for crisis mitigation, in-
5 cluding mediation and negotiation support
6 teams.

7 “(I) Establishing and maintaining a cadre
8 of deployable personnel to conduct contingency
9 acquisition support.

10 “(J) Establishing and maintaining on ac-
11 tive status a contingency contracting office for
12 the purpose of procuring goods, equipment, and
13 services for use in contingency operations and
14 for assistance to support reconstruction and
15 stabilization activities.

16 “(b) CIVILIAN RESPONSE CORPS.—

17 “(1) IN GENERAL.—The Secretary of State
18 shall establish and maintain a Civilian Response
19 Corps (referred to in this section as the ‘Corps’) to
20 provide assistance in support of reconstruction and
21 stabilization activities in countries or regions that
22 are at risk of, in, or are in transition from, conflict
23 or civil strife. The Corps shall be composed of active
24 and reserve components.

25 “(A) ACTIVE CORPS.—

1 “(i) IN GENERAL.—The Active Corps
2 shall be composed of not more than 200
3 positions identified by the Secretary of
4 State, in consultation with the Adminis-
5 trator, based on the skillsets identified by
6 the Coordinator.

7 “(ii) MEMBERSHIP.—The Active
8 Corps shall consist of United States Gov-
9 ernment personnel, including employees of
10 the Department of State, the United
11 States Agency for International Develop-
12 ment, and other agencies.

13 “(iii) DUTIES.—Members of the Ac-
14 tive Corps shall—

15 “(I) serve as liaisons between the
16 Bureau of Conflict and Stabilization
17 Operations and regional bureaus of
18 the Department of State;

19 “(II) unless deployed abroad, be
20 employed by the Under Secretary for
21 Civilian Security, Democracy, and
22 Human Rights; and

23 “(III) deploy, within 72 hours,
24 anywhere outside the United States
25 where the Secretary of State directs.

1 “(iv) SURGE.—Members of the Active
2 Corps may be detailed by the Assistant
3 Secretary for Conflict and Stabilization
4 Operations to regional bureaus of the De-
5 partment of State to augment crisis and
6 conflict planning and response.

7 “(B) RESERVE CORPS.—

8 “(i) IN GENERAL.—The Reserve
9 Corps shall consist of United States Gov-
10 ernment personnel, individuals employed
11 by State or local governments, or other ex-
12 perts who have the skills necessary for sup-
13 porting reconstruction and stabilization ac-
14 tivities, or who shall be trained and em-
15 ployed to carry out such activities, and
16 who have volunteered for such purpose.

17 “(ii) LIST.—The Secretary shall
18 maintain and continually update a data-
19 base composed of personnel who have vol-
20 unteered for the Reserve Corps.

21 “(iii) DUTIES.—Members of the Re-
22 serve Corps shall—

23 “(I) on a voluntary basis, deploy
24 within 72 hours, anywhere outside the

1 United States, where the Secretary of
2 State directs; and

3 “(II) maintain appropriate skills
4 and conditioning to deploy to assist in
5 reconstruction and stabilization activi-
6 ties.

7 “(2) MITIGATION OF DOMESTIC IMPACT.—The
8 establishment and deployment of any Reserve Corps
9 shall be undertaken in a manner that avoids sub-
10 stantively impairing the capacity and readiness of
11 the Federal Government or any State or local gov-
12 ernment from which Reserve Corps personnel may
13 be drawn.

14 “(3) EXISTING TRAINING AND EDUCATION PRO-
15 GRAMS.—The Secretary of State shall ensure that
16 personnel of the Department of State, and, in co-
17 ordination with the Administrator of the United
18 States Agency for International Development, that
19 personnel of USAID, have access to and make use
20 of the relevant existing training and education pro-
21 grams offered within the Federal Government, such
22 as those at the Center for Stabilization and Recon-
23 struction Studies at the Naval Postgraduate School
24 and the Interagency Training, Education, and After

1 Action Review Program at the National Defense
2 University.

3 “(4) IN GENERAL.—

4 “(A) APPOINTMENTS TO FOREIGN SERV-
5 ICE.—Individuals who serve in the Civilian Re-
6 sponse Corps shall be eligible to be appointed as
7 a member of the Foreign Service pursuant to
8 section 303 of the Foreign Service Act of 1980
9 (22 U.S.C. 3943) for a term of up to three
10 years.

11 “(B) DEPLOYMENT.—Not less than 60
12 percent of the Active Corps should be deployed
13 outside of the United States at any one time.

14 “(C) PROMOTION.—Individuals who are
15 career members of the Foreign Service shall be
16 considered for promotion on the same basis as
17 individuals who are assigned to diplomatic or
18 consular posts with one-year tours of duty.

19 “(D) CHAIN-OF-COMMAND.—Once de-
20 ployed abroad, a member of the Civilian Re-
21 sponse Corps shall report to and serve under
22 the operational control of the chief of mission of
23 the country or region in which such member is
24 deployed.

1 “(E) LIMITATION ON DEPLOYMENT.—The
2 Secretary of State is authorized to deploy to a
3 foreign country members of the Active Corps
4 for a period of not longer than one year. Such
5 period may be extended on a voluntary basis.

6 “(5) TEMPORARY APPOINTMENTS FOR CERTAIN
7 INDIVIDUALS.—The Secretary of State, acting
8 through the Assistant Secretary for Conflict and
9 Stabilization Operations, is authorized to appoint in-
10 dividuals with acquisition backgrounds to the Active
11 or Reserve Corps on a one-year basis to implement
12 contracts for contingency operations.

13 “(c) EMPLOYMENT FOR CONTINGENCY OPER-
14 ATIONS.—

15 “(1) FOREIGN SERVICE LIMITED POSITIONS.—
16 Pursuant to the authority of section 309 of the For-
17 eign Service Act of 1980 (22 U.S.C. 3949), and not-
18 withstanding the limitation specified in section 305
19 of such Act (22 U.S.C. 3945), the Administrator of
20 the United States Agency for International Develop-
21 ment (USAID) may appoint to the Senior Foreign
22 Service up to ten individuals to be assigned to or
23 support contingency operations.

1 “(2) WAIVER.—The provisions of section 8344
2 or 8468 of title 5, United States Code, may be
3 waived on a case-by-case basis by—

4 “(A) the Administrator of USAID, with re-
5 spect to the employment in USAID, or

6 “(B) the Inspector General of USAID,
7 with respect to the employment in the Office of
8 Inspector General,
9 of an annuitant in a position for which there is ex-
10 ceptional difficulty in recruiting or retaining a quali-
11 fied employee, or when a temporary emergency hir-
12 ing need exists.

13 “(3) PROCEDURES.—If the authority referred
14 to in paragraph (1) is delegated, the Administrator
15 of USAID or the Inspector General of USAID, as
16 appropriate, shall prescribe criteria and procedures
17 for the exercise of any authority under this section.

18 “(4) STATUS OF EMPLOYMENT.—A Federal em-
19 ployee for whom a waiver under this section is in ef-
20 fect shall not be considered an employee for pur-
21 poses of subchapter III of chapter 83, or chapter 84
22 of title 5, United States Code.

23 “(d) EXCEPTION.—

24 “(1) IN GENERAL.—The Secretary of State may
25 select and appoint employees to carry out conflict

1 and stabilization activities without regard to the pro-
2 visions of title 5, United States Code, governing ap-
3 pointment in the competitive service and may fix the
4 basic compensation of such employees without re-
5 gard to chapter 51 and subchapter III of chapter 53
6 of such title.

7 “(2) DELEGATION.—The Secretary of State
8 may authorize the head of any agency to exercise the
9 authority described in paragraph (1).

10 “(3) DEFINITION.—For the purpose of this
11 subsection, the term ‘employees’ means individuals
12 who qualify as an employee as defined in section
13 2105 of title 5, United States Code, and who are ap-
14 pointed on a time-limited basis solely to carry out
15 reconstruction and stabilization activities under or
16 consistent with this section.”.

17 (b) SPECIAL AUTHORITY.—Notwithstanding any
18 other provision of law, including section 304(c) of the Om-
19 nibus Diplomatic Security and Antiterrorism Act of 1986
20 (22 U.S.C. 4834(c); Public Law 99–399), personnel des-
21 ignated by the Secretary, including members of the Civil-
22 ian Response Corps, shall not be bound by the regulations
23 and guidance provided by the Bureau of Diplomatic Secu-
24 rity and shall deploy at the direction of the Secretary.

1 (c) PERSONNEL.—The Reconstruction and Stabiliza-
2 tion Civilian Management Act of 2008 (title XVI of Public
3 Law 110–417) is amended—

4 (1) in section 1603 (22 U.S.C. 2734a note), by
5 amending paragraph (5) to read as follows:

6 “(5) PERSONNEL.—The term ‘personnel’
7 means—

8 “(A) individuals serving in any service de-
9 scribed in section 2101 of title 5, United States
10 Code, other than in the legislative or judicial
11 branch;

12 “(B) individuals employed by personal
13 services contract, including individuals em-
14 ployed pursuant to—

15 “(i) section 2(c) of the State Depart-
16 ment Basic Authorities Act of 1956 (22
17 U.S.C. 2669(c)); or

18 “(ii) section 636(a)(3) of the Foreign
19 Assistance Act of 1961 (22 U.S.C.
20 2396(a)(3));

21 “(C) individuals appointed under section
22 303 of the Foreign Service Act of 1980 (22
23 U.S.C. 3943); and

24 “(D) locally employed staff who are em-
25 ployed by participating agencies.”; and

1 (2) in section 1606(b) (22 U.S.C. 2734a(b)), by
2 inserting “and to provide any related support” after
3 “assign personnel of such agency”.

4 **SEC. 2034. DANGER PAY.**

5 Section 151 of the Foreign Relations Authorization
6 Act, Fiscal Years 1990 and 1991 (5 U.S.C. 5928 note;
7 Public Law 101–246) is amended—

8 (1) by striking “or” after “Drug Enforcement
9 Administration” and inserting “, the”; and

10 (2) inserting “, or the Civilian Response Corps”
11 after “Federal Bureau of Investigation”.

12 **SEC. 2035. STABILITY POLICING COORDINATOR.**

13 The State Department Basic Authorities Act of 1956
14 is amended by adding after section 62 (as amended by
15 2031 of this Act) the following new section:

16 **“SEC. 63. OFFICE OF THE STABILITY POLICING COORDI-**
17 **NATOR.**

18 “(a) ESTABLISHMENT.—There is established within
19 the Department of State the Office of the Stability Polic-
20 ing Coordinator (in this section referred to as the ‘Office’).

21 “(b) COORDINATOR FOR POLICE TRAINING.—The
22 head of the Office shall be the Coordinator for Stability
23 Policing (in this section referred to as the ‘Coordinator’).
24 The Coordinator shall report directly to the Assistant Sec-
25 retary for Conflict and Stabilization Operations.

1 “(c) RESPONSIBILITIES.—The Coordinator shall be
2 responsible for developing a unified, coherent, comprehen-
3 sive, and effective program of law enforcement assistance
4 in support of reconstruction and stabilization activities in
5 countries or regions that are at risk of, in, or are in transi-
6 tion from, conflict or civil strife. Such program shall in-
7 clude the following elements:

8 “(1) Developing and overseeing curricula for
9 police training specifically oriented towards recon-
10 struction and stabilization activities.

11 “(2) Developing and implementing policies and
12 procedures to ensure that human rights, and in par-
13 ticular those of women and girls, are protected.

14 “(3) In coordination with the Bureau of Con-
15 flict and Stabilization Operations, as appropriate, re-
16 cruiting, vetting, and training personnel to serve as
17 police trainers.

18 “(4) Ensuring proper direction and oversight of
19 contractors hired to implement police training pro-
20 grams under this section.

21 “(5) Establishing benchmarks to measure the
22 progress of police training programs conducted
23 under this section.

1 “(6) Coordinating assistance carried out by the
2 Office with similar assistance provided by other Fed-
3 eral agencies and international donors.

4 “(7) Overseeing procurement and delivery of
5 supplies and equipment, and monitoring the end use
6 of such supplies and equipment.

7 “(8) Providing policy guidance and program
8 support to the United States diplomatic and con-
9 sular missions in the country or region undertaking
10 police training operations.

11 “(9) Providing guidance to the Bureau of Con-
12 flict and Stabilization Operations regarding the se-
13 lection and training of law enforcement and judicial
14 personnel for the Readiness Response Corps.

15 “(d) RELATIONSHIP TO GLOBAL RULE OF LAW POL-
16 ICY COMMITTEE.—The Coordinator shall ensure that the
17 activities of the Office are consistent with the coordination
18 plan established pursuant to section 3202 of the Global
19 Partnerships Act of 2012.”.

20 **SEC. 2036. TRAINING IN CONFLICT MANAGEMENT AND**
21 **MITIGATION.**

22 Section 708 of the Foreign Assistance Act of 1980
23 (22 U.S.C. 4028) is amended—

24 (1) in subsection (a)—

1 (A) in paragraph (2), by striking “and” at
2 the end;

3 (B) in paragraph (3), by striking the pe-
4 riod at the end and inserting “; and”; and

5 (C) by adding at the end the following new
6 paragraph:

7 “(4) instruction on methods for conflict man-
8 agement and mitigation and on the necessary skills
9 to be able to function successfully in countries or re-
10 gions that are at risk of, in, or are in transition
11 from, conflict or civil strife, including—

12 “(A) recognizing patterns of escalation and
13 early warning signs of potential atrocities or vi-
14 olence, including gender-based violence; and

15 “(B) methods of early action, prevention,
16 and response.”; and

17 (2) by adding at the end the following new sub-
18 section:

19 “(d) The training described in subsection (a)(4) shall
20 be mandatory for all Foreign Service officers assigned to
21 a position, or otherwise made available for service, in the
22 department or agency or at a post overseas with respon-
23 sibilities in the subject matters described in such sub-
24 section. Training opportunities should include, as appro-
25 priate for the department and agency, respectively, fellow-

1 ships, details, and exchanges with relevant Federal agen-
2 cies, international organizations, and nongovernmental or-
3 ganizations.”.

4 **TITLE III—SUPPORTING HUMAN**
5 **RIGHTS AND DEMOCRACY**
6 **Subtitle A—General Provisions**

7 **SEC. 3101. FINDINGS AND STATEMENT OF POLICY.**

8 (a) FINDINGS.—Congress makes the following find-
9 ings:

10 (1) All human beings are born free and equal
11 in dignity and rights. Recognition of the inherent
12 dignity and of the equal and inalienable rights of all
13 members of the human family is the foundation of
14 freedom, justice and peace in the world.

15 (2) A democratic political system, in which the
16 will of the people, as expressed in periodic and gen-
17 uine elections, is the basis of the authority of gov-
18 ernment, is the best guarantor of freedom of speech
19 and belief and freedom from fear and want.

20 (3) Democracy is a necessary but insufficient
21 condition for the effective protection of human
22 rights. Majority rule must be tempered by guaran-
23 tees for the dignity and rights of minorities.

24 (4) The advancement of human rights and the
25 institutionalization of democracy are important to

1 the achievement of other United States foreign pol-
2 icy goals, such as reducing poverty, building peace,
3 expanding prosperity and sustaining the global envi-
4 ronment.

5 (5) Human rights and fundamental freedoms
6 can be effectively advanced by—

7 (A) bilateral and multilateral diplomatic
8 overtures;

9 (B) the development and implementation
10 of international norms and standards, including
11 voluntary codes of conduct;

12 (C) support for the establishment and
13 strengthening of laws, policies and institutions
14 that protect rights and freedoms, including
15 technical assistance and training to govern-
16 ments and civil society organizations;

17 (D) support for and protection of individ-
18 uals and civil society organizations who defend
19 and exercise their human rights and democratic
20 freedoms;

21 (E) research and reporting on violations of
22 human rights, including identifying those who
23 commit such violations;

1 (F) the threat or imposition of sanctions
2 against violators, including criminal prosecution
3 where appropriate; and

4 (G) offering diplomatic and economic in-
5 centives for improved performance.

6 (6) United States support for human rights and
7 democracy should be open and explicit, with due re-
8 gard for the safety and independence of local part-
9 ners and impartiality among peaceful, democratic
10 political parties and factions.

11 (b) STATEMENT OF POLICY.—It is the policy of the
12 United States, in keeping with its constitutional heritage
13 and traditions and in accordance with its international ob-
14 ligations as set forth in the Charter of the United Nations
15 and the Universal Declaration of Human Rights, to pro-
16 mote and encourage increased respect for human rights
17 and fundamental freedoms throughout the world without
18 distinction as to race, sex, language, religion, sexual ori-
19 entation or gender identity.

20 **SEC. 3102. COUNTRY REPORTS ON HUMAN RIGHTS PRAC-**
21 **TICES.**

22 (a) REPORT REQUIRED.—The Secretary shall submit
23 to the appropriate congressional committees, by February
24 25 of each year, a comprehensive report regarding the sta-

1 tus of internationally recognized human rights in each cov-
2 ered country.

3 (b) CONTENTS.—The report required under sub-
4 section (a) shall include, for each covered country, infor-
5 mation relating to—

6 (1) respect for the integrity of the person, in-
7 cluding freedom from—

8 (A) arbitrary or unlawful deprivation of
9 life;

10 (B) disappearance;

11 (C) torture and other cruel, inhuman or
12 degrading treatment or punishment;

13 (D) arbitrary arrest or detention;

14 (E) denial of fair public trial; and

15 (F) arbitrary interference with privacy,
16 family, home or correspondence;

17 (2) respect for civil liberties, including—

18 (A) freedom of speech and press, including
19 Internet freedom;

20 (B) freedom of peaceful assembly and as-
21 sociation;

22 (C) freedom of religion and conscience;

23 (D) freedom of movement; and

24 (E) provision of asylum and resettlement
25 of refugees;

1 (3) respect for political rights, including the
2 right of citizens—

3 (A) to change their government;

4 (B) to take part in the conduct of public
5 affairs; and

6 (C) to vote and be elected at genuine peri-
7 odic elections;

8 (4) respect for worker rights, including—

9 (A) the right of association;

10 (B) the right to organize and bargain col-
11 lectively;

12 (C) prohibition of forced or compulsory
13 labor;

14 (D) prohibition of child labor; and

15 (E) acceptable conditions of work;

16 (5) protection of all citizens, including
17 marginalized groups, against violence, intimidation
18 and discrimination, including, wherever applicable—

19 (A) mass atrocities;

20 (B) trafficking in persons;

21 (C) sexual and gender-based violence;

22 (D) criminalization of homosexuality or
23 deprivation of fundamental freedoms due to
24 sexual orientation or gender identity;

1 (E) violations of the principles of volunta-
2 rism and informed choice in health care, includ-
3 ing coerced abortion and involuntary steriliza-
4 tion;

5 (F) child marriage; and

6 (G) compulsory recruitment and conscrip-
7 tion of individuals under the age of 15 by
8 armed forces of the government of the country,
9 government-supported paramilitaries, or other
10 armed groups; and

11 (6) official accountability, including—

12 (A) government corruption and trans-
13 parency;

14 (B) government participation in, facilita-
15 tion of, or condoning of, violations of inter-
16 nationally recognized human rights;

17 (C) steps taken by such government to
18 prevent and respond to violations of inter-
19 nationally recognized human rights;

20 (D) the extent of cooperation by such gov-
21 ernment in permitting an unimpeded investiga-
22 tion by international organizations, including
23 nongovernmental organizations, of alleged viola-
24 tions of internationally recognized human
25 rights; and

1 (E) wherever applicable, such government's
2 votes in the United Nations Human Rights
3 Council.

4 (c) CONSULTATION.—In compiling data and making
5 assessments for purposes of subsection (b), United States
6 diplomatic mission personnel in each covered country shall
7 consult with relevant international and nongovernmental
8 organizations.

9 (d) TRANSLATION AND PUBLICATION.—For each
10 covered country, the report required by this section shall
11 be translated into the principal languages of the country
12 and made available on the Internet website of the United
13 States diplomatic mission to the country, or, where there
14 is no diplomatic mission, on the Internet website of the
15 Department of State.

16 (e) DEFINITIONS.—In this section—

17 (1) the term “covered country” means a coun-
18 try that—

19 (A) receives assistance under this Act; or

20 (B) is a member of the United Nations;

21 and

22 (2) the term “child marriage” means the mar-
23 riage of a girl or a boy who has not reached the min-
24 imum legal age for marriage in the country of resi-

1 dence, or where there is no such law, under the age
2 of 18.

3 **SEC. 3103. ACTION PLANS FOR HUMAN RIGHTS AND DE-**
4 **MOCRACY.**

5 (a) ACTION PLAN REQUIRED.—

6 (1) IN GENERAL.—Except as provided in para-
7 graph (2), beginning 3 years after the date of the
8 enactment of this Act and every 3 to 5 years there-
9 after, the Secretary, in coordination with the Admin-
10 istrator as appropriate, shall develop an action plan
11 for human rights and democracy in each country
12 that is included in the report under section 3102.

13 (2) EXCEPTION.—The Secretary is not required
14 to develop an action plan under this subsection for
15 any country with respect to which the Secretary de-
16 termines, based on the information required in the
17 report under section 3102, that human rights and
18 fundamental freedoms are generally respected.

19 (b) PREPARATION OF PLANS.—The action plan re-
20 quired under subsection (a) shall be prepared—

21 (1) in each country with a United States diplo-
22 matic mission, by the Chief of Mission, in coordina-
23 tion with the Mission Director of the Agency, if a
24 Mission Director is assigned to such country, and in

1 consultation with the Assistant Secretary for Democ-
2 racy, Human Rights, and Labor; or

3 (2) in each country without a United States
4 diplomatic mission, by the Assistant Secretary of
5 State for Democracy, Human Rights, and Labor, in
6 coordination with the Assistant Administrator for
7 Democratic and Civic Development and the relevant
8 regional bureaus of the Department of State and
9 United States Agency for International Develop-
10 ment.

11 (c) ELEMENTS.—The action plan required under sub-
12 section (a) shall contain the following elements:

13 (1) A description of the major barriers in such
14 country to fundamental rights and freedoms.

15 (2) Specific improvements in the areas identi-
16 fied under paragraph (1) that the United States will
17 seek over the next 3 to 5 years.

18 (3) A description of the policies and programs,
19 including assistance, to be undertaken in order to
20 foster the improvements identified in paragraph (2).

21 (4) A description of the roles of each partici-
22 pating Federal agency in carrying out the policies
23 and programs identified in paragraph (3).

1 (5) A description of the budgetary and per-
2 sonnel resources needed to carry out the policies and
3 programs identified in paragraph (3).

4 (d) CONSULTATION.—In preparing the action plan
5 required under subsection (a), the relevant officials shall
6 consult with a wide range of nongovernmental organiza-
7 tions in the country and with nongovernmental organiza-
8 tions having significant experience in or knowledge about
9 the country.

10 (e) TRANSMISSION.—

11 (1) TO CONGRESS.—The action plan required
12 under subsection (a) shall be transmitted to the ap-
13 propriate congressional committees.

14 (2) PUBLIC AVAILABILITY.—At a minimum, the
15 elements of the action plan described in paragraphs
16 (1) and (2) of subsection (c) shall be published on
17 the Internet website of the Department of State and,
18 in countries in which a United States diplomatic
19 mission is established, on the mission’s Internet
20 website.

21 (f) STRATEGIC COORDINATION.—In order to avoid
22 duplication and policy inconsistency, the Secretary shall
23 ensure that the action plan required under subsection (a)
24 is coordinated with all other relevant diplomatic and devel-

1 opment strategies, in particular the strategies prepared
2 pursuant to—

3 (1) section 1703, relating to Global Strategy for
4 Gender Equality;

5 (2) section 1018, relating to Country Develop-
6 ment Cooperation Strategies;

7 (3) section 2012, relating to Conflict Mitigation
8 Strategy; and

9 (4) section 3203, relating to Comprehensive
10 International Strategy to Prevent and Respond to
11 Violence Against Women and Girls.

12 **SEC. 3104. HUMAN RIGHTS AND DEMOCRACY FUND.**

13 (a) ESTABLISHMENT.—There is established a
14 Human Rights and Democracy Fund (in this section re-
15 ferred to as the “Fund”) to be administered by the Assist-
16 ant Secretary of State for Democracy, Human Rights, and
17 Labor.

18 (b) PURPOSE.—The purpose of the Fund is to protect
19 and promote fundamental freedoms and internationally
20 recognized human rights by—

21 (1) supporting defenders of human rights and
22 advocates of democracy;

23 (2) assisting victims of human rights violations;

1 (3) preventing and responding to violence
2 against women and girls, in accordance with subtitle
3 A;

4 (4) carrying out child protection compacts in
5 accordance with section 3402; and

6 (5) responding to emergencies and unantici-
7 pated opportunities in the areas of human rights
8 and democracy.

9 (c) CONSULTATION.—In administering the Fund, the
10 Assistant Secretary of State for Democracy, Human
11 Rights, and Labor shall consult with the Ambassador-at-
12 Large for Global Women’s Issues and the Assistant Ad-
13 ministrators for Democratic and Civic Development of the
14 United States Agency for International Development.

15 (d) ADDITIONAL FUNDS.—Funds made available
16 under this section for a fiscal year are in addition to funds
17 otherwise available for such purposes.

18 (e) SPECIAL AUTHORITY.—Funds made available
19 under this section for a fiscal year are authorized to be
20 made available notwithstanding any provision of law that
21 restricts assistance to a foreign country.

1 **SEC. 3105. ROLE OF BUREAU OF DEMOCRACY, HUMAN**
2 **RIGHTS, AND LABOR.**

3 Section 1(c)(2) of the State Department Basic Au-
4 thorities Act of 1956 (22 U.S.C. 2651a(c)(2)) is amended
5 to read as follows:

6 “(2) ASSISTANT SECRETARY OF STATE FOR DE-
7 MOCRACY, HUMAN RIGHTS, AND LABOR.—

8 “(A) IN GENERAL.—There shall be in the
9 Department of State an Assistant Secretary of
10 State for Democracy, Human Rights, and
11 Labor who shall be responsible to the Secretary
12 of State for matters pertaining to human rights
13 and humanitarian affairs (including matters re-
14 lating to prisoners of war and members of the
15 United States Armed Forces missing in action)
16 in the conduct of foreign policy and such other
17 related duties as the Secretary may from time
18 to time designate. The Assistant Secretary shall
19 carry out the Secretary’s responsibilities under
20 section 3102 of the Global Partnerships Act of
21 2012.

22 “(B) DUTIES.—The Assistant Secretary of
23 State for Democracy, Human Rights, and
24 Labor shall maintain continuous observation
25 and review all matters pertaining to human
26 rights and humanitarian affairs (including mat-

1 ters relating to prisoners of war and members
2 of the United States Armed Forces missing in
3 action) in the conduct of foreign policy, includ-
4 ing the following:

5 “(i) Gathering detailed information
6 regarding humanitarian affairs and the ob-
7 servance of and respect for internationally
8 recognized human rights in each country
9 to which the requirements of sections 3102
10 and 3103, respectively, of the Global Part-
11 nerships Act of 2012 are relevant.

12 “(ii) Preparing the country reports
13 and action plans required under sections
14 3102 and 3103 of the Global Partnerships
15 Act of 2012.

16 “(iii) Making recommendations to the
17 Secretary of State and the Administrator
18 of the United States Agency for Inter-
19 national Development regarding implemen-
20 tation of the human rights policies, prin-
21 ciples, restrictions and authorities of the
22 Global Partnerships Act of 2012.

23 “(iv) Administering the Human
24 Rights and Democracy Fund established

1 under section 3104 of the Global Partner-
2 ships Act of 2012.

3 “(v) Performing other responsibilities
4 which serve to promote increased observ-
5 ance of internationally recognized human
6 rights by all countries.

7 “(C) CONSULTATION.—The Assistant Sec-
8 retary of State for Democracy, Human Rights,
9 and Labor shall be consulted in the determina-
10 tions of which countries shall receive United
11 States foreign assistance and the nature of the
12 assistance to be provided to each country.

13 “(D) CERTAIN ASSIGNMENTS.—Any as-
14 signment of an individual to a political officer
15 position at a United States mission abroad that
16 has the primary responsibility for monitoring
17 human rights developments in a foreign country
18 shall be made upon the recommendation of the
19 Assistant Secretary of State for Democracy,
20 Human Rights, and Labor in conjunction with
21 the head of the Department of State’s regional
22 bureau having primary responsibility for that
23 country.”.

1 **SEC. 3106. DISCRIMINATION RELATED TO SEXUAL ORI-**
2 **ENTATION.**

3 (a) DESIGNATION OF OFFICER.—The Assistant Sec-
4 retary of State for Democracy, Human Rights, and Labor
5 shall designate an officer or officers who shall be respon-
6 sible for tracking violence, criminalization, and restrictions
7 on the enjoyment of fundamental freedoms, consistent
8 with United States law, in foreign countries based on ac-
9 tual or perceived sexual orientation and gender identity.

10 (b) INTERNATIONAL EFFORTS.—The Secretary shall
11 work through appropriate United States Government em-
12 ployees at United States diplomatic and consular missions
13 to encourage the governments of other countries to reform
14 or repeal laws of such countries criminalizing homosex-
15 uality or consensual homosexual conduct, or restricting
16 the enjoyment of fundamental freedoms, consistent with
17 United States law, by homosexual individuals or organiza-
18 tions.

19 (c) TRAINING FOR FOREIGN SERVICE OFFICERS.—
20 Section 708(a) of the Foreign Service Act of 1980 (22
21 U.S.C. 4028(a)) is amended—

22 (1) in the matter preceding paragraph (1), by
23 inserting “the Assistant Secretary for Democracy,
24 Human Rights, and Labor,” before “the Amba-
25 sador at Large”;

1 (2) in paragraph (2), by striking “and” at the
2 end;

3 (3) in paragraph (3), by striking the period at
4 the end and inserting “; and”; and

5 (4) by adding at the end the following new
6 paragraph:

7 “(4) instruction, in courses covering human
8 rights reporting and advocacy work, on identifying
9 violence, discrimination, and restrictions on the en-
10 joyment of fundamental freedoms, consistent with
11 United States law, based on actual or perceived sex-
12 ual orientation and gender identity.”.

13 **SEC. 3107. PERSONNEL AWARDS AND INCENTIVES.**

14 Section 2143 of the ADVANCE Democracy Act of
15 2007 (22 U.S.C. 8243) is amended by striking the matter
16 preceding paragraph (1) and inserting the following:

17 “The Secretary shall expand the range of awards and
18 incentives to encourage members of the Foreign Service
19 and other employees of the Department to take assign-
20 ments relating to the promotion of democracy and the pro-
21 tection of human rights, which may include the fol-
22 lowing:”.

1 **Subtitle B—International Violence**
2 **Against Women and Girls**

3 **SEC. 3201. STATEMENT OF POLICY.**

4 It is the policy of the United States to—

5 (1) promote the equal participation of women in
6 the political, economic and social lives of their coun-
7 tries;

8 (2) build the capacity of foreign governments
9 and civil societies to prevent and respond to violence
10 against women and girls;

11 (3) ensure that all private partners under this
12 Act take appropriate steps to prevent and respond to
13 violence against women and girls; and

14 (4) systematically integrate efforts to prevent
15 and respond to violence against women and girls
16 into United States foreign policy and foreign assist-
17 ance programs.

18 **SEC. 3202. DUTIES OF THE SECRETARY OF STATE.**

19 (a) DESIGNATION.—The Secretary shall designate a
20 senior official in the Department of State to conduct the
21 activities of the Secretary under this subtitle.

22 (b) DUTIES.—The Secretary’s designee shall work
23 with the Assistant Secretary for Democracy, Human
24 Rights, and Labor, the Ambassador-at-Large for Global
25 Women’s Issues, and the heads of other of relevant bu-

1 reaus and offices of the Department of State and other
2 Federal agencies to—

3 (1) prepare the comprehensive international
4 strategy required under section 3203;

5 (2) collect and analyze data about violence
6 against women and girls internationally; and

7 (3) compile and disseminate information about
8 effective methods of prevention and response, includ-
9 ing through the preparation of public reports.

10 **SEC. 3203. COMPREHENSIVE INTERNATIONAL STRATEGY**
11 **TO PREVENT AND RESPOND TO VIOLENCE**
12 **AGAINST WOMEN AND GIRLS.**

13 (a) DEVELOPMENT OF STRATEGY.—Not later than
14 1 year after the date of the enactment of this Act, and
15 every 5 years thereafter, the Secretary, with the assistance
16 of the Administrator, shall—

17 (1) develop a comprehensive, 5-year inter-
18 national strategy to prevent and respond to violence
19 against women and girls internationally;

20 (2) submit the strategy developed under para-
21 graph (1) to the appropriate congressional commit-
22 tees; and

23 (3) make the strategy available to the public.

1 (b) COLLABORATION AND COORDINATION.—In devel-
2 oping the strategy under subsection (a), the Secretary
3 shall consult with—

4 (1) Federal agencies with expertise preventing
5 and responding to violence against women and girls
6 or administering international programs;

7 (2) the Senior Policy Operating Group on Traf-
8 ficking in Persons; and

9 (3) representatives of civil society organizations
10 with demonstrated experience in combating violence
11 against women and girls or promoting women’s
12 health or women’s development issues internation-
13 ally.

14 (c) CONTENT.—The strategy developed under sub-
15 section (a) shall—

16 (1) identify 5 to 20 countries with significant
17 levels of violence against women and girls, including
18 within displaced communities, that have the govern-
19 ment or nongovernment organizational capacity to
20 manage and implement gender-based violence pre-
21 vention and response program activities;

22 (2) include individual, comprehensive plans for
23 prevention and response in each of the countries
24 identified under paragraph (1) (hereafter in this
25 chapter referred to as “country plans”);

1 (3) estimate the resource requirements for car-
2 rying out each country plan, including the proposed
3 sources of funding and amounts to be contributed by
4 or sought from partner countries and other public
5 and private donors;

6 (4) specify the roles and responsibilities of each
7 Federal agency in carrying out the strategy;

8 (5) ensure that the country plans are integrated
9 with Country Development Cooperation Strategies
10 required under section 1018 and action plans for
11 human rights and democracy required under section
12 3103, as appropriate;

13 (6) explain the mechanisms and processes for
14 consultation and coordination with partner countries
15 and other public and private donors in all stages of
16 planning and implementation of each country plan;
17 and

18 (7) describe the monitoring and evaluation
19 mechanisms to be used for each country plan.

20 (d) ACTIVITIES.—Each country plan should incor-
21 porate at least 2 of the following activities:

22 (1) Enhancing the capacity of the health sector
23 to prevent and respond to violence against women
24 and girls.

1 (2) Developing and enforcing civil and criminal
2 legal and judicial sanctions, protections, training,
3 and capacity.

4 (3) Supporting efforts to change social norms
5 and attitudes so that violence against women and
6 girls is neither condoned nor tolerated.

7 (4) Expanding access of women and girls to
8 quality education.

9 (5) Increasing economic opportunities for
10 women, including through access to credit, voca-
11 tional training, property ownership, and inheritance
12 rights.

13 **SEC. 3204. ASSISTANCE TO PREVENT AND RESPOND TO VIO-**
14 **LENCE AGAINST WOMEN AND GIRLS INTER-**
15 **NATIONALLY.**

16 (a) IN GENERAL.—The Secretary and the Adminis-
17 trator are authorized to use funds made available for eco-
18 nomic assistance to carry out the comprehensive inter-
19 national strategy and country plans developed under sec-
20 tion 3203 and to conduct research and collect and analyze
21 data in accordance with section 3202.

22 (b) COORDINATION OF ASSISTANCE.—The Secretary
23 and the Administrator shall seek to ensure that programs,
24 projects, and activities carried out under this subtitle are

1 coordinated with related programs, projects, and activities
2 carried out under other provisions of law.

3 **SEC. 3205. DEFINITIONS.**

4 In this subtitle:

5 (1) PREVENTION AND RESPONSE.—The term
6 “prevention and response” means activities designed
7 to prevent and respond to violence against women
8 and girls.

9 (2) VIOLENCE AGAINST WOMEN AND GIRLS.—
10 The term “violence against women and girls” means
11 any act of violence that results in, or is likely to re-
12 sult in, physical, sexual, or psychological harm or
13 suffering to women or girls, including threats of
14 such acts, coercion, or arbitrary deprivations of lib-
15 erty, whether occurring in public or private life.

16 **Subtitle C—Rule of Law**

17 **SEC. 3301. FINDINGS.**

18 Congress finds the following:

19 (1) Human security depends upon the existence
20 of a system under which citizens are protected
21 against arbitrary and abusive use of power, law and
22 order are consistently maintained, and justice is ef-
23 fectively administered.

24 (2) The rule of law must be carried out in ac-
25 cordance with international human rights standards,

1 which include the equality and accountability of all
2 individuals before the law regardless of political or
3 social status; the protection of individuals against
4 arbitrary or discriminatory treatment by, or with the
5 acquiescence of, the government; the independence
6 of the judiciary and the legal profession from other
7 branches of government; the professional maintenance of law and order; and the transparent and fair
8 administration of justice.

10 (3) Responsible and effective criminal justice
11 systems not only build the foundations for democracy and economic growth in developing countries,
12 but also help to stem illicit activities, such as drug
13 trafficking and terrorism, that threaten United
14 States national interests.

16 (4) Provision of rule of law assistance to foreign police and security forces is an inherently governmental function, which should be performed by,
17 or under the direct supervision of, United States
18 Government employees.

21 (5) The United States should provide assistance
22 to foreign law enforcement agencies only—

23 (A) if such agencies have demonstrated a
24 commitment to improving protection of the se-

1 curity, human rights and dignity of the civilian
2 population;

3 (B) within the context of a comprehensive
4 program to strengthen the rule of law and im-
5 prove the administration of justice; and

6 (C) in conjunction with a system to mon-
7 itor and evaluate the impact of such advice,
8 training, and equipment.

9 **SEC. 3302. GLOBAL RULE OF LAW POLICY COMMITTEE.**

10 (a) **ESTABLISHMENT.**—The President shall establish
11 a Global Rule of Law Policy Committee (hereafter in this
12 section referred to as the “Committee”), to include the
13 Secretary of State, the Attorney General, the Secretary
14 of Homeland Security, the Secretary of the Treasury, the
15 Secretary of Defense, the Administrator, and the heads
16 of other Federal agencies engaged in rule of law assist-
17 ance.

18 (b) **PURPOSE.**—The purpose of the Committee shall
19 be to promote coordination among Federal agencies car-
20 rying out rule of law assistance and to build capacity to
21 provide such assistance effectively.

22 (c) **REVIEW.**—The Committee shall have the author-
23 ity to review any proposed legislative or legal advice to
24 be provided by private contractors to foreign law enforce-
25 ment agencies.

1 (d) COORDINATION PLAN.—Not later than 180 days
2 after the date of the enactment of this Act, the Committee
3 shall establish a plan for the coordination of rule of law
4 assistance, including—

5 (1) building capacity within the United States
6 Government to provide expert, long-term advice and
7 training for foreign civilian law enforcement agencies
8 and judicial systems;

9 (2) utilizing such capacity currently existing
10 within other donor countries and international and
11 nongovernmental organizations;

12 (3) delineating the roles and responsibilities of
13 each Federal agency in carrying out rule of law as-
14 sistance;

15 (4) establishing general policies and principles
16 guiding the provision of rule of law assistance; and

17 (5) ensuring policy and program coordination
18 among Federal agencies carrying out rule of law as-
19 sistance.

20 (e) TRANSMISSION TO CONGRESS.—The coordination
21 plan required under subsection (d) shall be transmitted
22 to the appropriate congressional committees and made
23 publicly available on the Internet.

24 (f) DEFINITION.—In this section, the term “rule of
25 law assistance” means assistance under this or any other

1 Act to combat crime, improve law enforcement, and
2 strengthen the administration of justice in a foreign coun-
3 try, including assistance under sections 1803, 3303, and
4 5203.

5 **SEC. 3303. ASSISTANCE FOR RULE OF LAW.**

6 (a) NONLETHAL ASSISTANCE.—The President is au-
7 thorized to provide training, advice, and nonlethal equip-
8 ment to eligible foreign law enforcement agencies to im-
9 prove the capacity of such agencies to—

10 (1) protect the safety and security of civilian
11 populations, including through community policing;

12 (2) promote respect for human rights and due
13 process of law;

14 (3) prevent and respond to violence against
15 women and girls;

16 (4) reduce organized crime, corruption, and fi-
17 nancial crimes;

18 (5) carry out investigative and forensic func-
19 tions;

20 (6) bring penal institutions into conformity with
21 international humanitarian standards;

22 (7) develop training curricula;

23 (8) manage human and financial resources and
24 carry out administrative functions, including internal
25 discipline procedures;

1 (9) conduct strategic planning and institutional
2 reform consistent with civilian democratic control;

3 (10) institute effective mechanisms for account-
4 ability and oversight;

5 (11) develop constructive relationships with the
6 communities they serve;

7 (12) prevent disputes from escalating into vio-
8 lence;

9 (13) respond appropriately and effectively in
10 disasters and emergencies;

11 (14) control and protect land, air and maritime
12 borders, and enforce customs;

13 (15) participate in international peace support
14 operations;

15 (16) monitor and enforce sanctions regimes;

16 (17) detect and interdict trafficking in persons,
17 weapons, narcotics, and other contraband;

18 (18) conduct maritime law enforcement and
19 border control; and

20 (19) combat terrorism and violent extremism.

21 (b) ADMINISTRATION OF JUSTICE.—The President is
22 authorized to assist eligible foreign law enforcement agen-
23 cies to improve administration of justice, including
24 through—

- 1 (1) revision and modernization of legal codes
2 and procedures;
- 3 (2) improving transparency and efficiency of ju-
4 dicial processes;
- 5 (3) professional training, scholarships, and ex-
6 changes of lawyers, judges, and other judicial offi-
7 cials;
- 8 (4) building administrative and financial man-
9 agement capacity in the justice sector;
- 10 (5) programs to enhance protection of witnesses
11 and participants in judicial cases;
- 12 (6) strengthening professional organizations in
13 order to promote services to members and the role
14 of the bar in judicial selection, enforcement of eth-
15 ical standards, and legal reform;
- 16 (7) increasing the availability of legal materials
17 and publications;
- 18 (8) developing systems to ensure competent de-
19 fense of indigent clients charged with crimes;
- 20 (9) enhancing access of crime victims to legal
21 information and services; and
- 22 (10) programs to strengthen respect for the
23 rule of law and internationally recognized human
24 rights.

1 (c) ELIGIBLE AGENCIES.—A foreign law enforcement
2 agency shall be eligible for assistance under this section
3 only if—

4 (1) the President determines, and reports to the
5 appropriate congressional committees not less than
6 15 days in advance of providing such assistance,
7 that such agency has demonstrated a commitment to
8 improving protection of the security, human rights,
9 and dignity of the civilian population;

10 (2) the assistance will be used to strengthen
11 democratic control over the police or prison author-
12 ity or to improve adherence to international human
13 rights standards; and

14 (3) such agency is not otherwise prohibited by
15 any provision of this Act from receiving assistance.

16 (d) ACCOUNTABILITY.—The Comptroller General of
17 the United States shall, not later than 1 year after the
18 date of the enactment of this Act, conduct a review of the
19 effectiveness and results of rule of law programs supported
20 by the United States Government over the prior 5-year
21 period, including their outcomes for human rights, in
22 order to determine best practices and lessons learned for
23 future programming.

24 (e) PARTICIPATION IN FOREIGN POLICE ACTIONS.—

1 (1) PROHIBITION ON EFFECTING AN ARREST.—

2 No officer or employee of the United States may di-
3 rectly effect an arrest in any foreign country as part
4 of any foreign police action, notwithstanding any
5 other provision of law.

6 (2) PARTICIPATION IN ARREST ACTIONS.—

7 Paragraph (1) does not prohibit an officer or em-
8 ployee of the United States, with the approval of the
9 United States chief of mission, from being present
10 when foreign officers are effecting an arrest or from
11 assisting foreign officers who are effecting an arrest.

12 (3) EXCEPTION FOR EXIGENT, THREATENING
13 CIRCUMSTANCES.—Paragraph (1) does not prohibit
14 an officer or employee from taking direct action to
15 protect life or safety if exigent circumstances arise
16 which are unanticipated and which pose an imme-
17 diate threat to United States officers or employees,
18 officers or employees of a foreign government, or
19 members of the public.

20 (4) EXCEPTION FOR MARITIME LAW ENFORCE-
21 MENT.—With the agreement of a foreign country,
22 paragraph (1) does not apply with respect to mari-
23 time law enforcement operations in the territorial
24 sea or archipelagic waters of that country.

1 (5) EXCEPTION FOR STATUS OF FORCES AR-
2 RANGEMENTS.—This subsection does not apply to
3 the activities of the United States Armed Forces in
4 carrying out their responsibilities under applicable
5 status of forces arrangements.

6 **SEC. 3304. DEFINITION.**

7 In this subtitle, the term “foreign law enforcement
8 agency” means an agency—

9 (1) with domestic arrest powers;

10 (2) responsible for internal security, including
11 the protection of life and property; and

12 (3) that does not report to a defense ministry
13 or similar or related entity of a foreign government
14 and is not a military force.

15 **Subtitle D—Child Protection**

16 **SEC. 3401. FINDINGS.**

17 Congress finds that—

18 (1) the Trafficking Victims Protection Act of
19 2000 (Public Law 106–386) and subsequent reau-
20 thorization Acts establish a comprehensive frame-
21 work for monitoring and combating human traf-
22 ficking, including that of children;

23 (2) under the Trafficking Victims Protection
24 Act of 2000, the Secretary annually identifies coun-
25 tries that do not comply with minimum standards

1 for the elimination of trafficking, some of which are
2 making significant efforts to bring themselves into
3 compliance;

4 (3) additional incentives should be provided to
5 encourage countries to protect and rescue children
6 subjected to severe forms of trafficking or sexual ex-
7 ploitation; and

8 (4) such incentives can be provided in the form
9 of assistance to countries that—

10 (A) have a significant prevalence of traf-
11 ficking in children;

12 (B) agree to address institutional weak-
13 nesses within the government that result in the
14 failure to protect vulnerable children and to res-
15 cue and properly rehabilitate victims; and

16 (C) agree to enhance efforts to apprehend
17 perpetrators who engage in severe forms of
18 trafficking in children and bring them to justice
19 in national courts of law.

20 **SEC. 3402. CHILD PROTECTION COMPACTS.**

21 (a) AUTHORIZATION.—The Secretary, acting through
22 the Office to Monitor and Combat Trafficking in Persons
23 and in consultation with the Senior Policy Operating
24 Group on Trafficking in Persons, is authorized to enter
25 into a compact described in subsection (b) with an eligible

1 country described in subsection (c) to protect and rescue
2 children subjected to severe forms of trafficking or sexual
3 exploitation. Such compact shall be known as a “Child
4 Protection Compact”.

5 (b) COMPACT.—

6 (1) IN GENERAL.—A compact described in this
7 subsection is an agreement between the United
8 States and an eligible country that establishes a
9 multiyear plan to protect and rescue children sub-
10 jected to severe forms of trafficking or sexual exploi-
11 tation.

12 (2) ELEMENTS.—A compact shall contain—

13 (A) the specific objectives that the country
14 and the United States expect to achieve during
15 the term of the compact;

16 (B) the responsibilities of the country and
17 the United States in the achievement of such
18 objectives;

19 (C) the particular programs or initiatives
20 to be undertaken in the achievement of such ob-
21 jectives and the amount of funding to be allo-
22 cated to each program or initiative;

23 (D) regular outcome indicators to monitor
24 and measure progress toward achieving such

1 objectives, including indicators for each pro-
2 gram or initiative;

3 (E) a multi-year financial plan, including
4 the estimated amount of contributions by the
5 United States and the country; and

6 (F) the strategy of the country to sustain
7 progress made toward achieving such objectives
8 after expiration of the compact.

9 (3) PROGRAMS AND INITIATIVES.—Programs
10 and initiatives under a compact may include—

11 (A) evaluating legal standards and prac-
12 tices and recommending improvements that will
13 increase the likelihood of successful prosecu-
14 tions;

15 (B) training anti-trafficking police and in-
16 vestigators;

17 (C) increasing public awareness of the
18 risks and dangers of child trafficking;

19 (D) building cooperation between domestic
20 nongovernmental organizations and law enforce-
21 ment agencies to identify and rescue victims;

22 (E) making courts more friendly to vic-
23 tims;

24 (F) providing rehabilitation and reintegra-
25 tion services for rescued children;

1 (G) supporting innovative technology and
2 improved data collection to prevent child traf-
3 ficking, aid in the prosecution of criminals, and
4 rescue victims; and

5 (H) developing regional cooperative plans
6 with neighboring countries to prevent cross-bor-
7 der trafficking of children and child sex tour-
8 ism.

9 (c) ELIGIBLE COUNTRIES.—A country is eligible for
10 a compact if the country—

11 (1) is a developing country, in that term is de-
12 fined in section 1023;

13 (2) is a Tier II country or Tier II Watch List
14 country;

15 (3) has a documented high prevalence of traf-
16 ficking of children; and

17 (4) has demonstrated political will and sus-
18 tained commitment by the government to undertake
19 meaningful measures to address severe forms of
20 trafficking of children, including—

21 (A) enactment and enforcement of laws
22 criminalizing trafficking in children with pun-
23 ishments commensurate with the crime, includ-
24 ing, when necessary, against complicit govern-
25 ment officials;

1 (B) cooperation with local and inter-
2 national nongovernmental organizations with
3 demonstrated expertise in combating the traf-
4 ficking in children; and

5 (C) the treatment of child trafficking vic-
6 tims in accordance with Article 6(3) of the Pro-
7 tocol to Prevent, Suppress and Punish Traf-
8 ficking in Persons, Especially Women and Chil-
9 dren, Supplementing the United Nations Con-
10 vention Against Transnational Organized
11 Crime.

12 **SEC. 3403. AUTHORIZATION OF ASSISTANCE.**

13 (a) IN GENERAL.—The Secretary is authorized to use
14 funds made available under this Act for economic assist-
15 ance to—

16 (1) develop a Child Protection Compact between
17 the United States and an eligible country under sec-
18 tion 3402; and

19 (2) provide assistance to an eligible entity de-
20 scribed in subsection (b) to carry out a Child Protec-
21 tion Compact.

22 (b) ELIGIBLE ENTITIES.—In carrying out a Child
23 Protection Compact, the Secretary may provide assistance
24 to—

1 (1) the national government of the eligible
2 country under section 3402;

3 (2) regional or local governmental units of an
4 eligible country under section 3402;

5 (3) a regional or international organization; or

6 (4) a nongovernmental organization or a private
7 entity with expertise in the protection of vulnerable
8 children, the investigation and prosecution of those
9 who engage in or benefit from child trafficking, or
10 the rescue of child victims of trafficking.

11 **SEC. 3404. SUSPENSION AND TERMINATION OF ASSIST-**
12 **ANCE.**

13 (a) SUSPENSION AND TERMINATION OF ASSIST-
14 ANCE.—The Secretary shall suspend or terminate assist-
15 ance under section 3403 in whole or in part for an eligible
16 entity under section 3403 if the Secretary determines
17 that—

18 (1) the entity is engaged in activities that are
19 contrary to the national security interests of the
20 United States;

21 (2) the entity has engaged in a pattern of ac-
22 tions inconsistent with the criteria used to determine
23 the eligibility of the country or entity, as the case
24 may be; or

1 (3) the entity has failed to adhere to its respon-
2 sibilities under the Child Protection Compact.

3 (b) REINSTATEMENT.—The Secretary may reinstate
4 assistance that has been suspended or terminated under
5 subsection (a) only if the Secretary determines that the
6 entity has demonstrated a commitment to correcting each
7 condition for which assistance was suspended or termi-
8 nated.

9 (c) CONGRESSIONAL NOTIFICATION.—Not later than
10 3 days after the date on which the Secretary suspends or
11 terminates assistance under subsection (a) for an entity,
12 or reinstates assistance under subsection (b) for an entity,
13 the Secretary shall submit to the appropriate congres-
14 sional committees a report that contains the determination
15 of the Secretary under subsection (a) or subsection (b),
16 as the case may be.

17 **SEC. 3405. CONGRESSIONAL NOTIFICATION.**

18 (a) PRIOR CONSULTATION.—Not later than 15 days
19 prior to the start of negotiations of a Child Protection
20 Compact with a country, the Ambassador shall consult
21 with the appropriate congressional committees.

22 (b) CONGRESSIONAL NOTIFICATION.—Not later than
23 10 days after entering into a Child Protection Compact
24 with a country, the Ambassador shall notify the appro-
25 priate congressional committees, and shall provide a de-

1 tailed summary of the Compact and a copy of the text
2 of the Compact.

3 (c) MONITORING AND EVALUATION.—The Amba-
4 sador shall ensure that regular monitoring reports for
5 each compact are prepared and made available to the ap-
6 propriate congressional committees, and that an inde-
7 pendent impact evaluation is conducted upon the comple-
8 tion of a compact.

9 **SEC. 3406. DEFINITIONS.**

10 In this subtitle:

11 (1) AMBASSADOR.—The term “Ambassador”
12 means the Ambassador-at-Large of the Department
13 of State’s Office to Monitor and Combat Trafficking
14 in Persons.

15 (2) CHILD PROTECTION.—The term “child pro-
16 tection” means efforts to prevent and respond to vio-
17 lence, exploitation, and abuse against children.

18 (3) COMPACT.—The term “Child Protection
19 Compact” or “Compact” means a Child Protection
20 Compact described in section 3402.

21 (4) SEVERE FORMS OF TRAFFICKING.—The
22 term “severe forms of trafficking in persons”
23 means—

24 (A) sex trafficking in which a commercial
25 sex act is induced by force, fraud, or coercion,

1 or in which the person induced to perform such
2 act has not attained 18 years of age; or

3 (B) the recruitment, harboring, transpor-
4 tation, provision, or obtaining of a person for
5 labor or services, through the use of force,
6 fraud, or coercion for the purpose of subjection
7 to involuntary servitude, peonage, debt bondage,
8 or slavery.

9 (5) TIER II COUNTRIES AND TIER II WATCH
10 LIST COUNTRIES.—The terms “Tier II countries”
11 and “Tier II Watch List countries” mean those
12 countries designated by the Secretary as not meeting
13 minimum standards for the elimination of traf-
14 ficking.

15 **TITLE IV—BUILDING AND REIN-**
16 **FORCING STRATEGIC PART-**
17 **NERSHIPS**

18 **SEC. 4001. FINDINGS.**

19 Congress finds the following:

20 (1) The ultimate goal of the United States con-
21 tinues to be a world which is free from the scourge
22 of war and the dangers and burdens of armaments,
23 in which the use of force has been subordinated to
24 the rule of law, and in which international adjust-
25 ments to a changing world are achieved peacefully.

1 (2) In furtherance of that goal, it remains the
2 policy of the United States to encourage regional
3 arms control and disarmament agreements; discour-
4 age arms races; and encourage restraint in the pro-
5 vision of armaments, especially small arms and light
6 weapons and advanced conventional weapons, to
7 countries in regions of instability.

8 (3) The efforts of the United States and other
9 friendly countries to promote peace and security con-
10 tinue to require measures of support based upon the
11 principle of effective self-help and mutual aid.

12 (4) The peace of the world and the security of
13 the United States are endangered so long as hostile
14 countries continue by threat of military action, by
15 the use of economic pressure, by their active or per-
16 missive support of terrorists, terrorist organizations
17 and extremism, and by internal subversion, or other
18 means to attempt to undermine the peace, security,
19 human rights, political freedoms, civil rights, or
20 prosperity of others.

21 (5) Peace and security for all is endangered by
22 the failure of countries to live up to their sovereign
23 responsibilities to protect civilian populations from
24 violence, reduce terrorism, halt the spread of dan-
25 gerous materials, and control transnational crime.

1 (6) It is in the interest of the United States to
2 help foreign countries build capable and accountable
3 military, police, customs, and other security forces,
4 under civilian democratic control, in order to exer-
5 cise their sovereign responsibilities.

6 (7) Extreme poverty and underdevelopment are
7 threats to peace. The provision of foreign assistance
8 under this title to developing countries must take
9 into account how the foreign assistance will affect
10 such countries' social and economic development and
11 whether the foreign assistance is diverting resources
12 away from development efforts that meet basic needs
13 of the population and address root causes of insta-
14 bility.

15 (8) Weapons and weapons systems are not and
16 should not be considered to be normal commodities
17 for international trade, and the United States should
18 permit such sales only to the extent that such sales
19 directly support United States foreign policy and na-
20 tional security objectives.

21 (9) Foreign assistance under this title should
22 not be provided if such foreign assistance will like-
23 ly—

24 (A) contribute to an arms race or regional
25 instability;

1 (B) increase the possibility of outbreak or
2 escalation of conflict, either within or across the
3 borders of the recipient country;

4 (C) support international terrorism;

5 (D) prejudice the development of bilateral
6 or multilateral arms control arrangements;

7 (E) adversely affect the arms control or
8 nonproliferation policy of the United States;

9 (F) be in excess to the legitimate defense
10 needs of the recipient country in terms of the
11 actual threats to its national security it faces;
12 or

13 (G) undermine the objectives and purposes
14 to promote and protect human rights and de-
15 mocracy under title III.

16 **SEC. 4002. STATEMENT OF POLICY.**

17 It is the policy of the United States—

18 (1) to promote the peace of the world and the
19 foreign policy, security, and general welfare of the
20 United States by fostering an improved climate of
21 security, political independence and individual lib-
22 erty, improving the ability of friendly countries and
23 international organizations to deter or, if necessary,
24 defeat aggression in whatever form, facilitating ar-
25 rangements for individual and collective security, as-

1 sisting friendly countries to provide for their legiti-
2 mate defense needs, and creating an environment of
3 security and stability in the developing friendly
4 countries essential to their more rapid social, eco-
5 nomic, and political progress;

6 (2) to exert leadership in the world community
7 to bring about arrangements for reducing the inter-
8 national trade in implements of war and to lessen
9 the danger of outbreak of regional conflict and the
10 burdens of armaments;

11 (3) to exert maximum efforts to achieve uni-
12 versal control of weapons of mass destruction, the
13 securing and control of the means to produce and
14 deliver them, and universal regulation and reduction
15 of armaments, including armed forces, under ade-
16 quate safeguards to protect complying countries
17 against violation, aggression, and invasion;

18 (4) to administer United States programs for or
19 procedures governing the export, sale, and grant of
20 defense articles and defense services to foreign coun-
21 tries and international organizations in a manner
22 consistent with the goals described in section 4003;

23 (5) to achieve international peace and security
24 through the United Nations and the diplomatic set-

1 tlement of disputes so that armed force shall not be
2 used except for individual or collective self-defense;

3 (6) to encourage all other countries to join in
4 a common undertaking to meet the goals described
5 in section 4003; and

6 (7) to give priority for the provision of foreign
7 assistance under this title to the needs of those
8 countries in danger of becoming victims of aggres-
9 sion, terrorism, or intimidation by conventional or
10 non-conventional military means.

11 **SEC. 4003. GOALS OF ASSISTANCE.**

12 (a) IN GENERAL.—The provision of foreign assist-
13 ance under this title to any country or organization shall
14 be furnished solely to achieve the following goals:

15 (1) To improve the ability of the country or or-
16 ganization to meet its legitimate defense and inter-
17 nal security needs.

18 (2) To assist and encourage the country or or-
19 ganization to recognize and effectively address prob-
20 lems that threaten United States security, including
21 terrorism, proliferation of weapons and dangerous
22 technologies, environmental destruction, the spread
23 of deadly disease, and transnational crime.

24 (3) To protect civilian populations from vio-
25 lence, including criminal violence.

1 (4) To permit the country or organization to
2 participate in regional or collective arrangements or
3 measures requested by the United Nations, or con-
4 sistent with the Charter of the United Nations, for
5 the purpose of maintaining or restoring international
6 peace and security.

7 (5) To increase the professionalization, trans-
8 parency, accountability, humanitarian and disaster
9 response capacity, or human rights record of the se-
10 curity forces of the country or organization, and the
11 effective control of such security forces by civilian
12 democratic authorities.

13 (6) To promote a social, economic, and political
14 environment conducive to stable peace in the country
15 or region.

16 (b) BIENNIAL REVIEW AND REPORT.—

17 (1) REVIEW.—In carrying out the requirements
18 of section 9201 with respect to security assistance,
19 the Secretary shall, for each country to which such
20 assistance is provided—

21 (A) review the extent to which such assist-
22 ance is achieving the goals of subsection (a);

23 (B) review the impact of such assistance
24 on internationally recognized human rights; and

1 (C) incorporate the results of such review
2 into decisions regarding the provision and de-
3 sign of security assistance.

4 (2) BIENNIAL REPORT.—Not later than 2 years
5 after the date of the enactment of this Act, and
6 every 2 years thereafter, the President shall submit
7 to the appropriate congressional committees a report
8 on the result of the review required under paragraph
9 (1) and the steps taken to incorporate the results of
10 such review into security assistance decisionmaking.

11 **Subtitle A—Economic Support**
12 **Fund**

13 **SEC. 4101. FINDINGS AND STATEMENT OF POLICY.**

14 (a) FINDINGS.—Congress finds the following:

15 (1) Conflict, violence, anarchy, and instability,
16 fueled by problems such as tyranny and oppression,
17 corruption and financial mismanagement, ethnic and
18 religious discrimination and discord, competition
19 over resources, and other sources of tension, are
20 among the greatest threats to United States national
21 security.

22 (2) Terrorism and violent extremism undermine
23 the stability and survival of states, the protection of
24 democratic freedoms, the vitality of economies and
25 markets, and the lives of civilian populations.

1 (3) United States leadership is essential to
2 countering terrorism and violent extremism, fos-
3 tering political and economic stability, and reaching
4 comprehensive, just and lasting peace agreements.

5 (4) To reduce the need for military force, the
6 United States must develop and maintain a broad
7 range of efficient and effective diplomatic and eco-
8 nomic tools to promote peaceful resolution of conflict
9 and to prevent the collapse of weak and fragile
10 states.

11 (5) Efforts to promote international peace and
12 stability are most effective when undertaken on a
13 multilateral basis, in concert with strategic partners.

14 (6) Prudent investment of United States re-
15 sources to assist, through bilateral and collective ef-
16 forts, in preventing or containing armed conflict, in
17 restoring peace and stability, and in addressing the
18 sources of conflict, is essential for achieving a peace-
19 ful world.

20 (7) While stability is a necessary precursor to
21 long-term development, stabilization programming
22 often has different objectives, beneficiaries, modali-
23 ties, and measurement tools than long-term develop-
24 ment programming, and should be justified, budg-
25 eted, and evaluated according to different criteria.

1 (b) STATEMENT OF POLICY.—It is the policy of the
2 United States to deepen engagement with close allies and
3 partners, and to develop relations with new partners, to
4 prevent violent conflict, resolve underlying grievances fair-
5 ly, and build sustainable peace.

6 **SEC. 4102. GOAL AND OBJECTIVES.**

7 (a) GOAL.—The goal of foreign assistance under this
8 subtitle is to expand strategic partnerships to prevent vio-
9 lent conflict, resolve underlying grievances fairly, and
10 build sustainable peace.

11 (b) OBJECTIVES.—In furtherance of the goal de-
12 scribed in subsection (a), foreign assistance under this
13 subtitle shall be designed to achieve the following objec-
14 tives:

15 (1) Promoting and supporting peace agree-
16 ments.

17 (2) Increasing economic and political stability.

18 (3) Facilitating participation in collective diplo-
19 matic and security efforts.

20 (4) Strengthening democratic governance.

21 **SEC. 4103. ECONOMIC SUPPORT FUND.**

22 (a) AUTHORIZATION.—The President is authorized to
23 provide foreign assistance under this subtitle to countries
24 and organizations, on such terms and conditions as the
25 President may determine, in order to achieve the goal and

1 objectives of this subtitle. Such foreign assistance shall be
2 known as “Economic Support Fund” assistance.

3 (b) RELATIONSHIP TO DEVELOPMENT ASSIST-
4 ANCE.—Foreign assistance under this subtitle—

5 (1) should be designed to complement assist-
6 ance under title I and should be linked with subse-
7 quent medium-term and long-term development pro-
8 grams;

9 (2) shall be provided, to the maximum extent
10 feasible, consistent with the policy directions, pur-
11 poses, and programs of title I; and

12 (3) is authorized to be provided for countries in
13 amounts that could not be justified solely under as-
14 sistance under title I.

15 (c) ROLE OF THE SECRETARY.—The Secretary shall
16 be responsible for policy decisions and justifications for
17 foreign assistance under this subtitle, including determina-
18 tions of whether to provide foreign assistance to a country
19 or organization and the amount of such foreign assistance.
20 The Secretary shall exercise this responsibility in coordi-
21 nation with the Administrator.

22 (d) INFORMATION TO BE PROVIDED.—The annual
23 congressional budget justification required under section
24 9302 and the database required under section 9301 shall
25 include information concerning the amounts and kinds of

1 cash grant transfers, the amounts and kinds of budgetary
2 and balance-of-payments support provided, and the
3 amounts and kinds of project assistance provided with
4 funds made available under this subtitle.

5 (e) NON-MILITARY PURPOSES.—Amounts made
6 available to carry out this subtitle may not be used for
7 military or paramilitary purposes and may not be carried
8 out by military forces.

9 (f) AVAILABILITY OF FUNDS.—Amounts made avail-
10 able to carry out this subtitle are authorized to remain
11 available until expended.

12 **SEC. 4104. CASH TRANSFER ASSISTANCE.**

13 (a) IN GENERAL.—The Secretary is authorized to
14 provide foreign assistance under this subtitle in the form
15 of cash grant transfers, balance-of-payments support, or
16 other non-project assistance only to the extent and in the
17 amounts justified in the annual congressional budget jus-
18 tification required under section 9302 or as subsequently
19 notified to Congress pursuant to section 9401.

20 (b) SEPARATE ACCOUNTS.—A country or organiza-
21 tion receiving foreign assistance in the form of cash trans-
22 fers or non-project sector assistance shall be required to
23 maintain such funds in a separate account and not com-
24 mingle them with any other funds.

1 (c) USE OF FUNDS.—Funds placed into a separate
2 account pursuant to subsection (b) may be obligated and
3 expended notwithstanding commodity restrictions (as de-
4 fined in section 11001).

5 **Subtitle B—Security Partnerships**

6 **CHAPTER 1—GENERAL AUTHORITIES**

7 **SEC. 4211. AUTHORIZATION OF ASSISTANCE.**

8 (a) AUTHORIZATION.—

9 (1) IN GENERAL.—The President is authorized
10 to provide foreign assistance under this subtitle to
11 any country or organization that is eligible to receive
12 such assistance in order to promote security in the
13 country or region.

14 (2) TERMS AND CONDITIONS.—The President
15 may provide foreign assistance under this subtitle on
16 such terms and conditions as the President may de-
17 termine.

18 (b) TYPES OF ASSISTANCE.—Assistance provided
19 under subsection (a) includes—

20 (1) acquiring from any source and providing by
21 grant any defense article or defense service;

22 (2) assigning or detailing members of the
23 United States Armed Forces and other personnel of
24 the Department of Defense, the Department of

1 State, or any other Federal agency, to perform du-
2 ties of a non-combatant nature; or

3 (3) transferring such amounts made available
4 under this title as the President may determine for
5 assistance to the country or organization to the ac-
6 count in which amounts for the procurement of de-
7 fense articles and defense services under section
8 4311 and section 4312 have been deposited for the
9 country or organization, to be merged with such de-
10 posited funds, and to be used solely to meet obliga-
11 tions of the country or organization for payment for
12 sales of defense items and services under this title.

13 (c) EXCLUSION OF CERTAIN COSTS.—Sales that are
14 wholly paid from funds transferred under subsection
15 (b)(3) or from funds made available on a non-repayable
16 basis under section 4311 shall be priced to exclude the
17 costs of salaries of members of the United States Armed
18 Forces (other than the Coast Guard).

19 **SEC. 4212. CONDITIONS OF ASSISTANCE.**

20 (a) IN GENERAL.—Consistent with the requirements
21 of sections 4361 and 4362, foreign assistance authorized
22 under this subtitle, including defense articles, defense
23 services, or related training, may be provided to any coun-
24 try or organization if the country or organization (as the
25 case may be) has agreed that—

1 (1) it will not transfer title to, or possession or
2 use of, any defense article, defense service, or related
3 training so provided to it, or produced pursuant to
4 a cooperative project agreement, to anyone who is
5 not an officer, employee, or agent of the country or
6 organization (as the case may be) or the specific
7 member countries (other than the United States) in
8 the case of a cooperative project agreement, without
9 the prior consent of the President;

10 (2) it will maintain the security of such articles,
11 services, or related training and will provide substan-
12 tially the same degree of security protection afforded
13 to such articles, services, or related training by the
14 United States Government;

15 (3) it will, as the President may require, permit
16 continuous observation and review by, and provide
17 necessary information to, representatives of the
18 United States Government with regard to the use of
19 such articles, services, or related training; and

20 (4) unless the President consents to other dis-
21 position, it will return to the United States Govern-
22 ment for such use or disposition as the President
23 considers in the best interests of the United States,
24 such articles, services, or related training which are

1 no longer needed for the purposes for which pro-
2 vided.

3 (b) CERTIFICATION.—

4 (1) IN GENERAL.—The Secretary may not give
5 consent under section 4361 to the retransfer of any
6 defense article or defense service that would be, if it
7 were a sale, subject to the requirements of section
8 4382 (regarding congressional certification of sen-
9 sitive foreign military sales and agreements), unless
10 the Secretary submits to the appropriate congres-
11 sional committees a written certification with respect
12 to such proposed retransfer containing—

13 (A) the name of the country or organiza-
14 tion proposing to make such retransfer;

15 (B) a description of such article or service
16 proposed to be retransferred, including its ac-
17 quisition cost;

18 (C) the name of the proposed recipient of
19 such article or service;

20 (D) the reasons for such proposed re-
21 transfer; and

22 (E) the date on which such retransfer is
23 proposed to be made.

1 (2) FORM.—Any certification submitted to the
2 appropriate congressional committees pursuant to
3 paragraph (1)—

4 (A) shall be submitted in unclassified form,
5 except that information regarding the dollar
6 value and number of defense articles or defense
7 services proposed to be retransferred may be
8 submitted in classified form if public disclosure
9 thereof would be clearly detrimental to the secu-
10 rity of the United States; and

11 (B) shall be subject to the requirements of
12 sections 4384.

13 (3) EXCEPTION.—Paragraph (1) shall not
14 apply to an export that has been exempted from the
15 licensing requirements of this title pursuant to an
16 agreement pursuant to section 4341.

17 (c) EXCEPTION FOR INCORPORATED COMPO-
18 NENTS.—The consent of the President under subsection
19 (a)(1) shall not be required for the transfer by a foreign
20 country or international organization of defense articles
21 sold by the United States under this Act if—

22 (1) such articles constitute components incor-
23 porated into foreign defense articles;

24 (2) the recipient is the government of a stra-
25 tegic United States ally;

1 (3) the recipient is not a country designated
2 under section 10401;

3 (4) the United States-origin components are
4 not—

5 (A) significant military equipment;

6 (B) defense articles for which notification
7 to Congress is required under section 4382; and

8 (C) identified by regulation as Missile
9 Technology Control Regime items; and

10 (5) the foreign country or international organi-
11 zation provides notification of the transfer of the de-
12 fense articles to the United States Government not
13 later than 30 days after the date of such transfer.

14 **SEC. 4213. PROHIBITION FOR MISUSE OF UNITED STATES**
15 **ASSISTANCE.**

16 (a) PROHIBITION.—No foreign assistance may be
17 provided under this subtitle, subtitle C, or any predecessor
18 Act to any country or organization if the Secretary has
19 credible information the country or organization (as the
20 case may be) uses or has used assistance, including de-
21 fense articles or defense services, provided under this title
22 or any predecessor Act in substantial violation (either in
23 terms of quantities or in terms of the gravity of the con-
24 sequences regardless of the quantities involved) of any

1 agreement entered into pursuant to this title or any such
2 Act—

3 (1) by using such articles or services for a pur-
4 pose not authorized under section 4301 or, if such
5 agreement provides that such articles or services
6 may only be used for purposes more limited than
7 those authorized under section 4301, for a purpose
8 not authorized under such agreement; or

9 (2) by transferring such articles or services to,
10 or permitting any use of such articles or services by,
11 anyone not an officer, employee, or agent of the
12 country or organization without the prior consent of
13 the United States; or

14 (3) by failing to maintain the security of such
15 articles or services, including attempts to obtain
16 classified or proprietary information or technology
17 from such articles or services.

18 (b) CONGRESSIONAL NOTIFICATION.—

19 (1) IN GENERAL.—The Secretary shall notify
20 the appropriate congressional committees promptly
21 upon the receipt of credible information that a coun-
22 try or organization may have committed a violation
23 described in subsection (a), and what actions are
24 being taken to implement the prohibition under that
25 subsection. The President shall ensure that the ap-

1 appropriate United States Government departments
2 and agencies provide to the Secretary without delay
3 any and all information relating to a violation de-
4 scribed in subsection (a).

5 (2) TIMING.—The notification required under
6 paragraph (1) with respect to a country or organiza-
7 tion shall occur before a certification required under
8 chapter 6 of subtitle C relating to a proposed export
9 of a defense article or defense service to the country
10 or organization.

11 (c) REINSTATEMENT.—The prohibition on assistance
12 under subsection (a) shall cease to be effective for any
13 country or organization if the Secretary determines and
14 notifies the appropriate congressional committees that—

15 (1) the violation for which the prohibition was
16 imposed has ceased;

17 (2) the country or organization (as the case
18 may be) has given assurances satisfactory to the
19 Secretary that the violation will not recur; and

20 (3) the country or organization (as the case
21 may be) has taken sufficient steps to prevent a re-
22 currence of any similar violation; or

23 (4) the Secretary has determined that the viola-
24 tion did not in fact occur.

1 (d) WAIVER.—The Secretary may waive the prohibi-
2 tion on assistance under subsection (a) for any country
3 or organization if the Secretary determines and notifies
4 the appropriate congressional committees that such prohi-
5 bition on assistance would have a significant adverse im-
6 pact on the security of the United States.

7 (e) REVIEW AND REPORT.—

8 (1) REVIEW.—Not later than 180 days after
9 the date of the enactment of this Act, and every 3
10 years thereafter, the Inspector General of the De-
11 partment of State shall conduct a review of inves-
12 tigations by the Department of State of any and all
13 possible occasions of misuse of defense articles and
14 defense services by countries and organizations to
15 determine whether the Department of State has
16 fully complied with the requirements of this section,
17 as well as with the Department of State’s internal
18 procedures (and whether such procedures are ade-
19 quate), for reporting to Congress any information
20 regarding the unlawful use or transfer of defense ar-
21 ticles and defense services by such countries and or-
22 ganizations.

23 (2) REPORT.—The Inspector General of the
24 Department of State shall submit to the appropriate
25 congressional committees for each of fiscal years

1 2014 through 2017 a report that contains the find-
2 ings and results of the review conducted under para-
3 graph (1). The report shall be submitted in unclassi-
4 fied form to the maximum extent possible, but may
5 include a classified annex.

6 **CHAPTER 2—DRAWDOWN AUTHORITY**

7 **SEC. 4221. AUTHORIZATION OF EMERGENCY ASSISTANCE.**

8 (a) AUTHORIZATION.—If the President determines
9 that—

10 (1) an unforeseen emergency exists which re-
11 quires the immediate provision of assistance author-
12 ized under this subtitle to a country or organization,
13 and

14 (2) the emergency requirement cannot be met
15 under the authority of any other provision of law ex-
16 cept this section,

17 the President may direct, in order to meet the goals de-
18 scribed in section 4003, the drawdown of articles and serv-
19 ices, including training, from any Federal agency of an
20 aggregate value of not to exceed \$250,000,000 in any fis-
21 cal year.

22 (b) CONGRESSIONAL NOTIFICATION.—The President
23 may exercise the authority of subsection (a) with respect
24 to an emergency described in subsection (a) only if the

1 President first notifies the appropriate congressional com-
2 mittees.

3 **SEC. 4222. AUTHORIZATION OF NON-EMERGENCY ASSIST-**
4 **ANCE.**

5 (a) IN GENERAL.—If the President determines that
6 it is in the national interest of the United States to draw-
7 down articles and services from the inventory and re-
8 sources of any Federal agency, including military edu-
9 cation and training from the Department of Defense, the
10 President may direct the drawdown of such articles, serv-
11 ices, and military education and training—

12 (1) for purposes of providing foreign assistance,
13 as administered by the Department of State, under
14 this Act;

15 (2) for purposes of providing assistance under
16 the Migration and Refugee Assistance Act of 1962;
17 or

18 (3) to support cooperative efforts with Vietnam,
19 Cambodia, or Laos to locate and repatriate members
20 of the United States Armed Forces and civilians em-
21 ployed directly or indirectly by the United States
22 Government who remain unaccounted for from the
23 Vietnam War, including for purposes of—

1 (A) ensuring the safety of United States
2 Government personnel engaged in such coopera-
3 tive efforts; and

4 (B) supporting Department of Defense-
5 sponsored humanitarian projects associated
6 with such efforts.

7 (b) LIMITATION.—An aggregate value of not to ex-
8 ceed \$250,000,000 in any fiscal year of such articles, serv-
9 ices, and military education and training may be provided
10 pursuant to subsection (a).

11 (c) NOTIFICATION.—The authority contained in this
12 section shall be effective for any such drawdown only upon
13 notification to the appropriate congressional committees
14 at least 15 days prior to such drawdown in accordance
15 with the procedures applicable to reprogramming notifica-
16 tions.

17 **SEC. 4223. COMMERCIAL TRANSPORTATION AND RELATED**
18 **SERVICES.**

19 For purposes of this chapter, a drawdown of articles
20 or services may include the supply of commercial transpor-
21 tation and related services that are acquired by contract
22 for the purposes of the drawdown in question if the cost
23 to acquire such commercial transportation and related
24 services is less than the cost to the United States Govern-

1 ment of providing such services from existing assets of the
2 applicable Federal agency.

3 **SEC. 4224. REPORT.**

4 (a) IN GENERAL.—The Secretary shall keep the ap-
5 propriate congressional committees fully and currently in-
6 formed of assistance provided to a country or organization
7 under this chapter, including by submitting to the appro-
8 priate congressional committees a report describing such
9 assistance delivered to each country or organization upon
10 delivery of such articles or upon completion of such serv-
11 ices or education and training.

12 (b) PUBLICATION ON WEBSITE.—The Secretary shall
13 publish each report required under subsection (a) on the
14 Internet website of the Department of State upon submis-
15 sion of the report to the appropriate congressional com-
16 mittees.

17 **CHAPTER 3—LOANS OF DEFENSE**
18 **ARTICLES**

19 **SEC. 4231. LOAN REQUIREMENTS.**

20 In addition to such other terms and conditions as the
21 President may determine pursuant to section 4211, de-
22 fense articles and defense services may be loaned under
23 such section only if—

1 (1) there is a bona fide reason, other than the
2 shortage of funds, for providing such articles on a
3 loan basis rather than on a grant basis;

4 (2) there is a reasonable expectation that such
5 articles will be returned to the Federal agency mak-
6 ing the loan at the end of the loan period unless the
7 loan is then renewed;

8 (3) the loan period is of fixed duration not ex-
9 ceeding five years, during which such article may be
10 recalled for any reason by the United States;

11 (4) the agency making the loan is reimbursed
12 for the loan according to the provisions of section
13 4232; and

14 (5) the loan agreement provides that—

15 (A) if the defense article is damaged while
16 on loan, the country or organization to which it
17 was loaned will reimburse the United States for
18 the cost of restoring or replacing the defense
19 article; and

20 (B) if the defense article is lost or de-
21 stroyed while on loan, the country or organiza-
22 tion to which it was loaned will pay to the
23 United States an amount equal to the replace-
24 ment cost (less any depreciation in the value) of
25 the defense article.

1 **SEC. 4232. COST OF LOANS.**

2 (a) IN GENERAL.—In the case of any loan of a de-
3 fense article or defense service made under section 4211,
4 there shall be a charge to the appropriation for security
5 assistance for any fiscal year while such article or service
6 is on loan in an amount based on—

7 (1) the out-of-pocket expenses authorized to be
8 incurred in connection with such loan during such
9 fiscal year; and

10 (2) the depreciation which occurs during such
11 year while such article is on loan.

12 (b) INAPPLICABILITY.—The provisions of this chap-
13 ter shall not apply to any defense article or defense serv-
14 ice, or portion thereof, acquired with funds made available
15 for assistance under this title.

16 **CHAPTER 4—STOCKPILING OF DEFENSE**
17 **ARTICLES**

18 **SEC. 4241. GENERAL AUTHORITY.**

19 (a) IN GENERAL.—The President is authorized to set
20 aside, reserve, or otherwise earmark defense articles in the
21 inventory of the Department of Defense, consistent with
22 the provisions of this Act, for future use by any foreign
23 country that is a strategic United States ally.

24 (b) NOTIFICATION.—

25 (1) IN GENERAL.—Except as provided in para-
26 graph (2), not later than 15 days before making a

1 defense article that has been set aside, reserved, or
2 otherwise earmarked under the authority of this sec-
3 tion made available to or for use by a foreign coun-
4 try described in subsection (a), the President shall
5 transmit a notification of the proposed transfer to
6 the appropriate congressional committees and to the
7 Committees on Armed Services of the House of Rep-
8 resentatives and the Senate. The notification shall
9 identify the items to be transferred and the conces-
10 sions to be received.

11 (2) EXCEPTION.—If the President determines
12 that an emergency exists that requires making a de-
13 fense article available to a foreign country described
14 in subsection (a), the President is authorized to
15 make such defense article available immediately
16 upon notification to the appropriate congressional
17 committees. The President shall set forth the rea-
18 sons for determining that such an emergency exists
19 that warrants the immediate use of this authority.

20 (c) RULE OF CONSTRUCTION.—No defense article
21 transferred from any stockpile which is made available to
22 or for use by any foreign country under this section may
23 be considered an excess defense article for the purpose of
24 determining the value thereof.

1 **SEC. 4242. VALUE OF DEFENSE ARTICLES.**

2 (a) IN GENERAL.—The value of defense articles to
3 be set aside, reserved, or earmarked or intended for use
4 under this chapter in stockpiles located in foreign coun-
5 tries may not exceed \$300,000,000 for a fiscal year, of
6 which up to \$200,000,000 may be made available for
7 stockpiles in the State of Israel.

8 (b) VALUE DEFINED.—For purposes of this section,
9 the term “value” means the acquisition cost plus crating,
10 packing, handling, and transportation costs incurred in
11 carrying out section 4241.

12 **CHAPTER 5—FOREIGN MILITARY**
13 **FINANCING**

14 **SEC. 4251. GENERAL AUTHORITY.**

15 The President is authorized to finance the procure-
16 ment of defense articles, defense services, and design and
17 construction services by foreign countries and inter-
18 national organizations, on such terms and conditions as
19 the President may determine consistent with the require-
20 ments of this chapter.

21 **SEC. 4252. RULE OF CONSTRUCTION.**

22 References in any law to credits extended under this
23 chapter or section 21 of the Arms Export Control Act
24 shall be deemed to include reference to participations in
25 credits.

1 **SEC. 4253. AUDITS.**

2 For each fiscal year, the Secretary of Defense, as re-
3 quested by the Director of the Defense Security Assistance
4 Agency, shall conduct audits on a nonreimbursable basis
5 of private firms that have entered into contracts with
6 countries or organizations under which defense articles,
7 defense services, or design and construction services are
8 to be procured by such firms for such countries or organi-
9 zations from financing under this chapter.

10 **SEC. 4254. CASH FLOW FINANCING.**

11 The Secretary may approve cash flow financing for
12 Israel and Egypt for the procurement of defense articles,
13 defense services, or design and construction services in ex-
14 cess of \$100,000,000.

15 **CHAPTER 6—INTERNATIONAL MILITARY**
16 **EDUCATION AND TRAINING**

17 **SEC. 4261. PURPOSE.**

18 The purpose of this chapter is to provide military
19 education and training activities under this chapter that
20 are designed—

21 (1) to encourage effective and mutually bene-
22 ficial relations and increased understanding between
23 the United States and foreign countries in further-
24 ance of the goals of international peace and security;

25 (2) to improve the ability of foreign countries to
26 utilize their resources, including defense articles and

1 defense services obtained by such countries from the
2 United States, with maximum effectiveness, thereby
3 contributing to greater self-reliance by such coun-
4 tries; and

5 (3) to increase the awareness of nationals of
6 foreign countries participating in such activities of
7 basic issues involving respect and observance of
8 internationally recognized human rights, the impor-
9 tance of civilian oversight and authority over secu-
10 rity and national defense forces, and of account-
11 ability of defense personnel to civilian governments
12 and courts.

13 **SEC. 4262. MILITARY EDUCATION AND TRAINING FOR FOR-**
14 **EIGN MILITARY AND DEFENSE PERSONNEL.**

15 (a) **AUTHORITY.**—The Secretary is authorized to pro-
16 vide, on such terms and conditions as the Secretary may
17 determine, military education and training to foreign mili-
18 tary and defense personnel.

19 (b) **REQUIREMENTS.**—Professional military edu-
20 cation and training provided under subsection (a) shall be
21 designed to—

22 (1) contribute to greater cooperation between
23 the United States and the government of such for-
24 eign military and defense personnel on United States

3 (2) foster greater respect for, and under-
4 standing of—

(A) democracy and the rule of law, including the principle of civilian control of the military; and

8 (B) internationally recognized human
9 rights.

(c) SELECTION OF PARTICIPANTS.—The selection of foreign military and defense personnel for training under this chapter shall be made in consultation with the Secretary of Defense.

(d) FOREIGN MILITARY AND DEFENSE PERSONNEL
DEFINED.—In this section, the term “foreign military and
defense personnel” means members of the armed forces
and civilian personnel of the defense ministry of a foreign
country.

19 SEC. 4263. MILITARY EDUCATION AND TRAINING FOR FOR-
20 EIGN CIVILIAN PERSONNEL.

(a) AUTHORITY.—The Secretary is authorized to provide, on such terms and conditions as the Secretary may determine, military education and training to foreign civilian personnel, if such military education and training would contribute to—

- 1 (1) civilian, democratic control of the military;
- 2 (2) responsible defense resource management;
- 3 (3) cooperation between military and law en-
- 4 forcement personnel with respect to counter-
- 5 narcotics, counterterrorism, or counterproliferation
- 6 activities; or
- 7 (4) improved military justice systems and pro-
- 8 cedures in accordance with internationally recog-
- 9 nized human rights.

10 (b) FOREIGN CIVILIAN PERSONNEL DEFINED.—In
11 this section, the term “foreign civilian personnel” includes
12 legislators, representatives of civil society, and foreign gov-
13 ernmental personnel of ministries other than ministries of
14 defense.

15 **SEC. 4264. LOCATIONS OF INSTRUCTION.**

16 Military education and training activities carried out
17 under this chapter may be provided through—

- 18 (1) attendance at military educational and
- 19 training facilities in the United States (other than
- 20 Service academies) and abroad;
- 21 (2) attendance in special courses of instruction
- 22 at schools and institutions of learning or research in
- 23 the United States and abroad; and

1 (3) observation and orientation visits to military
2 facilities and related activities in the United States
3 and abroad.

4 **SEC. 4265. REIMBURSEMENT.**

5 The Secretary shall seek reimbursement for military
6 education and training provided under this chapter from
7 countries using assistance under section 4251 to purchase
8 such military education and training at a rate comparable
9 to the rate charged to countries receiving grant assistance
10 for military education and training under this chapter.

11 **SEC. 4266. EXCHANGE OF TRAINING AND RELATED SUP-**
12 **PORT.**

13 (a) **AUTHORITY.**—Subject to subsection (b), the Sec-
14 retary, in consultation with the Secretary of Defense, is
15 authorized to provide training and related support to for-
16 eign military and defense personnel (as defined in section
17 4262) and to foreign civilian personnel (as defined in sec-
18 tion 4263). Such training and related support shall be pro-
19 vided by the Secretary of Defense and may include the
20 provision of transportation, food services, health services,
21 and logistics and the use of facilities and equipment.

22 (b) **AGREEMENT OR OTHER ARRANGEMENT RE-**
23 **QUIRED.**—

24 (1) **IN GENERAL.**—Training and related sup-
25 port may be provided under this section only pursu-

1 ant to an agreement or other arrangements pro-
2 viding for the provision by the country or organiza-
3 tion, on a reciprocal basis, of comparable training
4 and related support to the United States.

5 (2) REASONABLE PERIOD OF TIME.—Such re-
6 ciprocal training and related support shall be pro-
7 vided within a reasonable period of time (which may
8 not be more than one year) of the provision of train-
9 ing and related support by the United States Gov-
10 ernment under this chapter.

11 (c) REIMBURSEMENT REQUIREMENT.—To the extent
12 that a country or organization to which training and re-
13 lated support is provided under this section does not pro-
14 vide such comparable training and related support to the
15 United States within a reasonable period of time, the Sec-
16 retary shall require a country or organization to reimburse
17 the United States for the full costs of the training and
18 related support provided by the United States.

19 (d) REGULATIONS.—The President shall prescribe
20 regulations for the provision of training and related sup-
21 port under this section.

**CHAPTER 7—TRANSFER OF EXCESS
DEFENSE ARTICLES**

SEC. 4271. TRANSFER OF EXCESS DEFENSE ARTICLES.

(a) **AUTHORITY.**—To further the goals and objectives of United States foreign policy and the goals of this Act, the Secretary is authorized to transfer to foreign countries and international organizations excess defense articles under this section that have been designated by the Secretary of Defense as excess to the military needs of the United States, except for naval vessels subject to section 4275.

(b) **LIMITATIONS ON TRANSFERS.**—The Secretary may authorize the transfer of excess defense articles under this section only if—

(1) such articles are drawn from existing stocks of the Department of Defense;

(2) funds available to the Department of Defense for the procurement of defense equipment are not expended in connection with the transfer;

(3) the transfer of such articles will not have, in the judgment of the Secretary of Defense, an adverse impact on the military readiness of the United States;

(4) with respect to a proposed transfer of such articles on a grant basis, such a transfer is pref-

1 erable to a transfer on a sales basis, after taking
2 into account the potential proceeds from, and likeli-
3 hood of, such sales, and the comparative foreign pol-
4 icy benefits that may accrue to the United States as
5 the result of a transfer on either a grant or sales
6 basis; and

7 (5) the transfer of such articles will not have an
8 adverse impact on the national technology and in-
9 dustrial base and, particularly, will not reduce the
10 opportunities of entities in the national technology
11 and industrial base to sell new or used equipment to
12 the countries to which such articles are transferred.

13 **SEC. 4272. TERMS OF TRANSFERS.**

14 (a) IN GENERAL.—Excess defense articles may be
15 transferred under section 4271 without cost to the recipi-
16 ent country or international organization.

17 (b) WAIVER OF REQUIREMENT FOR REIMBURSE-
18 MENT OF DEPARTMENT OF DEFENSE EXPENSES.—Sec-
19 tion 11505(c) shall not apply with respect to the transfer
20 to foreign countries and international organizations of ex-
21 cess defense articles (including transportation and related
22 costs) under section 4271.

23 (c) TRANSPORTATION AND RELATED COSTS.—

24 (1) IN GENERAL.—Except as provided in para-
25 graph (2), funds available to the Department of De-

1 fense may not be expended for crating, packing,
2 handling, and transportation of excess defense arti-
3 cles transferred under the authority of section 4271.

4 (2) EXCEPTION.—Excess defense articles may
5 be transported to a recipient country or inter-
6 national organization without charge if—

7 (A) the Secretary determines that it is in
8 the national interest of the United States to do
9 so;

10 (B) the total weight of the transfer does
11 not exceed 50,000 pounds; and

12 (C) such transportation is accomplished on
13 a space available basis.

14 **SEC. 4273. ADVANCE NOTIFICATION TO CONGRESS FOR**
15 **TRANSFER OF CERTAIN EXCESS DEFENSE AR-**
16 **TICLES.**

17 (a) IN GENERAL.—The Secretary may not transfer
18 excess defense articles that are significant military equip-
19 ment (as defined in section 4411) or excess defense arti-
20 cles valued (in terms of original acquisition cost) at
21 \$10,000,000 or more, under section 4271 until 30 days
22 after the date on which the Secretary has provided notice
23 of the proposed transfer to the appropriate congressional
24 committees in accordance with procedures applicable to re-
25 programming notifications under section 9401.

1 (b) CONTENTS.—Such notification shall include—

2 (1) a statement outlining the purposes for
3 which the article is being provided to the country,
4 including whether such article has been previously
5 provided to such country;

6 (2) an assessment of the impact of the transfer
7 on the military readiness of the United States;

8 (3) an assessment of the impact of the transfer
9 on the national technology and industrial base and,
10 particularly, the impact on opportunities of entities
11 in the national technology and industrial base to sell
12 new or used equipment to the countries to which
13 such articles are to be transferred;

14 (4) a statement describing the current value of
15 such article and the value of such article at acqui-
16 sition; and

17 (5) an assessment, if the article is a small arm
18 or light weapon, of the risk that such article or arti-
19 cle could be illicitly transferred to terrorist or crimi-
20 nal persons or groups or otherwise used for unau-
21 thorized purposes.

22 **SEC. 4274. AGGREGATE ANNUAL LIMITATION.**

23 The aggregate value of excess defense articles trans-
24 ferred to countries under section 4271 in any fiscal year
25 may not exceed \$500,000,000.

1 **SEC. 4275. RESTRICTIONS AND CONDITIONS ON TRANS-**
2 **FERS OF NAVAL VESSELS.**

3 (a) IN GENERAL.—A naval vessel that is in excess
4 of 3,000 tons or that is less than 20 years of age may
5 not be disposed of to a foreign country (whether by sale,
6 lease, grant, loan, barter, transfer, or otherwise) unless
7 the disposal of that vessel, or of a vessel of the class of
8 that vessel, is authorized by law. A lease or loan of such
9 a vessel under such a law may be made only in accordance
10 with the provisions of this title. In the case of an author-
11 ization by law for the disposal of such a vessel that names
12 a specific vessel as being authorized for such disposal, the
13 Secretary of Defense may substitute another vessel of the
14 same class, if the vessel substituted has virtually identical
15 capabilities as the named vessel.

16 (b) COSTS OF TRANSFERS.—Any expense incurred by
17 the United States in connection with a transfer authorized
18 by this section shall be charged to the recipient (notwith-
19 standing section 4272(c)).

20 (c) REPAIR AND REFURBISHMENT IN UNITED
21 STATES SHIPYARDS.—To the maximum extent prac-
22 ticable, the Secretary shall require, as a condition of the
23 transfer of a vessel covered by this chapter, that the recipi-
24 ent to which the vessel is transferred have such repair or
25 refurbishment of the vessel as is needed, before the vessel
26 joins the naval forces of the recipient, performed at a ship-

1 yard located in the United States, including a United
2 States Navy shipyard.

3 **CHAPTER 8—COOPERATIVE PROJECT**
4 **AGREEMENTS**

5 **SEC. 4281. AUTHORITY TO ENTER INTO COOPERATIVE**
6 **PROJECT AGREEMENTS.**

7 (a) **AUTHORITY.**—The President is authorized to
8 enter into a cooperative project agreement with one or
9 more foreign countries that is undertaken in order to—

10 (1) further the objectives of standardization, ra-
11 tionalization, and interoperability of the armed
12 forces of the foreign country and the United States;
13 or

14 (2) enhance an ongoing multinational effort of
15 the parties to the agreement to improve the conven-
16 tional defense capabilities of the parties.

17 (b) **MATTERS TO BE INCLUDED.**—

18 (1) **IN GENERAL.**—A cooperative project agree-
19 ment described in subsection (a) shall provide that
20 each of the parties to the agreement will contribute
21 to the cooperative project its equitable share of the
22 full costs of the cooperative project and will receive
23 an equitable share of the results of such cooperative
24 project.

1 (2) FULL COSTS DESCRIBED.—The full costs of
2 the cooperative project includes overhead costs, ad-
3 ministrative costs, and costs of claims.

4 (3) CONTRIBUTION OF FUNDS OR DEFENSE AR-
5 TICLES AND DEFENSE SERVICES.—A party to the
6 cooperative project agreement described in sub-
7 section (a) may contribute its equitable share of the
8 full cost of the cooperative project in funds or in de-
9 fense articles or defense services needed for the co-
10 operative project.

11 (4) LIMITATION ON ASSISTANCE.—Assistance
12 provided under this Act to a foreign country may
13 not be used by the foreign country to provide its eq-
14 uitable share of the full costs of the cooperative
15 project under this section.

16 (5) LIMITATION ON WORKSHARING, ETC.—A
17 cooperative project agreement described in sub-
18 section (a) may not impose a requirement on any
19 party to the agreement for worksharing or other in-
20 dustrial or commercial compensation that is not
21 specified in the terms of the agreement.

22 **SEC. 4282. COSTS.**

23 The President may enter into contracts or incur other
24 obligations for a cooperative project described in section
25 4281 on behalf of the other parties to the cooperative

1 project agreement described in section 4281, without
2 charge to any appropriation or contract authorization, if
3 each of the other parties to the cooperative project agree-
4 ment agrees—

5 (1) to pay its equitable share of the contract or
6 other obligation; and

7 (2) to make such funds available in such
8 amounts and at such times as may be required by
9 the contract or other obligation and to pay any dam-
10 ages and costs that may accrue from the perform-
11 ance of or cancellation of the contract or other obli-
12 gation in advance of the time such payments, dam-
13 ages, or costs are due.

14 **SEC. 4283. CHARGES.**

15 (a) IN GENERAL.—The President may reduce or
16 waive the charge or charges that would otherwise be con-
17 sidered appropriate under section 4314 in connection with
18 sales under sections 4311 and 4312 if—

19 (1) such sales are made as part of a cooperative
20 project described in section 4281; and

21 (2) the other parties to the cooperative project
22 agreement described in section 4281 agree to reduce
23 or waive corresponding charges.

24 (b) ADMINISTRATIVE SURCHARGES; REIMBURSE-
25 MENT.—Notwithstanding sections 4314(a)(1) and

1 4402(b), administrative surcharges shall not be increased
2 on other sales made under this title in order to compensate
3 for reductions or waivers of such surcharges under this
4 section. Funds received pursuant to such other sales shall
5 not be available to reimburse the costs incurred by the
6 United States Government for which reduction or waiver
7 is approved by the President under this section.

8 **SEC. 4284. CERTIFICATION.**

9 Not less than 30 days before a cooperative project
10 agreement described in section 4281 is signed on behalf
11 of the United States, the President shall transmit to the
12 appropriate congressional committees and the Committee
13 on Armed Services of the House of Representatives and
14 the Committee on Armed Services of the Senate, a num-
15 bered certification with respect to such proposed agree-
16 ment, setting forth—

17 (1) a detailed description of the cooperative
18 project with respect to which the certification is
19 made;

20 (2) an estimate of the quantity of the defense
21 articles expected to be produced in furtherance of
22 such cooperative project;

23 (3) an estimate of the full cost of the coopera-
24 tive project, with an estimate of the part of the full
25 cost to be incurred by the United States Govern-

1 ment, including an estimate of the costs as a result
2 of waivers of sections 4314(a)(1) and 4402(b), for
3 its participation in such cooperative project and an
4 estimate of that part of the full costs to be incurred
5 by the other participants;

6 (4) an estimate of the dollar value of the funds
7 to be contributed by the United States and each of
8 the other participants on behalf of such cooperative
9 project;

10 (5) a description of the defense articles and de-
11 fense services expected to be contributed by the
12 United States and each of the other participants on
13 behalf of such cooperative project;

14 (6) a statement of the foreign policy and na-
15 tional security benefits anticipated to be derived
16 from such cooperative project; and

17 (7) to the extent known, whether it is likely
18 that prime contracts will be awarded to particular
19 prime contractors or that subcontracts will be
20 awarded to particular subcontractors to comply with
21 the proposed agreement.

1 **SEC. 4285. AUTHORITY IN ADDITION TO OTHER AUTHORI-**
2 **TIES.**

3 The authority under this chapter is in addition to the
4 authority under sections 4311 and 4312 and under any
5 other provision of law.

6 **Subtitle C—Arms Sales and**
7 **Related Assistance**

8 **SEC. 4301. CONTROL OF ARMS EXPORTS AND IMPORTS.**

9 (a) IN GENERAL.—The President is authorized to
10 control the import and the export of defense articles and
11 defense services and to provide foreign policy guidance to
12 persons of the United States involved in the export and
13 import of such articles and services.

14 (b) COMPOSITION OF UNITED STATES MUNITIONS
15 LIST.—

16 (1) IN GENERAL.—The President is authorized
17 to designate those items that shall be considered as
18 defense articles and defense services for the purposes
19 of this section and to promulgate regulations for the
20 import and export of such articles and services. The
21 items so designated shall constitute the United
22 States Munitions List.

23 (2) FACTORS.—The President shall designate a
24 defense article or defense service if it—

25 (A) provides a critical military or intel-
26 ligence advantage to the United States; or

1 (B) would provide a military or intelligence
2 advantage to countries other than the United
3 States or to non-state actors to the detriment
4 of the national security of United States friends
5 and allies, or to the achievement of the foreign
6 policy and national security objectives of the
7 United States.

8 (c) PURPOSES FOR WHICH UNITED STATES MILI-
9 TARY SALES ARE AUTHORIZED.—Defense articles and de-
10 fense services shall be sold or leased by the United States
11 Government under this title to countries solely to meet the
12 goals of assistance under section 4003.

13 (d) FACTORS.—Decisions on issuing export licenses
14 under this section shall ensure that the export of a defense
15 article or defense service—

16 (1) is justified in terms of its military utility re-
17 lated to the actual security threat by the recipient
18 country; and

19 (2) will not—

20 (A) contribute to an arms race or regional
21 instability;

22 (B) aid in the development of weapons of
23 mass destruction;

24 (C) support domestic or international ter-
25 rorism;

1 (D) increase the possibility of outbreak or
2 escalation of conflict, either within or across the
3 borders of the recipient country;

4 (E) prejudice the development of bilateral
5 or multilateral arms control arrangements;

6 (F) adversely affect the arms control or
7 nonproliferation policy of the United States;

8 (G) conflict with any international agree-
9 ments, treaties or arrangements to which the
10 United States is a party or adherent;

11 (H) support blackmarket or greymarket
12 trade in arms, either those transferred or obso-
13 lete arms to be replaced by the arms sale; or

14 (I) undermine the objectives and purposes
15 to promote and protect human rights and de-
16 mocracy under title III.

17 (e) SALE REQUIREMENT.—In exercising the authori-
18 ties conferred by this section, the President may require
19 that any defense article or defense service be sold under
20 this title as a condition of its eligibility for export, and
21 may require that persons engaged in the negotiation for
22 the export of defense articles and defense services keep
23 the President fully and currently informed of the progress
24 and future prospects of such negotiations.

1 **CHAPTER 1—FOREIGN MILITARY SALES**
2 **AND COOPERATION**

3 **SEC. 4311. GENERAL AUTHORITY.**

4 (a) SALES FROM DEFENSE ARTICLES AND DEFENSE
5 SERVICES.—The President may sell defense articles and
6 defense services from the stocks of the Department of De-
7 fense and the Coast Guard, or design and construction
8 services, to a foreign country or international organization
9 if the country or international organization agrees to pay
10 in United States dollars—

11 (1) in the case of a defense article not intended
12 to be replaced at the time such agreement is entered
13 into, not less than the actual value thereof;

14 (2) in the case of a defense article intended to
15 be replaced at the time such agreement is entered
16 into, the estimated cost of replacement of such arti-
17 cle, including the contract or production costs less
18 any depreciation in the value of such article; or

19 (3) in the case of a defense service (other than
20 training covered in subsection (b)), or design and
21 construction services, the full cost to the United
22 States Government of providing such service.

23 (b) TRAINING.—

24 (1) IN GENERAL.—In the case of training sold
25 to a foreign country or international organization

1 that is concurrently receiving international military
2 education and training assistance under this title,
3 the country or international organization agrees to
4 pay in United States dollars only those additional
5 costs that are incurred by the United States Govern-
6 ment in providing such assistance.

7 (2) OTHER COUNTRIES.—The President may
8 provide training to a foreign country not receiving
9 assistance under chapter 6 of subtitle B if the Presi-
10 dent determines and so notifies the appropriate con-
11 gressional committees in each fiscal year for which
12 such training is to be provided that providing such
13 training to the country is in the national interest of
14 the United States and the reasons for such deter-
15 mination.

16 **SEC. 4312. PROCUREMENT FOR FOREIGN MILITARY CASH**
17 **SALES.**

18 (a) IN GENERAL.—

19 (1) CONTRACTS.—Except as otherwise provided
20 in this section, the President may, without require-
21 ment for charge to any appropriation or contract au-
22 thorization otherwise provided, enter into contracts
23 for the procurement of defense articles or defense
24 services or design and construction services for sale
25 for United States dollars to any foreign country or

1 international organization if such country or inter-
2 national organization provides the United States
3 Government with a dependable undertaking—

4 (A) to pay the full amount of such contract
5 which will assure the United States Government
6 against any loss on the contract; and

7 (B) to make funds available in such
8 amounts and at such times as may be required
9 to meet the payments required by the contract
10 and any damages and costs that may accrue
11 from the cancellation of such contract, in ad-
12 vance of the time such payments, damages, or
13 costs are due.

14 (2) INTEREST.—Interest shall be charged on
15 any net amount by which any such country or inter-
16 national organization is in arrears under all of its
17 outstanding unliquidated dependable undertakings,
18 considered collectively. The rate of interest charged
19 shall be a rate not less than a rate determined by
20 the Secretary of the Treasury taking into consider-
21 ation the current average market yield on out-
22 standing short-term obligations of the United States
23 as of the last day of the month preceding the net ar-
24 rearage and shall be computed from the date of net
25 arrearage.

1 (b) LETTERS OF OFFER.—

2 (1) IN GENERAL.—The President may, if the
3 President determines it to be in the national interest
4 of the United States, issue letters of offer under this
5 section that provide for billing upon delivery of the
6 defense article or rendering of the defense service
7 and for payment within 120 days after the date of
8 billing.

9 (2) REQUIREMENT.—The authority of para-
10 graph (1) may be exercised only if the President de-
11 termines that the emergency requirements of the
12 purchaser for acquisition of such defense articles
13 and defense services exceed the ready availability to
14 the purchaser of funds sufficient to make payments
15 on a dependable undertaking basis and submits both
16 determinations to Congress together with a special
17 emergency request for authorization and appropria-
18 tion of additional funds to finance such purchases
19 under this Act.

20 (3) APPROPRIATIONS.—Appropriations available
21 to the Department of Defense may be used to meet
22 the payments required by the contracts for the pro-
23 curement of defense articles and defense services
24 and shall be reimbursed by the amounts subse-

1 quently received from the country or international
2 organization to whom articles or services are sold.

3 (c) RENEGOTIATION ACT OF 1951.—The provisions
4 of the Renegotiation Act of 1951 do not apply to procure-
5 ment contracts entered into under this section or prede-
6 cessor provisions of law before, on, or after the date of
7 the enactment of this Act.

8 (d) COMPETITIVE PRICING.—

9 (1) PROCUREMENT CONTRACTS.—Procurement
10 contracts made in implementation of sales under this
11 section for defense articles and defense services
12 wholly paid for from funds made available on a non-
13 repayable basis shall be priced on the same costing
14 basis with regard to profit, overhead, independent
15 research and development, bid and proposal, and
16 other costing elements, as is applicable to procure-
17 ments of like items purchased by the Department of
18 Defense for its own use.

19 (2) DIRECT COSTS.—Direct costs associated
20 with meeting additional or unique requirements of
21 the purchaser shall be allowable under contracts de-
22 scribed in paragraph (1). Loadings applicable to
23 such direct costs shall be permitted at the same
24 rates applicable to procurement of like items pur-

1 chased by the Department of Defense for its own
2 use.

3 **SEC. 4313. PAYMENTS.**

4 (a) IN GENERAL.—Except as provided in subsection
5 (b), payment for defense articles or defense services under
6 this chapter shall be made in advance or, if the President
7 determines it to be in the national interest of the United
8 States, upon delivery of the defense article or rendering
9 of the defense service.

10 (b) EXCEPTION.—If the President determines it to
11 be in the national interest of the United States pursuant
12 to subsection (a), billings for sales made under letters of
13 offer issued under this section after the date of the enact-
14 ment of this subsection may be dated and issued upon de-
15 livery of the defense article or rendering of the defense
16 service and shall be due and payable upon receipt thereof
17 by the purchasing country or international organization.

18 (c) INTEREST.—

19 (1) IN GENERAL.—Interest shall be charged on
20 any net amount due and payable which is not paid
21 within 60 days after the date of such billing. The
22 rate of interest charged shall be a rate not less than
23 a rate determined by the Secretary of the Treasury
24 taking into consideration the current average market
25 yield on outstanding short-term obligations of the

1 United States as of the last day of the month pre-
2 ceding the billing and shall be computed from the
3 date of billing.

4 (2) EXTENSION.—The President may extend
5 such 60-day period to 120 days if the President de-
6 termines that emergency requirements of the pur-
7 chaser for acquisition of such defense articles or de-
8 fense services exceed the ready availability to the
9 purchaser of funds sufficient to pay the United
10 States in full for such articles or services within
11 such 60-day period and submits that determination
12 to the Congress together with a special emergency
13 request for the authorization and appropriation of
14 additional funds to finance such purchases under
15 this Act.

16 **SEC. 4314. CHARGES.**

17 (a) IN GENERAL.—Letters of offer for the sale of de-
18 fense articles or defense services that are issued pursuant
19 to section 4311 or 4312 shall include appropriate charges
20 for—

21 (1) administrative services, calculated on an av-
22 erage percentage basis to recover the full estimated
23 costs (excluding a pro rata share of fixed base oper-
24 ations costs) of administration of sales made under

1 this Act to all purchasers of such articles and serv-
2 ices as specified in section 4402(b) and (c);

3 (2) a proportionate amount of any nonrecurring
4 costs of research, development, and production of
5 major defense equipment (except for equipment
6 wholly paid for either from funds transferred under
7 section 4211(b)(3) or from funds made available on
8 a nonrepayable basis under section 4251; and

9 (3) the recovery of ordinary inventory losses as-
10 sociated with the sale from stock of defense articles
11 that are being stored at the expense of the purchaser
12 of such articles.

13 (b) WAIVER.—

14 (1) ADMINISTRATIVE CHARGES.—The President
15 may waive the charges for administrative services
16 that would otherwise be required by—

17 (A) subsection (a)(1) in connection with
18 any sale to a foreign country, if the President
19 determines that a waiver—

20 (i) is in the national security interests
21 of the United States; and

22 (ii) will facilitate the ability of that
23 country to detect, deter, prevent, defeat, or
24 counter terrorist activities, or participate
25 in, or support, military operations, coali-

1 tion operations, or stability operations of
2 the United States; or

3 (B) subsection (a)(2) in connection with
4 any sale to the Maintenance and Supply Agency
5 of the North Atlantic Treaty Organization in
6 support of—

7 (i) a weapon system partnership
8 agreement; or

9 (ii) a NATO/SHAPE project.

10 (2) MAJOR DEFENSE EQUIPMENT.—The Presi-
11 dent may reduce or waive the charge or charges that
12 would otherwise be considered appropriate under
13 subsection (a)(2) for a particular sale or for sales if
14 the President determines that—

15 (A) the reduction or waiver would signifi-
16 cantly advance United States Government inter-
17 ests in standardization with the armed forces of
18 a foreign country that is a strategic United
19 States ally, or would promote foreign procure-
20 ment in the United States under coproduction
21 arrangements;

22 (B) imposition of the charge or charges
23 likely would result in the loss of the sale; or

24 (C) in the case of a sale of major defense
25 equipment that is also being procured for the

1 use of the United States Armed Forces, the
2 waiver of the charge or charges would (through
3 a resulting increase in the total quantity of the
4 equipment purchased from the source of the
5 equipment that causes a reduction in the unit
6 cost of the equipment) result in a savings to the
7 United States on the cost of the equipment pro-
8 cured for the use of the United States Armed
9 Forces that substantially offsets the revenue
10 foregone by reason of the waiver of the charge
11 or charges.

12 (3) INCREASE IN CHARGES.—The President
13 may waive, for particular sales of major defense
14 equipment, any increase in a charge or charges pre-
15 viously considered appropriate under paragraph (2)
16 of subsection (a) if the increase results from a cor-
17 rection of an estimate (reasonable when made) of
18 the production quantity base that was used for cal-
19 culating the charge or charges for purposes of such
20 paragraph.

21 **SEC. 4315. NON-COMBAT DUTIES OF UNITED STATES PER-**
22 **SONNEL SUPPORTING FOREIGN MILITARY**
23 **SALES.**

24 (a) IN GENERAL.—United States personnel per-
25 forming defense services sold under this title may not per-

1 form any duties of a combatant nature, including any du-
2 ties related to training and advising that may engage
3 United States personnel in combat activities, outside the
4 United States in connection with the performance of those
5 defense services.

6 (b) REPORT.—Within 48 hours of the existence of,
7 or a change in status of significant hostilities or terrorist
8 acts or a series of such acts, that may endanger lives or
9 property of United States personnel, involving a country
10 in which United States personnel are performing defense
11 services pursuant to this title, the President shall submit
12 to the Speaker of the House of Representatives and to
13 the President pro tempore of the Senate a report, in writ-
14 ing, classified if necessary, setting forth—

15 (1) the identity of such country;

16 (2) a description of such hostilities or terrorist
17 acts; and

18 (3) the number of members of the United
19 States Armed Forces and the number of United
20 States civilian personnel that may be endangered by
21 such hostilities or terrorist acts.

22 **SEC. 4316. PUBLIC INFORMATION.**

23 Any contract entered into between the United States
24 and a foreign country under the authority of section 4311
25 or section 4312 shall be prepared in a manner that will

1 permit the contract to be made available for public inspec-
2 tion to the fullest extent possible consistent with the na-
3 tional security of the United States. Such information
4 shall be posted on the Internet website of the Department
5 of State in a timely fashion.

6 **SEC. 4317. STANDARDIZATION AGREEMENTS.**

7 (a) IN GENERAL.—The President may enter into
8 North Atlantic Treaty Organization standardization
9 agreements in carrying out section 814 of the Department
10 of Defense Appropriation Authorization Act, 1976 (Public
11 Law 94–106), and may enter into similar agreements with
12 a country that is a strategic United States ally, for the
13 cooperative furnishing of training on a bilateral or multi-
14 lateral basis, if the financial principles of such agreements
15 are based on reciprocity.

16 (b) REIMBURSEMENT.—Each agreement shall in-
17 clude reimbursement for all direct costs but may exclude
18 reimbursement for indirect costs, administrative sur-
19 charges, and costs of billeting of trainees (except to the
20 extent that members of the United States Armed Forces
21 occupying comparable accommodations are charged for
22 such accommodations by the United States).

23 (c) CONGRESSIONAL NOTIFICATION.—Each agree-
24 ment shall be transmitted promptly to—

1 (1) the appropriate congressional committees;
2 and

3 (2) the Committees on Appropriations and the
4 Committees on Armed Services of the House of Rep-
5 resentatives and the Senate.

6 **SEC. 4318. QUALITY ASSURANCE AND RELATED SERVICES.**

7 (a) IN GENERAL.—The President is authorized to
8 provide, without charge, quality assurance, inspection,
9 contract administration services, and contract audit de-
10 fense services under this chapter—

11 (1) in connection with the placement or admin-
12 istration of any contract or subcontract for defense
13 articles, defense services, or design and construction
14 services entered into under this Act on behalf of, a
15 government that is a strategic United States ally, if
16 such government provides such services in accord-
17 ance with an agreement on a reciprocal basis, with-
18 out charge, to the United States Government; or

19 (2) in connection with the placement or admin-
20 istration of any contract or subcontract for defense
21 articles, defense services, or design and construction
22 services pursuant to the North Atlantic Treaty Or-
23 ganization's Security Investment program in accord-
24 ance with an agreement under which the foreign
25 governments participating in such program provide

1 such services, without charge, in connection with
2 similar contracts or subcontracts.

3 (b) CATALOGING DATA AND CATALOGING SERV-
4 ICES.—In carrying out the objectives of this section, the
5 President is authorized to provide, without charge, cata-
6 logging data and cataloging services to the North Atlantic
7 Treaty Organization or to any strategic United States ally
8 if that Organization or ally provides such data and serv-
9 ices in accordance with an agreement on a reciprocal basis,
10 without charge, to the United States Government.

11 **SEC. 4319. RESTRICTION ON SALE OF DEFENSE ARTICLES**
12 **AND DEFENSE SERVICES THAT WOULD AD-**
13 **VERSELY AFFECT UNITED STATES COMBAT**
14 **READINESS.**

15 (a) RESTRICTION.—The President may not sell de-
16 fense articles and defense services if the sale of such arti-
17 cles or services would have significant adverse effect on
18 the combat readiness of the United States Armed Forces.

19 (b) WAIVER AND CONGRESSIONAL NOTIFICATION.—

20 (1) IN GENERAL.—The President may waive
21 the restriction in subsection (a) if the President de-
22 termines that the possible significant adverse effect
23 on the combat readiness of the United States Armed
24 Forces is outweighed by the benefits to United
25 States national security and transmits such deter-

1 mination to the appropriate congressional commit-
2 tees and to the Committees on Armed Services of
3 the House of the Representatives and the Senate.

4 (2) STATEMENT.—Each such determination
5 shall be accompanied with a statement that shall in-
6 clude the following information:

7 (A) The country or international organiza-
8 tion to which the sale is proposed to be made.

9 (B) The amount of the proposed sale.

10 (C) A description of the defense article or
11 service proposed to be sold.

12 (D) A full description of the impact which
13 the proposed sale will have on the United States
14 Armed Forces.

15 (E) A justification for such proposed sale,
16 including an explanation as to why, in the
17 President's judgment, benefits to United States
18 national security from the sale outweighs the
19 adverse impact on the readiness of the United
20 States Armed Forces.

21 **SEC. 4320. ACQUISITION OF FOREIGN-UNITED STATES ORI-**
22 **GIN DEFENSE ARTICLES.**

23 (a) IN GENERAL.—The President may acquire a re-
24 pairable defense article from a foreign country or inter-
25 national organization if such defense article—

1 (1) previously was transferred to such country
2 or organization under this Act or predecessor Act
3 (as in effect on the day before the date of the enact-
4 ment of this Act);

5 (2) is not an end item; and

6 (3) will be exchanged for a defense article of
7 the same type that is in the stocks of the Depart-
8 ment of Defense.

9 (b) LIMITATION.—The President may exercise the
10 authority provided in subsection (a) only to the extent that
11 the Department of Defense—

12 (1)(A) has a requirement for the defense article
13 being returned; and

14 (B) has available sufficient funds authorized
15 and appropriated for such purpose; or

16 (2)(A) is accepting the return of the defense ar-
17 ticle for subsequent transfer to another foreign gov-
18 ernment or international organization pursuant to a
19 letter of offer and acceptance implemented in ac-
20 cordance with this Act or predecessor Act (as in ef-
21 fect on the day before the date of the enactment of
22 this Act); and

23 (B) has available sufficient funds provided by
24 or on behalf of such other foreign government or
25 international organization pursuant to a letter of

1 offer and acceptance implemented in accordance
2 with this Act or predecessor Act (as in effect on the
3 day before the date of the enactment of this Act).

4 (c) REQUIREMENT.—

5 (1) IN GENERAL.—The foreign government or
6 international organization receiving a new or re-
7 paired defense article in exchange for a repairable
8 defense article pursuant to subsection (a) shall, upon
9 the acceptance by the United States Government of
10 the repairable defense article being returned, be
11 charged the total cost associated with the repair and
12 replacement transaction.

13 (2) COST.—The total cost charged pursuant to
14 paragraph (1) shall be the same as that charged the
15 United States Armed Forces for a similar repair and
16 replacement transaction, plus an administrative sur-
17 charge in accordance with section 4314(a)(1).

18 (d) RELATIONSHIP TO CERTAIN OTHER PROVISIONS
19 OF LAW.—The authority of the President to accept the
20 return of a repairable defense article as provided in sub-
21 section (a) shall not be subject to chapter 137 of title 10,
22 United States Code, or any other provision of law relating
23 to the conclusion of contracts.

1 **SEC. 4321. RETURN OF DEFENSE ARTICLES.**

2 (a) IN GENERAL.—The President may accept the re-
3 turn of a defense article from a foreign country or inter-
4 national organization if such defense article—

5 (1) previously was transferred to such country
6 or organization under this Act or predecessor Act
7 (as in effect on the day before the date of the enact-
8 ment of this Act);

9 (2) is not significant military equipment (as de-
10 fined in section 4411); and

11 (3) is in fully functioning condition without
12 need of repair or rehabilitation.

13 (b) LIMITATION.—The President may exercise the
14 authority provided in subsection (a) only to the extent that
15 the Department of Defense—

16 (1)(A) has a requirement for the defense article
17 being returned; and

18 (B) has available sufficient funds authorized
19 and appropriated for such purpose; or

20 (2)(A) is accepting the return of the defense ar-
21 ticle for subsequent transfer to another foreign gov-
22 ernment or international organization pursuant to a
23 letter of offer and acceptance implemented in ac-
24 cordance with this Act or predecessor Act (as in ef-
25 fect on the day before the date of the enactment of
26 this Act); and

1 (B) has available sufficient funds provided by
2 or on behalf of such other foreign government or
3 international organization pursuant to a letter of
4 offer and acceptance implemented in accordance
5 with this Act or predecessor Act (as in effect on the
6 day before the date of the enactment of this Act).

7 (c) CREDIT FOR TRANSACTION.—Upon acquisition
8 and acceptance by the United States Government of a de-
9 fense article under subsection (a), the appropriate Foreign
10 Military Sales account of the provider shall be credited
11 to reflect the transaction.

12 (d) RELATIONSHIP TO CERTAIN OTHER PROVISIONS
13 OF LAW.—The authority of the President to accept the
14 return of a defense article as provided in subsection (a)
15 shall not be subject to chapter 137 of title 10, United
16 States Code, or any other provision of law relating to the
17 conclusion of contracts.

18 **SEC. 4322. SALE OF OBSOLETE NAVAL VESSELS.**

19 For purposes of section 4311(a), the actual value of
20 a naval vessel of 3,000 tons or less and 20 years or more
21 of age shall be considered to be not less than the greater
22 of the scrap value or fair value (including conversion costs)
23 of such vessel, as determined by the Secretary of Defense.

1 **SEC. 4323. ANNUAL ESTIMATE AND JUSTIFICATION FOR**
2 **SALES PROGRAM.**

3 (a) REPORT.—Except as provided in subsection (d),
4 not later than February 1 of each year, the President shall
5 transmit to the appropriate congressional committees, as
6 a part of the annual presentation materials for security
7 assistance programs proposed for the next fiscal year, a
8 report which sets forth—

9 (1) an Arms Sales Proposal covering all sales
10 and licensed commercial exports under this title of
11 major weapons or weapons-related defense equip-
12 ment for \$7,000,000 or more, or of any other weap-
13 ons or weapons-related defense equipment for
14 \$25,000,000 or more, which are considered eligible
15 for approval during the current calendar year and
16 are deemed most likely actually to result in the
17 issuance of a letter of offer or of an export license
18 during such year;

19 (2) an estimate of the total amount of sales and
20 licensed commercial exports expected to be made to
21 each foreign country from the United States;

22 (3) the United States national security consid-
23 erations involved in expected sales or licensed com-
24 mercial exports to each country, an analysis of the
25 relationship between anticipated sales to each coun-
26 try and arms control efforts concerning such country

1 and an analysis of the impact of such anticipated
2 sales on the stability of the region that includes such
3 country;

4 (4) an estimate with regard to the international
5 volume of arms traffic to and from countries pur-
6 chasing arms as set forth in paragraphs (1) and (2),
7 together with best estimates of the sale and delivery
8 of weapons and weapons-related defense equipment
9 by all major arms suppliers to all major recipient
10 countries during the preceding calendar year;

11 (5)(A) an estimate of the aggregate dollar value
12 and quantity of defense articles and defense services,
13 military education and training, grant military as-
14 sistance, and credits and guarantees, to be furnished
15 by the United States to each foreign country and
16 international organization in the next fiscal year;
17 and

18 (B) for each country that is proposed to be fur-
19 nished credits or guaranties under this Act in the
20 next fiscal year and that has been approved for cash
21 flow financing in excess of \$100,000,000 as of Octo-
22 ber 1 of the current fiscal year—

23 (i) the amount of such approved cash flow
24 financing;

1 (ii) a description of administrative ceilings
2 and controls applied, and

3 (iii) a description of the financial resources
4 otherwise available to such country to pay such
5 approved cash flow financing;

6 (6) an analysis and description of the services
7 performed during the preceding fiscal year by offi-
8 cers and employees of the United States Government
9 carrying out functions on a full-time basis under this
10 Act for which reimbursement is provided under sec-
11 tion 4402(b) or section 4311(a), including the num-
12 ber of personnel involved in performing such serv-
13 ices;

14 (7) the status of—

15 (A) each loan and each contract of guar-
16 anty or insurance theretofore made under this
17 title, predecessor Acts, or any Act authorizing
18 international security assistance, with respect to
19 which there remains outstanding any unpaid
20 obligation or potential liability; and

21 (B) each extension of credit for the pro-
22 curement of defense articles or defense services,
23 and of each contract of guaranty in connection
24 with any such procurement, theretofore made
25 under this title or predecessor Acts with respect

1 to which there remains outstanding any unpaid
2 obligation or potential liability;

3 (8)(A) a detailed accounting of all articles, serv-
4 ices, credits, guarantees, or any other form of assist-
5 ance furnished by the United States to each country
6 and international organization, including payments
7 to the United Nations, during the preceding fiscal
8 year for the detection and clearance of landmines,
9 including activities relating to the furnishing of edu-
10 cation, training, and technical assistance for the de-
11 tection and clearance of landmines; and

12 (B) for each provision of law making funds
13 available or authorizing appropriations for demining
14 activities described in subparagraph (A), an analysis
15 and description of the objectives and activities un-
16 dertaken during the preceding fiscal year, including
17 the number of personnel involved in performing such
18 activities;

19 (9) a list of weapons systems that are signifi-
20 cant military equipment, and numbers thereof, that
21 are believed likely to become available for transfer as
22 excess defense articles during the next 12 months;
23 and

24 (10) such other information as the President
25 may deem necessary.

1 (b) ADDITIONAL INFORMATION.—Not later than 30
2 days following the receipt of a request made by any of
3 the appropriate congressional committees for additional
4 information with respect to any information submitted
5 pursuant to subsection (a), the President shall submit
6 such information to such committees.

7 (c) FORM.—The President shall make every effort to
8 submit all of the information required by subsection (a)
9 or (b) wholly in unclassified form. Whenever the President
10 submits any such information in classified form, the Presi-
11 dent shall submit such classified information in an adden-
12 dum and shall also submit simultaneously a detailed sum-
13 mary, in unclassified form, of such classified information.

14 (d) ADDITIONAL REQUIREMENT.—The information
15 required by subsection (a)(4) of this section shall be trans-
16 mitted to Congress not later than April 1 of each year.

17 **SEC. 4324. SALES TO UNITED STATES COMPANIES FOR IN-**
18 **CORPORATION INTO END ITEMS.**

19 (a) GENERAL AUTHORITY.—

20 (1) IN GENERAL.—Subject to the conditions
21 specified in subsection (b), the President may, on a
22 negotiated contract basis, under cash terms—

23 (A) sell defense articles at not less than
24 their estimated replacement cost (or actual cost
25 in the case of services); or

1 (B) procure or manufacture and sell de-
2 fense articles at not less than their contract or
3 manufacturing cost to the United States Gov-
4 ernment, to any United States company for in-
5 corporation into end items (and for concurrent
6 or follow-on support) to be sold by such a com-
7 pany either—

8 (i) on a direct commercial basis to a
9 foreign country or international organiza-
10 tion pursuant to an export license or ap-
11 proval under section 4301; or

12 (ii) in the case of ammunition parts
13 subject to subsection (b), using commercial
14 practices which restrict actual delivery di-
15 rectly to a foreign country or international
16 organization pursuant to approval under
17 section 4301.

18 (2) ADDITIONAL AUTHORITY.—The President
19 may also sell defense services in support of such
20 sales of defense articles, subject to the requirements
21 of this chapter. Such services may be performed only
22 in the United States. The amount of reimbursement
23 received from such sales shall be credited to the cur-
24 rent applicable appropriation, fund, or account of
25 the selling agency of the United States Government.

1 (b) ADDITIONAL REQUIREMENTS.—Defense articles
2 and defense services may be sold, procured and sold, or
3 manufactured and sold, pursuant to subsection (a) only
4 if—

5 (1) the end item to which the articles apply is
6 to be procured for the armed forces of a country or
7 international organization;

8 (2) the articles would be supplied to the prime
9 contractor as government-furnished equipment or
10 materials if the end item were being procured for the
11 use of the United States Armed Forces; and

12 (3) the articles and services are available only
13 from United States Government sources or are not
14 available to the prime contractor directly from
15 United States commercial sources at such times as
16 may be required to meet the prime contractor's de-
17 livery schedule.

18 **SEC. 4325. FISCAL PROVISIONS RELATING TO FOREIGN**
19 **MILITARY SALES CREDITS.**

20 (a) IN GENERAL.—Cash payments received under
21 sections 4311 and funds received under section 4324 shall
22 be available solely for payments to suppliers (including the
23 military departments) and refunds to purchasers and shall
24 not be available for financing credits.

1 (b) REPAYMENTS FOR CREDITS, DISPOSITION OF
2 CERTAIN INSTRUMENTS, AND OTHER COLLECTIONS.—
3 Amounts received from foreign governments and inter-
4 national organizations as repayments for any credits ex-
5 tended pursuant to section 4251, and other collections (in-
6 cluding fees and interest) shall be transferred to the mis-
7 cellaneous receipts of the United States Treasury.

8 **CHAPTER 2—ARMS EXPORT CONTROLS**

9 **SEC. 4331. LICENSING REQUIREMENT FOR EXPORTING OR**
10 **IMPORTING DEFENSE ARTICLES AND DE-**
11 **FENSE SERVICES.**

12 (a) IN GENERAL.—Except as otherwise specifically
13 provided in regulations issued under section 4301, defense
14 articles, defense services, and design and construction
15 services designated by the President under section 4301
16 may only be licensed for export or import in accordance
17 with this title and regulations issued under this title.

18 (b) EXCEPTIONS.—No license may be required for ex-
19 ports or imports made by or for a Federal agency—

20 (1) for official use by personnel of a Federal
21 agency; or

22 (2) for carrying out any foreign assistance or
23 sales program authorized by law and subject to the
24 control of the President by other means.

1 **SEC. 4332. IMPACT OF MILITARY EXPENDITURES ON DE-**
2 **VELOPMENT.**

3 (a) REVIEW.—The Secretary shall conduct a review
4 of the military expenditures of developing countries to—

5 (1) identify those countries which the Secretary
6 has credible evidence to believe—

7 (A) are diverting official development as-
8 sistance from any source to military purposes;

9 (B) are devoting budgetary resources to
10 arms purchases to a degree that materially
11 interferes with the development of such coun-
12 tries; or

13 (C) are accumulating unsustainable levels
14 of debt to finance arms purchases;

15 (2) take such action as the Secretary deems ap-
16 propriate, including cessation of United States arms
17 sales and working with other countries to do like-
18 wise, to reduce the impact of the military activities
19 of the countries identified under paragraph (1) and
20 acquisition of arms on the economic and political de-
21 velopment of such countries.

22 (b) TIMING OF REVIEW AND REPORT TO CON-
23 GRESS.—The Secretary shall complete the first review re-
24 quired under subsection (a) and submit to the appropriate
25 congressional committees not later than one year after the
26 enactment of this Act a report on all elements of sub-

1 section (a), including the actions the Secretary will take
2 under subsection (a)(2), and the results of any such ac-
3 tions taken since the submission of the prior report to
4 such committees. Subsequent reviews shall be conducted
5 on a quadrennial basis, and reported to the appropriate
6 congressional committees on the quadrennial anniversary
7 of the first report.

8 **SEC. 4333. REQUIREMENT FOR REGISTRATION BY EXPORT-**
9 **ERS.**

10 (a) IN GENERAL.—As prescribed in regulations
11 issued under section 4301, every person (other than an
12 officer or employee of the United States Government act-
13 ing in an official capacity) who engages in the business
14 of manufacturing, exporting, or importing defense articles
15 or defense services designated by the President under sec-
16 tion 4301 shall register with the Department of State, and
17 shall pay a registration fee which shall be prescribed by
18 such regulations.

19 (b) PROHIBITION.—

20 (1) IN GENERAL.—Such regulations shall pro-
21 hibit the return to the United States for sale in the
22 United States (other than for the United States
23 Armed Forces or its allies or for any State for local
24 law enforcement agency) of any military firearms or
25 ammunition of United States manufacture furnished

1 to foreign governments by the United States under
2 this Act, or predecessor Act, or any other foreign as-
3 sistance or sales program of the United States,
4 whether or not enhanced in value or improved in
5 condition in a foreign country.

6 (2) EXCEPTION.—The prohibition in paragraph
7 (1) shall not extend to similar firearms that have
8 been so substantially transformed as to become, in
9 effect, articles of foreign manufacture.

10 **SEC. 4334. IDENTIFICATION OF ALL CONSIGNEES AND**
11 **FREIGHT FORWARDERS.**

12 The President shall require that each applicant for
13 a license to export an item on the United States Munitions
14 List identify in the application all consignees and freight
15 forwarders involved in the proposed export.

16 **SEC. 4335. BROKERING ACTIVITIES.**

17 (a) IN GENERAL.—As prescribed in regulations
18 issued under this section, every person (other than an offi-
19 cer or employee of the United States Government acting
20 in an official capacity) who engages in the business of
21 brokering activities with respect to the manufacture, ex-
22 port, import, or transfer of any defense article or defense
23 service designated by the President under section 4301,
24 or in the business of brokering activities with respect to
25 the manufacture, export, import, or transfer of any foreign

1 defense article or defense service (as defined in subsection
2 (c)), shall register with the United States Government
3 agency charged with the administration of this section,
4 and shall pay a registration fee which shall be prescribed
5 by such regulations.

6 (b) BROKERING ACTIVITIES DESCRIBED.—Such
7 brokering activities shall include the financing, transpor-
8 tation, freight forwarding, or taking of any other action
9 that facilitates the sale, manufacture, export, or import
10 of a defense article or defense service.

11 (c) LICENSING REQUIREMENT.—No person may en-
12 gage in the business of brokering activities described in
13 subsection (a) without a license, issued in accordance with
14 this title, except that no license shall be required for such
15 activities undertaken by or for a Federal agency—

16 (1) for use by a Federal agency; or

17 (2) for carrying out any foreign assistance or
18 sales program authorized by law and subject to the
19 control of the President by other means.

20 (d) REVIEW OF REGISTRATION.—A copy of each reg-
21 istration made under this section shall be transmitted to
22 the Secretary of the Treasury for review regarding law en-
23 forcement concerns. The Secretary shall report to the
24 President regarding such concerns as necessary.

1 **SEC. 4336. FOREIGN PERSONS.**

2 (a) IN GENERAL.—A license to export an item on the
3 United States Munitions List may not be issued to a for-
4 eign person (other than a foreign government or inter-
5 national organization).

6 (b) LICENSE REQUIREMENT.—The President may re-
7 quire a license or other form of authorization before any
8 item on the United States Munitions List is sold or other-
9 wise transferred to the control or possession of a foreign
10 person or a person acting on behalf of a foreign person.

11 **SEC. 4337. REVIEW OF UNITED STATES MUNITIONS LIST.**

12 (a) IN GENERAL.—The President shall periodically
13 review the items on the United States Munitions List to
14 determine what items, if any, no longer warrant export
15 controls under this title. The results of such reviews shall
16 be reported to the appropriate congressional committees.

17 (b) CONGRESSIONAL NOTIFICATION AND REVIEW.—
18 The President may not remove any item from the United
19 States Munitions List until 45 days after the date on
20 which the President has provided notice of the proposed
21 removal to the appropriate congressional committees in ac-
22 cordance with the procedures applicable to reprogramming
23 notifications under section 9401, consistent with sub-
24 section (c) of this section. Such notice shall describe the
25 nature of any controls to be imposed on that item under
26 any other provision of law, and should provide a descrip-

1 tion of the item to be removed such that the appropriate
2 congressional committees can fully assess the capabilities
3 of the item and the potential impact on United States na-
4 tional security and foreign policy from its removal from
5 the Munitions List. If the President proposes to remove
6 classes or categories of items from the United States Mu-
7 nitions List, without enumerating individual items, then
8 the President shall provide the appropriate congressional
9 committees with a listing of items approved for export dur-
10 ing the previous five years that would no longer be re-
11 quired for licenses under this title by virtue of being re-
12 moved from the Munitions List.

13 (c) CONGRESSIONAL DISAPPROVAL.—The President
14 may not remove any item from the United States Muni-
15 tions List if, during the 45 days required under subsection
16 (b), Congress enacts a joint resolution of disapproval of
17 the removal of such item, according to the procedures
18 under section 4384(c) for consideration of a joint resolu-
19 tion.

20 **SEC. 4338. LICENSING OF MISSILES AND MISSILE EQUIP-**
21 **MENT OR TECHNOLOGY.**

22 (a) ESTABLISHMENT OF LIST OF CONTROLLED
23 ITEMS.—The Secretary, in consultation with the Secretary
24 of Defense and the heads of other appropriate Federal
25 agencies, shall establish and maintain, as part of the

1 United States Munitions List, a list of all items on the
2 MTCR Annex the export of which is not controlled under
3 section 6(l) of the Export Administration Act of 1979 (as
4 continued in effect under the International Emergency
5 Economic Powers Act) or similar provisions of any suc-
6 cessor Act.

7 (b) REFERRAL OF LICENSE APPLICATIONS.—

8 (1) IN GENERAL.—A determination of the Sec-
9 retary to approve a license for the export of an item
10 on the list established under subsection (a) may be
11 made only after the license application is referred to
12 the Secretary of Defense.

13 (2) REFERRAL.—Within 10 days after a license
14 is issued for the export of an item on the list estab-
15 lished under subsection (a), the Secretary shall pro-
16 vide to the Secretary of Defense and the Secretary
17 of Commerce the license application and accom-
18 panying documents issued to the applicant, to the
19 extent that the relevant Secretary indicates the need
20 to receive such application and documents.

21 (c) INFORMATION SHARING.—The Secretary shall es-
22 tablish a procedure for sharing information with appro-
23 priate officials of the intelligence community, as deter-
24 mined by the Director of National Intelligence, and with
25 other appropriate Federal agencies, that will ensure effec-

1 tive monitoring of transfers of MTCR equipment or tech-
2 nology and other missile technology.

3 (d) EXPORTS TO SPACE LAUNCH VEHICLE PRO-
4 GRAMS.—

5 (1) IN GENERAL.—Within 15 days after the
6 issuance of a license (including any brokering li-
7 cense) for the export of items valued at less than
8 \$50,000,000 that are controlled under this Act pur-
9 suant to United States obligations under the MTCR
10 and are goods or services that are intended to sup-
11 port the design, utilization, development, or produc-
12 tion of a space launch vehicle system listed in Cat-
13 egory I of the MTCR Annex, the Secretary shall
14 transmit to Congress a report describing the licensed
15 export and rationale for approving such export, in-
16 cluding the consistency of such export with United
17 States missile nonproliferation policy.

18 (2) APPLICABILITY.—The requirement con-
19 tained in paragraph (1) shall not apply to licenses
20 for exports to countries that are members of the
21 MTCR as of as of the date of the enactment of this
22 Act.

1 **SEC. 4339. SPECIAL LICENSING AUTHORIZATION FOR CER-**
2 **TAIN EXPORTS TO STRATEGIC UNITED**
3 **STATES ALLIES.**

4 (a) AUTHORIZATION.—The President may provide
5 for special licensing authorization for exports of United
6 States-manufactured spare and replacement parts or com-
7 ponents listed in an application for such special licensing
8 authorization in connection with defense items previously
9 exported to a strategic United States ally. A special licens-
10 ing authorization issued pursuant to this subsection shall
11 be effective for a period not to exceed 5 years.

12 (b) CERTIFICATION.—An authorization may be
13 issued under subsection (a) only if the applicable govern-
14 ment of the country described in subsection (a), acting
15 through the applicant for the authorization, certifies
16 that—

17 (1) the export of spare and replacement parts
18 or components supports a defense item previously
19 lawfully exported;

20 (2) the spare and replacement parts or compo-
21 nents will be transferred to a defense agency of the
22 country that is a previously approved end-user of the
23 defense item and not to a distributor or a foreign
24 consignee of the defense item;

25 (3) the spare and replacement parts or compo-
26 nents will not be used to materially enhance, opti-

1 mize, or otherwise modify or upgrade the capability
2 of the defense item;

3 (4) the spare and replacement parts or compo-
4 nents relate to a defense item that is owned, oper-
5 ated, and in the inventory of the armed forces of the
6 country;

7 (5) the export of spare and replacement parts
8 or components will be effected using the freight for-
9 warder designated by the purchasing country's diplo-
10 matic mission as responsible for handling transfers
11 as required under regulations; and

12 (6) the spare and replacement parts or compo-
13 nents to be exported under the special licensing au-
14 thorization are specifically identified in the applica-
15 tion.

16 (c) LIMITATION.—An authorization may not be
17 issued under subsection (a) for purposes of establishing
18 offshore procurement arrangements or producing defense
19 articles offshore.

20 (d) DEFINITION.—

21 (1) IN GENERAL.—In this section, the term
22 “United States-manufactured spare and replacement
23 parts or components” or “spare and replacement
24 parts or components” means spare and replacement
25 parts or components—

1 (A) with respect to which—

2 (i) United States-origin content costs
3 constitute at least 85 percent of the total
4 content costs;

5 (ii) United States manufacturing costs
6 constitute at least 85 percent of the total
7 manufacturing costs; and

8 (iii) foreign content, if any, is limited
9 to content from countries eligible to receive
10 exports of items on the United States Mu-
11 nitions List (other than de minimis foreign
12 content);

13 (B) that were last substantially trans-
14 formed in the United States; and

15 (C) that are not—

16 (i) classified as significant military
17 equipment; or

18 (ii) listed on the MTCR Annex.

19 (2) ADDITIONAL RULE.—For purposes of para-
20 graph (1)(A)(i) and (ii), the costs of non-United
21 States-origin content and the costs of non-United
22 States manufacturing shall be determined using the
23 final price or final cost associated with the non-
24 United States-origin content and non-United States
25 manufacturing.

1 (e) INAPPLICABILITY PROVISIONS.—

2 (1) IN GENERAL.—The provisions of this sec-
3 tion shall not apply with respect to re-exports or re-
4 transfers of spare and replacement parts or compo-
5 nents and related services of defense items described
6 in subsection (a).

7 (2) CONGRESSIONAL NOTIFICATION.—The con-
8 gressional notification requirements contained in this
9 title shall not apply with respect to an authorization
10 issued under subsection (a).

11 **CHAPTER 3—LEASES OF DEFENSE**

12 **ARTICLES**

13 **SEC. 4351. LEASING AUTHORITY.**

14 (a) IN GENERAL.—The President may lease defense
15 articles in the stocks of the Department of Defense to a
16 foreign country or international organization if—

17 (1) the President determines that there are
18 compelling foreign policy and national security rea-
19 sons for providing such articles on a lease basis
20 rather than on a sales basis under this subtitle;

21 (2) the President determines that the articles
22 are not for the time needed for public use;

23 (3) the President first considers the effects of
24 the lease of the articles on the national technology
25 and industrial base, particularly the extent, if any,

1 to which the lease reduces the opportunities of enti-
2 ties in the national technology and industrial base to
3 sell new equipment to the country or countries to
4 which the articles are leased; and

5 (4) the country or international organization
6 has agreed to pay in United States dollars all costs
7 incurred by the United States Government in leasing
8 such articles, including reimbursement for deprecia-
9 tion of such articles while leased, the costs of res-
10 toration or replacement if the articles are damaged
11 while leased, and, if the articles are lost or destroyed
12 while leased—

13 (A) in the event the United States intends
14 to replace the articles lost or destroyed, the re-
15 placement cost (less any depreciation in the
16 value) of the articles; or

17 (B) in the event the United States does
18 not intend to replace the articles lost or de-
19 stroyed, an amount not less than the actual
20 value (less any depreciation in the value) speci-
21 fied in the lease agreement.

22 (b) EXCEPTIONS.—

23 (1) IN GENERAL.—The requirement of sub-
24 section (a)(4) shall not apply to leases entered into
25 for purposes of cooperative research or development,

1 military exercises, or communications or electronics
2 interface projects.

3 (2) WAIVERS.—The President may waive the
4 requirement of subsection (a)(4)—

5 (A) for reimbursement of depreciation for
6 any defense article which has passed three-
7 quarters of its normal service life if the Presi-
8 dent determines that to do so is important to
9 the national security interest of the United
10 States;

11 (B) with respect to a lease which is made
12 in exchange with the lessee for a lease on sub-
13 stantially reciprocal terms of defense articles
14 for the Department of Defense, except that this
15 waiver authority—

16 (i) may be exercised only if the Presi-
17 dent submits to the appropriate congress-
18 sional committees, and in addition the
19 Committees on Appropriations of the
20 House of Representatives and the Senate,
21 a detailed notification for each lease with
22 respect to which the authority is exercised;
23 and

24 (ii) may be exercised only—

25 (I) on a fiscal year basis; and

1 (II) with respect to one country
2 or international organization for each
3 lease.

4 (3) RULE OF CONSTRUCTION.—Paragraph (2)
5 does not constitute authorization of appropriations
6 for payments by the United States for leased arti-
7 cles.

8 (c) DURATION.—

9 (1) IN GENERAL.—Each lease agreement under
10 this section shall be for a fixed duration which may
11 not exceed—

12 (A) 5 years; and

13 (B) a specified period of time required to
14 complete major refurbishment work of the
15 leased articles to be performed prior to the de-
16 livery of the leased articles, of not to exceed 5
17 years.

18 (2) TERMINATION.—Each lease agreement
19 under this section shall provide that, at any time
20 during the duration of the lease, the President may
21 terminate the lease and require the immediate re-
22 turn of the leased articles.

23 (3) DEFINITION.—In this subsection, the term
24 “major refurbishment work” means work for which
25 the period of performance is 6 months or more.

1 (d) LIMITATION.—Defense articles in the stocks of
2 the Department of Defense may be leased or loaned to
3 a foreign country or international organization only under
4 the authority of this chapter or chapter 3 of subtitle B,
5 and may not be leased to a foreign country or inter-
6 national organization under the authority of section 2667
7 of title 10, United States Code.

8 **SEC. 4352. CERTIFICATION FOR LEASING.**

9 (a) IN GENERAL.—Before entering into or renewing
10 any agreement with a foreign country or international or-
11 ganization to lease any defense article under this chapter,
12 or to loan any defense article this title for a period of 1
13 year or longer, the President shall transmit to the appro-
14 priate congressional committees and the Committees on
15 Armed Services of the House of Representatives and the
16 Senate, a written certification which specifies—

17 (1) the country or international organization to
18 which the article is to be leased or loaned;

19 (2) the type, quantity, and value (in terms of
20 replacement cost) of the article to be leased or
21 loaned;

22 (3) the terms and duration of the lease or loan;
23 and

1 (4) a justification for the lease or loan, includ-
2 ing an explanation of why the article is being leased
3 rather than sold under this subtitle.

4 (b) WAIVER.—

5 (1) IN GENERAL.—The President may waive
6 the requirements of this section (and in the case of
7 an agreement described in section 4353, may waive
8 the provisions of that section) if the President states
9 in the certification required by subsection (a) that
10 an emergency exists which requires that it is in the
11 national security interests of the United States to
12 enter into the lease or loan immediately.

13 (2) JUSTIFICATION.—If the President states in
14 the certification that such an emergency exists, the
15 President shall set forth in the certification a de-
16 tailed justification for the President's determination,
17 including a description of the emergency cir-
18 cumstances that necessitate that the lease be entered
19 into immediately and a discussion of the national se-
20 curity interests involved.

21 (c) DEADLINE.—The certification required by sub-
22 section (a) shall be transmitted—

23 (1) not less than 15 calendar days before the
24 agreement is entered into or renewed in the case of
25 an agreement with a strategic United States ally; or

1 (2) not less than 30 calendar days before the
2 agreement is entered into or renewed in the case of
3 an agreement with any other country or organiza-
4 tion.

5 **SEC. 4353. CONGRESSIONAL REVIEW AND DISAPPROVAL.**

6 (a) CONGRESSIONAL REVIEW AND DISAPPROVAL.—

7 (1) IN GENERAL.—Subject to paragraph (2), in
8 the case of any agreement involving the lease or loan
9 under this title, to any foreign country or inter-
10 national organization for a period of 1 year or longer
11 of any defense articles that are either—

12 (A) major defense equipment valued (in
13 terms of its replacement cost less any deprecia-
14 tion in its value) at \$14,000,000 or more, or

15 (B) defense articles valued (in terms of
16 their replacement cost less any depreciation in
17 their value) at \$50,000,000 or more,

18 the agreement may not be entered into or renewed
19 if Congress, within the 15-day or 30-day period
20 specified in section 4384(a)(1) or (2), as the case
21 may be, enacts a joint resolution prohibiting the pro-
22 posed lease or loan.

23 (2) CERTAIN AGREEMENTS.—In the case of an
24 agreement described in paragraph (1) that is en-
25 tered into with a strategic United States ally, the

1 limitations in paragraph (1) shall apply only if the
2 agreement involves a lease or loan of—

3 (A) major defense equipment valued (in
4 terms of its replacement cost less any deprecia-
5 tion in its value) at \$25,000,000 or more; or

6 (B) defense articles valued (in terms of
7 their replacement cost less any depreciation in
8 their value) at \$100,000,000 or more.

9 (b) SENATE PROCEDURES.—Any joint resolution
10 under subsection (a) shall be considered in the Senate in
11 accordance with the provisions of section 601(b) of the
12 International Security Assistance and Arms Export Con-
13 trol Act of 1976.

14 (c) HOUSE PROCEDURES.—For the purpose of expe-
15 diting the consideration and enactment of joint resolutions
16 under subsection (a), a motion to proceed to the consider-
17 ation of any such resolution after it has been reported by
18 the appropriate committee shall be treated as highly privi-
19 leged in the House of Representatives.

20 **SEC. 4354. APPLICATION OF OTHER PROVISIONS OF LAW.**

21 Any reference to sales of defense articles under this
22 subtitle in any provision of law restricting the countries
23 or organizations to which such sales may be made shall
24 be deemed to include a reference to leases of defense arti-
25 cles under this chapter.

1 **SEC. 4355. LOAN OF MATERIALS, SUPPLIES, AND EQUIP-**
2 **MENT FOR RESEARCH AND DEVELOPMENT**
3 **PURPOSES.**

4 (a) **AUTHORITY TO LOAN.—**

5 (1) **IN GENERAL.**—Except as provided in sub-
6 section (c), the Secretary of Defense, with the con-
7 currence of the Secretary, may loan to a country
8 that is a strategic United States ally or a major
9 United States ally materials, supplies, or equipment
10 for the purpose of carrying out a program of cooper-
11 ative research, development, testing, or evaluation.
12 The Secretary of Defense may accept as a loan or
13 a gift from a country that is a strategic United
14 States ally or a major United States ally materials,
15 supplies, or equipment for such purpose.

16 (2) **AGREEMENT.**—Each loan or gift trans-
17 action entered into by the Secretary of Defense
18 under this section shall be provided for under the
19 terms of a written agreement between the Secretary
20 of Defense and the country concerned.

21 (3) **TESTING OR EVALUATION.**—A program of
22 testing or evaluation for which the Secretary of De-
23 fense may loan materials, supplies, or equipment
24 under this section includes a program of testing or
25 evaluation conducted solely for the purpose of stand-
26 ardization, interchangeability, or technical evaluation

1 if the country to which the materials, supplies, or
2 equipment are loaned agrees to provide the results
3 of the testing or evaluation to the United States
4 without charge.

5 (b) MATERIALS, SUPPLIES, OR EQUIPMENT.—The
6 materials, supplies, or equipment loaned to a country
7 under this section may be expended or otherwise consumed
8 in connection with any testing or evaluation program with-
9 out a requirement for reimbursement of the United States
10 if the Secretary of Defense—

11 (1) determines that the success of the research,
12 development, test, or evaluation depends upon ex-
13 pending or otherwise consuming the materials, sup-
14 plies, or equipment loaned to the country; and

15 (2) approves of the expenditure or consumption
16 of such materials, supplies, or equipment.

17 (c) STRATEGIC AND CRITICAL MATERIALS.—The
18 Secretary of Defense may not loan to a country under this
19 section any material if the material is a strategic and crit-
20 ical material and if, at the time the loan is to be made,
21 the quantity of the material in the National Defense
22 Stockpile (provided for under section 3 of the Strategic
23 and Critical Materials Stock Piling Act (50 U.S.C. 98b))
24 is less than the quantity of such material to be stockpiled,

1 as determined by the President under section 3(a) of such
2 Act.

3 **SEC. 4356. SPECIAL LEASING AUTHORITY.**

4 The authority of section 4251 may be used to provide
5 financing to Israel and Egypt for the procurement by leasing
6 ing (including leasing with an option to purchase) of defense
7 fense articles from United States commercial suppliers,
8 other than major defense equipment (other than helicopters
9 and other types of aircraft having possible civilian
10 application), if the President determines that there are
11 compelling foreign policy or national security reasons for
12 the articles to be provided by commercial lease rather than
13 by government-to-government sale under this subtitle.

14 **CHAPTER 4—RETRANSFERS OF UNITED**
15 **STATES DEFENSE ARTICLES**

16 **SEC. 4361. AUTHORITY TO APPROVE RETRANSFERS.**

17 (a) IN GENERAL.—Subject to subsection (b), the Secretary
18 is authorized, consistent with the provisions of this
19 chapter, to approve a retransfer of any defense article or
20 defense service transferred to a foreign country pursuant
21 to the authority of this Act to another country.

22 (b) ADDITIONAL REQUIREMENT.—The Secretary
23 may not give consent to a retransfer of a defense article
24 or defense service to a foreign country under subsection
25 (a) if the United States is prohibited from transferring

1 the defense article or defense service to the country, or
2 would not license the export of such defense article or de-
3 fense service to such country.

4 **SEC. 4362. DEMILITARIZATION FOR RETRANSFER OF SIG-**
5 **NIFICANT DEFENSE ARTICLES.**

6 The Secretary may not give consent to the retransfer
7 of any significant defense articles on the United States
8 Munitions List or successor list for controlling the export
9 of United States munitions and related items, unless the
10 foreign country requesting consent to retransfer—

11 (1) agrees to demilitarize the defense articles
12 prior to transfer; or

13 (2) commits in writing to the United States
14 Government that it will not transfer the defense ar-
15 ticles if not demilitarized to any other foreign coun-
16 try or person without first obtaining the consent of
17 the Secretary.

18 **SEC. 4363. PROCEEDS OF SALE OF RETRANSFERRED DE-**
19 **FENSE ARTICLES.**

20 The Secretary may not provide any defense article to
21 a foreign country or international organization on a grant
22 basis unless the country or organization has agreed that
23 in disposing or transferring the defense article—

24 (1) the disposition or transfer will be made on
25 a sales basis; and

1 (2) the net proceeds of the sale will be provided
2 to the United States Government.

3 **SEC. 4364. CERTIFICATION.**

4 (a) IN GENERAL.—The Secretary may not give con-
5 sent to a retransfer of a defense article or defense service
6 that would be, if it were a sale, subject to the requirements
7 of section 4382 (regarding congressional certification of
8 sensitive foreign military sales and agreements), unless
9 the Secretary submits to the appropriate congressional
10 committees a written certification with respect to such
11 proposed retransfer containing—

12 (1) the name of the country or organization
13 proposing to make such retransfer;

14 (2) a description of such article or service pro-
15 posed to be retransferred, including its acquisition
16 cost;

17 (3) the name of the proposed recipient of such
18 article or service;

19 (4) the reasons for such proposed retransfer;
20 and

21 (5) the date on which such retransfer is pro-
22 posed to be made.

23 (b) FORM.—Any certification submitted to the appro-
24 priate congressional committees pursuant to paragraph
25 (1)—

1 (1) shall be submitted in unclassified form, ex-
2 cept that information regarding the dollar value and
3 number of defense articles or defense services pro-
4 posed to be retransferred may be submitted in clas-
5 sified form if public disclosure thereof would be
6 clearly detrimental to the security of the United
7 States; and

8 (2) shall be subject to the requirements of sec-
9 tions 4384.

10 (c) EXCEPTION.—Paragraph (1) shall not apply to
11 an export that has been exempted from the licensing re-
12 quirements of this title pursuant to an agreement pursu-
13 ant to section 4341.

14 **CHAPTER 5—ENFORCEMENT AND**
15 **MONITORING OF ARMS SALES**

16 **SEC. 4371. GENERAL AUTHORITY.**

17 (a) IN GENERAL.—Except as provided in subsection
18 (b), in carrying out functions under this Act with respect
19 to the export of defense articles and defense services, the
20 President is authorized to exercise the same powers con-
21 cerning violations and enforcement that are conferred
22 upon departments, agencies and officials by subsections
23 (c), (d), (e), and (g) of section 11 of the Export Adminis-
24 tration Act of 1979 and by subsections (a) and (c) of sec-
25 tion 12 of such Act (as continued in effect under the Inter-

1 national Emergency Economic Powers Act), subject to the
2 same terms and conditions as are applicable to such pow-
3 ers under such Act.

4 (b) EXCEPTION.—Section 11(c)(2)(B) of the Export
5 Administration Act of 1979 (as continued in effect under
6 the International Emergency Economic Powers Act) shall
7 not apply, and instead, as prescribed in regulations issued
8 under this section, the Secretary may assess civil penalties
9 for violations of this Act and regulations prescribed there-
10 under and further may commence a civil action to recover
11 such civil penalties, and except further that the names of
12 the countries and the types and quantities of defense arti-
13 cles for which licenses are issued under this section shall
14 not be withheld from public disclosure unless the Presi-
15 dent determines that the release of such information would
16 be contrary to the national interest.

17 (c) RULE OF CONSTRUCTION.—Nothing in this sec-
18 tion shall be construed as authorizing the withholding of
19 information from Congress.

20 **SEC. 4372. CRIMINAL AND CIVIL PENALTIES.**

21 (a) IN GENERAL.—Any person who willfully violates
22 any provision of this Act relating to the export of defense
23 articles and defense services, or any rule or regulation
24 issued thereunder, or who willfully, in a registration or li-
25 cense application or required report, makes any untrue

1 statement of a material fact or omits to state a material
2 fact required to be stated therein or necessary to make
3 the statements therein not misleading, shall upon conviction
4 be fined for each violation not more than \$1,000,000,
5 or imprisoned not more than 20 years, or both.

6 (b) **ILLICIT TRAFFICKING IN THE WESTERN HEMI-**
7 **SPHERE.**—Any person who willfully exports to a country
8 in the Western Hemisphere any small arm or light weapon
9 without a license in violation of the requirements of this
10 Act shall upon conviction be fined for each violation not
11 less than \$1,000,000 but not more than \$3,000,000 and
12 imprisoned for not more than 20 years, or both.

13 **SEC. 4373. IDENTIFICATION OF PERSONS OF CONCERN.**

14 (a) **IN GENERAL.**—The President shall develop appropriate
15 mechanisms to identify, in connection with the
16 export licensing process under this subtitle—

17 (1) persons who are the subject of an indictment
18 for, or have been convicted of, a violation
19 under—

20 (A) section 4372;

21 (B) section 11 of the Export Administration
22 Act of 1979 (50 U.S.C. App. 2410) (as
23 continued in effect under the International
24 Emergency Economic Powers Act);

1 (C) section 793, 794, or 798 of title 18,
2 United States Code (relating to espionage in-
3 volving defense or classified information) or sec-
4 tion 2339A of such title (relating to providing
5 material support to terrorists);

6 (D) section 16 of the Trading with the
7 Enemy Act (50 U.S.C. App. 16);

8 (E) section 206 of the International Emer-
9 gency Economic Powers Act (relating to foreign
10 assets controls; 50 U.S.C. App. 1705);

11 (F) section 30A of the Securities Exchange
12 Act of 1934 (15 U.S.C. 78dd1) or section 104
13 of the Foreign Corrupt Practices Act (15
14 U.S.C. 78dd2);

15 (G) chapter 105 of title 18, United States
16 Code (relating to sabotage);

17 (H) section 4(b) of the Internal Security
18 Act of 1950 (relating to communication of clas-
19 sified information; 50 U.S.C. 783(b));

20 (I) section 57, 92, 101, 104, 222, 224,
21 225, or 226 of the Atomic Energy Act of 1954
22 (42 U.S.C. 2077, 2122, 2131, 2134, 2272,
23 2274, 2275, and 2276);

1 (J) section 601 of the National Security
2 Act of 1947 (relating to intelligence identities
3 protection; 50 U.S.C. 421);

4 (K) section 603(b) or (c) of the Com-
5 prehensive Anti-Apartheid Act of 1986 (22
6 U.S.C. 5113(b) or (c)); or

7 (L) section 3, 4, 5, and 6 of the Preven-
8 tion of Terrorist Access to Destructive Weapons
9 Act of 2004, relating to missile systems de-
10 signed to destroy aircraft (18 U.S.C. 2332g),
11 prohibitions governing atomic weapons (42
12 U.S.C. 2122), radiological dispersal devices (18
13 U.S.C. 2332h), and variola virus (18 U.S.C.
14 175b);

15 (2) persons who are the subject of an indict-
16 ment or have been convicted under section 371 of
17 title 18, United States Code, for conspiracy to vio-
18 late any of the provisions of law described in para-
19 graph (1); and

20 (3) persons who are ineligible—

21 (A) to contract with,

22 (B) to receive a license or other form of
23 authorization to export from, or

1 (C) to receive a license or other form of
2 authorization to import defense articles or de-
3 fense services from,
4 any Federal agency.

5 (b) DISAPPROVAL OF APPLICATION.—If the Presi-
6 dent determines that—

7 (1) an applicant for a license to export under
8 this subtitle is the subject of an indictment for a vio-
9 lation of any of the provisions of law described in
10 subsection (a),

11 (2) there is reasonable cause to believe that an
12 applicant for a license to export under this subtitle
13 has violated any of the provisions of law described
14 in subsection (a), or

15 (3) an applicant for a license to export under
16 this subtitle is ineligible to contract with, or to re-
17 ceive a license or other form of authorization to im-
18 port defense articles or defense services from, any
19 Federal agency,

20 the President may disapprove the export license applica-
21 tion. The President shall consider requests by the Sec-
22 retary of the Treasury to disapprove any export license
23 application based on these criteria.

24 (c) PROHIBITION ON ISSUANCE OF LICENSE TO EX-
25 PORT ITEMS ON THE USML.—

1 (1) IN GENERAL.—A license to export an item
2 on the United States Munitions List may not be
3 issued to a person—

4 (A) if the person, or any party to the ex-
5 port, has been convicted of violating a provision
6 of law described in subsection (a); or

7 (B) if the person, or any party to the ex-
8 port, is at the time of the license review ineli-
9 gible to receive export licenses (or other forms
10 of authorization to export) from any Federal
11 agency.

12 (2) EXCEPTION.—A license to export an item
13 on the United States Munitions List may be issued
14 to a person described in paragraph (1) if the Presi-
15 dent, after consultation with the Secretary of the
16 Treasury, and after a thorough review of the cir-
17 cumstances surrounding the conviction or ineligi-
18 bility to export, determines that appropriate steps
19 have been taken to mitigate any law enforcement
20 concerns.

21 **SEC. 4374. STANDARDS TO IDENTIFY HIGH-RISK EXPORTS.**

22 The Secretary shall, in coordination with the heads
23 of appropriate Federal agencies, develop standards for
24 identifying high-risk defense articles for regular end-use
25 verification.

1 **SEC. 4375. REQUIREMENT OF EXPORTERS TO REPORT**
2 **SHIPMENT.**

3 As prescribed in regulations issued under this chap-
4 ter, a person to whom a license has been granted to export
5 an item on the United States Munitions List shall, not
6 later than 15 days after the item is exported, submit to
7 the Department of State a report containing all shipment
8 information, including a description of the item and the
9 quantity, value, port of exit, and end-user and country of
10 destination of the item.

11 **SEC. 4376. END-USE MONITORING OF DEFENSE ARTICLES**
12 **AND DEFENSE SERVICES.**

13 (a) ESTABLISHMENT OF MONITORING PROGRAM.—

14 (1) IN GENERAL.—In order to improve account-
15 ability with respect to defense articles and defense
16 services sold, leased, or exported under this Act and
17 predecessor Acts, the President shall establish a pro-
18 gram which provides for the end-use monitoring of
19 the articles and services.

20 (2) REQUIREMENTS OF PROGRAM.—To the ex-
21 tent practicable, the program shall be—

22 (A) established and carried out in accord-
23 ance with the standards that apply for identi-
24 fying high-risk exports for regular end-use
25 verification developed under section 4374 (com-

1 monly referred to as the “Blue Lantern” pro-
2 gram); and

3 (B) designed to provide reasonable assur-
4 ance that—

5 (i) the recipient is complying with the
6 requirements imposed by the United States
7 Government with respect to use, transfers,
8 and security of defense articles and defense
9 services; and

10 (ii) the articles and services are being
11 used for the purposes for which they are
12 provided.

13 (b) CONDUCT OF PROGRAM.—In carrying out the
14 program established under subsection (a), the President
15 shall ensure that the program—

16 (1) provides for the end-use verification of de-
17 fense articles and defense services that incorporate
18 sensitive technology, defense articles and defense
19 services that are particularly vulnerable to diversion
20 or other misuse, or defense articles or defense serv-
21 ices whose diversion or other misuse could have sig-
22 nificant consequences; and

23 (2) prevents the diversion (through reverse en-
24 gineering or other means) of technology incorporated
25 in defense articles.

1 (c) REPORT TO CONGRESS.—As part of the annual
2 congressional budget justification submitted under section
3 9302, the President shall transmit to Congress a report
4 describing the actions taken to implement this section, in-
5 cluding a detailed accounting of the costs and number of
6 personnel associated with the monitoring program.

7 (d) THIRD COUNTRY TRANSFERS.—For purposes of
8 this section, defense articles and defense services sold,
9 leased, or exported under this Act includes defense articles
10 and defense services that are transferred to a third coun-
11 try or other third party and the numbers, range, and find-
12 ing of end-use monitoring of United States transfers of
13 small arms and light weapons.

14 **SEC. 4377. FEES OF MILITARY SALES AGENTS AND OTHER**
15 **PAYMENTS.**

16 (a) IN GENERAL.—In accordance with such regula-
17 tions as the Secretary may prescribe under subsection (b),
18 the Secretary shall require adequate and timely reporting
19 on political contributions, gifts, commissions and fees
20 paid, or offered or agreed to be paid, by any person in
21 connection with—

22 (1) sales of defense articles or defense services,
23 or of design and construction services under section
24 4312; or

1 (2) commercial sales of defense articles or de-
2 fense services licensed or approved under section
3 4301, to or for the armed forces of a foreign country
4 or international organization in order to solicit, pro-
5 mote, or otherwise to secure the conclusion of such
6 sales.

7 (b) REGULATIONS.—The regulations referred to in
8 subsection (a) shall specify the amounts and the kinds of
9 payments, offers, and agreements to be reported, and the
10 form and timing of reports, and shall require reports on
11 the names of sales agents and other persons receiving such
12 payments. The Secretary shall by regulation require such
13 recordkeeping as the Secretary determines is necessary.

14 (c) PROHIBITION, LIMITATION, CONDITIONS.—The
15 Secretary may, by regulation, prohibit, limit, or prescribe
16 conditions with respect to such contributions, gifts, com-
17 missions, and fees as the President determines will be in
18 furtherance of the purposes of this Act.

19 (d) REQUIREMENT FOR INCLUSION IN PROCUREMENT
20 CONTRACT.—

21 (1) IN GENERAL.—No such contribution, gift,
22 commission, or fee may be included, in whole or in
23 part, in the amount paid under any procurement
24 contract entered into under section 4312, unless the
25 amount thereof is reasonable, allocable to such con-

1 tract, and not made to a person who has solicited,
2 promoted, or otherwise secured such sale, or has
3 held himself out as being able to do so, through im-
4 proper influence.

5 (2) DEFINITION.—For the purposes of this sub-
6 section, the term “improper influence” means influ-
7 ence, direct or indirect, which induces or attempts to
8 induce consideration or action by any employee or
9 officer of a purchasing foreign government or inter-
10 national organization with respect to such purchase
11 on any basis other than such consideration of merit
12 as are involved in comparable United States procure-
13 ments.

14 (e) AVAILABILITY OF INFORMATION AND
15 RECORDS.—

16 (1) IN GENERAL.—All information reported to
17 the Secretary and all records maintained by any per-
18 son pursuant to regulations prescribed under this
19 section shall be available, upon request, to any
20 standing committee of Congress or any sub-
21 committee thereof and to any Federal agency au-
22 thorized by law to have access to the books and
23 records of the person required to submit reports or
24 to maintain records under this section.

1 (2) TERMS AND CONDITIONS.—Access by an
2 Federal agency to records maintained under this
3 section shall be on the same terms and conditions
4 that govern access by the agency to the books and
5 records of the person concerned.

6 **SEC. 4378. PROHIBITION ON INCENTIVE PAYMENTS.**

7 (a) PROHIBITION.—A United States person, or any
8 employee, agent, or subcontractor thereof, may not, with
9 respect to the sale or export of any defense article or de-
10 fense service to a foreign country, make any incentive pay-
11 ments for the purpose of satisfying, in whole or in part,
12 any offset agreement with the country.

13 (b) CIVIL PENALTIES.—Any person who violates the
14 provisions of subsection (a) shall be subject to the imposi-
15 tion of civil penalties as provided for in subsection (c).

16 (c) ENFORCEMENT.—In providing for the enforce-
17 ment of this section, the Secretary is authorized to exer-
18 cise the same powers concerning violations and enforce-
19 ment and imposition of civil penalties that are conferred
20 upon Federal agencies and officials by subsections (c), (d),
21 (e), and (f) of section 11 of the Export Administration
22 Act of 1979 and section 12(a) of such Act (as continued
23 in effect under the International Emergency Economic
24 Powers Act), subject to the same terms and conditions as
25 are applicable to such powers under such Act, except that

1 section 11(c)(2)(B) of such Act shall not apply, and in-
2 stead, as prescribed in regulations issued under this sec-
3 tion, the Secretary may assess civil penalties for violations
4 of this Act and regulations prescribed thereunder and fur-
5 ther may commence a civil action to recover such civil pen-
6 alties, and except further that notwithstanding section
7 11(c) of that Act, the civil penalty for each violation of
8 this section may not exceed \$500,000 or five times the
9 amount of the prohibited incentive payment, whichever is
10 greater.

11 **CHAPTER 6—CONGRESSIONAL REVIEW OF**
12 **ARMS SALES**

13 **SEC. 4381. REPORTS ON COMMERCIAL AND GOVERN-**
14 **MENTAL MILITARY EXPORTS; CONGRES-**
15 **SIONAL ACTION.**

16 (a) IN GENERAL.—The Secretary shall transmit to
17 the appropriate congressional committees not later than
18 60 days after the end of each calendar quarter an unclassi-
19 fied report (except that any material which was trans-
20 mitted in classified form under subsection (b)(1) or (c)(1)
21 may be contained in a classified addendum to such report,
22 and any letter of offer referred to in paragraph (1) may
23 be listed in such addendum unless such letter of offer has
24 been the subject of an unclassified certification pursuant
25 to subsection (b)(1), and any information provided under

1 paragraph (11) may also be provided in a classified adden-
2 dum) containing—

3 (1) a listing of all letters of offer to sell any
4 major defense equipment for \$1,000,000 or more
5 under this Act to each foreign country and inter-
6 national organization, by category, if such letters of
7 offer have not been accepted or canceled;

8 (2) a listing of all such letters of offer that have
9 been accepted during the fiscal year in which such
10 report is submitted, together with the total value of
11 all defense articles and defense services sold to each
12 foreign country and international organization dur-
13 ing such fiscal year;

14 (3) the cumulative dollar amounts, by foreign
15 country and international organization, of sales cred-
16 it agreements under section 4251 made during the
17 fiscal year in which such report is submitted;

18 (4) a numbered listing of all licenses and ap-
19 provals for the export to each foreign country and
20 international organization during such fiscal year of
21 commercially sold major defense equipment, by cat-
22 egory, sold for \$1,000,000 or more, together with
23 the total value of all defense articles and defense
24 services so licensed for each foreign country and

1 international organization, setting forth, with respect
2 to the listed major defense equipment—

3 (A) the items to be exported under the li-
4 cense;

5 (B) the quantity and contract price of each
6 such item to be provided; and

7 (C) the name and address of the ultimate
8 user of each such item;

9 (5) projections of the dollar amounts, by foreign
10 country and international organization, of sales ex-
11 pected to be made under sections 4311 and 4312, in
12 the quarter of the fiscal year immediately following
13 the quarter for which such report is submitted;

14 (6) a projection with respect to all sales ex-
15 pected to be made to each country and organization
16 for the remainder of the fiscal year in which such re-
17 port is transmitted;

18 (7) a description of each payment, contribution,
19 gift, commission, or fee reported to the Secretary
20 under section 4377, including—

21 (A) the name of the person who made such
22 payment, contribution, gift, commission, or fee;

23 (B) the name of any sales agent or other
24 person to whom such payment, contribution,
25 gift, commission, or fee was paid;

1 (C) the date and amount of such payment,
2 contribution, gift, commission, or fee;

3 (D) a description of the sale in connection
4 with which such payment, contribution, gift,
5 commission, or fee was paid; and

6 (E) the identification of any business infor-
7 mation considered confidential by the person
8 submitting it which is included in the report;

9 (8) a listing of each sale under section 4251
10 during the quarter for which such report is made,
11 specifying—

12 (A) the purchaser;

13 (B) the Federal agency responsible for im-
14 plementing the sale;

15 (C) an estimate of the dollar amount of the
16 sale; and

17 (D) a general description of the real prop-
18 erty facilities to be constructed pursuant to
19 such sale;

20 (9) a listing of each export of defense articles
21 under section 4311 during the quarter for which re-
22 port is made, specifying the recipient, the defense
23 article, the dollar amount of the export, and a de-
24 scription of the cooperative agreement pursuant to
25 which the export was made;

1 (10) a listing of the consents to third-party
2 transfers of defense articles or defense services
3 which were granted, during the quarter for which
4 such report is submitted, if the value (in terms of
5 original acquisition cost) of the defense articles or
6 defense services to be transferred is \$1,000,000 or
7 more;

8 (11) a listing of all munitions items that were
9 sold, leased, or otherwise transferred by the Depart-
10 ment of Defense to any other Federal agency during
11 the quarter for which such report is submitted (in-
12 cluding the name of the recipient agency and a dis-
13 cussion of what the agency will do with those muni-
14 tions items) if—

15 (A) the value of the munitions items was
16 \$250,000 or more, and

17 (B) the value of all munitions items trans-
18 ferred to the Federal agency during that quar-
19 ter was \$250,000 or more,

20 excluding munitions items transferred (i) for disposi-
21 tion or use solely within the United States, or (ii)
22 for use in connection with intelligence activities sub-
23 ject to reporting requirements under title V of the
24 National Security Act of 1947 (50 U.S.C. 413 et

1 seq.; relating to congressional oversight of intel-
2 ligence activities);

3 (12) a report on all concluded government-to-
4 government agreements regarding foreign coproduc-
5 tion of defense articles of United States origin and
6 all other concluded agreements involving coproduc-
7 tion or licensed production outside of the United
8 States of defense articles of United States origin (in-
9 cluding coproduction memoranda of understanding
10 or agreement) that have not been previously re-
11 ported under this subsection, which shall include—

12 (A) the identity of the foreign countries,
13 international organizations, or foreign firms in-
14 volved;

15 (B) a description and the estimated value
16 of the articles authorized to be produced, and
17 an estimate of the quantity of the articles au-
18 thorized to be produced;

19 (C) a description of any restrictions on
20 third-party transfers of the foreign-manufac-
21 tured articles; and

22 (D) if any such agreement does not pro-
23 vide for United States access to and verification
24 of quantities of defense articles produced out-
25 side the United States and their disposition in

1 the foreign country, a description of alternative
2 measures and controls incorporated in the co-
3 production or licensing program to ensure com-
4 pliance with restrictions in the agreement on
5 production quantities and third-party transfers;

6 (13) a report on all exports of significant mili-
7 tary equipment for which information has been pro-
8 vided pursuant to section 4375; and

9 (14) copies of security assistance surveys con-
10 ducted by United States Government personnel for
11 the calendar quarter for which the report is trans-
12 mitted.

13 (b) ADDITIONAL INFORMATION.—For each letter of
14 offer to sell under paragraphs (1) and (2) of subsection
15 (a), the report shall specify—

16 (1) the foreign country or international organi-
17 zation to which the defense article or defense service
18 is offered or was sold, as the case may be;

19 (2) the dollar amount of the offer to sell or the
20 sale and the number of defense articles offered or
21 sold, as the case may be;

22 (3) a description of the defense article or de-
23 fense service offered or sold, as the case may be; and

1 (4) the United States Armed Forces or Federal
2 agency that is making the offer to sell or the sale,
3 as the case may be.

4 **SEC. 4382. CONGRESSIONAL CERTIFICATION OF SENSITIVE**
5 **FOREIGN MILITARY SALES AND AGREE-**
6 **MENTS.**

7 (a) IN GENERAL.—The President shall submit to the
8 appropriate congressional committees a numbered certifi-
9 cation with respect to any letter of offer to sell, or an ap-
10 plication by a person for a license for the export of, pursu-
11 ant to this or any other Act, the following to a foreign
12 country or international organization:

13 (1) Major defense equipment of a type that
14 have not been sold to the country or organization for
15 \$25,000,000 or more.

16 (2) Major defense equipment of a type that
17 have been sold to the country or organization but
18 are significantly different in terms of capability from
19 those previously sold, for \$25,000,000 or more.

20 (3) Fixed- or rotary-wing aircraft, whether
21 flown remotely or by an onboard pilot, primarily
22 used for military purposes; navigation, sensors, sen-
23 sitive components; and engines for same and sen-
24 sitive components of such engines.

25 (4) Radars for military end-use.

1 (5) Guided or ballistic missiles, regardless of
2 mode of launch.

3 (6) Firearms, close assault weapons, and com-
4 bat shotguns over \$1,000,000.

5 (7) Night vision devices.

6 (8) Naval vessels, both surface vessels (above
7 3,000 tons) and submersibles.

8 (9) Toxicological Agents and associated equip-
9 ment, for \$25,000,000 or more.

10 (10) Tanks (including significant components)
11 and armored vehicle chassis, regardless of armament
12 or lack thereof.

13 (11) Other defense articles and defense services
14 for \$100,000,000 or more.

15 (12) Military-related design and construction
16 services for \$300,000,000 or more.

17 (b) CERTIFICATION.—The following requirements
18 shall apply with respect to the submission of a numbered
19 certification under subsection (a):

20 (1) Before a United States commercial tech-
21 nical assistance or manufacturing licensing agree-
22 ment that involves the manufacture outside the
23 United States of any sensitive military equipment is
24 approved under section 4301, the Secretary shall
25 transmit to the appropriate congressional commit-

1 tees an unclassified numbered certification with re-
2 spect to the agreement.

3 (2) Each numbered certification shall specify—

4 (A) the foreign country or international or-
5 ganization to which the defense article or de-
6 fense service is offered or was sold, as the case
7 may be;

8 (B) the dollar amount of the offer to sell
9 or the sale and the number of defense articles
10 offered or sold, as the case may be;

11 (C) a description of the defense article or
12 defense service offered or sold, as the case may
13 be; and

14 (D) the United States Armed Forces or
15 Federal agency that is making the offer to sell
16 or the sale, as the case may be.

17 (3) For commercial technical assistance or
18 manufacturing licensing agreements, each numbered
19 certification shall specify—

20 (A) the purchaser;

21 (B) the Federal agency responsible for im-
22 plementing the sale;

23 (C) an estimate of the dollar amount of the
24 sale; and

1 (D) a general description of the real prop-
2 erty facilities to be constructed pursuant to
3 such sale.

4 (c) ADDITIONAL INFORMATION.—Each numbered
5 certification submitted under subsection (a) shall also con-
6 tain information on the following:

7 (1) A description, containing the information
8 described in section 4381(a)(7), of any contribution,
9 gift, commission, or fee paid or offered or agreed to
10 be paid in order to solicit, promote, or otherwise to
11 secure the letter of offer relating to the numbered
12 certification.

13 (2) An item, classified if necessary, identifying
14 the sensitivity of technology contained in the defense
15 articles, defense services, or design and construction
16 services proposed to be sold, and a detailed justifica-
17 tion of the reasons necessitating the sale of the arti-
18 cles, services, or design and construction services in
19 view of the sensitivity of the technology.

20 (3) In a case in which the defense articles or
21 defense services listed on the Missile Technology
22 Control Regime Annex are intended to support the
23 design, development, or production of a Category I
24 space launch vehicle system, the certification shall
25 also include a description of the proposed export and

1 rationale for approving such export, including the
2 consistency of such export with United States mis-
3 sile nonproliferation policy.

4 (4) Each numbered certification shall contain
5 an item indicating whether any offset agreement is
6 proposed to be entered into in connection with such
7 letter of offer to sell (if known on the date of trans-
8 mittal of such certification).

9 (d) FORM.—A numbered certification transmitted
10 pursuant to subsection (a) shall be in unclassified form,
11 except that the information specified in paragraphs (2)
12 and (3) of section 4381(b) and the details of the descrip-
13 tion specified in subsections (b) and (c) may be classified
14 if the public disclosure thereof would be clearly detri-
15 mental to the security of the United States, in which case
16 the information shall be accompanied by a description of
17 the damage to the national security that could be expected
18 to result from public disclosure of the information.

19 (e) CONSULTATION.—The Secretary shall consult
20 with the appropriate congressional committees prior to the
21 notification of a letter of offer, an application to export,
22 or the conclusion of an commercial technical assistance
23 agreement or a manufacturing license agreement.

24 (f) COMMITTEE INFORMATION REQUEST.—The Sec-
25 retary shall, upon the request of an appropriate congres-

1 sional committee, transmit promptly to both such commit-
2 tees a statement setting forth, to the extent specified in
3 such request—

4 (1) a detailed description of the defense articles,
5 defense services, or design and construction services
6 to be offered, including a brief description of the ca-
7 pabilities of any defense article to be offered;

8 (2) an estimate of the number of officers and
9 employees of the United States Government and of
10 United States civilian contract personnel expected to
11 be needed in such country to carry out the proposed
12 sale;

13 (3) the name of each contractor expected to
14 provide the defense article, defense service, or design
15 and construction services proposed to be sold and a
16 description of any offset agreement with respect to
17 such sale;

18 (4) an evaluation, prepared by the Secretary in
19 consultation with the Secretary of Defense and the
20 Director of Central Intelligence, of the manner, if
21 any, in which the proposed sale would—

22 (A) contribute to an arms race;

23 (B) support international terrorism;

24 (C) increase the possibility of an outbreak
25 or escalation of conflict;

1 (D) prejudice the negotiation of any arms
2 controls;

3 (E) adversely affect the arms control or
4 nonproliferation policy of the United States;

5 (F) support blackmarket or greymarket
6 trade in arms, either those transferred or obso-
7 lete arms to be replaced by the arms sale; or

8 (G) require the transfer of United States
9 arms sensitive technology or manufacturing
10 techniques as a condition of the arms sale, and
11 the impact of such transfer on the United
12 States manufacturing base, including on jobs
13 based in the United States;

14 (5) the reasons why the foreign country or
15 international organization to which the sale is pro-
16 posed to be made needs the defense articles, defense
17 services, or design and construction services which
18 are the subject of such sale and a description of how
19 such country or organization intends to use such de-
20 fense articles, defense services, or design and con-
21 struction services;

22 (6) an analysis of the impact of the proposed
23 sale on the military stocks and the military pre-
24 paredness of the United States;

1 (7) the reasons why the proposed sale is in the
2 national interest of the United States;

3 (8) an analysis of the impact of the proposed
4 sale on the military capabilities of the foreign coun-
5 try or international organization to which such sale
6 would be made;

7 (9) an analysis of how the proposed sale would
8 affect the relative military strengths of countries in
9 the region to which the defense articles, defense
10 services, or design and construction services which
11 are the subject of such sale would be delivered and
12 whether other countries in the region have com-
13 parable kinds and amounts of defense articles, de-
14 fense services, or design and construction services;

15 (10) an estimate of the levels of trained per-
16 sonnel and maintenance facilities of the foreign
17 country or international organization to which the
18 sale would be made which are needed and available
19 to utilize effectively the defense articles, defense
20 services, or design and construction services pro-
21 posed to be sold;

22 (11) an analysis of the extent to which com-
23 parable kinds and amounts of defense articles, de-
24 fense services, or design and construction services
25 are available from other countries;

1 (12) an analysis of the impact of the proposed
2 sale on United States relations with the countries in
3 the region to which the defense articles, defense
4 services, or design and construction services which
5 are the subject of such sale would be delivered;

6 (13) a detailed description of any agreement
7 proposed to be entered into by the United States for
8 the purchase or acquisition by the United States of
9 defense articles, defense services, design and con-
10 struction services or defense equipment, or other ar-
11 ticles, services, or equipment of the foreign country
12 or international organization in connection with, or
13 as consideration for, such letter of offer, including
14 an analysis of the impact of such proposed agree-
15 ment upon United States business concerns which
16 might otherwise have provided such articles, services,
17 or equipment to the United States, an estimate of
18 the costs to be incurred by the United States in con-
19 nection with such agreement compared with costs
20 which would otherwise have been incurred, an esti-
21 mate of the economic impact and unemployment
22 which would result from entering into such proposed
23 agreement, and an analysis of whether such costs
24 and such domestic economic impact justify entering
25 into such proposed agreement;

1 (14) the projected delivery dates of the defense
2 articles, defense services, or design and construction
3 services to be offered;

4 (15) a detailed description of weapons and lev-
5 els of munitions that may be required as support for
6 the proposed sale;

7 (16) an analysis of the relationship of the pro-
8 posed sale to projected procurements of the same
9 item, and

10 (17) an analysis, classified if necessary, of the
11 security to be provided by the proposed recipient of
12 the arms sale on the defense articles and defense
13 services, both against external and internal security
14 threats, including espionage.

15 **SEC. 4383. UPGRADE OR ENHANCEMENT.**

16 (a) IN GENERAL.—If, before the delivery of any
17 major defense article or major defense equipment, or the
18 furnishing of any defense service or design and construc-
19 tion service, sold pursuant to a letter of offer or a contract
20 pursuant to a license described in section 4382, the sensi-
21 tivity of technology or the capability of the article, equip-
22 ment, or service is enhanced or upgraded from the level
23 of sensitivity or capability described in the numbered cer-
24 tification with respect to an offer to sell such article,
25 equipment, or service, then, at least 45 days before the

1 delivery of such article or equipment or the furnishing of
2 such service, the President shall prepare and transmit to
3 the chairman of the Committee on Foreign Affairs of the
4 House of Representatives and the chairman of the Com-
5 mittee on Foreign Relations of the Senate a report—

6 (1) describing the manner in which the tech-
7 nology or capability has been enhanced or upgraded
8 and describing the significance of such enhancement
9 or upgrade; and

10 (2) setting forth a detailed justification for such
11 enhancement or upgrade.

12 (b) APPLICATION.—The provisions of subsection (a)
13 apply to an article or equipment delivered, or a service
14 furnished, within 10 years after the transmittal to the
15 Congress of a numbered certification with respect to the
16 sale of such article, equipment, or service.

17 (c) NEW NUMBERED CERTIFICATION.—

18 (1) IN GENERAL.—If the enhancement or up-
19 grade in the sensitivity of technology or the capa-
20 bility of major defense equipment, defense articles,
21 defense services, or design and construction services
22 described in a numbered certification submitted
23 under this section costs \$14,000,000 or more in the
24 case of any major defense equipment, \$50,000,000
25 or more in the case of defense articles or defense

1 services, or \$200,000,000 or more in the case of de-
2 sign or construction services, then the Secretary
3 shall submit to the chairman of the Committee on
4 Foreign Affairs of the House of Representatives and
5 the chairman of the Committee on Foreign Relations
6 of the Senate a new numbered certification which re-
7 lates to such enhancement or upgrade and which
8 shall be considered for purposes of this section as if
9 it were a separate letter of offer to sell defense
10 equipment, articles, or services, subject to all of the
11 requirements, restrictions, and conditions set forth
12 in this section.

13 (2) RULE OF CONSTRUCTION.—For purposes of
14 this subsection, references in this section to sales
15 shall be deemed to be references to enhancements or
16 upgrades in the sensitivity of technology or the capa-
17 bility of major defense equipment, defense articles,
18 or defense services, as the case may be.

19 **SEC. 4384. CONGRESSIONAL REVIEW PERIOD AND DIS-**
20 **APPROVAL.**

21 (a) REVIEW PERIOD.—Any numbered certification
22 submitted to the appropriate congressional committees for
23 a letter of offer or a license to export under section 4382
24 may not be issued not earlier than—

1 (1) in the case of a strategic United States ally,
2 15 legislative days after the date of submission of
3 the certification;

4 (2) in the case of any other country, 30 legisla-
5 tive days after the date of submission of the certifi-
6 cation; and

7 (3) in the case of a license for export of a com-
8 mercial communications satellite for launch from,
9 and by nationals of, the Russian Federation,
10 Ukraine, or Kazakhstan, 15 legislative days after
11 the date of submission of the certification.

12 (b) DISAPPROVAL.—No letter of offer, or license to
13 export, may be issued for any proposed sale subject to the
14 provisions of this section if a joint resolution of dis-
15 approval is enacted providing for any such sale within the
16 respective time periods specified in subsection (a).

17 (c) PROCEDURES FOR CONSIDERATION OF JOINT
18 RESOLUTION.—

19 (1) SENATE.—Any such joint resolution shall
20 be considered in the Senate in accordance with the
21 provisions of section 601(b) of the International Se-
22 curity Assistance and Arms Export Control Act of
23 1976, except that for purposes of consideration of
24 any joint resolution with respect to a strategic
25 United States ally, it shall be in order in the Senate

1 to move to discharge a committee to which such
2 joint resolution was referred if such committee has
3 not reported such joint resolution at the end of 5
4 calendar days after its introduction.

5 (2) HOUSE OF REPRESENTATIVES.—For the
6 purpose of expediting the consideration and enact-
7 ment of joint resolutions under this subsection, a
8 motion to proceed to the consideration of any such
9 joint resolution after it has been reported by the ap-
10 propriate committee shall be treated as highly privi-
11 leged in the House of Representatives.

12 **SEC. 4385. NATIONAL SECURITY WAIVER OF CONGRES-**
13 **SIONAL REVIEW OF ARMS SALES.**

14 (a) AUTHORITY.—If the President informs the appro-
15 priate congressional committees that an emergency exists
16 that requires a sale of a defense article or defense service
17 under section 4331 or a retransfer of a defense article or
18 defense service under section 4361 in the national security
19 interests of the United States, the President may exempt
20 the proposed sale from the requirements of this chapter.

21 (b) JUSTIFICATION.—Before exercising such waiver,
22 the President shall set forth in a statement to the appro-
23 priate congressional committees a detailed justification for
24 the President's determination, including a description of
25 the emergency circumstances that necessitate the imme-

1 diate issuance of the letter of offer and a discussion of
2 the national security interests involved.

3 **SEC. 4386. PUBLICATION OF ARMS SALES NOTIFICATIONS.**

4 (a) PUBLICATION.—The Secretary shall publish in a
5 timely manner in the Federal Register, upon transmittal
6 to the Speaker of the House of Representatives and to
7 the chairman of the Committee on Foreign Relations of
8 the Senate, the full unclassified text of each numbered cer-
9 tification submitted pursuant to section 4382.

10 (b) RULE OF CONSTRUCTION.—Information relating
11 to offset agreements shall be treated as confidential infor-
12 mation in accordance with section 12(c) of the Export Ad-
13 ministration Act of 1979 (50 U.S.C. App. 2411(c)) (as
14 continued in effect under the International Emergency
15 Economic Powers Act).

16 **SEC. 4387. CERTIFICATION REQUIREMENT RELATING TO**
17 **ISRAEL'S QUALITATIVE MILITARY EDGE.**

18 (a) IN GENERAL.—Any certification relating to a
19 proposed sale or export of defense articles or defense serv-
20 ices under this chapter to any country in the Middle East
21 other than Israel shall include an unclassified determina-
22 tion that the sale or export of the defense articles or de-
23 fense services will not adversely affect Israel's qualitative
24 military edge over military threats to Israel, but may also
25 include a classified determination as well.

1 (b) QUALITATIVE MILITARY EDGE DEFINED.—In
2 this section, the term “qualitative military edge” means
3 the ability to counter and defeat any credible conventional
4 military threat from any individual state or possible coal-
5 tion of states or from non-state actors, while sustaining
6 minimal damages and casualties, through the use of supe-
7 rior military means, possessed in sufficient quantity, in-
8 cluding weapons, command, control, communication, intel-
9 ligence, surveillance, and reconnaissance capabilities that
10 in their technical characteristics are superior in capability
11 to those of such other individual or possible coalition of
12 states or non-state actors.

13 **CHAPTER 7—LANDMINES AND CLUSTER**
14 **MUNITIONS**

15 **SEC. 4391. LANDMINES.**

16 (a) IN GENERAL.—Notwithstanding any other provi-
17 sion of law, demining equipment available to the Agency
18 or the Department of State and used in support of the
19 clearance of landmines and unexploded ordnance for hu-
20 manitarian purposes may be disposed of on a grant basis
21 in foreign countries.

22 (b) TERMS AND CONDITIONS.—The exercise of the
23 authority under subsection (a) shall be subject to such
24 terms and conditions as the President may prescribe.

1 **SEC. 4392. CLUSTER MUNITIONS.**

2 No security assistance may be provided for cluster
3 munitions, no defense export license for cluster munitions
4 may be issued, and no cluster munitions or cluster muni-
5 tions technology shall be sold or transferred, unless—

6 (1) the submunitions of the cluster munitions,
7 after arming, do not result in more than 1 percent
8 unexploded ordnance across the range of intended
9 operational environments; and

10 (2) the agreement applicable to the assistance,
11 transfer, or sale of such cluster munitions or cluster
12 munitions technology specifies that—

13 (A) the cluster munitions will only be used
14 against clearly defined military targets and will
15 not be used where civilians are known to be
16 present or in areas normally inhabited by civil-
17 ians; and

18 (B) the recipient agrees to immediately re-
19 cover any unexploded submunitions, and to give
20 assistance as necessary to any civilian injuries,
21 that follow the use of such weapons in any area
22 in which civilians are present.

1 **Subtitle D—General Administrative**
2 **and Miscellaneous Provisions**

3 **SEC. 4401. GENERAL PROVISIONS.**

4 (a) PROCUREMENT IN THE UNITED STATES; CO-
5 PRODUCTION OR LICENSED PRODUCTION OUTSIDE THE
6 UNITED STATES.—

7 (1) IN GENERAL.—In carrying out this title,
8 special emphasis shall be placed on procurement in
9 the United States, but, subject to the provisions of
10 subsection (b), consideration shall also be given to
11 coproduction or licensed production outside the
12 United States of defense articles of United States
13 origin when such production best serves the foreign
14 policy, national security, and economy of the United
15 States.

16 (2) EVALUATION.—In evaluating any sale pro-
17 posed to be made pursuant to this title, there shall
18 be taken into consideration—

19 (A) the extent to which the proposed sale
20 damages or infringes upon licensing arrange-
21 ments whereby United States entities have
22 granted licenses for the manufacture of the de-
23 fense articles selected by the purchasing coun-
24 try to entities located in friendly foreign coun-

1 tries, which licenses result in financial returns
2 to the United States;

3 (B) the portion of the defense articles so
4 manufactured which is of United States origin;
5 and

6 (C) whether, and the extent to which, such
7 sale might contribute to an arms race, aid in
8 the development of weapons of mass destruc-
9 tion, support international terrorism, increase
10 the possibility of outbreak or escalation of con-
11 flict, or prejudice the development of bilateral
12 or multilateral arms control or nonproliferation
13 agreements or other arrangements.

14 (b) PROHIBITIONS.—No credit sale shall be extended
15 under section 4251 in any case involving coproduction or
16 licensed production outside the United States of any de-
17 fense article of United States origin, unless the Secretary,
18 in advance of any such transaction, advises the appro-
19 priate congressional committees and furnish the Speaker
20 of the House of Representatives and the President of the
21 Senate with full information regarding the proposed trans-
22 action, including a description of the particular defense
23 article or articles which would be produced under license
24 or coproduced outside the United States, the estimated
25 value of such production or coproduction, and the probable

1 impact of the proposed transaction on employment and
2 production within the United States.

3 (c) AVAILABILITY OF FUNDS.—Funds made available
4 under this title may be used for procurement outside the
5 United States only if the President determines that such
6 procurement will not result in adverse effects upon the
7 economy of the United States or the industrial mobiliza-
8 tion base, with special reference to any areas of labor sur-
9 plus or to the net position of the United States in its bal-
10 ance of payments with the rest of the world, which out-
11 weigh the economic or other advantages to the United
12 States of less costly procurement outside the United
13 States

14 (d) RESPONSIBILITIES OF SECRETARY OF DE-
15 FENSE.—

16 (1) IN GENERAL.—With respect to sales under
17 sections 4311, 4312, 4324, and 4351 the Secretary
18 of Defense shall, under the direction of the Presi-
19 dent, have primary responsibility for—

20 (A) the determination of military end-item
21 requirements;

22 (B) the procurement of military equipment
23 in a manner which permits its integration with
24 service programs;

1 (C) the supervision of the training of for-
2 eign military personnel;

3 (D) the movement and delivery of military
4 end-items; and

5 (E) within the Department of Defense, the
6 performance of any other functions with respect
7 to sales and guaranties.

8 (2) PRIORITIES.—The establishment of prior-
9 ities in the procurement, delivery, and allocation of
10 military equipment shall, under the direction of the
11 President, be determined by the Secretary of De-
12 fense.

13 (e) TERMINATION PROVISIONS.—

14 (1) CONTRACTS.—Each contract for sale en-
15 tered into under sections 4311, 4312, 4324, and
16 4351, and each contract entered into under section
17 4282, shall provide that such contract may be can-
18 celed in whole or in part, or its execution suspended,
19 by the United States at any time under unusual or
20 compelling circumstances if the national interest of
21 the United States so requires.

22 (2) EXPORT LICENSES.—Each export license
23 issued under section 4331 shall provide that such li-
24 cense may be revoked, suspended, or amended by the
25 Secretary, without prior notice, whenever the Sec-

1 retary deems such action to be advisable. Nothing in
2 this paragraph may be construed as limiting the reg-
3 ulatory authority of the President under this Act.

4 (3) AUTHORIZATION OF APPROPRIATIONS.—
5 There are authorized to be appropriated from time
6 to time such sums as may be necessary—

7 (A) to refund moneys received from pur-
8 chasers under contracts of sale entered into
9 under sections 4311, 4312, 4324, and 4351, or
10 under contracts entered into under section
11 4282, that are canceled or suspended under this
12 subsection to the extent such moneys have pre-
13 viously been disbursed to private contractors
14 and United States Government agencies for
15 work in progress; and

16 (B) to pay such damages and costs that
17 accrue from the corresponding cancellation or
18 suspension of the existing procurement con-
19 tracts or Federal agency work orders involved.

20 (f) CIVILIAN CONTRACT PERSONNEL.—The Presi-
21 dent shall, to the maximum extent possible and consistent
22 with the purposes of this title, use civilian contract per-
23 sonnel in any foreign country to perform defense services
24 sold under this title.

1 **SEC. 4402. ADMINISTRATIVE EXPENSES.**

2 (a) IN GENERAL.—Funds made available under other
3 provisions of law for the operations of Federal agencies
4 carrying out functions under this title shall be available
5 for the administrative expenses incurred by such agencies
6 under this title.

7 (b) RECOVERY OF EXPENSES.—Charges for adminis-
8 trative services calculated under section 4314(a)(1) shall
9 include recovery of administrative expenses and official re-
10 ception and representation expenses incurred by any Fed-
11 eral agency, including any mission or group thereof, in
12 carrying out functions under this title if—

13 (1) such functions are primarily for the benefit
14 of any foreign country;

15 (2) such expenses are not directly and fully
16 charged to, and reimbursed from amounts received
17 for, sale of defense services under section 4311; and

18 (3) such expenses are neither salaries of the
19 United States Armed Forces nor represent unfunded
20 estimated costs of civilian retirement and other ben-
21 efits.

22 (c) OFFICIAL RECEPTION AND REPRESENTATION
23 EXPENSES.—Not more than \$86,500 of the funds derived
24 from charges for administrative services pursuant to sec-
25 tion 4314(a)(1) may be used each fiscal year for official
26 reception and representation expenses.

1 **SEC. 4403. DETAIL OF APPROPRIATE PERSONNEL.**

2 The President may detail, as necessary, to the De-
3 partment of State appropriate personnel from any other
4 Federal agency on a nonreimbursable basis, to assist in
5 the initial screening of applications for export licenses
6 under this subtitle in order to determine the need for fur-
7 ther review of those applications for foreign policy, na-
8 tional security, and law enforcement concerns.

9 **SEC. 4404. RULE OF CONSTRUCTION.**

10 Nothing in this title shall be construed as modifying
11 in any way the provisions of the Atomic Energy Act of
12 1954 or section 7307 of title 10, United States Code.

13 **SEC. 4405. PERFORMANCE GOALS FOR PROCESSING OF AP-**
14 **PLICATIONS FOR LICENSES TO EXPORT**
15 **ITEMS ON UNITED STATES MUNITIONS LIST.**

16 (a) IN GENERAL.—The Secretary shall establish and
17 maintain the following goals:

18 (1) The processing time for review of each ap-
19 plication for a license to export items on the United
20 States Munitions List (other than a Manufacturing
21 License Agreement) shall be not more than 60 days
22 from the date of receipt of the application.

23 (2) The processing time for review of each ap-
24 plication for a commodity jurisdiction determination
25 shall be not more than 60 days from the date of re-
26 ceipt of the application.

1 (3) The total number of applications described
2 in paragraph (1) that are unprocessed shall be not
3 more than 7 percent of the total number of such ap-
4 plications submitted in the preceding calendar year.

5 (b) ADDITIONAL REVIEW.—

6 (1) IN GENERAL.—If an application described
7 in paragraph (1) or (2) of subsection (a) is not proc-
8 essed within the time period described in the respec-
9 tive paragraph of such subsection, then the Sec-
10 retary shall ensure that the appropriate managing
11 official shall review the status of the application to
12 determine if further action is required to process the
13 application.

14 (2) ADDITIONAL REQUIREMENTS.—If an appli-
15 cation described in paragraph (1) or (2) of sub-
16 section (a) is not processed within 90 days from the
17 date of receipt of the application, then the appro-
18 priate managing official shall—

19 (A) review the status of the application to
20 determine if further action is required to proc-
21 ess the application; and

22 (B) submit to the appropriate congres-
23 sional committees a notification of the review
24 conducted under subparagraph (A), including a
25 description of the application, the reason for

1 delay in processing the application, and a pro-
2 posal for further action to process the applica-
3 tion.

4 (3) ANNUAL REVIEW.—For each calendar year,
5 the appropriate managing official shall review not
6 less than 2 percent of the total number of applica-
7 tions described in paragraphs (1) and (2) of sub-
8 section (a) to ensure that the processing of such ap-
9 plications, including decisions to approve, deny, or
10 return without action, is consistent with both the
11 foreign policy and regulatory requirements of the
12 United States.

13 (c) STATEMENTS OF POLICY.—

14 (1) UNITED STATES ALLIES.—Congress states
15 that—

16 (A) to ensure that, to the maximum extent
17 practicable, the processing time for review of
18 applications to export items to United States al-
19 lies in direct support of combat operations or
20 peacekeeping or humanitarian operations with
21 the United States Armed Forces is not more
22 than 7 days from the date of receipt of the ap-
23 plication; and

24 (B) the Secretary shall ensure that, to the
25 maximum extent practicable, the processing

1 time for review of applications described in sub-
2 section (a)(1) to export items that are not sub-
3 ject to the requirements of chapter 6 to a stra-
4 tegic United States ally, and, as appropriate,
5 other major United States allies for any pur-
6 pose other than the purpose described in para-
7 graph (1) is not more than 30 days from the
8 date of receipt of the application.

9 (2) PRIORITY FOR APPLICATIONS FOR EXPORT
10 OF U.S.-ORIGIN EQUIPMENT.—In meeting the goals
11 established by this section, the Secretary shall
12 prioritize the processing of applications for licenses
13 and agreements necessary for the export of United
14 States-origin equipment over applications for Manu-
15 facturing License Agreements.

16 (d) REPORT.—Not later than 180 days after the date
17 of the enactment of this Act, and not later than 1 year
18 thereafter, the Secretary shall submit to the appropriate
19 congressional committees a report that contains a detailed
20 description of—

21 (1)(A) the average processing time for and
22 number of applications described in subsection
23 (a)(1) to—

24 (i) a strategic United States ally;

25 (ii) a major United States ally; and

1 (iii) any other country; and

2 (B) to the extent practicable, the average proc-
3 essing time for and number of applications described
4 in subsection (b)(1) by item category;

5 (2) the average processing time for and number
6 of applications described in subsection (a)(2);

7 (3) the average processing time for and number
8 of applications for agreements described in part 124
9 of title 22, Code of Federal Regulations (relating to
10 the International Traffic in Arms Regulations),
11 other than Manufacturing License Agreements;

12 (4) the average processing times for applica-
13 tions for Manufacturing License Agreements;

14 (5) any management decisions of the Direc-
15 torate of Defense Trade Controls of the Department
16 of State that have been made in response to data
17 contained in paragraphs (1) through (3); and

18 (6) any advances in technology that will allow
19 the time-frames described in subsection (a)(1) to be
20 substantially reduced.

21 (e) CONGRESSIONAL BRIEFINGS.—If, at the end of
22 any month beginning after the date of the enactment of
23 this Act, the total number of applications described in sub-
24 section (a)(1) that are unprocessed is more than 7 percent
25 of the total number of such applications submitted in the

1 preceding calendar year, then the Secretary shall ensure
2 that the Assistant Secretary for Political-Military Affairs
3 shall brief the appropriate congressional committees on
4 such matters and the corrective measures that will be
5 taken to comply with the requirements of subsection (a).

6 (f) TRANSPARENCY OF COMMODITY JURISDICTION
7 DETERMINATIONS.—

8 (1) IN GENERAL.—To the maximum extent
9 practicable, commodity jurisdiction determinations
10 made as the appropriate controls to be applied to
11 commodities shall be made public.

12 (2) PUBLICATION ON DEPARTMENT OF STATE'S
13 INTERNET WEBSITE.—The Secretary shall—

14 (A) publish a commodity jurisdiction deter-
15 mination referred to in paragraph (1) on the
16 Internet website of the Department of State not
17 later than 30 days after the date of the deter-
18 mination, which includes—

19 (i) the name of the manufacturer of
20 the item;

21 (ii) a brief general description of the
22 item;

23 (iii) the model or part number of the
24 item; and

1 (iv) the designation under which the
2 item has been designated, except that—

3 (I) the name of the person or
4 business organization that sought the
5 commodity jurisdiction determination
6 shall not be published if the person or
7 business organization is not the man-
8 ufacturer of the item; and

9 (II) the names of the customers,
10 the price of the item, and any propri-
11 etary information relating to the item
12 indicated by the person or business
13 organization that sought the com-
14 modity jurisdiction determination
15 shall not be published; and

16 (B) maintain on the Internet website of
17 the Department of State an archive, that is ac-
18 cessible to the general public and other depart-
19 ments and agencies of the United States, of the
20 information published under subparagraph (A).

21 (g) RULE OF CONSTRUCTION.—Nothing in this sec-
22 tion shall be construed to prohibit the President from un-
23 dertaking a thorough review of the national security and
24 foreign policy implications of a proposed export of items
25 on the United States Munitions List.

1 **SEC. 4406. AVAILABILITY OF INFORMATION ON THE STATUS**
2 **OF LICENSE APPLICATIONS.**

3 (a) IN GENERAL.—The Secretary shall make avail-
4 able to persons who have pending license applications
5 under this chapter and the appropriate congressional com-
6 mittees the ability to access electronically current informa-
7 tion on the status of each license application required to
8 be submitted under this chapter.

9 (b) MATTERS TO BE INCLUDED.—The information
10 referred to in subsection (a) shall be limited to the fol-
11 lowing:

12 (1) The case number of the license application.

13 (2) The date on which the license application is
14 received by the Department of State and becomes an
15 “open application”.

16 (3) The date on which the Directorate of De-
17 fense Trade Controls makes a determination with re-
18 spect to the license application or transmits it for
19 interagency review, if required.

20 (4) The date on which the interagency review
21 process for the license application is completed, if
22 such a review process is required.

23 (5) The date on which the Department of State
24 begins consultations with the appropriate congress-
25 sional committees with respect to the license applica-
26 tion.

1 (6) The date on which the license application is
2 sent to the appropriate congressional committees.

3 **SEC. 4407. REQUIREMENT TO ENSURE ADEQUATE STAFF**
4 **AND RESOURCES FOR THE DIRECTORATE OF**
5 **DEFENSE TRADE CONTROLS OF THE DEPART-**
6 **MENT OF STATE.**

7 (a) REQUIREMENT.—The Secretary shall ensure that
8 there are the necessary staff and resources to carry out
9 this subtitle.

10 (b) MINIMUM NUMBER OF LICENSING OFFICERS.—
11 The Secretary should ensure that there is at least 1 licens-
12 ing officer for every 1,250 applications for licenses and
13 other authorizations to export items on the United States
14 Munitions List or successor list.

15 (c) MINIMUM NUMBER OF STAFF FOR COMMODITY
16 JURISDICTION DETERMINATIONS.—The Secretary shall
17 ensure that the Directorate of Defense Trade Controls
18 has, to the extent practicable, not less than three individ-
19 uals assigned to review applications for commodity juris-
20 diction determinations.

21 **SEC. 4408. OVERSEAS MANAGEMENT OF ASSISTANCE AND**
22 **SALES PROGRAMS.**

23 (a) IN GENERAL.—In order to carry out the Presi-
24 dent's responsibilities for the management of international
25 security assistance programs conducted under this title,

1 the President may assign members of the United States
2 Armed Forces, personnel of the Department of Defense,
3 the Department of State, or any other Federal agency,
4 to a foreign country to perform one or more of the fol-
5 lowing functions:

6 (1) Equipment and services case management.

7 (2) Training management.

8 (3) Program monitoring.

9 (4) Evaluation and planning of the host govern-
10 ment's military capabilities and requirements.

11 (5) Administrative support.

12 (6) Promoting rationalization, standardization,
13 interoperability, and other defense cooperation meas-
14 ures.

15 (7) Liaison functions exclusive of advisory and
16 training assistance.

17 (b) ADVISORY AND TRAINING ASSISTANCE.—Advi-
18 sory and training assistance conducted by military per-
19 sonnel assigned under this section shall be kept to an ab-
20 solute minimum. It is the sense of Congress that advisory
21 and training assistance conducted in countries to which
22 military personnel are assigned under this section should
23 be provided primarily by other personnel who are not as-
24 signed under this section and who are detailed for limited
25 periods to perform specific tasks.

1 (c) LIMITATION ON NUMBER OF UNITED STATES
2 ARMED FORCES MEMBERS.—

3 (1) LIMITATION.—

4 (A) IN GENERAL.—Except as provided in
5 subparagraph (C), the number of members of
6 the United States Armed Forces assigned to a
7 foreign country under this section in a fiscal
8 year may not exceed 12 unless specifically au-
9 thorized by Congress.

10 (B) WAIVER.—The President may waive
11 the limitation in subparagraph (A) with respect
12 to the number of members of the United States
13 Armed Forces assigned to a foreign country if
14 the President determines and reports to the ap-
15 propriate congressional committees 30 days
16 prior to the introduction of the additional mem-
17 bers of the United States Armed Forces in the
18 foreign country, that United States national in-
19 terests require that more than 12 members of
20 the United States Armed Forces be assigned
21 under this section to carry out international se-
22 curity assistance programs in the foreign coun-
23 try.

24 (C) EXEMPTED COUNTRIES.—The limita-
25 tion in subparagraph (A) shall not apply with

1 respect to Pakistan, Tunisia, El Salvador, Hon-
2 duras, Israel, Colombia, Indonesia, the Republic
3 of Korea, the Philippines, Thailand, Egypt, Jor-
4 dan, Morocco, Saudi Arabia, Greece, Portugal,
5 Spain, and Turkey.

6 (2) CONGRESSIONAL BUDGET JUSTIFICA-
7 TION.—The total number of members of the United
8 States Armed Forces assigned to a foreign country
9 under this section in a fiscal year may not exceed
10 the number justified to Congress for that country in
11 the congressional budget justification documents for
12 that fiscal year, unless the appropriate congressional
13 committees are notified 30 days in advance of the
14 introduction of the additional members of the United
15 States Armed Forces.

16 (d) COSTS.—The entire costs (excluding salaries of
17 members of the United States Armed Forces (other than
18 the Coast Guard)) of overseas management of inter-
19 national security assistance programs under this section
20 shall be charged to or reimbursed from funds made avail-
21 able to carry out this chapter, other than any such costs
22 which are either paid directly for such defense services
23 under section 4311 or reimbursed from charges for serv-
24 ices collected from foreign governments pursuant to sec-
25 tion 4311 and section 4402.

1 (e) SUPERVISION OF CHIEF OF DIPLOMATIC MIS-
2 SION.—Members of the United States Armed Forces as-
3 signed to a foreign country under this section shall serve
4 under the direction and supervision of the Chief of the
5 United States Diplomatic Mission to that country.

6 (f) GUIDANCE REGARDING PURCHASES.—The Presi-
7 dent shall continue to instruct United States diplomatic
8 and military personnel in United States missions that such
9 personnel should not encourage, promote, or influence the
10 purchase by any foreign country of United States-made
11 military equipment, unless such personnel are specifically
12 instructed to do so by an appropriate official of the execu-
13 tive branch.

14 **SEC. 4409. DESIGNATION OF MAJOR UNITED STATES AL-**
15 **LIES.**

16 (a) NOTICE TO CONGRESS.—The President shall no-
17 tify Congress in writing at least 30 days before—

- 18 (1) designating a country as a major United
19 States ally for purposes of this Act; or
20 (2) terminating such a designation.

21 (b) INITIAL DESIGNATIONS.—Egypt, Argentina,
22 Pakistan, Bahrain, the Philippines, Jordan, Thailand, Ku-
23 wait, and Morocco shall be deemed to have been so des-
24 ignated by the President as of the date of the enactment

1 of this Act, and the President is not required to notify
2 Congress of such designation of those countries.

3 **SEC. 4410. DEPLETED URANIUM AMMUNITION.**

4 (a) PROHIBITION.—Except as provided in subsection
5 (b), none of the funds made available to carry out this
6 Act or any other Act may be made available to facilitate
7 in any way the sale of M833 or M900 antitank shells or
8 any comparable antitank shells containing a depleted ura-
9 nium penetrating component to any country other than
10 a country that is a strategic United States ally.

11 (b) EXCEPTION.—The prohibition in subsection (a)
12 shall not apply with respect to the use of funds to facilitate
13 the sale of antitank shells to a country if the President
14 determines that to do so is in the national security interest
15 of the United States.

16 **SEC. 4411. DEFINITIONS.**

17 In this title:

18 (1) APPROPRIATE CONGRESSIONAL COMMIT-
19 TEES.—The term “appropriate congressional com-
20 mittees” means—

21 (A) the Committee on Foreign Affairs and
22 the Committee on Appropriations of the House
23 of Representatives; and

1 (B) the Committee on Foreign Relations
2 and the Committee on Appropriations of the
3 Senate.

4 (2) CASH FLOW FINANCING.—The term “cash
5 flow financing” means the dollar amount of the dif-
6 ference between the total estimated price of a Letter
7 of Offer and Acceptance or other purchase agree-
8 ment that has been approved for financing under
9 this title and the amount of the financing that has
10 been approved therefor.

11 (3) CATEGORY I SPACE LAUNCH VEHICLE SYS-
12 TEM.—The term “Category I space launch vehicle
13 system” means a category I system as defined in the
14 MTCR Annex for the launching of payloads into
15 outer space, as well as the specially designed produc-
16 tion facilities for these systems.

17 (4) DEFENSE ARTICLE.—

18 (A) IN GENERAL.—The term “defense arti-
19 cle”—

20 (i) includes—

21 (I) any weapon, weapons system,
22 munition, aircraft, vessel, boat, or
23 other implement of war and related
24 technical data;

1 (II) any property, installation,
2 commodity, material, equipment, sup-
3 ply, or goods used for the purposes of
4 making military sales;

5 (III) any machinery, facility, tool,
6 material, supply, or other item nec-
7 essary for the manufacture, produc-
8 tion, processing, repair, servicing,
9 storage, construction, transportation,
10 operation, or use of any article listed
11 in this paragraph; and

12 (IV) any significant component
13 or part of any article listed in this
14 paragraph that has been specifically
15 designed or significantly modified for
16 a military application; but

17 (ii) does not include—

18 (I) merchant vessels; or

19 (II) source material (except ura-
20 nium depleted in the isotope 235
21 which is incorporated in defense arti-
22 cles solely to take advantage of high
23 density or pyrophoric characteristics
24 unrelated to radioactivity), byproduct
25 material, special nuclear material,

1 production facilities, utilization facili-
2 ties, or atomic weapons or articles in-
3 volving Restricted Data, as defined by
4 the Atomic Energy Act of 1954.

5 (B) ADDITIONAL TERMS.—In subpara-
6 graph (A)(i)(IV)—

7 (i) the term “significant component or
8 part” means a component or part that is
9 essential to a military function; and

10 (ii) the term “significantly modified”
11 means a modification that constitutes an
12 alteration of 25 percent or greater of the
13 component or part from a non-military
14 version.

15 (5) DEFENSE SERVICE.—

16 (A) IN GENERAL.—The term “defense
17 service”—

18 (i) includes any service, test, inspec-
19 tion, repair, training, publication, technical
20 or other assistance, or defense information
21 used for the purposes of making military
22 sales; but

23 (ii) does not include design and con-
24 struction services under section 4311.

1 (B) ADDITIONAL TERM.—In subparagraph
2 (A)(i), the term “defense information” includes
3 any document, writing, sketch, photograph,
4 plan, model, specification, design, prototype, or
5 other recorded or oral information relating to
6 any defense article or defense service, but does
7 not include Restricted Data as defined by the
8 Atomic Energy Act of 1954 and data removed
9 from the Restricted Data category under sec-
10 tion 142d of that Act.

11 (6) DESIGN AND CONSTRUCTION SERVICES.—
12 The term “design and construction services” means,
13 with respect to sales under section 4251, the design
14 and construction of real property facilities, including
15 necessary construction equipment and materials, en-
16 gineering services, construction contract manage-
17 ment services relating thereto, and technical advi-
18 sory assistance in the operation and maintenance of
19 real property facilities provided or performed by the
20 Department of Defense or by a contractor pursuant
21 to a contract with such department or agency.

22 (7) END ITEM.—The term “end item” means
23 an assembled article that is ready for its intended
24 use and for which only ammunition, fuel, or another

1 energy source is required to place the item in its op-
2 erating state.

3 (8) EXCESS DEFENSE ARTICLE.—The term
4 “excess defense article” means defense articles
5 (other than construction equipment, including trac-
6 tors, scrapers, loaders, graders, bulldozers, dump
7 trucks, generators, and compressors) owned by the
8 United States Government, and not procured in an-
9 ticipation of security assistance or sales require-
10 ments, or pursuant to a security assistance or sales
11 order, which is in excess of the Approved Force Ac-
12 quisition Objective and Approved Force Retention
13 Stock of all Department of Defense Components at
14 the time such articles are dropped from inventory by
15 the supplying agency for delivery to countries or
16 international organizations under this Act.

17 (9) INCENTIVE PAYMENTS.—The term “incen-
18 tive payments” means direct monetary compensation
19 made by a United States supplier of defense articles
20 or defense services or by any employee, agent, or
21 subcontractor thereof to any other United States
22 person to induce or persuade that United States per-
23 son to purchase or acquire goods or services pro-
24 duced, manufactured, grown, or extracted, in whole
25 or in part, in the foreign country which is pur-

1 chasing those defense articles or defense services
2 from the United States supplier.

3 (10) MAJOR DEFENSE EQUIPMENT.—The term
4 “major defense equipment” means any item of sig-
5 nificant military equipment on the United States
6 Munitions List having a nonrecurring research and
7 development cost of more than \$50,000,000 or a
8 total production cost of more than \$200,000,000.

9 (11) MAJOR UNITED STATES ALLY.—The term
10 “major United States ally” means a country that is
11 designated in accordance with section 4409 as a
12 major United States ally for purposes of this Act.

13 (12) NATO/SHAPE PROJECT.—The term
14 “NATO/SHAPE project” means a common-funded
15 project supported by allocated credits from North
16 Atlantic Treaty Organization bodies or by host na-
17 tions with NATO Infrastructure funds.

18 (13) NUCLEAR EXPLOSIVE DEVICE.—The term
19 “nuclear explosive device” has the meaning given
20 that term in section 830(4) of the Nuclear Prolifera-
21 tion Prevention Act of 1994.

22 (14) OFFSET AGREEMENT.—The term “offset
23 agreement” means an agreement, arrangement, or
24 understanding between a United States supplier of
25 defense articles or defense services and a foreign

1 country under which the supplier agrees to purchase
2 or acquire, or to promote the purchase or acquisition
3 by other United States persons of, goods or services
4 produced, manufactured, grown, or extracted, in
5 whole or in part, in that foreign country in consider-
6 ation for the purchase by the foreign country of de-
7 fense articles or defense services from the supplier.

8 (15) SECURITY ASSISTANCE SURVEY.—The
9 term “security assistance survey” means any survey
10 or study conducted in a foreign country by United
11 States Government personnel for the purpose of as-
12 sessing the needs of that country for security assist-
13 ance, and includes defense requirement surveys, site
14 surveys, general surveys or studies, and engineering
15 assessment surveys.

16 (16) SIGNIFICANT MILITARY EQUIPMENT.—The
17 term “significant military equipment” means arti-
18 cles—

19 (A) for which special export controls are
20 warranted because of the capacity of such arti-
21 cles for substantial military utility or capability;
22 and

23 (B) identified on the United States Muni-
24 tions List.

1 (17) SMALL ARM OR LIGHT WEAPON.—The
2 term “small arm or light weapon” means—

3 (A) an item listed in Category I(a) of the
4 United States Munitions List,

5 (B) an item listed in Category III (as it
6 applies to Category I(a)) of the United States
7 Munitions List, or

8 (C) a grenade listed in Category IV(a) of
9 the United States Munitions List,
10 that requires a license for international export under
11 this title.

12 (18) STRATEGIC UNITED STATES ALLY.—The
13 term “strategic United States ally” means any mem-
14 ber country of the North Atlantic Treaty Organiza-
15 tion (NATO), Australia, Israel, Japan, the Republic
16 of Korea, or New Zealand.

17 (19) TRAINING.—The term “training” includes
18 formal or informal instruction of foreign students in
19 the United States or overseas by officers or employ-
20 ees of the United States, contract technicians, or
21 contractors (including instruction at civilian institu-
22 tions), or by correspondence courses, technical, edu-
23 cational, or information publications and media of
24 all kinds, training aid, orientation, training exercise,

1 and military advice to foreign military units and
2 forces.

3 (20) UNITED STATES.—The term “United
4 States”, when used geographically, means the sev-
5 eral States, the District of Columbia, the Common-
6 wealth of Puerto Rico, the Commonwealth of the
7 Northern Mariana Islands, and any territory or pos-
8 session of the United States.

9 (21) VALUE.—The term “value” means, in the
10 case of an excess defense article, except as otherwise
11 provided in section 4311(a), not less than the great-
12 er of—

13 (A) the gross cost incurred by the United
14 States Government in repairing, rehabilitating,
15 or modifying such article, plus the scrap value;
16 or

17 (B) the market value, if ascertainable.

18 (22) WEAPON SYSTEM PARTNERSHIP AGREE-
19 MENT.—The term “weapon system partnership
20 agreement” means an agreement between two or
21 more member countries of the Maintenance and
22 Supply Agency of the North Atlantic Treaty Organi-
23 zation that—

1 (A) is entered into pursuant to the terms
 2 of the Charter of the North Atlantic Treaty Or-
 3 ganization; and

4 (B) is for the common logistic support of
 5 a specific weapon system common to the par-
 6 ticipating countries.

7 (23) WEAPONS OF MASS DESTRUCTION.—The
 8 term “weapons of mass destruction” has the mean-
 9 ing given such term in section 1403(1) of the De-
 10 fense Against Weapons of Mass Destruction Act of
 11 1996 (title XIV of Public Law 104–201; 110 Stat.
 12 2717; 50 U.S.C. 2302(1)).

13 **TITLE V—COUNTERING**
 14 **TRANSNATIONAL THREATS**
 15 **Subtitle A—Nonproliferation**
 16 **Authorities**

17 **CHAPTER 1—NUCLEAR**
 18 **NONPROLIFERATION**

19 **SEC. 5111. AUTHORIZATION OF ASSISTANCE TO PROHIBIT**
 20 **THE PROLIFERATION OF NUCLEAR, CHEM-**
 21 **ICAL, AND BIOLOGICAL WEAPONS.**

22 (a) AUTHORIZATION OF ASSISTANCE.—The Presi-
 23 dent is authorized to provide, on such terms and condi-
 24 tions as the President may determine, foreign assistance

1 to any country or organization in order to carry out the
2 purposes described in subsection (b).

3 (b) PURPOSES.—The purposes of assistance under
4 this section are to prohibit the proliferation of nuclear,
5 chemical, and biological weapons and the means to deliver
6 such weapons, through support of activities designed—

7 (1) to enhance the nonproliferation capabilities
8 of a country or organization by providing training
9 and equipment to detect, deter, monitor, interdict,
10 and counter proliferation;

11 (2) to strengthen the bilateral ties of the United
12 States with a country or organization by offering as-
13 sistance in this area of vital national security inter-
14 est;

15 (3) to accomplish the activities and objectives
16 set forth in sections 503 and 504 of the FREEDOM
17 Support Act (22 U.S.C. 5853 and 5854), without re-
18 gard to the limitation of those sections to the inde-
19 pendent states of the former Soviet Union; and

20 (4) to promote multilateral activities, including
21 cooperation with international organizations, relating
22 to nonproliferation.

23 (c) ACTIVITIES SUPPORTED.—Assistance under this
24 section may include training services and the provision of
25 funds, equipment, and other commodities related to the

1 detection, deterrence, monitoring, interdiction, and pre-
2 vention or countering of proliferation, the establishment
3 of effective nonproliferation laws and regulations, and the
4 apprehension of those individuals involved in acts of pro-
5 liferation of such weapons.

6 **SEC. 5112. EDUCATION AND TRAINING TO ENHANCE NON-**
7 **PROLIFERATION AND EXPORT CONTROL CA-**
8 **PABILITIES.**

9 (a) IN GENERAL.—The Secretary is authorized to
10 provide education and training to appropriate military and
11 civilian personnel of foreign countries for the purpose of
12 enhancing the nonproliferation and export control capa-
13 bilities of such personnel through their attendance in spe-
14 cial courses of instruction conducted by the United States.
15 Such education and training may be provided on such
16 terms and conditions as the Secretary may determine and
17 consistent with this subtitle but whenever feasible on a re-
18 imbursable basis.

19 (b) ADMINISTRATION OF COURSES.—The Secretary
20 shall have overall responsibility for the development and
21 conduct of international nonproliferation education and
22 training programs under this section, and may utilize
23 other Federal agencies, as appropriate, to recommend per-
24 sonnel for the education and training programs and to ad-
25 minister specific courses of instruction.

1 (c) PURPOSES.—Education and training activities
2 conducted under this section shall be—

3 (1) of a technical nature, emphasizing tech-
4 niques for detecting, deterring, monitoring, inter-
5 dicting, and countering proliferation;

6 (2) designed to encourage effective and mutu-
7 ally beneficial relations and increased understanding
8 between the United States and other countries; and

9 (3) designed to improve the ability of other
10 countries to utilize their resources with maximum ef-
11 fectiveness, thereby contributing to greater self-reli-
12 ance by such countries.

13 (d) PRIORITY TO CERTAIN COUNTRIES.—In selecting
14 personnel for education and training programs under this
15 section, priority should be given to personnel from coun-
16 tries determined by the Secretary to be countries fre-
17 quently transited by proliferation-related shipments of
18 cargo.

19 **SEC. 5113. OPPOSITION OF WITHDRAWAL FROM TREATY ON**
20 **THE NON-PROLIFERATION OF NUCLEAR**
21 **WEAPONS.**

22 (a) STATEMENT OF POLICY.—It is the policy of the
23 United States to oppose the withdrawal of any country
24 that is a party to the Treaty on the Non-Proliferation of
25 Nuclear Weapons (hereinafter in this section referred to

1 as the “Treaty”) and to use all political, economic, and
2 diplomatic means at its disposal to deter, prevent, and
3 sanction any such withdrawal from the Treaty.

4 (b) LIMITATION ON ASSISTANCE.—

5 (1) IN GENERAL.—Notwithstanding any other
6 provision of law, no foreign assistance (other than
7 humanitarian assistance) under any provision of law
8 may be provided to a country that has withdrawn
9 from the Treaty.

10 (2) WAIVER.—The President may waive the re-
11 quirements of paragraph (1) on a case-by-case basis
12 if the President determines and notifies the appro-
13 priate congressional committees that such waiver is
14 in the vital national security interest of the United
15 States.

16 (c) RETURN OF ALL UNITED STATES-ORIGIN MATE-
17 RIALS AND EQUIPMENT.—The United States shall seek
18 the return of any material, equipment or components
19 transferred under an Agreement for Civil Nuclear Co-
20 operation that is in force pursuant to the authority of sec-
21 tion 123 of the Atomic Energy Act of 1954 on or after
22 the date of the enactment of this Act, and any special fis-
23 sionable material produced through the use of such mate-
24 rial, equipment or components, previously provided to a
25 country that withdraws from the Treaty.

1 **SEC. 5114. MATTERS RELATING TO INTERNATIONAL ATOM-**
2 **IC ENERGY AGENCY.**

3 (a) PAYMENT OF UNITED STATES DUES.—Not later
4 than January 31, 2014, and January 31 of each suc-
5 ceeding year, the United States shall pay its full assessed
6 contribution to the regular operating budget of the Inter-
7 national Atomic Energy Agency (IAEA).

8 (b) ADDITIONAL PROTOCOL AS A CRITERION FOR
9 UNITED STATES ASSISTANCE.—

10 (1) STATEMENT OF POLICY.—It is the policy of
11 the United States to ensure that each country that
12 is a party to the Treaty on the Non-Proliferation of
13 Nuclear Weapons should bring into force an Addi-
14 tional Protocol to its safeguards agreement with the
15 IAEA.

16 (2) CRITERION FOR ASSISTANCE.—The United
17 States shall, when considering the provision of as-
18 sistance under this Act, take into consideration
19 whether the proposed recipient has in force an Addi-
20 tional Protocol to its safeguards agreement with the
21 IAEA.

22 **SEC. 5115. ARMS CONTROL AND NONPROLIFERATION**
23 **SCHOLARSHIP PROGRAM.**

24 (a) ESTABLISHMENT.—

25 (1) IN GENERAL.—The Secretary shall establish
26 a scholarship program (to be known as the “Arms

1 Control and Nonproliferation Scholarship Program”)
2 to award scholarships for the purpose of recruiting
3 and preparing students for civilian careers in the
4 fields of nonproliferation, arms control, and inter-
5 national security to meet the critical needs of the
6 Department of State.

7 (2) SELECTION OF RECIPIENTS.—

8 (A) MERIT AND DEPARTMENT NEEDS.—

9 Individuals shall be selected to receive scholar-
10 ships under this section through a competitive
11 process primarily on the basis of academic
12 merit and the arms control and nonproliferation
13 needs of the Department of State.

14 (B) DEMONSTRATED COMMITMENT.—Indi-

15 viduals selected under this section shall have a
16 demonstrated interest in public service and a
17 commitment to the field of study for which the
18 scholarship is awarded.

19 (3) CONTRACTUAL AGREEMENTS.—In order to

20 carry out the scholarship program, the Secretary
21 shall enter into contractual agreements with individ-
22 uals selected under paragraph (2) pursuant to which
23 such individuals agree to serve as full-time employ-
24 ees of the Department of State following achieve-
25 ment of the specified degree, for a period to be de-

1 terminated by the Secretary, not to exceed 6 years, in
2 arms control and nonproliferation positions needed
3 by the Department of State and for which the indi-
4 viduals are qualified, in exchange for receiving a
5 scholarship.

6 (b) ELIGIBILITY.—Except as provided in subsection
7 (f), in order to be eligible to participate in the scholarship
8 program, an individual shall—

9 (1) be enrolled or accepted for enrollment as a
10 full-time student at an institution of higher edu-
11 cation and be pursuing or intend to pursue an un-
12 dergraduate or graduate education degree in an aca-
13 demic field or discipline specified in the list made
14 available under subsection (d); and

15 (2) be a United States citizen.

16 (c) APPLICATION.—An individual seeking a scholar-
17 ship under this section shall submit to the Secretary an
18 application at such time, in such manner, and containing
19 such information, agreements, or assurances as the Sec-
20 retary may require.

21 (d) PROGRAMS AND FIELDS OF STUDY.—The Sec-
22 retary shall make publicly available a list of academic pro-
23 grams and fields of study for which scholarships under
24 this section may be awarded.

25 (e) SCHOLARSHIPS.—

1 (1) IN GENERAL.—The Secretary may award a
2 scholarship under this section for an academic year
3 if the individual applying for the scholarship has
4 submitted to the Secretary, as part of the applica-
5 tion required under subsection (c), a proposed aca-
6 demic program leading to a degree in a program or
7 field of study specified on the list made available
8 under subsection (d).

9 (2) LIMITATION ON YEARS.—An individual may
10 not receive a scholarship under this section for more
11 than 4 academic years, unless the Secretary grants
12 a waiver.

13 (3) STUDENT RESPONSIBILITIES.—A scholar-
14 ship recipient shall maintain satisfactory academic
15 progress for purposes of continued participation in
16 the scholarship program.

17 (4) AMOUNT.—The dollar amount of a scholar-
18 ship awarded under this section for an academic
19 year shall be determined under regulations issued by
20 the Secretary, but shall in no case exceed the cost
21 of tuition, fees, and other authorized expenses as de-
22 termined by the Secretary.

23 (5) USE OF SCHOLARSHIPS.—A scholarship
24 awarded under this section may be expended for tui-

1 tion, fees, and other authorized expenses as estab-
2 lished by the Secretary by regulation.

3 (6) PAYMENT TO INSTITUTION OF HIGHER
4 EDUCATION.—The Secretary may enter into a con-
5 tractual agreement with an institution of higher edu-
6 cation under which the amounts provided for a
7 scholarship under this section for tuition, fees, and
8 other authorized expenses are paid directly to the in-
9 stitution with respect to which such scholarship is
10 awarded.

11 (f) SPECIAL CONSIDERATION FOR CURRENT EM-
12 PLOYEES.—Notwithstanding subsection (b), up to 5 per-
13 cent of the scholarships awarded under this section may
14 be set aside for individuals who are Federal employees on
15 the date of the enactment of this Act to enhance the edu-
16 cation of such employees in areas of critical arms control
17 or nonproliferation needs of the Department of State, for
18 undergraduate or graduate education through enrollment
19 in a graduate degree program under the scholarship on
20 a full-time or part-time basis.

21 (g) REPAYMENT.—

22 (1) IN GENERAL.—A scholarship recipient who
23 fails to maintain a high level of academic standing,
24 as defined by the Secretary who is dismissed for dis-
25 ciplinary reasons from the educational institution

1 such recipient is attending, or who voluntarily termi-
2 nates academic training before graduation from the
3 educational program for which the scholarship was
4 awarded shall be in breach of the contractual agree-
5 ment under subsection (a)(3) and, in lieu of any
6 service obligation arising under such agreement,
7 shall be liable to the United States for repayment
8 within 1 year after the date of such default of all
9 scholarship funds paid to such recipient and to the
10 institution of higher education on the behalf of such
11 recipient under such agreement. The repayment pe-
12 riod may be extended by the Secretary if the Sec-
13 retary determines such extension to be necessary, as
14 established by regulation.

15 (2) LIABILITY.—A scholarship recipient who,
16 for any reason, fails to begin or complete the service
17 obligation under the contractual agreement under
18 subsection (a)(3) after completion of academic train-
19 ing, or fails to comply with the terms and conditions
20 of deferment established by the Secretary under
21 paragraph (1), shall be in breach of such contractual
22 agreement and shall be liable to the United States
23 for an amount equal to—

24 (A) the total amount of the scholarship re-
25 ceived by such recipient under this section; and

1 (B) the total amount of interest that would
2 have been payable under a direct unsubsidized
3 loan issued through the Department of Edu-
4 cation's Direct Loan Program.

5 (h) REGULATIONS.—The Secretary shall prescribe
6 regulations necessary to carry out this section.

7 (i) CONVERSION.—The Secretary is authorized to
8 convert the status of a scholarship recipient to a member
9 of the Foreign Service, as defined in section 103 of the
10 Foreign Service Act of 1980, following the successful com-
11 pletion of the period of service described in subsection
12 (a)(3).

13 **SEC. 5116. ARMS CONTROL AND NONPROLIFERATION RO-**
14 **TATION PROGRAM.**

15 (a) ESTABLISHMENT.—The Secretary, in consulta-
16 tion with the heads of other relevant Federal agencies,
17 shall establish the Arms Control and Nonproliferation Ro-
18 tation Program (in this section referred to as the “Rota-
19 tion Program”) for personnel of such agencies. The Rota-
20 tion Program shall use applicable best practices, including
21 those prescribed by the Chief Human Capital Officers
22 Council. Personnel of a relevant Federal agency partici-
23 pating in the Rotation Program may be detailed to any
24 other relevant Federal agency on a nonreimbursable basis.

25 (b) GOALS.—The Rotation Program shall—

1 (1) be established in accordance with the
2 human capital strategic plan of the Department of
3 State;

4 (2) provide midlevel personnel of relevant Fed-
5 eral agencies the opportunity to broaden their
6 knowledge through exposure to other relevant Fed-
7 eral agencies, including to other bureaus and offices
8 of the Department of State;

9 (3) expand the knowledge base of the Depart-
10 ment of State and other relevant Federal agencies;

11 (4) build professional relationships and contacts
12 among employees of relevant Federal agencies;

13 (5) invigorate the Department of State's arms
14 control and nonproliferation workforce with profes-
15 sionally rewarding opportunities; and

16 (6) incorporate human capital strategic plans
17 and activities of the Department of State, and ad-
18 dress critical human capital deficiencies, professional
19 development, recruitment and retention efforts, and
20 succession planning within the Department of State.

21 (c) RESPONSIBILITIES.—The Secretary shall—

22 (1) provide oversight of the establishment and
23 implementation of the Rotation Program;

1 (2) establish a framework that supports the
2 goals of the Rotation Program and promotes cross
3 disciplinary rotational opportunities;

4 (3) establish eligibility for personnel of other
5 relevant agencies to participate in the Rotation Pro-
6 gram and select participants from among the appli-
7 cants;

8 (4) establish incentives for personnel to partici-
9 pate in the Rotation Program, including through
10 promotions and employment preferences;

11 (5) ensure that the Rotation Program provides
12 professional education and training;

13 (6) ensure that the Rotation Program develops
14 qualified employees and future leaders with broad
15 based experience throughout the Department of
16 State; and

17 (7) provide for greater interaction among em-
18 ployees of relevant Federal agencies.

19 (d) ALLOWANCES, PRIVILEGES, AND BENEFITS.—All
20 allowances, privileges, rights, seniority, and other benefits
21 of personnel participating in the Rotation Program shall
22 be preserved.

23 (e) REPORTING.—Not later than 1 year after the
24 date of the establishment of the Rotation Program, the
25 Secretary shall submit to the appropriate congressional

1 committees and the Committee on Armed Services of the
2 House of Representatives and the Committee on Armed
3 Services of the Senate a report on the status of the Rota-
4 tion Program, including a description of the Rotation Pro-
5 gram, the number of individuals participating, and how
6 the Rotation Program is used in succession planning and
7 leadership development.

8 (f) DEFINITION.—For the purposes of this section,
9 the term “relevant Federal agency” means the Depart-
10 ment of State and any other Federal agency that is in-
11 volved in United States arms control and nonproliferation
12 activities.

13 **CHAPTER 2—MISSILE**

14 **NONPROLIFERATION**

15 **SEC. 5121. LICENSING.**

16 (a) ESTABLISHMENT OF LIST OF CONTROLLED
17 ITEMS.—The Secretary, in consultation with the Secretary
18 of Defense and the heads of other appropriate Federal
19 agencies, shall establish and maintain, as part of the
20 United States Munitions List, a list of all items on the
21 Missile Technology Control Regime (MTCR) Annex the
22 export of which is not controlled under section 6(l) of the
23 Export Administration Act of 1979 (as continued in effect
24 under the International Emergency Economic Powers
25 Act).

1 (b) REFERRAL OF LICENSE APPLICATIONS.—

2 (1) IN GENERAL.—A determination of the Sec-
3 retary to approve a license for the export of an item
4 on the list established under subsection (a) may be
5 made only after the license application is referred to
6 the Secretary of Defense.

7 (2) COORDINATION.—Not later than 10 days
8 after a license is issued for the export of an item on
9 the list established under subsection (a), the Sec-
10 retary shall provide to the Secretary of Defense and
11 the Secretary of Commerce the license application
12 and accompanying documents issued to the appli-
13 cant, to the extent that the relevant Secretary indi-
14 cates the need to receive such application and docu-
15 ments.

16 (c) INFORMATION SHARING.—The Secretary shall es-
17 tablish a procedure for sharing information with appro-
18 priate officials of the intelligence community, as deter-
19 mined by the Director of National Intelligence, and with
20 other appropriate Federal departments and agencies, that
21 will ensure effective monitoring of transfers of MTCR
22 equipment or technology and other missile technology.

23 (d) EXPORTS TO SPACE LAUNCH VEHICLE PRO-
24 GRAMS.—Not later than 15 days after the issuance of a
25 license (including any brokering license) for the export of

1 items valued at less than \$50,000,000 that are controlled
2 under this Act pursuant to United States obligations
3 under the MTCR and are goods or services that are in-
4 tended to support the design, utilization, development, or
5 production of a space launch vehicle system listed in Cat-
6 egory I of the MTCR Annex, the Secretary shall transmit
7 to the Congress a report describing the licensed export and
8 rationale for approving such export, including the consist-
9 ency of such export with United States missile non-
10 proliferation policy. The requirement contained in the pre-
11 ceding sentence shall not apply to licenses for exports to
12 countries that were members of the MTCR as of April
13 17, 1987.

14 **SEC. 5122. DENIAL OF THE TRANSFER OF MISSILE EQUIP-**
15 **MENT OR TECHNOLOGY BY UNITED STATES**
16 **PERSONS.**

17 (a) SANCTIONS.—

18 (1) IN GENERAL.—If the President determines
19 that a United States person knowingly—

20 (A) exports, transfers, or otherwise en-
21 gages in the trade of any item on the MTCR
22 Annex, in violation of the provisions of section
23 4311 of this Act, section 5 or 6 of the Export
24 Administration Act of 1979 (as continued in ef-
25 fect under the International Emergency Eco-

1 nomic Powers Act), or any regulations or orders
2 issued under any such provisions of law,

3 (B) conspires to or attempts to engage in
4 such export, transfer, or trade, or

5 (C) facilitates such export, transfer, or
6 trade by any other person,

7 then the President shall impose the applicable sanc-
8 tions described in paragraph (2).

9 (2) APPLICABLE SANCTIONS.—The sanctions
10 which apply to a United States person under para-
11 graph (1) are the following:

12 (A) If the item on the MTCR Annex in-
13 volved in the export, transfer, or trade is missile
14 equipment or technology within category II of
15 the MTCR Annex, then the President shall
16 deny to such United States person for a period
17 of 2 years—

18 (i) United States Government con-
19 tracts relating to missile equipment or
20 technology; and

21 (ii) licenses for the transfer of missile
22 equipment or technology controlled under
23 this Act.

24 (B) If the item on the MTCR Annex in-
25 volved in the export, transfer, or trade is missile

1 equipment or technology within category I of
2 the MTCR Annex, then the President shall
3 deny to such United States person for a period
4 of not less than 2 years—

5 (i) all United States Government con-
6 tracts, and

7 (ii) all export licenses and agreements
8 for items on the United States Munitions
9 List.

10 (b) DISCRETIONARY SANCTIONS.—In the case of any
11 determination made pursuant to subsection (a), the Presi-
12 dent may pursue any penalty provided in section 4372.

13 (c) PRESUMPTION.—In determining whether to apply
14 sanctions under subsection (a) to a United States person
15 involved in the export, transfer, or trade of an item on
16 the MTCR Annex, it should be a rebuttable presumption
17 that such item is designed for use in a missile listed in
18 the MTCR Annex if the President determines that the
19 final destination of the item is a country the government
20 of which the Secretary has determined, for purposes of
21 6(j)(1)(A) of the Export Administration Act of 1979 (as
22 continued in effect under the International Emergency
23 Economic Powers Act), has repeatedly provided support
24 for acts of international terrorism (as such term is defined
25 in section 10401(h)).

1 (d) WAIVER.—The President may waive the imposi-
2 tion of sanctions under subsection (a) with respect to a
3 product or service if the President certifies to Congress
4 that—

5 (1) the product or service is essential to the na-
6 tional security of the United States; and

7 (2) such person is a sole source supplier of the
8 product or service, the product or service is not
9 available from any alternative reliable supplier, and
10 the need for the product or service cannot be met in
11 a timely manner by improved manufacturing proc-
12 esses or technological developments.

13 **SEC. 5123. TRANSFERS OF MISSILE EQUIPMENT OR TECH-**
14 **NOLOGY BY FOREIGN PERSONS.**

15 (a) SANCTIONS.—

16 (1) IN GENERAL.—Subject to subsections (c)
17 through (g), if the President determines that a for-
18 eign person, after the date of the enactment of this
19 Act, knowingly—

20 (A) exports, transfers, or otherwise en-
21 gages in the trade of any MTCR equipment or
22 technology that contributes to the acquisition,
23 design, development, or production of missiles
24 in a country that is not an MTCR adherent and
25 would be, if it were United States-origin equip-

1 ment or technology, subject to the jurisdiction
2 of the United States under this Act,

3 (B) conspires to or attempts to engage in
4 such export, transfer, or trade, or

5 (C) facilitates such export, transfer, or
6 trade by any other person,

7 or if the President has made a determination with
8 respect to a foreign person under section 11B(b)(1)
9 of the Export Administration Act of 1979 (as con-
10 tinued in effect under the International Emergency
11 Economic Powers Act), then the President shall im-
12 pose on that foreign person the applicable sanctions
13 described in paragraph (2).

14 (2) APPLICABLE SANCTIONS.—The sanctions
15 which apply to a foreign person under paragraph (1)
16 are the following:

17 (A) If the item involved in the export,
18 transfer, or trade is within category II of the
19 MTCR Annex, then the President shall deny,
20 for a period of 2 years—

21 (i) United States Government con-
22 tracts relating to missile equipment or
23 technology; and

1 (ii) licenses for the transfer to such
2 foreign person of missile equipment or
3 technology controlled under this Act.

4 (B) If the item involved in the export,
5 transfer, or trade is within category I of the
6 MTCR Annex, then the President shall deny,
7 for a period of not less than 2 years—

8 (i) all United States Government con-
9 tracts with such foreign person; and

10 (ii) licenses for the transfer to such
11 foreign person of all items on the United
12 States Munitions List.

13 (C) If, in addition to actions taken under
14 subparagraphs (A) and (B), the President de-
15 termines that the export, transfer, or trade has
16 substantially contributed to the design, develop-
17 ment, or production of missiles in a country
18 that is not an MTCR adherent, then the Presi-
19 dent shall prohibit, for a period of not less than
20 2 years, the importation into the United States
21 of products produced by that foreign person.

22 (b) INAPPLICABILITY WITH RESPECT TO MTCR AD-
23 HERENTS.—Subsection (a) does not apply with respect
24 to—

1 (1) any export, transfer, or trading activity that
2 is authorized by the laws of an MTCR adherent, if
3 such authorization is not obtained by misrepresenta-
4 tion or fraud; or

5 (2) any export, transfer, or trade of an item to
6 an end user in a country that is an MTCR adherent.

7 (c) EFFECT OF ENFORCEMENT ACTIONS BY MTCR
8 ADHERENTS.—Sanctions set forth in subsection (a) may
9 not be imposed under this section on a person with respect
10 to acts described in such subsection or, if such sanctions
11 are in effect against a person on account of such acts,
12 such sanctions shall be terminated, if an MTCR adherent
13 is taking judicial or other enforcement action against that
14 person with respect to such acts, or that person has been
15 found by the government of an MTCR adherent to be in-
16 nocent of wrongdoing with respect to such acts, and if the
17 President certifies to the appropriate congressional com-
18 mittees that—

19 (1) for any judicial or other enforcement action
20 taken by the MTCR adherent, such action has—

21 (A) been comprehensive; and

22 (B) been performed to the satisfaction of
23 the United States; and

1 (2) with respect to any finding of innocence of
2 wrongdoing, the United States is satisfied with the
3 basis for such finding.

4 (d) ADVISORY OPINIONS.—The Secretary, in con-
5 sultation with the Secretary of Defense and the Secretary
6 of Commerce, may, upon the request of any person, issue
7 an advisory opinion to that person as to whether a pro-
8 posed activity by that person would subject that person
9 to sanctions under this section. Any person who relies in
10 good faith on such an advisory opinion which states that
11 the proposed activity would not subject a person to such
12 sanctions, and any person who thereafter engages in such
13 activity, may not be made subject to such sanctions on
14 account of such activity.

15 (e) WAIVER AND REPORT TO CONGRESS.—

16 (1) IN GENERAL.—In any case other than one
17 in which an advisory opinion has been issued under
18 subsection (d) stating that a proposed activity would
19 not subject a person to sanctions under this section,
20 the President may waive the application of sub-
21 section (a) to a foreign person if the President deter-
22 mines that such waiver is essential to the national
23 security of the United States.

24 (2) NOTIFICATION.—In the event that the
25 President decides to apply the waiver described in

1 paragraph (1), the President shall so notify the
2 Committee on Armed Services and the Committee on
3 Foreign Relations of the Senate and the Committee
4 on Armed Services and the Committee on Foreign
5 Affairs of the House of Representatives not less
6 than 45 working days before issuing the waiver.
7 Such notification shall include a report fully articu-
8 lating the rationale and circumstances which led the
9 President to apply the waiver.

10 (f) PRESUMPTION.—In determining whether to apply
11 sanctions under subsection (a) to a foreign person involved
12 in the export, transfer, or trade of an item on the MTCR
13 Annex, it should be a rebuttable presumption that such
14 item is designed for use in a missile listed in the MTCR
15 Annex if the President determines that the final destina-
16 tion of the item is a country the government of which the
17 Secretary has determined, for purposes of 6(j)(1)(A) of
18 the Export Administration Act of 1979 (as continued in
19 effect under the International Emergency Economic Pow-
20 ers Act), has repeatedly provided support for acts of inter-
21 national terrorism (as such term is defined in section
22 10401(h)).

23 (g) ADDITIONAL WAIVER.—The President may waive
24 the imposition of sanctions under subsection (a) on a per-

1 son with respect to a product or service if the President
2 certifies to the Congress that—

3 (1) the product or service is essential to the na-
4 tional security of the United States; and

5 (2) such person is a sole source supplier of the
6 product or service, the product or service is not
7 available from any alternative reliable supplier, and
8 the need for the product or service cannot be met in
9 a timely manner by improved manufacturing proc-
10 esses or technological developments.

11 (h) EXCEPTIONS.—The President shall not apply the
12 sanction under this section prohibiting the importation of
13 the products of a foreign person—

14 (1) in the case of procurement of defense arti-
15 cles or defense services—

16 (A) under existing contracts or sub-
17 contracts, including the exercise of options for
18 production quantities to satisfy requirements
19 essential to the national security of the United
20 States;

21 (B) if the President determines that the
22 person to which the sanctions would be applied
23 is a sole source supplier of the defense articles
24 and defense services, that the defense articles
25 or defense services are essential to the national

1 security of the United States, and that alter-
2 native sources are not readily or reasonably
3 available; or

4 (C) if the President determines that such
5 articles or services are essential to the national
6 security of the United States under defense co-
7 production agreements or NATO Programs of
8 Cooperation;

9 (2) to products or services provided under con-
10 tracts entered into before the date on which the
11 President publishes his intention to impose the sanc-
12 tions; or

13 (3) to—

14 (A) spare parts,

15 (B) component parts, but not finished
16 products, essential to United States products or
17 production,

18 (C) routine services and maintenance of
19 products, to the extent that alternative sources
20 are not readily or reasonably available; or

21 (D) information and technology essential
22 to United States products or production.

1 **SEC. 5124. NOTIFICATION OF ADMITTANCE OF MTCR AD-**
2 **HERENTS.**

3 (a) **POLICY REPORT.**—Following any action by the
4 United States that results in a country becoming a MTCR
5 adherent, the President shall transmit promptly to the
6 Congress a report which describes the rationale for such
7 action, together with an assessment of that country's non-
8 proliferation policies, practices, and commitments. Such
9 report shall also include the text of any agreements or un-
10 derstandings between the United States and such country
11 regarding the terms and conditions of the country's adher-
12 ence to the MTCR.

13 (b) **INTELLIGENCE ASSESSMENT REPORT.**—At such
14 times that a report is transmitted pursuant to subsection
15 (a), the Director of National Intelligence shall promptly
16 prepare and submit to Congress a separate report con-
17 taining any credible information indicating that the coun-
18 try described in subsection (a) has engaged in any activity
19 identified under subparagraph (A), (B), or (C) of section
20 5123(a)(1) within the previous two years.

21 **SEC. 5125. AUTHORITY RELATING TO MTCR ADHERENTS.**

22 Notwithstanding section 5123(b), the President may
23 take the actions under section 5123(a)(2) under the cir-
24 cumstances described in section 5126(b)(2).

25 **SEC. 5126. DEFINITIONS.**

26 (a) **IN GENERAL.**—In this chapter—

1 (1) the term “missile” means a category I sys-
2 tem as defined in the MTCR Annex, and any other
3 unmanned delivery system of similar capability, as
4 well as the specially designed production facilities for
5 these systems;

6 (2) the term “Missile Technology Control Re-
7 gime” or “MTCR” means the policy statement, be-
8 tween the United States, the United Kingdom, the
9 Federal Republic of Germany, France, Italy, Can-
10 ada, and Japan, announced on April 16, 1987, to re-
11 strict sensitive missile-relevant transfers based on
12 the MTCR Annex, and any amendments thereto;

13 (3) the term “MTCR adherent” means a coun-
14 try that participates in the MTCR or that, pursuant
15 to an international understanding to which the
16 United States is a party, controls MTCR equipment
17 or technology in accordance with the criteria and
18 standards set forth in the MTCR;

19 (4) the term “MTCR Annex” means the Guide-
20 lines and Equipment and Technology Annex of the
21 MTCR, and any amendments thereto;

22 (5) the terms “missile equipment or tech-
23 nology” and “MTCR equipment or technology”
24 mean those items listed in category I or category II
25 of the MTCR Annex;

1 (6) the term “United States person” has the
2 meaning given that term in section 16(2) of the Ex-
3 port Administration Act of 1979 (as continued in ef-
4 fect under the International Emergency Economic
5 Powers Act);

6 (7) the term “foreign person” means any per-
7 son other than a United States person;

8 (8) the term “person”—

9 (A) means a natural person as well as a
10 corporation, business association, partnership,
11 society, trust, any other nongovernmental enti-
12 ty, organization, or group, and any govern-
13 mental entity operating as a business enter-
14 prise, and any successor of any such entity; and

15 (B) in the case of a country with a non-
16 market economy (excluding former members of
17 the Warsaw Pact), includes—

18 (i) all activities of that government re-
19 lating to the development or production of
20 any missile equipment or technology; and

21 (ii) all activities of that government
22 affecting the development or production of
23 electronics, space systems or equipment,
24 and military aircraft; and

1 (9) the term “otherwise engaged in the trade
2 of” means, with respect to a particular export or
3 transfer, to be a freight forwarder or designated ex-
4 porting agent, or a consignee or end user of the item
5 to be exported or transferred.

6 (b) INTERNATIONAL UNDERSTANDING DEFINED.—
7 For purposes of subsection (a)(3), as it relates to any
8 international understanding concluded with the United
9 States after January 1, 2000, the term “international un-
10 derstanding” means—

11 (1) any specific agreement by a country not to
12 export, transfer, or otherwise engage in the trade of
13 any MTCR equipment or technology that contributes
14 to the acquisition, design, development, or produc-
15 tion of missiles in a country that is not an MTCR
16 adherent and would be, if it were United States-ori-
17 gin equipment or technology, subject to the jurisdic-
18 tion of the United States under this Act; or

19 (2) any specific understanding by a country
20 that, notwithstanding section 5123(b), the United
21 States retains the right to take the actions under
22 section 5123(a)(2) in the case of any export or
23 transfer of any MTCR equipment or technology that
24 contributes to the acquisition, design, development,
25 or production of missiles in a country that is not an

1 MTCR adherent and would be, if it were United
2 States-origin equipment or technology, subject to the
3 jurisdiction of the United States under this Act.

4 **CHAPTER 3—CHEMICAL AND BIOLOGICAL**
5 **NONPROLIFERATION**

6 **SEC. 5131. SANCTIONS AGAINST CERTAIN FOREIGN PER-**
7 **SONS.**

8 (a) IMPOSITION OF SANCTIONS.—

9 (1) DETERMINATION BY THE PRESIDENT.—Ex-
10 cept as provided in subsection (b)(2), the President
11 shall impose both of the sanctions described in sub-
12 section (c) if the President determines that a foreign
13 person, on or after the date of the enactment of this
14 section, has knowingly and materially contributed—

15 (A) through the export from the United
16 States of any goods or technology that are sub-
17 ject to the jurisdiction of the United States,

18 (B) through the export from any other
19 country of any goods or technology that would
20 be, if they were United States goods or tech-
21 nology, subject to the jurisdiction of the United
22 States, or

23 (C) through any other transaction not sub-
24 ject to sanctions pursuant to the Export Ad-
25 ministration Act of 1979 (as continued in effect

1 under the International Emergency Economic
2 Powers Act),
3 to the efforts by any foreign country, project, or en-
4 tity described in paragraph (2) to use, develop,
5 produce, stockpile, or otherwise acquire chemical or
6 biological weapons.

7 (2) COUNTRIES, PROJECTS, OR ENTITIES RE-
8 CEIVING ASSISTANCE.—Paragraph (1) applies in the
9 case of—

10 (A) any foreign country that the President
11 determines has, at any time after January 1,
12 1980—

13 (i) used chemical or biological weap-
14 ons in violation of international law;

15 (ii) used lethal chemical or biological
16 weapons against its own nationals; or

17 (iii) made substantial preparations to
18 engage in the activities described in clause

19 (i) or (ii);

20 (B) any foreign country whose government
21 is determined to be a government that has re-
22 peatedly provided support for acts of inter-
23 national terrorism for purposes of section 6(j)
24 of the Export Administration Act of 1979 (as
25 continued in effect under the International

1 Emergency Economic Powers Act) or section
2 10401 of this Act; or

3 (C) any other foreign country, project, or
4 entity designated by the President for purposes
5 of this section.

6 (3) PERSONS AGAINST WHOM SANCTIONS ARE
7 TO BE IMPOSED.—Sanctions shall be imposed pursu-
8 ant to paragraph (1) on—

9 (A) the foreign person with respect to
10 which the President makes the determination
11 described in that paragraph;

12 (B) any successor entity to that foreign
13 person;

14 (C) any foreign person that is a parent or
15 subsidiary of that foreign person if that parent
16 or subsidiary knowingly assisted in the activities
17 which were the basis of that determination; and

18 (D) any foreign person that is an affiliate
19 of that foreign person if that affiliate knowingly
20 assisted in the activities which were the basis of
21 that determination and if that affiliate is con-
22 trolled in fact by that foreign person.

23 (b) CONSULTATIONS WITH AND ACTIONS BY FOR-
24 EIGN GOVERNMENT OF JURISDICTION.—

1 (1) CONSULTATIONS.—If the President makes
2 the determinations described in subsection (a)(1)
3 with respect to a foreign person, the Congress urges
4 the President to initiate consultations immediately
5 with the government with primary jurisdiction over
6 that foreign person with respect to the imposition of
7 sanctions pursuant to this section.

8 (2) ACTIONS BY GOVERNMENT OF JURISDIC-
9 TION.—In order to pursue such consultations with
10 that government, the President may delay imposition
11 of sanctions pursuant to this section for a period of
12 up to 90 days. Following these consultations, the
13 President shall impose sanctions unless the Presi-
14 dent determines and certifies to Congress that such
15 government has taken specific and effective actions,
16 including appropriate penalties, to terminate the in-
17 volvement of the foreign person in the activities de-
18 scribed in subsection (a)(1). The President may
19 delay imposition of sanctions for an additional pe-
20 riod of up to 90 days if the President determines
21 and certifies to Congress that such government is in
22 the process of taking the actions described in the
23 preceding sentence.

24 (3) REPORT TO CONGRESS.—The President
25 shall report to Congress, not later than 90 days

1 after making a determination under subsection
2 (a)(1), on the status of consultations with the appro-
3 priate government under this subsection, and the
4 basis for any determination under paragraph (2) of
5 this subsection that such government has taken spe-
6 cific corrective actions.

7 (c) SANCTIONS.—

8 (1) DESCRIPTION OF SANCTIONS.—The sanc-
9 tions to be imposed pursuant to subsection (a)(1)
10 are, except as provided in paragraph (2) of this sub-
11 section, the following:

12 (A) PROCUREMENT SANCTION.—The
13 United States Government shall not procure, or
14 enter into any contract for the procurement of,
15 any goods or services from any person described
16 in subsection (a)(3).

17 (B) IMPORT SANCTIONS.—The importation
18 into the United States of products produced by
19 any person described in subsection (a)(3) shall
20 be prohibited.

21 (2) EXCEPTIONS.—The President shall not be
22 required to apply or maintain sanctions under this
23 section—

24 (A) in the case of procurement of defense
25 articles or defense services—

1 (i) under existing contracts or sub-
2 contracts, including the exercise of options
3 for production quantities to satisfy United
4 States operational military requirements;

5 (ii) if the President determines that
6 the person or other entity to which the
7 sanctions would otherwise be applied is a
8 sole source supplier of the defense articles
9 or defense services, that the defense arti-
10 cles or defense services are essential, and
11 that alternative sources are not readily or
12 reasonably available; or

13 (iii) if the President determines that
14 such articles or services are essential to the
15 national security under defense coproduc-
16 tion agreements;

17 (B) to products or services provided under
18 contracts entered into before the date on which
19 the President publishes his intention to impose
20 sanctions;

21 (C) to—

22 (i) spare parts,

23 (ii) component parts, but not finished
24 products, essential to United States prod-
25 ucts or production, or

1 (iii) routine servicing and mainte-
2 nance of products, to the extent that alter-
3 native sources are not readily or reason-
4 ably available;

5 (D) to information and technology essen-
6 tial to United States products or production; or

7 (E) to medical or other humanitarian
8 items.

9 (d) TERMINATION OF SANCTIONS.—The sanctions
10 imposed pursuant to this section shall apply for a period
11 of at least 12 months following the imposition of sanctions
12 and shall cease to apply thereafter only if the President
13 determines and certifies to the Congress that reliable in-
14 formation indicates that the foreign person with respect
15 to which the determination was made under subsection
16 (a)(1) has ceased to aid or abet any foreign government,
17 project, or entity in its efforts to acquire chemical or bio-
18 logical weapons capability as described in that subsection.

19 (e) WAIVER.—

20 (1) CRITERION FOR WAIVER.—The President
21 may waive the application of any sanction imposed
22 on any person pursuant to this section, after the end
23 of the 12-month period beginning on the date on
24 which that sanction was imposed on that person, if
25 the President determines and certifies to the Con-

gress that such waiver is important to the national security interests of the United States.

(2) NOTIFICATION OF AND REPORT TO CONGRESS.—If the President decides to exercise the waiver authority provided in paragraph (1), the President shall so notify the Congress not less than 20 days before the waiver takes effect. Such notification shall include a report fully articulating the rationale and circumstances which led the President to exercise the waiver authority.

(f) DEFINITION OF FOREIGN PERSON.—For the purposes of this section, the term “foreign person” means—

(1) an individual who is not a citizen of the United States or an alien admitted for permanent residence to the United States; or

(2) a corporation, partnership, or other entity which is created or organized under the laws of a foreign country or which has its principal place of business outside the United States.

Subtitle B—Counter-Narcotics Authorities

SEC. 5201. FINDINGS.

Congress finds the following:

(1) International narcotics trafficking poses a major transnational threat in today’s world, and its

1 suppression is among the most important foreign
2 policy objectives of the United States.

3 (2) International criminal activities, particularly
4 international narcotics trafficking, money laun-
5 dering, and corruption, endanger political and eco-
6 nomic stability and democratic development, and as-
7 sistance for the prevention and suppression of inter-
8 national criminal activities should be a priority for
9 the United States.

10 (3) Effective international cooperation is nec-
11 essary to control the illicit cultivation, production,
12 and smuggling of, trafficking in, and abuse of nar-
13 cotic and psychotropic drugs and other controlled
14 substances.

15 (4) In order for countries to effectively combat
16 narcotics trafficking and other transnational crimes,
17 they must have a strong rule of law system, to in-
18 clude an honest police force, independent courts, and
19 effective prisons.

20 (5) Given the magnitude of United States
21 counter-narcotics efforts, as well as its impact and
22 significance on other dimensions of United States bi-
23 lateral relations, it is essential that a process be put
24 into place that allows the periodic, comprehensive

1 evaluation of these efforts and their foreign policy
2 implications.

3 **SEC. 5202. STATEMENT OF POLICY.**

4 It shall be the policy of the United States to—

5 (1) support international narcotics control pro-
6 grams that have, as priority goals, the suppression
7 of the illicit manufacture of and trafficking in nar-
8 cotic and psychotropic drugs and other controlled
9 substances, money laundering, and the diversion of
10 precursor chemicals, and the progressive elimination
11 of the illicit cultivation of the crops from which nar-
12 cotic and psychotropic drugs and other controlled
13 substances are derived;

14 (2) encourage the international community to
15 provide assistance, where appropriate, to those pro-
16 ducer and transit countries that require assistance
17 in discharging these primary obligations;

18 (3) use its voice and vote in multilateral devel-
19 opment banks to promote the development and im-
20 plementation in the major illicit drug producing
21 countries of programs for the reduction and eventual
22 eradication of narcotic drugs and other controlled
23 substances, including appropriate assistance in con-
24 junction with effective programs of illicit crop eradi-
25 cation;

1 (4) ensure that countries adopt comprehensive
2 domestic measures against money laundering and
3 cooperate with each other in money laundering in-
4 vestigations, prosecutions, and related forfeiture ac-
5 tions; and

6 (5) endeavor to develop and promote global, re-
7 gional, sub-regional, and bilateral cooperation among
8 judicial, law enforcement and financial regulatory
9 authorities in order to combat money-laundering,
10 narcotics trafficking, and other transnational crimes.

11 **SEC. 5203. GOAL AND OBJECTIVES.**

12 (a) GOAL.—The goal of foreign assistance under this
13 subtitle is to help relevant countries build the capacity re-
14 quired to combat and reduce narcotics trafficking, money
15 laundering, and other transnational crimes.

16 (b) OBJECTIVES.—In furtherance of the goal de-
17 scribed in subsection (a), foreign assistance under this
18 subtitle shall be provided to achieve the following objec-
19 tives:

20 (1) Increase the professionalization, trans-
21 parency, and accountability of law enforcement, judi-
22 cial and penal personnel in the relevant country.

23 (2) Improve the ability of law enforcement to
24 prevent crimes, pursue and apprehend criminals, and
25 increase security within their country.

1 (3) Strengthen the capacity of the judicial sys-
2 tem to hear and prosecute cases.

3 **SEC. 5204. GENERAL AUTHORITIES.**

4 (a) **AUTHORITIES OF THE PRESIDENT.**—The Presi-
5 dent is authorized to conclude agreements, including recip-
6 rocal maritime agreements, with United States State and
7 local governments and with other countries to facilitate
8 control of the production, processing, transportation, and
9 distribution of narcotic and psychotropic drugs and other
10 controlled substances.

11 (b) **AUTHORITIES OF THE SECRETARY.**—Notwith-
12 standing any other provision of law restricting assistance
13 to foreign countries except sections 10101, 10102, and
14 10401, the Secretary is authorized to provide foreign as-
15 sistance to any country or international organization, on
16 such terms and conditions as the Secretary may deter-
17 mine, for the control of narcotic and psychotropic drugs
18 and other controlled substances, or for related anticrime
19 purposes.

20 (c) **COORDINATION OF ALL UNITED STATES**
21 **ANTINARCOTICS ASSISTANCE TO FOREIGN COUNTRIES.**—

22 (1) **RESPONSIBILITY OF SECRETARY OF**
23 **STATE.**—The Secretary shall be responsible for co-
24 ordinating and approving all foreign assistance pro-
25 vided by the United States Government to support

1 international efforts to combat crime and illicit nar-
2 cotics production or trafficking.

3 (2) RULE OF CONSTRUCTION.—Nothing in
4 paragraph (1) shall be construed to limit or impair
5 the authority or responsibility of any other Federal
6 agency with respect to law enforcement, domestic se-
7 curity operations, or intelligence activities as defined
8 in Executive Order No. 12333.

9 (d) USE OF HERBICIDES FOR AERIAL ERADI-
10 CATION.—

11 (1) MONITORING.—The Secretary, with the as-
12 sistance of the heads of other appropriate Federal
13 agencies, shall monitor any use under this subtitle of
14 a herbicide for aerial eradication in order to deter-
15 mine the impact of such use on the environment and
16 on the health of individuals.

17 (2) REPORT UPON DETERMINATION OF HARM
18 TO ENVIRONMENT OR HEALTH.—If the Secretary
19 determines that any such use is harmful to the envi-
20 ronment or the health of individuals, the Secretary
21 shall immediately report that determination to the
22 appropriate congressional committees, together with
23 such recommendations as the Secretary determines
24 appropriate.

1 **SEC. 5205. AUTHORIZATION OF BUREAU OF INTER-**
2 **NATIONAL NARCOTICS AND LAW ENFORCE-**
3 **MENT.**

4 (a) **ESTABLISHMENT.**—There is established in the
5 Department of State a Bureau of International Narcotics
6 and Law Enforcement (in this section referred to as the
7 “Bureau”).

8 (b) **HEAD OF BUREAU.**—The head of the Bureau
9 shall be an Assistant Secretary of International Narcotics
10 and Law Enforcement.

11 (c) **RESPONSIBILITIES.**—The Bureau shall be respon-
12 sible for supervision (including policy oversight of re-
13 sources), coordinating, and overseeing programs related to
14 international counternarcotics and law enforcement activi-
15 ties, including—

16 (1) strengthening criminal justice systems;

17 (2) countering the flow of illegal narcotics, in-
18 cluding through building interdiction capabilities of
19 partner countries and strengthening law enforcement
20 and judicial authorities; and

21 (3) minimizing transnational crime

22 **SEC. 5206. USE OF FUNDS.**

23 (a) **TREATMENT OF FUNDS.**—Funds transferred to
24 and consolidated with funds appropriated to carry out this
25 subtitle may be made available on such terms and condi-
26 tions as are applicable to funds appropriated to carry out

1 this subtitle. Funds so transferred or consolidated shall
2 be apportioned directly to the bureau within the Depart-
3 ment of State responsible for administering this subtitle.

4 (b) CONTRIBUTIONS.—

5 (1) IN GENERAL.—To ensure local commitment
6 to the activities assisted under this subtitle, a coun-
7 try receiving assistance under this subtitle should
8 contribute an appropriate share of the costs of any
9 narcotics control program, project, or activity for
10 which such assistance is to be provided. A country
11 may contribute such costs on an in kind basis.

12 (2) ACCEPTANCE.—The Secretary is authorized
13 to accept contributions from foreign governments to
14 carry out the purposes of this subtitle. Such con-
15 tributions shall be deposited as an offsetting collec-
16 tion to the applicable appropriation account and may
17 be used under the same terms and conditions as
18 funds appropriated to carry out this subtitle.

19 (c) ADMINISTRATIVE ASSISTANCE.—

20 (1) IN GENERAL.—Except as provided in para-
21 graph (2), personnel funded pursuant to this section
22 are authorized to provide administrative assistance
23 to personnel assigned to the Bureau of International
24 Narcotics and Law Enforcement.

1 (2) LIMITATION.—Paragraph (1) shall not
2 apply to the extent that it would result in a reduc-
3 tion in funds available for counter-narcotics and
4 anticrime assistance to foreign countries.

5 (d) ADVANCE NOTIFICATION OF TRANSFER OF
6 SEIZED ASSETS.—The Secretary shall notify the appro-
7 priate congressional committees at least 10 days prior to
8 any transfer by the United States Government to a foreign
9 country for narcotics control purposes of any property or
10 funds seized by or otherwise forfeited to the United States
11 Government in connection with narcotics-related activity.

12 (e) EXCESS PROPERTY.—For purposes of this sub-
13 title, the Secretary may use the authority of section
14 11506, without regard to the restrictions of such section,
15 to receive nonlethal excess property from any United
16 States Government department or agency for the purpose
17 of providing such property to a foreign government under
18 the same terms and conditions as funds authorized to be
19 appropriated for the purposes of this subtitle.

20 **SEC. 5207. REQUIREMENTS RELATING TO AIRCRAFT AND**
21 **OTHER EQUIPMENT.**

22 (a) RETENTION OF TITLE TO AIRCRAFT.—

23 (1) IN GENERAL.—

24 (A) LEASE OR LOAN BASIS.—Except as
25 provided in paragraph (2), any aircraft made

1 available to a foreign country under this chap-
2 ter, or made available to a foreign country pri-
3 marily for narcotics-related purposes under any
4 other provision of law, shall be provided only on
5 a lease or loan basis.

6 (B) EFFECTIVE DATE.—Subparagraph (A)
7 applies to aircraft made available at any time
8 after the enactment of this Act.

9 (2) EXCEPTIONS.—

10 (A) CONTRARY TO NATIONAL INTEREST.—
11 The Secretary is authorized to transfer title of
12 aircraft by sale or grant if he or she—

13 (i) determines that the application of
14 paragraph (1) with respect to particular
15 aircraft would be contrary to the national
16 interest of the United States; and

17 (ii) the Secretary notifies the appro-
18 priate congressional committees in accord-
19 ance with the procedures applicable to re-
20 programming notifications under section
21 9401.

22 (B) FORFEITURE.—Paragraph (1) shall
23 not apply with respect to aircraft made avail-
24 able to a foreign country under any provision of
25 law that authorizes property that has been civ-

1 illy or criminally forfeited to the United States
2 to be made available to foreign countries.

3 (3) ASSISTANCE FOR LEASING OF AIRCRAFT.—

4 (A) IN GENERAL.—For purposes of satis-
5 fying the requirement of paragraph (1), funds
6 made available for the Foreign Military Financ-
7 ing Program under title IV may be used to fi-
8 nance the leasing of aircraft under that title.

9 (B) COST OF LEASE.—Section 4351(a)(3)
10 shall not apply with respect to leases so fi-
11 nanced, rather the entire cost of any such lease
12 (including any renewals) shall be an initial, one
13 time payment of the amount which would be
14 the sales price for the aircraft if they were sold
15 under section 4311(a)(2) or section 4312 (as
16 appropriate).

17 (b) PERMISSIBLE USES OF AIRCRAFT AND OTHER
18 EQUIPMENT.—

19 (1) IN GENERAL.—The Secretary shall take all
20 reasonable steps to ensure that aircraft and other
21 equipment made available to foreign countries under
22 this chapter are used only in ways that are con-
23 sistent with the purposes for which such equipment
24 was made available.

1 (2) EXCEPTION.—Paragraph (1) shall not
2 apply to aircraft or other equipment if the Secretary
3 makes a determination under section 11508(b) that
4 there is an emergency need which requires the use
5 of the aircraft or other equipment.

6 (c) REPORTS.—In the reports submitted pursuant to
7 section 5211, the Secretary shall discuss—

8 (1) the actions taken by the United States Gov-
9 ernment to prevent misuse of such equipment by
10 that foreign country; and

11 (2) any credible information indicating misuse
12 by a foreign country of aircraft or other equipment
13 made available under this chapter; and(3) the ac-
14 tions taken by the United States Government to pre-
15 vent future misuse of such equipment by that for-
16 eign country.

17 (d) RECORDS OF AIRCRAFT USE.—

18 (1) REQUIREMENT TO MAINTAIN RECORDS.—
19 The President shall maintain detailed records on the
20 use of any aircraft made available to a foreign coun-
21 try under this chapter, including aircraft made avail-
22 able before the enactment of this section.

23 (2) CONGRESSIONAL ACCESS TO RECORDS.—
24 The President shall make the records maintained

1 pursuant to paragraph (1) available upon request to
2 the appropriate congressional committees.

3 **SEC. 5208. RESTRICTIONS.**

4 (a) PARTICIPATION IN FOREIGN POLICE ACTIONS.—
5 Participation in foreign police actions under this subtitle
6 shall be subject to the requirements of section 3303(d).

7 (b) PROCUREMENT OF WEAPONS AND AMMUNI-
8 TION.—

9 (1) PROHIBITION.—Except as provided in para-
10 graph (2), funds made available to carry out this
11 subtitle shall not be made available for the procure-
12 ment of weapons or ammunition.

13 (2) EXCEPTIONS.—Paragraph (1) shall not
14 apply with respect to funds for the procurement of—

15 (A) weapons or ammunition provided only
16 for the defensive arming of aircraft used for
17 narcotics-related purposes; or

18 (B) firearms and related ammunition pro-
19 vided only for defensive purposes to employees
20 or contract personnel of the Department of
21 State engaged in activities under this subtitle,
22 if, at least 15 days before obligating those
23 funds, the President notifies the appropriate
24 congressional committees in accordance with

1 the procedures applicable to reprogramming no-
2 tifications under section 9401.

3 (c) LIMITATIONS ON ACQUISITION OF REAL PROP-
4 erty AND CONSTRUCTION OF FACILITIES.—

5 (1) ACQUISITION OF REAL PROPERTY.—

6 (A) PROHIBITION.—Funds made available
7 to carry out this subtitle may not be used to ac-
8 quire (by purchase or other means) any land or
9 other real property for use by foreign military,
10 paramilitary, or law enforcement forces.

11 (B) EXCEPTION FOR CERTAIN LEASES.—
12 Subparagraph (A) shall not apply to the acqui-
13 sition of real property by lease of a duration
14 not to exceed 2 years.

15 (C) EXCEPTION FOR INTERNATIONAL
16 TRAINING ACADEMIES.—Subparagraph (A)
17 shall not apply to the acquisition of land of real
18 property for use as a training facility for judi-
19 cial, prosecutorial, law enforcement, or regu-
20 latory officials.

21 (2) CONSTRUCTION OF FACILITIES.—

22 (A) LIMITATION.—Funds made available
23 to carry out this subtitle may not be used for
24 construction of facilities for use by foreign mili-
25 tary, paramilitary, or law enforcement forces

1 unless, at least 15 days before obligating funds
2 for such construction, the President notifies the
3 appropriate congressional committees in accord-
4 ance with procedures applicable to reprogram-
5 ming notifications under section 9401.

6 (B) EXCEPTION.—Paragraph (1) shall not
7 apply to the construction of facilities which
8 would require the obligation of less than
9 \$750,000 under this subtitle.

10 **SEC. 5209. INTERNATIONAL COUNTER-NARCOTICS STRAT-**
11 **EGY.**

12 (a) STRATEGY REQUIRED.—Not later than 1 year
13 after the date of the enactment of this Act, and every 4
14 years thereafter, the Secretary shall submit to the appro-
15 priate congressional committees a comprehensive counter-
16 narcotics strategy. The strategy shall include—

17 (1) a list of the countries which the Secretary
18 determines to be—

19 (A) a major illicit drug-producing country;

20 (B) a major illicit drug-transit country;

21 (C) a major money-laundering country; or

22 (D) a major source of precursor chemicals;

23 (2) defined objectives for the activities of the
24 Department of State relating to counter-narcotics,
25 for each region and country it plans to target;

1 (3) a description of how such objectives relate
2 to, are informed by, and will be coordinated with
3 those of relevant countries, as well as with those of
4 other bilateral and multilateral donors;

5 (4) a definition of the respective roles of each
6 Federal department and agency in carrying out the
7 strategy, and the mechanisms for coordination;

8 (5) a description of the types of policies and
9 programs needed to achieve such objectives;

10 (6) an analysis of the key opportunities and
11 challenges for achieving favorable results in the next
12 4-year period;

13 (7) a list of indicators and other measurements
14 of success to be used in assessing impact, to include
15 the indicators listed in section 5210(a)(6);

16 (8) the amounts devoted to similar purposes in
17 the previous 4-year period, the results achieved and
18 the lessons learned; and

19 (9) an estimate of the requirements for human
20 and financial resources and overseas infrastructure
21 to carry out the strategy over the next 4-year period.

22 (b) IMPLEMENTATION.—None of the funds made
23 available under this title may be obligated or expended for
24 any programs, projects, or activities to implement a strat-
25 egy required under subsection (a) until at least 15 days

1 after the strategy is transmitted to the appropriate con-
2 gressional committees pursuant to subsection (a).

3 (c) DEFINITIONS.—In this section—

4 (1) the term “major illicit drug-producing coun-
5 try” means a country that illicitly produces during
6 a fiscal year 5 metric tons or more of opium or
7 opium derivative, 500 metric tons or more of coca,
8 or 500 metric tons or more of marijuana;

9 (2) the term “major illicit drug-transit country”
10 means a country—

11 (A) that is a significant direct source of il-
12 licit narcotic or psychotropic drugs or other
13 controlled substances significantly affecting the
14 United States;

15 (B) through which are transported such
16 drugs or substances; or

17 (C) through which significant sums of
18 drug-related profits or monies are laundered
19 with the knowledge or complicity of the govern-
20 ment;

21 (3) the term “major money-laundering country”
22 means a country whose financial institutions engage
23 in currency transactions involving significant
24 amounts of proceeds from international narcotics
25 trafficking; and

1 (4) the term “major source of precursor chemi-
2 cals” means a country that is among the top 5 pro-
3 ducers or the top 5 exporters of a listed chemical
4 under section 102(33) of the Controlled Substances
5 Act (21 U.S.C. 802(33)).

6 **SEC. 5210. INTERNATIONAL NARCOTICS CONTROL ASSIST-**
7 **ANCE REPORT.**

8 (a) REPORT.—Not later than 1 year after the date
9 of the enactment of this Act, and annually thereafter, the
10 President shall transmit to the appropriate congressional
11 committees a report on international narcotics control as-
12 sistance. Such report shall, for each country—

13 (1) describe the types and amounts of inter-
14 national narcotics control assistance provided or pro-
15 posed to be provided by each Federal agency for the
16 preceding fiscal year, the current fiscal year, and the
17 next fiscal year;

18 (2) include all transfers that were made by each
19 Federal agency during the preceding fiscal year for
20 narcotics control or anti-crime purposes of any prop-
21 erty seized by or otherwise forfeited to the United
22 States Government in connection with narcotics-re-
23 lated activity, including an estimate of the fair mar-
24 ket value and physical condition of each item of
25 property transferred;

1 (3) discuss the extent to which the country is
2 meeting the goals and objectives of the United Na-
3 tions Convention Against Illicit Traffic in Narcotic
4 Drugs and Psychotropic Substances, and the key
5 areas in which improvements are needed;

6 (4) explain how the strategy described under
7 section 5209 is being implemented;

8 (5) describe any progress made toward achiev-
9 ing the goal and objectives in section 5203;

10 (6) identify the indicators and metrics to be
11 used in assessing the impact of international nar-
12 cotics control assistance, including the impact of the
13 use of herbicides for aerial eradication on the envi-
14 ronment, the health of individuals, and internal dis-
15 placement; and

16 (7) list any contributions under section 5206(b)
17 received in the preceding fiscal year, the amount of
18 such contributions, and the purposes for which such
19 contributions were used.

20 (b) DEFINITION.—In this section, the term “inter-
21 national narcotics control assistance” means foreign as-
22 sistance provided by any Federal agency to combat or con-
23 trol the transit, production, or financing of illicit narcotics.

1 **SEC. 5211. NARCOTICS STRATEGY EVALUATION.**

2 (a) IN GENERAL.—The Comptroller General of the
3 United States shall conduct an impact evaluation of pro-
4 grams carried out by the Bureau of International Nar-
5 cotics and Law Enforcement, using rigorous quantitative
6 data analysis. The evaluation shall measure progress made
7 on the following indicators, as appropriate:

8 (1) Supply Side Factors, such as—

9 (A) estimated illicit drug production;

10 (B) estimated illicit drug transshipment;

11 (C) estimated illicit drug production and
12 transshipment as a percentage of GDP;

13 (D) number of individuals and households
14 estimated to be involved in illicit drug produc-
15 tion and transshipment;

16 (E) number and average size of illicit
17 drug-crop cultivation plots;

18 (F) farm-gate price of illicit drug crop; and

19 (G) in-country price and purity of illicit
20 drug.

21 (2) Disruption of Networks, such as—

22 (A) drug seizures as a percentage of total
23 estimated drug production and transshipment;
24 and

25 (B) arrests and convictions of major nar-
26 cotics-related organized crime figures.

1 (3) Economic well-being and governance, such
2 as—

3 (A) presence of government institutions
4 (such as security forces, civilian ministries, local
5 government, justice system) in zones of greatest
6 drug production;

7 (B) perceptions of police competence;

8 (C) number of individuals and households
9 formerly involved in drug production and trans-
10 shipment who are now benefitting from develop-
11 ment and alternative income programs;

12 (D) level of drug-related violence as a per-
13 centage of overall violence; and

14 (E) poverty and unemployment rates in de-
15 partments, States or provinces with the greatest
16 drug production and transshipment.

17 (b) SUBMISSION.—The results of the evaluation re-
18 quired under subsection (a) shall be submitted to the ap-
19 propriate congressional committees not later than 4 years
20 after the date of the enactment of this Act and every 4
21 years thereafter.

Subtitle C—Counter-Terrorism Authorities

SEC. 5301. PURPOSES.

Activities conducted under this subtitle shall be designed to—

(1) build the capacity of foreign law enforcement and security personnel to detect, deter and counter terrorism;

(2) counter and ameliorate the conditions and circumstances that foster terrorist and violent extremist ideologies, activity and recruitment;

(3) increase respect for human rights by sharing with foreign civil authorities modern, humane, and effective antiterrorism techniques; and

(4) enhance bilateral and multilateral partnerships to counter terrorism and violent extremism.

SEC. 5302. ASSISTANCE TO COUNTRIES AND MULTILATERAL ORGANIZATIONS FOR COUNTER-TERRORISM ACTIVITIES.

(a) ASSISTANCE TO COUNTRIES.—

(1) IN GENERAL.—Notwithstanding any other provision of law that restricts assistance to foreign countries (other than sections 10101, 10102, 10401, and 10402), the Secretary, acting through the Assistant Secretary for Counterterrorism or other ap-

1 appropriate senior official, is authorized to provide, on
2 such terms and conditions as the Secretary may de-
3 termine—

4 (A) assistance to foreign countries in order
5 to enhance the ability of their law enforcement
6 and security personnel to deter terrorists and
7 terrorist groups from engaging in international
8 terrorist acts such as bombing, kidnaping, as-
9 sassination, hostage taking, and hijacking; and

10 (B) in coordination with the Adminis-
11 trator, assistance to foreign countries, including
12 nongovernmental organizations, to enhance
13 their ability to counter violent extremism and
14 radicalization and to counter the appeal of ter-
15 rorist and other extremist organizations.

16 (2) ASSISTANCE.—Assistance under paragraph
17 (1)(A) may include the following:

18 (A) Consistent with section 3303, the pro-
19 vision of equipment, supplies, and training to
20 build the capacity of foreign law enforcement or
21 security forces to conduct counter-terrorist op-
22 erations and respect human rights.

23 (B) Training services and the provision of
24 equipment and other commodities related to de-
25 tection and disposal of bombs (including impro-

1 vised explosive devices), management of hostage
2 situations, physical security, and other matters
3 relating to the detection, deterrence, and pre-
4 vention of acts of terrorism, the resolution of
5 terrorist incidents, and the apprehension of
6 those involved in such acts.

7 (C) Support and cooperation with foreign
8 banking, regulatory, and other officials to
9 counter the financing of terrorist activities.

10 (b) ASSISTANCE TO MULTILATERAL ORGANIZA-
11 TIONS.—The Secretary is authorized to provide, on such
12 terms and conditions as the Secretary may determine, sup-
13 port to multilateral organizations for international and re-
14 gional counterterrorism cooperation programs, including
15 the Regional Strategic Initiative. Such support may be
16 provided in the form of grants, contracts, or voluntary
17 contributions to such organizations.

18 (c) PAYMENT.—

19 (1) IN GENERAL.—If the Secretary determines
20 it to be consistent with and in furtherance of the
21 purposes of this subtitle, and on such terms and
22 conditions consistent with this Act as the Secretary
23 may determine, any Federal agency is authorized to
24 provide services and commodities, without charge to
25 funds available to carry out this subtitle, to an eligi-

1 ble foreign country, subject to payment in advance
2 of the value thereof (within the meaning of section
3 4411) in United States dollars by the foreign coun-
4 try.

5 (2) CREDITING.—Collections under this subtitle
6 shall be credited to the currently applicable appro-
7 priation, account, or fund of the agency providing
8 such services and commodities and shall be available
9 for the purposes for which such appropriation, ac-
10 count, or fund is authorized to be used.

11 (3) VALUE.—The value in terms of original ac-
12 quisition cost of all equipment and commodities pro-
13 vided under this subtitle in any fiscal year shall not
14 exceed 30 percent of the funds made available to
15 carry out this subtitle for that fiscal year.

16 (d) CONSULTATION.—Consistent with section
17 1(c)(2)(C) of the State Department Basic Authorities Act
18 of 1956 (as added by section 3105), the Assistant Sec-
19 retary of State for Democracy, Human Rights and Labor
20 shall be consulted in determinations of foreign countries
21 that will be provided assistance under this subtitle and de-
22 terminations of the nature of assistance to be provided to
23 each such country.

1 (e) LIMITATION.—Arms and ammunition may be pro-
 2 vided under this subtitle only if such arms and ammuni-
 3 tion are directly related to counterterrorism assistance.

4 (f) RULE OF CONSTRUCTION.—Nothing in this sub-
 5 title shall apply to information exchange activities con-
 6 ducted by Federal agencies under any other authority for
 7 such purposes

8 **SEC. 5303. COUNTER-TERRORISM RESPONSIBILITIES OF**
 9 **THE DEPARTMENT OF STATE.**

10 (a) IN GENERAL.—Section 1 of the State Depart-
 11 ment Basic Authorities Act of 1956 (22 U.S.C. 2651a)
 12 is amended—

13 (1) in subsection (c)(1), by striking “24” and
 14 inserting “25”; and

15 (2) in subsection (e) to read as follows:

16 “(e) COUNTERTERRORISM RESPONSIBILITIES.—

17 “(1) IN GENERAL.—The Secretary of State
 18 shall be responsible for the overall supervision (in-
 19 cluding policy oversight of resources) of counterter-
 20 rorism activities and may designate an Assistant
 21 Secretary or other senior official, who may report di-
 22 rectly to the Secretary as appropriate, to assist in
 23 such activities.

24 “(2) TRANSFER AUTHORITY.—The Secretary of
 25 State may transfer any authority, duty, or function

1 assigned to the Coordinator for Counterterrorism or
2 to the Office of the Coordinator for Counterter-
3 rorism to the Assistant Secretary or other senior of-
4 ficial designated by the Secretary of State under
5 paragraph (1) or to the Bureau of Counterterrorism
6 (as the case may be).”.

7 (b) CONFORMING AMENDMENT.—Section 5315 of
8 title 5, United States Code, is amended in the item relat-
9 ing to Assistant Secretaries of State, by striking “(24)”
10 and inserting “(25)”.

11 **TITLE VI—SUSTAINING THE** 12 **GLOBAL ENVIRONMENT**

13 **SEC. 6001. FINDINGS AND STATEMENT OF POLICY.**

14 (a) FINDINGS.—Congress finds the following:

15 (1) Sound natural resource management,
16 healthy ecosystems, and biological diversity are vital
17 to alleviating poverty in developing countries that
18 depend on natural resources for water, food, medi-
19 cine, energy, household products, and tourism and
20 trade.

21 (2) Proper management and protection of nat-
22 ural resources can mitigate instability, conflict, and
23 corruption in many developing countries.

24 (3) Poaching and the illegal trafficking of wild-
25 life represent significant threats to preserving bio-

1 logical diversity and can lead to crime and corrup-
2 tion.

3 (4) Establishing protected areas can preserve
4 wildlife and plant species from degradation and
5 guard against the illegal wildlife trade.

6 (5) Strengthening the indigenous capacity of
7 partner countries to manage their natural resources
8 improves the long-term sustainability of conservation
9 programs and is essential for economic growth in de-
10 veloping countries.

11 (b) STATEMENT OF POLICY.—It is the policy of the
12 United States to work in cooperation with the inter-
13 national community, including nongovernmental organiza-
14 tions, to reduce biodiversity loss, adapt to and mitigate
15 climate change, and integrate principles of environmental
16 sustainability into policies and programs for international
17 development.

18 **Subtitle A—Debt-for-Nature**
19 **Exchanges**

20 **SEC. 6101. FINDINGS AND STATEMENT OF POLICY.**

21 (a) FINDINGS.—Congress finds the following:

22 (1) Poverty and economic pressures on the pop-
23 ulations of developing countries have led to environ-
24 mental degradation that exacerbate existing chal-

1 lenges and imperil long-term, sustainable develop-
2 ment.

3 (2) Debt reduction can reduce economic pres-
4 sures on developing countries and provide funds for
5 environmental conservation and development.

6 (3) Identifying and developing economic bene-
7 fits to local communities from sustainable use of the
8 environment is critical to the protection of eco-
9 systems and to overall development.

10 (4) Tropical forests provide a wide range of
11 benefits to humankind by—

12 (A) harboring a major share of the Earth's
13 biological and terrestrial resources, which are
14 the basis for developing pharmaceutical prod-
15 ucts and revitalizing agricultural crops;

16 (B) playing a critical role as carbon sinks
17 in reducing greenhouse gases in the atmos-
18 phere, thus moderating potential global climate
19 change; and

20 (C) regulating hydrological cycles on which
21 far-flung agricultural and coastal resources de-
22 pend.

23 (5) Coral reefs and associated coastal marine
24 ecosystems provide a wide range of benefits to hu-
25 mankind by—

1 (A) harboring more species per unit area
2 than any other marine habitat, providing the
3 basis for developing pharmaceutical products
4 and fostering a growing marine tourism sector;

5 (B) providing a major source of food and
6 jobs for hundreds of millions of coastal resi-
7 dents; and

8 (C) serving as natural storm barriers, thus
9 protecting vulnerable shorelines and commu-
10 nities from storm waves and erosion.

11 (b) STATEMENT OF POLICY.—It is the policy of the
12 United States to work in cooperation with partner coun-
13 tries and nongovernmental organizations to protect and
14 sustainably manage tropical forests, coral reefs, and other
15 natural ecosystems, including through debt-for-nature ex-
16 changes.

17 **SEC. 6102. DEFINITIONS.**

18 As used in this subtitle:

19 (1) ADMINISTERING BODY.—The term “admin-
20 istering body” means the entity provided for in sec-
21 tion 6107(c).

22 (2) PARTNER COUNTRY.—The term “partner
23 country” means an eligible country with respect to
24 which the authority of paragraph (1) or (2) of sec-
25 tion 6105(a) or section 6106(a)(1) is exercised.

1 (3) DEBT-FOR-NATURE AGREEMENT.—The
 2 term “Debt-for-Nature Agreement” or “Agreement”
 3 means a Debt-for-Nature Agreement provided for in
 4 section 6107.

5 (4) DEBT-FOR-NATURE FACILITY.—The term
 6 “Debt-for-Nature Facility” or “Facility” means the
 7 Debt-for-Nature Facility established in the Depart-
 8 ment of the Treasury by section 6103.

9 (5) DEBT-FOR-NATURE FUND.—The term
 10 “Debt-for-Nature Fund” or “Fund” means a Debt-
 11 for-Nature Fund provided for in section 6109.

12 (6) ELIGIBLE COUNTRY.—The term “eligible
 13 country” means a country described in section 6104.

14 **SEC. 6103. ESTABLISHMENT OF THE FACILITY.**

15 There is established in the Department of the Treas-
 16 ury an entity to be known as the “Debt-for-Nature Facil-
 17 ity” for the purpose of providing for the administration
 18 of debt reduction in accordance with this subtitle.

19 **SEC. 6104. ELIGIBILITY FOR BENEFITS.**

20 To be eligible for benefits from the Facility under this
 21 subtitle, a country shall be a developing country the gov-
 22 ernment of which—

23 (1) is democratically elected;

24 (2) does not support acts of international ter-
 25 rorism;

1 (3) does not engage in a consistent pattern of
2 gross violations of internationally recognized human
3 rights;

4 (4) has in effect, has received approval for, or,
5 as appropriate in exceptional circumstances, is mak-
6 ing significant progress toward—

7 (A) an International Monetary Fund
8 standby arrangement, extended International
9 Monetary Fund arrangement, or an arrange-
10 ment under the structural adjustment facility or
11 enhanced structural adjustment facility, or in
12 exceptional circumstances, an International
13 Monetary Fund-monitored program or its
14 equivalent, unless the President determines that
15 such an arrangement or program (or its equiva-
16 lent) could reasonably be expected to have sig-
17 nificant adverse social or environmental effects;
18 and

19 (B) as appropriate, structural or sectoral
20 adjustment loans from the International Bank
21 for Reconstruction and Development or the
22 International Development Association, unless
23 the President determines that the resulting ad-
24 justment requirements could reasonably be ex-

1 pected to have significant adverse social or envi-
2 ronmental effects; and

3 (5) if appropriate, has agreed with its commer-
4 cial bank lenders on a satisfactory financing pro-
5 gram, including, as appropriate, debt or debt service
6 reduction.

7 **SEC. 6105. AUTHORITY TO ENGAGE IN DEBT-FOR-NATURE**
8 **SWAPS AND DEBT BUYBACKS.**

9 (a) LOANS AND CREDITS ELIGIBLE FOR SALE, RE-
10 DUCTION, OR CANCELLATION.—

11 (1) DEBT-FOR-NATURE SWAPS.—

12 (A) IN GENERAL.—Notwithstanding any
13 other provision of law, the President may, in
14 accordance with this section, sell to any eligible
15 purchaser described in subparagraph (B) any
16 concessional loans described in section 6106 or
17 any credits described in section 6106, or on re-
18 ceipt of payment from an eligible purchaser de-
19 scribed in subparagraph (B), reduce or cancel
20 such loans (or credits) or portion thereof under
21 an Agreement, only for the purpose of facili-
22 tating a debt-for-nature swap to support eligible
23 activities described in section 6108.

24 (B) ELIGIBLE PURCHASER.—A loan or
25 credit may be sold, reduced, or canceled under

1 subparagraph (A) only to a purchaser who pre-
2 sents plans satisfactory to the President for
3 using the loan or credit for the purpose of en-
4 gaging in debt-for-nature swaps to support eli-
5 gible activities described in section 6108.

6 (2) DEBT BUYBACKS.—Notwithstanding any
7 other provision of law, the President may, in accord-
8 ance with this section, sell to any eligible country
9 any concessional loans described in section 6106 or
10 any credits described in section 6106, or on receipt
11 of payment from an eligible country, reduce or can-
12 cel such loans (or credits) or portion thereof under
13 an Agreement, only for the purpose of facilitating a
14 debt buyback by an eligible country of its own quali-
15 fied debt, only if the eligible country uses an addi-
16 tional amount of the local currency of the eligible
17 country, equal to not less than the lesser of 40 per-
18 cent of the price paid for such debt by such eligible
19 country, or the difference between the price paid for
20 such debt and the face value of such debt, to sup-
21 port eligible activities described in section 6108.

22 (3) LIMITATION.—The authority provided by
23 paragraphs (1) and (2) shall be available only to the
24 extent that appropriations for the cost (as defined in
25 section 502(5) of the Federal Credit Reform Act of

1 1990) of the modification of any debt pursuant to
2 such paragraphs are made in advance.

3 (4) TERMS AND CONDITIONS.—Notwithstanding
4 any other provision of law, the President shall, in ac-
5 cordance with this section, establish the terms and
6 conditions under which loans and credits may be
7 sold, reduced, or canceled pursuant to this section.

8 (5) ADMINISTRATION.—

9 (A) IN GENERAL.—When the President de-
10 termines a purchaser to be an eligible purchaser
11 pursuant to paragraph (1)(B), the Adminis-
12 trator or the Secretary of Agriculture, as the
13 case may be, shall carry out the sale, reduction,
14 or cancellation of a loan pursuant to such para-
15 graph.

16 (B) ADDITIONAL REQUIREMENT.—The Ad-
17 ministrators or Secretary of Agriculture, as the
18 case may be, shall make an adjustment in its
19 accounts to reflect the sale, reduction, or can-
20 cellation.

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

1 **SEC. 6106. REDUCTION OF DEBT OWED TO THE UNITED**
2 **STATES AS A RESULT OF CONCESSIONAL**
3 **LOANS OR CREDITS UNDER THIS ACT AND**
4 **CERTAIN OTHER PROVISIONS OF LAW.**

5 (a) **AUTHORITY TO REDUCE DEBT.—**

6 (1) **AUTHORITY.**—The President may reduce
7 the amount owed to the United States (or any Fed-
8 eral agency) that is outstanding as of the date of the
9 enactment of this Act as a result of concessional
10 loans or credits made to an eligible country by the
11 United States under this Act, the Foreign Assist-
12 ance Act of 1961 (as such Act was in effect on the
13 day before the date of the enactment of this Act),
14 title I of the Agricultural Trade Development and
15 Assistance Act of 1954 (7 U.S.C. 1701 et seq.), or
16 predecessor foreign economic assistance legislation.

17 (2) **CERTAIN PROHIBITIONS INAPPLICABLE.**—A
18 reduction of debt pursuant to this section shall not
19 be considered foreign assistance for purposes of any
20 provision of law limiting assistance to a country.

21 (b) **IMPLEMENTATION OF DEBT REDUCTION.—**

22 (1) **IN GENERAL.**—Any debt reduction pursuant
23 to subsection (a) shall be accomplished at the direc-
24 tion of the Facility under an Agreement by the ex-
25 change of a new obligation for obligations of the

1 type referred to in subsection (a) outstanding as of
2 the date specified in subsection (a)(1).

3 (2) EXCHANGE OF OBLIGATIONS.—

4 (A) IN GENERAL.—The Facility shall no-
5 tify the Administrator or the Secretary of Agri-
6 culture of an agreement entered into under
7 paragraph (1) with an eligible country to ex-
8 change a new obligation for outstanding obliga-
9 tions.

10 (B) ADDITIONAL REQUIREMENT.—At the
11 direction of the Facility, the old obligations that
12 are the subject of the Agreement shall be can-
13 celed and a new debt obligation for the country
14 shall be established relating to the Agreement,
15 and the Administrator or the Secretary of Agri-
16 culture, as the case may be, shall make an ad-
17 justment in the respective agency's accounts to
18 reflect the debt reduction.

19 (c) ADDITIONAL TERMS AND CONDITIONS.—

20 (1) REPAYMENT OF PRINCIPAL.—The principal
21 amount of each new obligation issued pursuant to
22 subsection (b) shall be repaid in United States dol-
23 lars.

24 (2) DEPOSIT OF PAYMENTS.—Principal repay-
25 ments of new obligations shall be deposited in the

1 United States Government account established for
2 principal repayments of the obligations for which
3 those obligations were exchanged.

4 (d) INTEREST.—Principal repayments of new obliga-
5 tions shall be deposited in the United States Government
6 account established for principal repayments of the obliga-
7 tions for which those obligations were exchanged.

8 (1) RATE OF INTEREST.—Each new obligation
9 issued by a partner country pursuant to subsection
10 (b) shall bear interest at a concessional rate.

11 (2) CURRENCY OF INTEREST PAYMENT; DEPOS-
12 ITS.—

13 (A) LOCAL CURRENCY.—If the partner
14 country has entered into a Debt-for-Nature
15 Agreement, interest shall be paid in the local
16 currency of the partner country and deposited
17 in the Debt-for-Nature Fund of such country.
18 Such interest shall be the property of the part-
19 ner country, until such time as it is disbursed
20 pursuant to section 6109(b)(3). Such local cur-
21 rencies shall be used for the purposes specified
22 in the Agreement.

23 (B) UNITED STATES DOLLARS.—If the
24 partner country has not entered into a Debt-
25 for-Nature Agreement, interest shall be paid in

1 United States dollars and deposited in the
2 United States Government account established
3 for interest payments of the obligations for
4 which the new obligations were exchanged.

5 (3) INTEREST ALREADY PAID.—If a partner
6 country enters into a Debt-for-Nature Agreement
7 subsequent to the date on which interest first be-
8 came due on the newly issued obligation, any inter-
9 est already paid on such new obligation shall not be
10 redeposited into the Debt-for-Nature Fund estab-
11 lished for that country.

12 **SEC. 6107. DEBT-FOR-NATURE AGREEMENT.**

13 (a) AUTHORITY.—The President is authorized to
14 enter into a Debt-for-Nature Agreement with any eligible
15 country concerning the operation and use of the Debt-for-
16 Nature Fund for the country.

17 (b) CONTENTS OF AGREEMENT.—An Agreement
18 with an eligible country shall—

19 (1) require—

20 (A) the establishment of a Fund for the
21 country; or

22 (B) in the case of a country with respect
23 to which a fund has been established under part
24 IV (relating to Enterprise for the Americas Ini-
25 tiative) or part V (relating to debt reduction for

1 developing countries with tropical forests) of the
2 Foreign Assistance Act of 1961 (as such Act
3 was in effect on the day before the date of the
4 enactment of this Act), the continued utilization
5 of such fund;

6 (2) require the country to make prompt dis-
7 bursements from the Fund to the administering
8 body described in subsection (c);

9 (3) when appropriate, seek to maintain the
10 value of the local currency resources of the Fund in
11 terms of United States dollars;

12 (4) contain reasonable provisions for the en-
13 forcement of the terms of the Agreement; and

14 (5) establish criteria and priorities guiding the
15 disbursement of grants consistent with the eligible
16 activities in section 6108.

17 (c) ADMINISTERING BODY.—

18 (1) IN GENERAL.—Amounts disbursed from the
19 Fund in each partner country shall be administered
20 by a body constituted under the laws of that coun-
21 try.

22 (2) COMPOSITION.—

23 (A) IN GENERAL.—The administering body
24 shall consist of—

1 (i) one or more individuals appointed
2 by the United States Government;

3 (ii) one or more individuals appointed
4 by the government of the partner country;
5 and

6 (iii) individuals who represent a broad
7 range of—

8 (I) environmental nongovern-
9 mental organizations of, or active in,
10 the partner country;

11 (II) local community development
12 nongovernmental organizations of the
13 partner country; and

14 (III) scientific, academic, or in-
15 stitutions of the partner country.

16 (B) ADDITIONAL REQUIREMENT.—A ma-
17 jority of the members of the administering body
18 shall be individuals described in subparagraph
19 (A)(iii).

20 (3) RESPONSIBILITIES.—The administering
21 body shall—

22 (A) receive proposals for grant assistance
23 from eligible grant recipients (as determined
24 under subsection (d)) and make grants to eligi-
25 ble grant recipients in accordance with the pri-

1 orities agreed upon in the Agreement, con-
2 sistent with section 6108;

3 (B) be responsible for the management of
4 the program and oversight of grant activities
5 funded from resources of the Fund;

6 (C) consult with local communities on the
7 planning, development, and implementation of
8 plans, programs, and activities associated with
9 the disbursements of grants;

10 (D) be subject, on an annual basis, to an
11 audit of financial statements conducted in ac-
12 cordance with generally accepted auditing
13 standards by an independent auditor;

14 (E) be required to grant to representatives
15 of the United States Government Accountability
16 Office such access to books and records associ-
17 ated with operations of the Fund as the Comp-
18 troller General of the United States may re-
19 quest; and

20 (F) present an annual plan on activities
21 for the upcoming year for review and an annual
22 report on the activities the administering body
23 undertook during the previous year to the Sec-
24 retary of State, the Secretary of the Treasury,
25 the Administrator, the government of the part-

1 ner country, and, if appropriate, the nongovern-
2 mental organization.

3 (d) GRANT RECIPIENTS.—

4 (1) IN GENERAL.—Grants made from the Fund
5 shall be made to—

6 (A) nongovernmental environmental, for-
7 estry, conservation, and indigenous peoples or-
8 ganizations of, or active in, the partner country;

9 (B) other appropriate local or regional en-
10 tities of, or active in, the partner country; or

11 (C) in exceptional circumstances, the gov-
12 ernment of the partner country.

13 (2) PRIORITY.—In providing grants under
14 paragraph (1), priority shall be given to projects
15 that are run by local nongovernmental organizations
16 and other private entities and that involve local com-
17 munities in their planning and execution.

18 (e) REVIEW OF LARGER GRANTS.—Any grant of
19 more than \$250,000 from a Fund shall be subject to ap-
20 proval by the Government of the United States and the
21 government of the partner country.

22 (f) ELIGIBILITY CRITERIA.—In the event that a
23 country ceases to meet the eligibility requirements set
24 forth in section 6104, then grants from the Fund for that
25 country may only be made to nongovernmental organiza-

1 tions until such time as the country meets the eligibility
2 requirements set forth in section 6104.

3 (g) USE OF FUNDS TO CONDUCT PROGRAM AUDITS
4 AND EVALUATION.—Of the amounts made available to
5 carry out this subtitle for a fiscal year, up to one percent
6 is authorized to be made available to carry out audits,
7 evaluations, monitoring, and administration of programs
8 under this subtitle, including personnel costs associated
9 with such audits, evaluations, monitoring, and administra-
10 tion.

11 (h) CONGRESSIONAL NOTIFICATION.—The President
12 shall notify the appropriate congressional committees of
13 the President's intention to enter into an Agreement with
14 an eligible country at least 15 days in advance of entering
15 into such Agreement.

16 **SEC. 6108. ELIGIBLE ACTIVITIES.**

17 (a) IN GENERAL.—Grants made from the Fund shall
18 be used for—

19 (1) restoration, conservation, or sustainable use
20 of terrestrial and marine animal and plant species;

21 (2) establishment, restoration, protection, and
22 maintenance of parks, protected areas, and reserves;

23 (3) development and implementation of scientif-
24 ically sound systems of natural resource manage-

1 ment, including land and water and ecosystem man-
2 agement practices;

3 (4) development and implementation of pro-
4 grams to address the effects of climate change on
5 environmental resources;

6 (5) training programs to strengthen conserva-
7 tion institutions and increase scientific, technical,
8 and managerial capabilities of local individuals and
9 organizations involved in conservation efforts; or

10 (6) research and identification of medicinal uses
11 of plant life to treat human diseases, illnesses, and
12 health related concerns.

13 (b) PRIORITIZING ACTIVITIES.—In cooperation with
14 the partner country and nongovernmental organizations,
15 the President shall seek to identify those areas, which be-
16 cause of an imminent threat, are in particular need of im-
17 mediate attention to prevent the loss of unique biological
18 life or valuable ecosystem.

19 **SEC. 6109. DEBT-FOR-NATURE FUND.**

20 (a) ESTABLISHMENT.—Each partner country that
21 enters into a Debt-for-Nature Agreement under section
22 6107 shall be required to establish a Debt-for-Nature
23 Fund to receive payments of interest and principal on new
24 obligations undertaken by the partner country under this
25 subtitle.

1 (b) REQUIREMENTS RELATING TO OPERATION OF
2 FUND.—The following terms and conditions shall apply
3 to the Fund:

4 (1) DEPOSITS.—Local currencies deposited in
5 the Fund shall not be considered foreign assistance
6 for purposes of any provision of law limiting assist-
7 ance to a country.

8 (2) INVESTMENT.—Deposits made in the Fund
9 shall be invested until disbursed. Any return on such
10 investment may be retained by the Fund, without
11 deposit in the Treasury of the United States and
12 without further appropriation by Congress.

13 (3) DISBURSEMENTS.—Funds in the Fund
14 shall be disbursed pursuant to a Debt-for-Nature
15 Agreement authorized under section 6107.

16 **SEC. 6110. RESPONSIBILITIES TO THE CONGRESS.**

17 (a) CONSULTATIONS WITH THE CONGRESS.—The
18 President shall consult with the appropriate congressional
19 committees on a periodic basis to review the operation of
20 the Facility under this subtitle and the eligibility of coun-
21 tries for benefits from the Facility under this subtitle.

22 (b) REPORT TO CONGRESS.—Not later than Decem-
23 ber 31 of each year, the President shall prepare and trans-
24 mit to Congress an annual report concerning the oper-

1 ations of the Debt-for-Nature Facility under this subtitle
2 for the prior fiscal year. Such report shall include—

3 (1) a description of the activities undertaken by
4 such Facility during the previous fiscal year;

5 (2) a description of any Agreement entered into
6 under this subtitle;

7 (3) a report on Debt-for-Nature Funds that
8 have been established under this subtitle and on the
9 operations of such Funds; and

10 (4) a description of any grants that have been
11 provided by administering bodies pursuant to Debt-
12 for-Nature Agreements under this subtitle.

13 **SEC. 6111. GENERAL SAVINGS CLAUSE.**

14 An agreement in effect on the day before the date
15 of the enactment of this Act under part IV (relating to
16 Enterprise for the Americas Initiative) or part V (relating
17 to debt reduction for developing countries with tropical
18 forests) of the Foreign Assistance Act of 1961 (as such
19 parts were in effect on the day before the date of the en-
20 actment of this Act) shall remain in effect subject to the
21 terms and conditions under such agreement.

1 **Subtitle B—Commercial Debt-for-**
2 **Nature Exchanges**

3 **SEC. 6201. COMMERCIAL DEBT-FOR-NATURE EXCHANGE**
4 **DEFINED.**

5 For purposes of this subtitle, the term “commercial
6 debt-for-nature exchange” means the cancellation or re-
7 demption of the foreign debt of the government of a coun-
8 try in exchange for—

9 (1) the government’s making available local cur-
10 rencies (including through the issuance of bonds)
11 that are used only for eligible projects involving the
12 conservation or protection of the environment in that
13 country (as described in section 6203);

14 (2) the government’s financial resource or pol-
15 icy commitment to take certain specified actions to
16 ensure the restoration, protection, or sustainable use
17 of natural resources within that country; or

18 (3) a combination of assets and actions under
19 both paragraphs (1) and (2).

20 **SEC. 6202. AUTHORIZATION FOR COMMERCIAL DEBT EX-**
21 **CHANGES.**

22 (a) IN GENERAL.—The Administrator is authorized
23 to provide grants, on such terms and conditions as the
24 Administrator may determine, to nongovernmental organi-
25 zations for the purchase on the open market of discounted

1 commercial debt of a foreign government of an eligible
2 country described in section 6204 which will be canceled
3 or redeemed under agreed upon terms with that govern-
4 ment as part of a commercial debt-for-nature exchange.

5 (b) INTEREST.—Notwithstanding any other provision
6 of law, a grantee (or any subgrantee) of the grants re-
7 ferred to in subsection (a) may retain, without deposit in
8 the Treasury of the United States and without further ap-
9 propriation by Congress, interest earned on the proceeds
10 of any resulting commercial debt-for-nature exchange
11 pending the disbursements of such proceeds and interest
12 for approved program purposes, which may include the es-
13 tablishment of an endowment, the income of which is used
14 for such purposes.

15 **SEC. 6203. ELIGIBLE PROJECTS.**

16 (a) IN GENERAL.—The Administrator shall seek to
17 ensure that commercial debt-for-nature exchanges under
18 this subtitle support one or more of the eligible activities
19 listed in section 6108 by either the relevant government,
20 a local private conservation group, or a combination there-
21 of.

22 (b) IDENTIFICATION OF CERTAIN AREAS.—In co-
23 operation with nongovernmental organizations and the rel-
24 evant country, the Administrator shall seek to identify
25 those areas, which because of an imminent threat, are in

1 particular need of immediate attention to prevent the loss
2 of unique biological life or valuable ecosystem.

3 **SEC. 6204. ELIGIBLE COUNTRIES.**

4 In order for a foreign country to be eligible to partici-
5 pate in a commercial debt-for-nature exchange under this
6 subtitle the foreign country shall be a developing country
7 that—

8 (1) meets the requirements of section 6104; and

9 (2) the Administrator determines—

10 (A) is fully committed to the long-term via-
11 bility of the program or project that is to be un-
12 dertaken through the commercial debt-for-na-
13 ture exchange;

14 (B) has prepared a long-term plan, or a
15 private conservation group has prepared a long-
16 term plan for the country, which adequately
17 provides for the long-term viability of the pro-
18 gram or project that is to be undertaken
19 through the commercial debt-for-nature ex-
20 change or that such a plan will be prepared in
21 a timely manner; and

22 (C) has a government agency or a local
23 nongovernmental organization, or combination
24 thereof, with the capability, commitment, and
25 record of environmental concern to oversee the

1 long-term viability of the program or project
2 that is to be undertaken through the commer-
3 cial debt-for-nature exchange.

4 **SEC. 6205. PROHIBITION.**

5 The United States Government is prohibited from ac-
6 cepting title or interest in any land in a foreign country
7 as a condition on the commercial debt-for-nature ex-
8 change.

9 **TITLE VII—EXPANDING PROS-**
10 **PERITY THROUGH TRADE**
11 **AND INVESTMENT**

12 **SEC. 7001. FINDINGS.**

13 Congress finds the following:

14 (1) Fostering economic growth is essential to
15 sustaining the impact of United States development
16 assistance.

17 (2) United States development assistance must
18 be supplemented by developmentally beneficial pri-
19 vate investment, which can be stimulated by United
20 States-sponsored programs.

21 (3) Attracting and retaining private investment
22 requires improvements in the investment climate of
23 developing countries, which require United States
24 technical assistance.

1 (4) Increasing exports is necessary for sus-
2 tained economic growth in most developing coun-
3 tries, because domestic consumption is usually inad-
4 equate to stimulate and sustain increases in gross
5 domestic product, employment, and personal income.

6 (5) For most developing countries, receipt of
7 additional loans would be counterproductive, exacer-
8 bating existing high debt levels that consume scarce
9 domestic financial resources.

10 **SEC. 7002. AUTHORITY FOR COORDINATION.**

11 (a) IDENTIFICATION OF PRIORITY COUNTRIES.—In
12 preparing the United States Strategy for Global Develop-
13 ment under section 1017, the Interagency Policy Com-
14 mittee on Global Development shall identify a list of pri-
15 ority countries which would substantially benefit from
16 United States programs to stimulate private investment
17 flows and to provide technical assistance to attract and
18 sustain such investment, taking into account each coun-
19 try's—

20 (1) high-level political leadership and commit-
21 ment to development progress;

22 (2) potential for rapid and sustained economic
23 growth; and

24 (3) importance to United States national inter-
25 ests and development goals.

1 (b) JOINT COUNTRY ACTION PLAN.—For each coun-
2 try identified as a priority country under subsection (a),
3 the Interagency Policy Committee on Global Development
4 shall—

5 (1) undertake a rigorous joint analysis of con-
6 straints to growth, in partnership with the priority
7 country and in consultation with the United States,
8 international, and local private sectors, the donor
9 community, civil society organizations, and relevant
10 experts;

11 (2) develop a joint country action plan that out-
12 lines potential tools, reforms, technical assistance,
13 and resources that can be applied over the next five
14 years to address the highest-priority constraints to
15 growth;

16 (3) coordinate and integrate the joint country
17 action plan with Country Development Cooperation
18 Strategies and related policies and programs; and

19 (4) establish high-level mutual accountability
20 for implementation, including through transparency
21 and fact-based monitoring and evaluation.

22 (c) DIRECTION OF RESOURCES.—The Interagency
23 Policy Committee on Global Development may direct the
24 resources of the Department of State, the United States
25 Agency for International Development, the Overseas Pri-

1 vate Investment Corporation, the Trade and Development
2 Agency, and the Millennium Challenge Corporation to be
3 made available to carry out the country plan.

4 **Subtitle A—Overseas Private**
5 **Investment Corporation**

6 **SEC. 7101. CREATION AND PURPOSE.**

7 (a) CREATION.—There is established the Overseas
8 Private Investment Corporation (in this subtitle referred
9 to as the “Corporation”), which shall be an agency of the
10 United States under the policy guidance of the Secretary
11 of State and the Interagency Policy Committee on Global
12 Development.

13 (b) PURPOSE.—

14 (1) IN GENERAL.—The primary purpose of the
15 Corporation shall be to mobilize and facilitate the
16 participation of United States private capital in the
17 economic and social development of less developed
18 countries, thereby complementing the foreign policy
19 and development assistance objectives of the United
20 States.

21 (2) RESPONSIBILITIES.—In carrying out its
22 purpose, the Corporation shall undertake—

23 (A) to conduct financing, insurance, and
24 reinsurance operations on a self-sustaining
25 basis, taking into account in its financing oper-

1 ations the economic and financial soundness of
2 projects;

3 (B) to use private credit and investment
4 institutions and the Corporation's guaranty au-
5 thority as the principal means of mobilizing
6 capital investment funds;

7 (C) to broaden private participation and
8 revolve its funds through selling its direct loans
9 to private investors whenever it can appro-
10 priately do so on satisfactory terms;

11 (D) to conduct its insurance operations
12 with due regard to principles of risk manage-
13 ment, including efforts to share its insurance
14 risks and reinsurance risks;

15 (E) to support the expansion of private en-
16 terprise and market-based economies;

17 (F) to conduct its activities in coordination
18 with the Interagency Policy Committee on Glob-
19 al Development, so as to carry out the foreign
20 policy and development strategy of the United
21 States; and

22 (G) to advise and assist agencies of the
23 United States and other organizations, both
24 public and private, national and international,
25 with respect to projects and programs relating

1 to the development of private enterprise in less
2 developed countries.

3 **SEC. 7102. PROHIBITIONS AND RESTRICTIONS.**

4 (a) PROHIBITIONS.—The Corporation shall—

5 (1) decline to issue any contract of insurance or
6 reinsurance, or any guaranty, or to enter into any
7 agreement to provide financing for a proposed in-
8 vestment, if the Corporation determines that such
9 investment is likely to cause a reduction in the em-
10 ployment of United States persons;

11 (2) decline to insure, reinsure, guarantee, or fi-
12 nance any investment that would reduce exports of
13 goods or services of United States origin or other-
14 wise negatively affect the balance of trade of the
15 United States;

16 (3) decline to insure, reinsure, guarantee, or fi-
17 nance any investment in connection with a project
18 that the Corporation determines will negatively af-
19 fect the environment, or cause a health or safety
20 hazard; and

21 (4) decline to insure, reinsure, guarantee, or fi-
22 nance any investment in connection with a project
23 that the Corporation determines will negatively af-
24 fect the human rights, employment, living standard,

1 social welfare, or culture of any persons in the coun-
2 try where the project is to be located.

3 (b) WORKER RIGHTS.—

4 (1) PROTECTION OF WORKER RIGHTS.—The
5 Corporation may insure, reinsure, guarantee, or fi-
6 nance a project only if the country in which the
7 project is to be undertaken is taking steps to adopt
8 and implement laws that extend internationally rec-
9 ognized worker rights, as defined in section 507(4)
10 of the Trade Act of 1974, to workers in that country
11 (including any designated zone in that country). The
12 Corporation shall also include the following lan-
13 guage, in substantially the following form, in all con-
14 tracts that the Corporation enters into with eligible
15 investors to provide financial support under this sub-
16 title:

17 “The investor and all parties involved in the
18 project agree to protect the right of employees of the
19 foreign enterprise to exercise their right of associa-
20 tion and their right to organize and bargain collec-
21 tively. The investor and all parties involved in the
22 project further agree to comply with core labor
23 standards of the International Labor Organization
24 and United Nations declarations on workers and
25 worker rights relating to a minimum age for employ-

1 ment of children, acceptable conditions of work with
2 respect to minimum wages, hours of work, and occu-
3 pational health and safety, and a prohibition on the
4 use of forced labor.”.

5 (2) USE OF ANNUAL REPORTS ON WORKERS
6 RIGHTS.—The Corporation shall, in making its de-
7 terminations under paragraph (1), use the reports
8 submitted to the Congress pursuant to section 504
9 of the Trade Act of 1974.

10 (3) WAIVER.—Paragraph (1) shall not prohibit
11 the Corporation from providing any insurance, rein-
12 surance, guaranty, or financing with respect to a
13 country if the President determines that such activi-
14 ties by the Corporation would be in the national eco-
15 nomic or foreign policy interests of the United
16 States. Any such determination shall be reported in
17 writing to the Congress, together with the reasons
18 for the determination.

19 (c) ENVIRONMENTAL IMPACT.—

20 (1) IN GENERAL.—The Board of Directors of
21 the Corporation shall not consider or approve any
22 action proposed to be taken by the Corporation that
23 is likely to have adverse environmental impacts, un-
24 less for a period of at least 60 days before the date
25 of the vote—

1 (A) an environmental impact assessment,
2 or initial environmental audit, analyzing the en-
3 vironmental impacts of the proposed action and
4 of alternatives to the proposed action has been
5 completed by the project applicant and made
6 available to the Board of Directors; and

7 (B) such assessment or audit has been
8 made available to the public of the United
9 States, locally affected groups in the host coun-
10 try, and host country nongovernmental organi-
11 zations.

12 (2) COMPLIANCE WITH EXTRACTIVE INDUS-
13 TRIES TRANSPARENCY INITIATIVE.—The Board of
14 Directors shall ensure that the projects for which
15 the Corporation provides insurance, reinsurance, a
16 guaranty, or financing are in compliance with the
17 Extractive Industries Transparency Initiative, or any
18 successor international standard.

19 **SEC. 7103. CAPITAL OF THE CORPORATION.**

20 The capital stock of the Corporation issued before the
21 date of the enactment of this Act and held by the Sec-
22 retary of the Treasury as of such date of enactment shall
23 continue to be the capital stock of the Corporation on and
24 after such date of enactment.

1 **SEC. 7104. ORGANIZATION AND MANAGEMENT.**

2 (a) STRUCTURE OF THE CORPORATION.—The Cor-
3 poration shall have a Board of Directors, a President, an
4 Executive Vice President, and such other officers and staff
5 as the Board of Directors may determine.

6 (b) BOARD OF DIRECTORS.—

7 (1) IN GENERAL.—All powers of the Corpora-
8 tion shall vest in and be exercised by or under the
9 authority of its Board of Directors (hereinafter in
10 this subtitle referred to as the “Board”), which shall
11 consist of 15 Directors, including the Chairman,
12 with 8 Directors constituting a quorum for the
13 transaction of business.

14 (2) MEMBERSHIP.—

15 (A) PRESIDENTIAL APPOINTEES.—Eight
16 Directors shall be appointed by the President of
17 the United States, by and with the advice and
18 consent of the Senate, and may not be officers
19 or employees of the United States Government.
20 Two of the 8 Directors appointed under the
21 preceding sentence shall be experienced in inter-
22 national development, 2 shall be experienced in
23 international labor and human rights, 2 shall be
24 experienced in environmental protection, and 2
25 shall be experienced in insurance and inter-
26 national finance. Each such Director shall be

1 appointed for a term of not more than 3 years.

2 The terms of not more than 3 such Directors
3 may expire in any one year. Such Directors
4 shall serve until their successors are appointed
5 and qualified, and may be reappointed.

6 (B) OFFICERS OF THE GOVERNMENT.—

7 The remaining Directors shall be principal offi-
8 cers of the United States Government, includ-
9 ing the President of the Corporation, the Ad-
10 ministrator of the Agency for International De-
11 velopment, and one such officer of the Depart-
12 ment of State, the Department of the Treasury,
13 the Environmental Protection Agency, the De-
14 partment of Labor, and the Department of
15 Commerce, who are designated by and serve at
16 the pleasure of the President of the United
17 States.

18 (3) CHAIR AND VICE CHAIR.—There shall be a
19 Chair and a Vice Chair of the Board, both of whom
20 shall be designated by the President of the United
21 States from among the Directors of the Board des-
22 ignated under paragraph (2)(B).

23 (4) COMPENSATION.—All Directors who are not
24 officers of the Corporation or officers of the United
25 States Government shall be compensated at a rate

1 equivalent to that of level IV of the Executive Sched-
2 ule under section 5315 of title 5, United States
3 Code, when actually engaged in the business of the
4 Corporation, and may be paid per diem in lieu of
5 subsistence at the applicable rate prescribed in the
6 standardized Government travel regulations, while
7 away from their homes or usual places of business.

8 (c) PRESIDENT OF THE CORPORATION.—The Presi-
9 dent of the Corporation shall be appointed by the Presi-
10 dent of the United States, by and with the advice and con-
11 sent of the Senate, and shall serve at the pleasure of the
12 President. The President of the Corporation shall be its
13 Chief Executive Officer and shall be responsible for the
14 operations and management of the Corporation, subject
15 to bylaws and policies established by the Board.

16 (d) OFFICERS AND STAFF.—

17 (1) IN GENERAL.—The Executive Vice Presi-
18 dent of the Corporation shall be appointed by the
19 President of the United States, by and with the ad-
20 vice and consent of the Senate, and shall serve at
21 the pleasure of the President. Other officers, attor-
22 neys, employees, and agents shall be selected and
23 appointed by the Corporation, and shall be vested
24 with such powers and duties as the Corporation may
25 determine.

1 (2) APPLICABILITY OF CIVIL SERVICE LAWS.—

2 Of the persons employed by the Corporation under
3 paragraph (1), not more than 20 may be appointed,
4 compensated, or removed without regard to the civil
5 service laws and regulations, except that under such
6 regulations as the President of the United States
7 may prescribe, officers and employees of the United
8 States Government who are appointed to any of such
9 positions may be entitled, upon removal from such
10 position, except for cause, to reinstatement to the
11 position occupied at the time of appointment or to
12 a position of comparable grade and salary. Such po-
13 sitions shall be in addition to those otherwise au-
14 thorized by law, including those authorized by sec-
15 tion 5108 of title 5, United States Code.

16 (e) INSPECTOR GENERAL.—The Board shall appoint
17 and maintain an Inspector General in the Corporation, in
18 accordance with the Inspector General Act of 1978 (5
19 U.S.C. App.).

20 **SEC. 7105. INVESTMENT INSURANCE AND OTHER PRO-**
21 **GRAMS.**

22 (a) INVESTMENT INSURANCE.—

23 (1) IN GENERAL.—The Corporation may issue
24 insurance, upon such terms and conditions as the
25 Corporation may determine, to eligible investors, as-

1 suring protection in whole or in part against any or
2 all of the following risks with respect to projects
3 which the Corporation has approved:

4 (A) Inability to convert into United States
5 dollars other currencies, or credits in such cur-
6 rencies, received as earnings or profits from the
7 approved project, as repayment or return of the
8 investment therein, in whole or in part, or as
9 compensation for the sale or disposition of all
10 or any part thereof.

11 (B) Loss of investment, in whole or in
12 part, in the approved project due to expropria-
13 tion or confiscation by action of a foreign gov-
14 ernment or any political subdivision thereof.

15 (C) Loss due to war, revolution, insurrec-
16 tion, or civil strife.

17 (D) Loss due to business interruption
18 caused by any of the risks set forth in subpara-
19 graphs (A), (B), and (C).

20 (2) SHARED LIABILITIES.—Recognizing that
21 major private investments in less developed friendly
22 countries or areas are often made by enterprises in
23 which there is multinational participation, including
24 significant United States private participation, the
25 Corporation may make arrangements with foreign

1 governments (including agencies, instrumentalities,
2 or political subdivisions thereof) or with multilateral
3 organizations and institutions for sharing liabilities
4 assumed under investment insurance for such invest-
5 ments and may in connection therewith issue insur-
6 ance to investors that do not otherwise qualify as eli-
7 gible investors, except that—

8 (A) liabilities assumed by the Corporation
9 under the authority of this paragraph shall be
10 consistent with the purposes of this subtitle;
11 and

12 (B) the maximum share of liabilities so as-
13 sumed may not exceed the proportionate par-
14 ticipation by eligible investors in the project.

15 (3) LIMITATION ON SINGLE INVESTORS.—Not
16 more than 10 percent of the maximum contingent li-
17 ability of investment insurance that the Corporation
18 is permitted to have outstanding under section
19 7106(a)(1) may be issued to a single investor.

20 (4) REPORTS TO CONGRESS ON CERTAIN
21 RISKS.—Before issuing insurance for the first time
22 for loss due to business interruption, and in each
23 subsequent instance in which a significant expansion
24 is proposed in the type of risk to be insured under
25 the definition of “civil strife” or “business interrup-

1 tion”, the Corporation shall, at least 60 days before
2 such insurance is issued, submit to the Committee
3 on Foreign Relations of the Senate and the Com-
4 mittee on Foreign Affairs of the House of Rep-
5 resentatives a report with respect to such insurance,
6 including a thorough analysis of the risks to be cov-
7 ered, anticipated losses, and proposed rates and re-
8 serves and, in the case of insurance for loss due to
9 business interruption, an explanation of the under-
10 writing basis upon which the insurance is to be of-
11 fered. Any such report with respect to insurance for
12 loss due to business interruption shall be considered
13 in accordance with the procedures applicable to re-
14 programming notifications pursuant to section 9401
15 of this Act.

16 (b) INVESTMENT GUARANTIES.—The Corporation
17 may issue to eligible investors guaranties of loans and
18 other investments made by such investors assuring against
19 loss due to such risks and upon such terms and conditions
20 as the Corporation may determine, subject to the fol-
21 lowing:

22 (1) Such guaranties on other than loan invest-
23 ments may not exceed 75 percent of such invest-
24 ment.

1 (2) Except for loan investments for credit
2 unions made by eligible credit unions or credit union
3 associations, the aggregate amount of investment
4 (exclusive of interest and earnings) so guaranteed
5 with respect to any project may not exceed, at the
6 time of issuance of any such guaranty, 75 percent
7 of the total investment committed to any such
8 project as determined by the Corporation, such de-
9 termination to be conclusive for purposes of the Cor-
10 poration's authority to issue any such guaranty.

11 (3) Not more than 15 percent of the maximum
12 contingent liability of investment guaranties that the
13 Corporation is permitted to have outstanding under
14 section 7106(a)(1) may be issued to a single inves-
15 tor.

16 (c) DIRECT LOANS.—

17 (1) AUTHORITY.—The Corporation may make
18 loans in United States dollars repayable in dollars or
19 loans in foreign currencies (including, without re-
20 gard to section 1306 of title 31, United States Code,
21 such foreign currencies that the Secretary of the
22 Treasury may determine to be excess to the normal
23 requirements of the United States and the Director
24 of the Office of Management and Budget may allo-
25 cate) to firms privately owned or of mixed private

1 and public ownership, upon such terms and condi-
2 tions as the Corporation may determine.

3 (2) PORTION OF LOAN FOR TECHNOLOGIES AND
4 PROJECTS IN THE UNITED STATES.—The Corpora-
5 tion may designate up to 25 percent of any loan
6 under this subsection for use in the development or
7 adaptation in the United States of new technologies
8 or new products or services that are to be used in
9 the project for which the loan is made and are likely
10 to contribute to the economic or social development
11 of less developed countries.

12 (3) RESTRICTION ON EXTRACTION OF OIL, GAS,
13 AND MINERALS.—No loan may be made under this
14 subsection to finance any operation for the extrac-
15 tion of oil or gas. The aggregate amount of loans
16 under this subsection to finance operations for the
17 mining or other extraction of any deposit of ore or
18 other nonfuel minerals may not in any fiscal year ex-
19 ceed \$4,000,000.

20 (d) INVESTMENT ENCOURAGEMENT.—The Corpora-
21 tion may initiate and support through financial participa-
22 tion, incentive grant, or otherwise, and on such terms and
23 conditions as the Corporation may determine, the identi-
24 fication, assessment, surveying, and promotion of private

1 investment opportunities, using wherever feasible and ef-
2 fective the facilities of private investors, except that—

3 (1) the Corporation may not finance any survey
4 to ascertain the existence, location, extent, or quality
5 of, or to determine the feasibility of undertaking op-
6 erations for the extraction of, oil or gas; and

7 (2) expenditures financed by the Corporation
8 during any fiscal year on surveys to ascertain the ex-
9 istence, location, extent, or quality of, or to deter-
10 mine the feasibility of undertaking operations for the
11 extraction of, nonfuel minerals may not exceed
12 \$200,000.

13 (e) SPECIAL ACTIVITIES.—The Corporation may ad-
14 minister and manage special projects and programs, in-
15 cluding programs of financial and advisory support that
16 provide private technical, professional, or managerial as-
17 sistance in the development of human resources, skills,
18 technology, capital savings, and intermediate financial and
19 investment institutions and cooperatives and including the
20 initiation of incentives, grants, and studies for renewable
21 energy and other small business activities. The funds for
22 such projects and programs may, with the Corporation's
23 concurrence, be transferred to it for such purposes under
24 the authority of section 11505(a) or from other sources,
25 public or private. Administrative funds may not be made

1 available for incentives, grants, and studies for renewable
2 energy and other small business activities.

3 (f) OTHER INSURANCE FUNCTIONS.—

4 (1) REINSURANCE, ETC.—The Corporation may
5 make and carry out contracts of insurance or rein-
6 surance, or agreements to associate or share risks,
7 with insurance companies, financial institutions, any
8 other persons, or groups thereof, and employing
9 such companies, institutions, persons, or groups
10 where appropriate, as its agent, or acting as their
11 agent, in the issuance and servicing of insurance, the
12 adjustment of claims, the exercise of subrogation
13 rights, the ceding and accepting of reinsurance, and
14 in any other matter incident to an insurance busi-
15 ness, except that such agreements and contracts
16 shall be consistent with the purposes of the Corpora-
17 tion set forth in section 7101 and shall be on equi-
18 table terms.

19 (2) RISK SHARING.—The Corporation may
20 enter into pooling or other risk-sharing agreements
21 with multinational insurance or financing agencies
22 or groups of such agencies.

23 (3) HOLDING OWNERSHIP INTERESTS.—The
24 Corporation may hold an ownership interest in any

1 association or other entity established for the pur-
2 poses of sharing risks under investment insurance.

3 (4) REINSURANCE OF CERTAIN LIABILITIES.—

4 The Corporation may issue, upon such terms and
5 conditions as it may determine, reinsurance of liabil-
6 ities assumed by other insurers or groups thereof
7 with respect to risks referred to in subsection (a)(1).

8 (5) LIMIT ON REINSURANCE.—The amount of
9 reinsurance of liabilities under this subtitle that the
10 Corporation may issue may not in the aggregate ex-
11 ceed at any one time an amount equal to the amount
12 authorized for the maximum contingent liability out-
13 standing at any one time under section 7106(a)(1).
14 All reinsurance issued by the Corporation under this
15 subsection shall require that the reinsured party re-
16 tain for that party's own account specified portions
17 of liability, whether first loss or otherwise.

18 (g) LOCAL CURRENCY GUARANTIES FOR ELIGIBLE
19 INVESTORS.—The Corporation may issue to eligible inves-
20 tors, or to local financial institutions, guaranties, denomi-
21 nated in currencies other than United States dollars, of
22 loans and other investments made to projects sponsored
23 by or significantly involving eligible investors, assuring
24 against loss due to such risks and upon such terms and
25 conditions as the Corporation may determine, for projects

1 that the Corporation determines to have significant devel-
2 opmental effects or as the Corporation determines to be
3 necessary or appropriate to carry out the purposes of this
4 subtitle.

5 (h) PUBLIC HEARINGS.—

6 (1) ANNUAL PUBLIC HEARINGS.—The Board
7 shall hold at least one public hearing each year in
8 order to afford an opportunity for any person to
9 present views as to whether the Corporation is car-
10 rying out its activities in accordance with section
11 7101 and this section or whether any investment in
12 a particular country should have been or should be
13 extended insurance, reinsurance, guaranties, or fi-
14 nancing under this subtitle.

15 (2) HEARINGS IN CONNECTION WITH BOARD
16 MEETINGS.—In conjunction with each meeting of its
17 Board, the Corporation shall hold a public hearing
18 in order to afford an opportunity for any person to
19 present views regarding the activities of the Cor-
20 poration. Such views shall be made part of the
21 record.

22 **SEC. 7106. ISSUING AUTHORITY; DIRECT LOAN AUTHORITY;**
23 **DISCHARGE OF LIABILITIES.**

24 (a) ISSUING AUTHORITY.—

1 (1) MAXIMUM CONTINGENT LIABILITY.—The
2 maximum contingent liability outstanding at any one
3 time pursuant to insurance issued under section
4 7105(a), and the amount of financing issued under
5 subsections (b) and (c) of section 7105, may not ex-
6 ceed in the aggregate \$50,000,000,000.

7 (2) PAYMENT OF SUBSIDY AND ADMINISTRA-
8 TIVE COSTS.—Subject to spending authority pro-
9 vided in appropriations Acts pursuant to section
10 504(b) of the Federal Credit Reform Act of 1990,
11 the Corporation may transfer such sums as are nec-
12 essary from its noncredit activities to pay for the
13 subsidy and administrative costs of the investment
14 guaranties and direct loan programs under sub-
15 sections (b) and (c) of section 7105.

16 (b) NONCREDIT ACCOUNT REVOLVING FUND.—
17 There is established in the Treasury of the United States
18 a noncredit account revolving fund, which shall be avail-
19 able for discharge of liabilities, as provided in subsection
20 (c), until such time as all such liabilities have been dis-
21 charged or have expired or until all of the fund has been
22 expended in accordance with the provisions of this section.
23 Such fund shall be funded by—

24 (1) the funds remaining, on the day before the
25 date of the enactment of this Act, in the noncredit

1 account revolving fund established under section
2 235(c) of the Foreign Assistance Act of 1961;

3 (2) such sums as are appropriated pursuant to
4 subsection (d) for such purpose; and

5 (3) additional amounts as may be transferred
6 to such fund pursuant to section 7107.

7 (c) ORDER OF PAYMENTS TO DISCHARGE LIABIL-
8 ITIES.—Any payment made to discharge liabilities under
9 investment insurance or reinsurance issued under section
10 7105 or under similar predecessor guaranty authority,
11 shall be paid first out of the noncredit account revolving
12 fund, as long as such fund remains available, and there-
13 after out of funds made available pursuant to subsection
14 (d) of this section. Any payments made to discharge liabil-
15 ities under guaranties issued under subsection (b) or (c)
16 of section 7105 shall be paid in accordance with the Fed-
17 eral Credit Reform Act of 1990.

18 (d) AUTHORIZATION OF APPROPRIATIONS.—

19 (1) IN GENERAL.—There are authorized to be
20 appropriated to the Corporation, to remain available
21 until expended, such amounts as may be necessary
22 from time to time to replenish or increase the non-
23 credit account revolving fund, to discharge the liabil-
24 ities under insurance, reinsurance, or guaranties
25 issued by the Corporation or issued under prede-

cessor guaranty authority, or to discharge obligations of the Corporation purchased by the Secretary of the Treasury pursuant to this subsection.

(2) LIMITATION ON APPROPRIATIONS.—No appropriations may be made to augment the noncredit account revolving fund until the amount of funds in the noncredit account revolving fund is less than \$25,000,000. Any appropriations to augment the noncredit account revolving fund shall then only be made either pursuant to specific authorization enacted after the date of the enactment of this Act, or to satisfy the full faith and credit provision of section 7108(c).

(3) ISSUANCE OF TREASURY INSTRUMENTS.—In order to discharge liabilities under investment insurance or reinsurance, the Corporation may issue from time to time for purchase by the Secretary of the Treasury its notes, debentures, bonds, or other obligations, except that the aggregate amount of such obligations outstanding at any one time may not exceed \$100,000,000. Any such obligation shall be repaid to the Treasury within one year after the date of issue of such obligation. Any such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the

1 current average market yield on outstanding market-
2 able obligations of the United States of comparable
3 maturities during the month preceding the issuance
4 of the obligation. The Secretary of the Treasury
5 shall purchase any obligation of the Corporation
6 issued under this subsection, and for such purchase
7 the Secretary may use as a public debt transaction
8 the proceeds of the sale of any securities issued
9 under chapter 31 of title 31, United States Code (or
10 the Second Liberty Bond Act), after the date of the
11 enactment of the Overseas Private Investment Cor-
12 poration Amendments Act of 1974. The purpose for
13 which securities may be issued under such chapter
14 shall include any such purchase.

15 **SEC. 7107. INCOME AND REVENUES.**

16 In order to carry out the purposes of the Corporation,
17 all revenues and income transferred to or earned by the
18 Corporation, from whatever source derived, shall be held
19 by the Corporation and shall be available to carry out its
20 purposes, including without limitation—

- 21 (1) payment of all expenses of the Corporation,
22 including investment promotion expenses;
- 23 (2) transfers and additions to the insurance or
24 guaranty reserves, noncredit account revolving fund,
25 and such other funds or reserves as the Corporation

1 may establish, at such time and in such amounts as
2 the Board may determine; and

3 (3) payment of dividends, on capital stock,
4 which shall consist of and be paid from net earnings
5 of the Corporation after payments, transfers, and
6 additions under paragraphs (1) and (2).

7 **SEC. 7108. GENERAL PROVISIONS RELATING TO INSUR-**
8 **ANCE, GUARANTY, AND FINANCING PRO-**
9 **GRAM.**

10 (a) AGREEMENT WITH HOST COUNTRY.—Insurance,
11 guaranties, and reinsurance issued under this subtitle
12 shall cover investment made in connection with projects
13 in any less developed country with the government to
14 which the President of the United States has agreed to
15 institute a program for insurance, guaranties, or reinsur-
16 ance.

17 (b) PROTECTION OF INTERESTS OF CORPORATION.—
18 The Corporation shall determine that suitable arrange-
19 ments exist for protecting the interest of the Corporation
20 in connection with any insurance, guaranty, or reinsurance
21 issued under this subtitle, including arrangements con-
22 cerning ownership, use, and disposition of the currency,
23 credits, assets, or investments on account of which pay-
24 ment under such insurance, guaranty, or reinsurance is

1 to be made, and right, title, claim, or cause of action exist-
2 ing in connection therewith.

3 (c) FULL FAITH AND CREDIT OF THE UNITED
4 STATES.—All insurance, reinsurance, and guaranties
5 issued under this subtitle or predecessor guaranty author-
6 ity shall constitute obligations, in accordance with the
7 terms of such insurance, reinsurance, or guaranties, of the
8 United States of America and the full faith and credit of
9 the United States of America is hereby pledged for the
10 full payment and performance of such obligations.

11 (d) FEES.—

12 (1) IN GENERAL.—Fees may be charged for
13 providing insurance, reinsurance, guaranties, financ-
14 ing, and other services under this subtitle in
15 amounts to be determined by the Corporation. In
16 the event fees charged for insurance, reinsurance,
17 guaranties, financing, or other services are reduced,
18 fees to be paid under existing contracts for the same
19 type of insurance, reinsurance, guaranties, financing,
20 or services and for similar guaranties issued under
21 predecessor guaranty authority may be reduced.

22 (2) CREDIT TRANSACTION COSTS.—Project-spe-
23 cific transaction costs incurred by the Corporation
24 relating to loan obligations or loan guaranty commit-
25 ments covered by the provisions of the Federal Cred-

1 it Reform Act of 1990, including the costs of
2 project-related travel and expenses for legal rep-
3 resentation provided by persons outside the Corpora-
4 tion and other similar expenses that are charged to
5 the borrower, shall be paid out of the appropriate fi-
6 nance account established pursuant to section
7 505(b) of that Act.

8 (3) NONCREDIT TRANSACTION COSTS.—Fees
9 paid for the project-specific transaction costs and
10 other direct costs associated with services provided
11 to specific investors or potential investors pursuant
12 to section 7105 (other than those covered in para-
13 graph (2)), including financing, insurance, reinsur-
14 ance, missions, seminars, conferences, and other
15 preinvestment services, shall be available for obliga-
16 tion for the purposes for which they were collected,
17 notwithstanding any other provision of law.

18 (e) LIMITATION ON TERM OF ASSISTANCE.—No in-
19 surance, guaranty, or reinsurance of any equity invest-
20 ment may extend beyond 20 years from the date of
21 issuance.

22 (f) LIMITATION ON COMPENSATION.—

23 (1) IN GENERAL.—Compensation for any insur-
24 ance, reinsurance, or guaranty issued under this
25 subtitle may not exceed the dollar value, as of the

1 date of the investment, of the investment made in
2 the project with the approval of the Corporation,
3 plus interest, earnings, or profits actually accrued on
4 such investment to the extent provided by such in-
5 surance, reinsurance, or guaranties, except that the
6 Corporation may provide that—

7 (A) appropriate adjustments in the insured
8 dollar value be made to reflect the replacement
9 cost of project assets;

10 (B) compensation for a claim of loss under
11 insurance of an equity investment may be com-
12 puted on the basis of the net book value attrib-
13 utable to such equity investment on the date of
14 loss; and

15 (C) compensation for loss due to business
16 interruption may be computed on a basis to be
17 determined by the Corporation that reflects
18 amounts lost.

19 (2) LIMITATION ON RISK OF LOSS.—Notwith-
20 standing paragraph (1), the Corporation shall limit
21 the amount of direct insurance and reinsurance
22 issued by it under section 7105 so that risk of loss
23 as to at least 10 percent of the total investment of
24 the insured and its affiliates in the project is borne
25 by the insured and such affiliates, except that limita-

1 tion shall not apply to direct insurance or reinsur-
2 ance of loans by banks or other financial institutions
3 to unrelated parties.

4 (g) NO PAYMENT WHEN FRAUD INVOLVED.—No
5 payment may be made under any guaranty, insurance, or
6 reinsurance issued under this subtitle for any loss arising
7 out of fraud or misrepresentation for which the party seek-
8 ing payment is responsible.

9 (h) LIMITATION ON INVESTMENT IN FOREIGN INSTI-
10 TUTIONS.—Insurance, guaranties, or reinsurance issued
11 under this subtitle of a loan or equity investment of an
12 eligible investor in a foreign bank, finance company, or
13 other credit institution shall extend only to such loan or
14 equity investment and not to any individual loan or equity
15 investment made by such foreign bank, finance company,
16 or other credit institution.

17 (i) SETTLEMENT OF CLAIMS.—Claims arising as a
18 result of insurance, reinsurance, or guaranty operations
19 under this subtitle or under predecessor guaranty author-
20 ity may be settled, and disputes arising as a result thereof
21 may be arbitrated with the consent of the parties, on such
22 terms and conditions as the Corporation may determine.
23 Payment made pursuant to any such settlement, or as a
24 result of an arbitration award, shall be final and conclu-
25 sive, notwithstanding any other provision of law.

1 (j) PRESUMPTION OF COMPLIANCE OF CON-
2 TRACTS.—Each guaranty contract executed by such offi-
3 cer or officers as may be designated by the Board shall
4 be conclusively presumed to be issued in compliance with
5 the requirements of this subtitle.

6 (k) CONSIDERATION OF EFFECT ON BALANCE OF
7 PAYMENTS.—In making a determination to issue insur-
8 ance, guaranties, or reinsurance under this subtitle, the
9 Corporation shall consider the possible adverse effect of
10 the dollar investment under such insurance, guaranty, or
11 reinsurance upon the balance of payments of the United
12 States.

13 (l) VIOLATION OF FOREIGN CORRUPT PRACTICES
14 ACT.—

15 (1) IN GENERAL.—No payment may be made
16 under any insurance or reinsurance that is issued
17 under this subtitle for any loss occurring with re-
18 spect to a project, if the preponderant cause of such
19 loss was an act by the investor seeking payment
20 under this subtitle, by a person possessing majority
21 ownership and control of the investor at the time of
22 the act, or by any agent of such investor or control-
23 ling person, and a court of the United States has en-
24 tered a final judgment that such act constituted a
25 violation under the Foreign Corrupt Practices Act of

1 1977 or section 30A of the Securities Exchange Act
2 of 1934.

3 (2) REGULATIONS TO BAR ELIGIBILITY.—The
4 Corporation shall adopt regulations setting forth ap-
5 propriate conditions under which any person con-
6 victed under the Foreign Corrupt Practices Act of
7 1977 or section 30A of the Securities Exchange Act
8 of 1934 for an offense related to a project insured
9 or otherwise supported by the Corporation shall be
10 suspended, for a period of not more than 5 years,
11 from eligibility to receive any insurance, reinsurance,
12 guaranty, loan, or other financial support authorized
13 by this subtitle.

14 (m) NOTIFICATION OF HOST COUNTRY OF HEALTH,
15 SAFETY, AND ENVIRONMENTAL STANDARDS.—

16 (1) NOTIFICATION.—

17 (A) IN GENERAL.—Before finally providing
18 insurance, reinsurance, guaranties, or financing
19 under this subtitle for any environmentally sen-
20 sitive investment in connection with a project in
21 a country, the Corporation shall notify appro-
22 priate government officials of that country of—

23 (i) all guidelines and other standards
24 adopted by the International Bank for Re-
25 construction and Development and any

1 other international organization relating to
2 the public health or safety or the environ-
3 ment that are applicable to the project;
4 and

5 (ii) to the maximum extent prac-
6 ticable, any restriction under any law of
7 the United States relating to public health
8 or safety or the environment that would
9 apply to the project if the project were un-
10 dertaken in the United States.

11 (B) CONTENTS OF NOTIFICATION.—The
12 notification under the subparagraph (A) shall
13 include a summary of the guidelines, standards,
14 and restrictions referred to in clauses (i) and
15 (ii) of subparagraph (A).

16 (2) CONSIDERATION OF COMMENTS.—Before fi-
17 nally providing insurance, reinsurance, guaranties,
18 or financing for any investment subject to paragraph
19 (1), the Corporation shall take into account any
20 comments it receives on the project involved that the
21 Corporation considers relevant to such project.

22 (n) PENALTIES FOR FRAUD.—Whoever knowingly
23 makes any false statement or report, or willfully over-
24 values any land, property, or security, for the purpose of
25 influencing in any way the action of the Corporation with

1 respect to any insurance, reinsurance, guaranty, loan, eq-
2 uity investment, or other activity of the Corporation under
3 section 7105, or any change or extension of any such in-
4 surance, reinsurance, guaranty, loan, equity investment,
5 or activity, by renewal, deferment of action, or otherwise,
6 or the acceptance, release, or substitution of security
7 therefor, shall be fined not more than \$1,000,000 or im-
8 prisoned not more than 30 years, or both.

9 (o) USE OF LOCAL CURRENCIES.—Direct loans or in-
10 vestments made in order to preserve the value of funds
11 received in inconvertible foreign currency by the Corpora-
12 tion as a result of activities conducted pursuant to section
13 7105(a) shall not be considered in determining whether
14 the Corporation has made or has outstanding loans or in-
15 vestments to the extent of any limitation on obligations
16 and equity investment imposed by or pursuant to this sub-
17 title. The provisions of section 504(b) of the Federal Cred-
18 it Reform Act of 1990 shall not apply to direct loan obliga-
19 tions made with funds described in this subsection.

20 **SEC. 7109. GENERAL PROVISIONS AND POWERS.**

21 (a) PRINCIPAL OFFICE AND RESIDENCE.—The Cor-
22 poration shall have its principal office in the District of
23 Columbia and shall be deemed, for purposes of venue in
24 civil actions, to be resident thereof.

25 (b) APPLICABILITY OF TITLE 31 PROVISIONS.—

1 (1) IN GENERAL.—The Corporation shall be
2 subject to the applicable provisions of chapter 91 of
3 title 31, United States Code, except as otherwise
4 provided in this subtitle.

5 (2) AUDITS.—An independent certified public
6 accountant shall perform a financial and compliance
7 audit of the financial statements of the Corporation
8 annually, in accordance with generally accepted Gov-
9 ernment auditing standards for a financial and com-
10 pliance audit, as issued by the Comptroller General.
11 The independent certified public accountant shall re-
12 port the results of such audit to the Board. The fi-
13 nancial statements of the Corporation shall be pre-
14 sented in accordance with generally accepted ac-
15 counting principles. These financial statements and
16 the report of the accountant shall be included in a
17 report that contains, to the extent applicable, the in-
18 formation identified in section 9106 of title 31,
19 United States Code, and that the Corporation shall
20 submit to the Congress not later than 3 months
21 after the end of the last fiscal year covered by the
22 audit. The Comptroller General may review the
23 audit conducted by the accountant and the report to
24 the Congress in the manner and at such times as
25 the Comptroller General considers necessary.

1 (3) AUDIT BY GAO.—The Comptroller General
2 shall, if the Comptroller General considers it nec-
3 essary or upon the request of the Congress, audit
4 the financial statements of the Corporation in the
5 manner provided in paragraph (2). The Corporation
6 shall reimburse the Government Accountability Of-
7 fice for the full cost of any audit conducted under
8 this paragraph.

9 (4) AVAILABILITY OF OPIC RECORDS.—All
10 books, accounts, financial records, reports, files,
11 workpapers, and property belonging to or in use by
12 the Corporation and the accountant who conducts
13 the audit under paragraph (2), that are necessary
14 for purposes of this subsection, shall be made avail-
15 able to the representatives of the Government Ac-
16 countability Office.

17 (c) GENERAL AUTHORITIES.—To carry out the pur-
18 poses of this subtitle, the Corporation may—

19 (1) adopt and use a corporate seal, which shall
20 be judicially noticed;

21 (2) sue and be sued in its corporate name;

22 (3) adopt, amend, and repeal bylaws governing
23 the conduct of its business and the performance of
24 the powers and duties granted to or imposed upon
25 it by law;

1 (4) acquire, hold, or dispose of, upon such
2 terms and conditions as the Corporation may deter-
3 mine, any property, real, personal, or mixed, tan-
4 gible or intangible, or any interest therein;

5 (5) invest funds derived from fees and other
6 revenues in obligations of the United States and use
7 the proceeds therefrom, including earnings and prof-
8 its, as it considers appropriate;

9 (6) indemnify directors, officers, employees, and
10 agents of the Corporation for liabilities and expenses
11 incurred in connection with their Corporation activi-
12 ties;

13 (7) require bonds of officers, employees, and
14 agents and pay the premiums therefor;

15 (8) notwithstanding any other provision of law,
16 represent itself or contract for representation in all
17 legal and arbitral proceedings;

18 (9) enter into limited-term contracts with na-
19 tionals of the United States for personal services to
20 carry out activities in the United States and abroad
21 under subsections (d) and (e) of section 7105;

22 (10) purchase, discount, rediscount, sell, and
23 negotiate, with or without its endorsement or guar-
24 anty, and guarantee notes, participation certificates,
25 and other evidence of indebtedness (except that the

1 Corporation may not issue its own securities, except
2 participation certificates for the purpose of carrying
3 out section 7101(b)(2)(C) or participation certifi-
4 cates as evidence of indebtedness held by the Cor-
5 poration in connection with settlement of claims
6 under section 7108(i));

7 (11) make and carry out such contracts and
8 agreements as are necessary and advisable in the
9 conduct of its business;

10 (12) exercise the priority of the United States
11 Government in collecting debts from bankrupt, insol-
12 vent, or decedents' estates;

13 (13) determine the character of and the neces-
14 sity for its obligations and expenditures, and the
15 manner in which they shall be incurred, allowed, and
16 paid, subject to provisions of law specifically applica-
17 ble to Government corporations;

18 (14) collect or compromise any obligations as-
19 signed to or held by the Corporation, including any
20 legal or equitable rights accruing to the Corporation;
21 and

22 (15) take such actions as may be necessary or
23 appropriate to carry out its powers.

24 (d) DEVELOPMENT IMPACT PROFILES.—In order to
25 carry out the purpose set forth in section 7101, the Cor-

1 poration shall prepare and maintain for each investment
2 project it insures, finances, or reinsures, a development
3 impact profile consisting of data appropriate to measure
4 the projected and actual effects of such project on develop-
5 ment. Criteria for evaluating projects shall be developed
6 in consultation with the United States Agency for Inter-
7 national Development.

8 (e) HUMAN RIGHTS.—The Corporation shall take
9 into account in the conduct of its programs in a country,
10 in consultation with the Secretary of State, all available
11 information about observance of and respect for human
12 rights and fundamental freedoms in such country and the
13 effect the operation of such programs will have on human
14 rights and fundamental freedoms in such country.

15 (f) TAXATION.—The Corporation, including its fran-
16 chise, capital, reserves, surplus, advances, intangible prop-
17 erty, and income, shall be exempt from all taxation at any
18 time imposed by the United States, by any territory, de-
19 pendency, or possession of the United States, or by any
20 State, the District of Columbia, or any county, munici-
21 pality, or local taxing authority.

22 (g) PUBLICATION OF POLICY GUIDELINES.—The
23 Corporation shall publish, and make available to appli-
24 cants for insurance, reinsurance, guaranties, financing, or
25 other assistance made available by the Corporation under

1 this subtitle, the policy guidelines of the Corporation relat-
2 ing to its programs.

3 **SEC. 7110. REPORTS TO THE CONGRESS.**

4 (a) ANNUAL REPORT.—Not later than 3 months
5 after the end of each fiscal year, the Corporation shall sub-
6 mit to the Congress a complete and detailed report of its
7 operations during such fiscal year. Such report shall in-
8 clude—

9 (1) an assessment, based upon the development
10 impact profiles required by section 7109(d), of the
11 economic and social development impact and benefits
12 of the projects with respect to which such profiles
13 are prepared, and of the extent to which the oper-
14 ations of the Corporation complement or are com-
15 patible with the development assistance programs of
16 the United States and other donors; and

17 (2) a description of any project for which the
18 Corporation—

19 (A) refused to provide any insurance, rein-
20 surance, guaranty, financing, or other financial
21 support, on account of information received
22 under section 7109(e); or

23 (B) notwithstanding such violations, pro-
24 vided such insurance, reinsurance, guaranty, fi-
25 nancing, or financial support, on the basis of a

1 determination that the national security interest
2 so requires.

3 (b) PROJECTIONS ON U.S. EMPLOYMENT.—

4 (1) IN ANNUAL REPORTS.—Each annual report
5 required by subsection (a) shall contain projections
6 of the effects on employment in the United States
7 of all projects for which, during the preceding fiscal
8 year, the Corporation initially issued any insurance,
9 reinsurance, or guaranty or made any direct loan.
10 Each such report shall include projections of—

11 (A) the amount of United States exports to
12 be generated by those projects, both during the
13 startup phase and over a period of years;

14 (B) the final destination of the products to
15 be produced as a result of those projects; and

16 (C) the impact such production will have
17 on the production of similar products in the
18 United States with regard to both domestic
19 sales and exports.

20 (2) ANALYSIS OF EACH PROJECT REQUIRED.—

21 The projections required by this subsection shall be
22 based on an analysis of each of the projects de-
23 scribed in paragraph (1).

24 (3) INFORMATION TO BE INCLUDED.—

1 (A) IN GENERAL.—In reporting the projec-
2 tions on employment required by this sub-
3 section, the Corporation shall specify, with re-
4 spect to each project—

5 (i) any loss of jobs in the United
6 States caused by the project, whether or
7 not the project itself creates other jobs;

8 (ii) any jobs created by the project;
9 and

10 (iii) the country in which the project
11 is located, and the economic sector involved
12 in the project.

13 (B) PROTECTION OF PROPRIETARY INFOR-
14 MATION.—No proprietary information may be
15 disclosed under subparagraph (A).

16 (c) RECORDS TO BE MAINTAINED BY CORPORA-
17 TION.—The Corporation shall maintain as part of its
18 records a copy of the analysis done of each project in pre-
19 paring the reports required by subsection (b).

20 (d) PROTECTION OF CONFIDENTIAL INFORMA-
21 TION.—Subsection (b) does not require the inclusion in
22 any report submitted pursuant to that subsection of any
23 information that would not be required to be made avail-
24 able to the public pursuant to section 552 of title 5,
25 United States Code (relating to freedom of information).

1 **SEC. 7111. DEFINITIONS.**

2 In this subtitle:

3 (1) **ELIGIBLE INVESTOR.**—The term “eligible
4 investor” means—

5 (A) a United States citizen; and

6 (B) a corporation, partnership, or other as-
7 sociation, including a nonprofit association, that
8 is created under the laws of the United States,
9 any State or territory thereof, or the District of
10 Columbia.

11 (2) **EXPROPRIATION.**—The term “expropria-
12 tion” includes any abrogation, repudiation, or im-
13 pairment by a foreign government, a political sub-
14 division of a foreign government, or a corporation
15 owned or controlled by a foreign government, of its
16 own contract with an investor with respect to a
17 project, if such abrogation, repudiation, or impair-
18 ment is not caused by the investor’s own fault or
19 misconduct, and materially adversely affects the con-
20 tinued operation of the project.

21 (3) **INVESTMENT.**—The term “investment” in-
22 cludes any contribution or commitment of funds,
23 commodities, services, patents, processes, or tech-
24 niques, in the form of—

25 (A) a loan or loans to an approved project;

1 (B) the purchase of a share of ownership
2 in any such project;

3 (C) participation in royalties, earnings, or
4 profits of any such project; and

5 (D) the furnishing of commodities or serv-
6 ices pursuant to a lease or other contract.

7 (4) LOCAL FINANCIAL INSTITUTION.—The term
8 “local financial institution”—

9 (A) means any bank or financial institu-
10 tion that is organized under the laws of any
11 country or area in which the Corporation oper-
12 ates; but

13 (B) does not include a branch, however or-
14 ganized, of a bank or other financial institution
15 that is organized under the laws of a country
16 in which the Corporation does not operate.

17 (5) NONCREDIT ACCOUNT REVOLVING FUND.—
18 The term “noncredit account revolving fund” means
19 the noncredit account revolving fund established
20 under section 7106(b).

21 (6) NONCREDIT ACTIVITIES.—The term “non-
22 credit activities” means all activities of the Corpora-
23 tion other than its loan guaranty program under
24 section 7105(b) and its direct loan program under
25 section 7105(c).

1 (7) PREDECESSOR GUARANTY AUTHORITY.—

2 The term “predecessor guaranty authority” means
 3 prior guaranty authorities (other than housing guar-
 4 anty authorities) repealed by the Foreign Assistance
 5 Act of 1969, section 202(b) and 413(b) of the Mu-
 6 tual Security Act of 1954, section 111(b)(3) of the
 7 Economic Cooperation Act of 1948 (exclusive of au-
 8 thority relating to informational media guaranties),
 9 and authorities of the Corporation under title IV of
 10 chapter 2 of part I of the Foreign Assistance Act of
 11 1961.

12 (8) UNITED STATES PERSON.—The term
 13 “United States person” means—

14 (A) a United States citizen or national;
 15 and

16 (B) any other entity that qualifies as an el-
 17 igible investor.

18 **Subtitle B—United States Trade** 19 **and Development Agency**

20 **SEC. 7201. UNITED STATES TRADE AND DEVELOPMENT** 21 **AGENCY.**

22 (a) PURPOSE.—The United States Trade and Devel-
 23 opment Agency (in this subtitle referred to as the “Agen-
 24 cy”) shall be an agency of the United States under the
 25 policy guidance of the Secretary of State and the Inter-

1 agency Policy Committee on Global Development. The pri-
2 mary purpose of the Agency is to facilitate United States
3 private sector participation in development projects in de-
4 veloping countries, consistent with Country Development
5 Cooperation Strategies prepared under section 1018. The
6 Agency may also utilize its authorities and programs in
7 other countries in furtherance of United States foreign
8 policy and economic interests.

9 (b) AUTHORITY TO PROVIDE ASSISTANCE.—

10 (1) AUTHORITY.—The Director of the Agency
11 may, under the direction of the Secretary of State
12 and the Interagency Policy Committee on Global De-
13 velopment, carry out this subtitle by providing funds
14 for technical assistance, feasibility studies, architec-
15 tural and engineering design, and other activities re-
16 lated to the goals of the United States to attract and
17 retain private sector investment in countries that are
18 receiving United States development assistance
19 under this Act and to promote exports of United
20 States-origin goods and services.

21 (2) USE OF FUNDS.—Funds under this section
22 may be used to provide support for feasibility studies
23 for the planning, development, and management of,
24 and procurement for, bilateral and multilateral de-
25 velopment projects, including training activities un-

1 dertaken in connection with a project, for the pur-
2 pose of promoting the use of United States-origin
3 goods and services in such projects. Funds under
4 this section may also be used for architectural and
5 engineering design, including—

6 (A) concept design, which establishes the
7 basic technical and operational criteria for a
8 project, such as architectural drawings for a
9 proposed facility, evaluation of site constraints,
10 procurement requirements, and equipment spec-
11 ifications;

12 (B) detail design, which sets forth specific
13 dimensions and criteria for structural, mechan-
14 ical, electrical, and architectural operations, and
15 identifies other resources required for project
16 operations; and

17 (C) technical assistance to facilitate the at-
18 traction and retention of private sector invest-
19 ment to sustain economic development.

20 (3) INFORMATION DISSEMINATION.—

21 (A) BY THE AGENCY.—The Agency shall
22 disseminate information about its project activi-
23 ties to the private sector.

24 (B) COOPERATION OF OTHER AGENCIES.—

25 Other Federal agencies shall cooperate with the

1 Agency in order for the Agency to provide more
2 effectively informational services to persons in
3 the private sector concerning trade development
4 and export promotion related to development
5 projects.

6 (4) CONTRIBUTIONS TO COSTS.—The Agency
7 shall, to the maximum extent practicable, require
8 corporations and other entities to—

9 (A) share the costs of technical assistance,
10 feasibility studies, and other project planning
11 services funded under this section; and

12 (B) reimburse the Agency for those funds
13 provided under this section, if the corporation
14 or entity concerned succeeds in implementing
15 the project.

16 (c) DIRECTOR AND PERSONNEL.—

17 (1) DIRECTOR.—There shall be at the head of
18 the Agency a Director who shall be appointed by the
19 President, by and with the advice and consent of the
20 Senate.

21 (2) OFFICERS AND EMPLOYEES.—

22 (A) IN GENERAL.—The Director may ap-
23 point such officers and employees of the Agency
24 as the Director considers appropriate.

1 (B) FUNCTIONS.—The officers and em-
2 ployees appointed under this paragraph shall
3 have such functions as the Director may deter-
4 mine.

5 (C) INAPPLICABILITY OF CIVIL SERVICE
6 LAWS.—Of the officers and employees ap-
7 pointed under this paragraph, 2 may be ap-
8 pointed without regard to the provisions of title
9 5, United States Code, governing appointments
10 in the competitive service, and may be com-
11 pensated without regard to the provisions of
12 chapter 51 or subchapter III of chapter 53 of
13 such title.

14 (D) REINSTATEMENT OF CERTAIN EM-
15 PLOYEES.—Under such regulations as the
16 President may prescribe, any individual ap-
17 pointed under subparagraph (C) may be enti-
18 tled, upon removal (except for cause) from the
19 position to which the appointment was made, to
20 reinstatement to the position occupied by that
21 individual at the time of appointment or to a
22 position of comparable grade and pay.

23 (d) ANNUAL REPORT.—The President shall, not later
24 than December 31 of each year, submit to the appropriate

1 congressional committees a report on the activities of the
2 Agency during the preceding fiscal year.

3 (e) AUDITS.—

4 (1) IN GENERAL.—The Agency shall be subject
5 to the provisions of chapter 35 of title 31, United
6 States Code, except as otherwise provided in this
7 section.

8 (2) INDEPENDENT AUDIT.—An independent
9 certified public accountant shall perform a financial
10 and compliance audit of the financial statements of
11 the Agency each year, in accordance with generally
12 accepted Government auditing standards for a finan-
13 cial and compliance audit, taking into consideration
14 any standards recommended by the Comptroller
15 General. The independent certified public accountant
16 shall report the results of such audit to the Director
17 of the Agency. The financial statements of the Agen-
18 cy shall be presented in accordance with generally
19 accepted accounting principles. These financial state-
20 ments and the report of the accountant shall be in-
21 cluded in a report that contains, to the extent appli-
22 cable, the information identified in section 3512 of
23 title 31, United States Code, and that the Agency
24 shall submit to the Congress not later than 6½
25 months after the end of the last fiscal year covered

1 by the audit. The Comptroller General may review
2 the audit conducted by the accountant and the re-
3 port to the Congress in the manner and at such
4 times as the Comptroller General considers nec-
5 essary.

6 (3) AUDIT BY COMPTROLLER GENERAL.—The
7 Comptroller General shall, if the Comptroller Gen-
8 eral considers it necessary or upon the request of the
9 Congress, audit the financial statements of the
10 Agency in the manner provided in paragraph (2).

11 (4) AVAILABILITY OF INFORMATION.—All
12 books, accounts, financial records, reports, files,
13 workpapers, and property belonging to or in use by
14 the Agency and the accountant who conducts the
15 audit under paragraph (2), that are necessary for
16 purposes of this subsection, shall be made available
17 to the representatives of the Government Account-
18 ability Office designated by the Comptroller General.

19 (f) FUNDING FOR TECHNICAL ASSISTANCE GRANTS
20 BY MULTILATERAL DEVELOPMENT BANKS.—

21 (1) IN GENERAL.—The Agency, in carrying out
22 its program, may provide, as appropriate, funds to
23 multilateral development banks for technical assist-
24 ance grants.

25 (2) DEFINITIONS.—As used in paragraph (1)—

1 (A) the term “technical assistance grants”
2 means funding by multilateral development
3 banks of services from the United States in
4 connection with projects and programs sup-
5 ported by such banks, including engineering,
6 design, and consulting services; and

7 (B) the term “multilateral development
8 bank” has the meaning given that term in sec-
9 tion 1701(c) of the International Financial In-
10 stitutions Act (22 U.S.C. 262r(c)).

11 **Subtitle C—Enterprise Funds**

12 **SEC. 7301. FINDINGS.**

13 Congress makes the following findings:

14 (1) Enterprise funds are an effective mecha-
15 nism to foster economic growth in support of United
16 States foreign policy and development goals, by
17 stimulating private capital flows and expanding fi-
18 nancing for free market-based private enterprise.

19 (2) Enterprise funds provide incentives for im-
20 provements in legal systems, commercial and tax
21 codes, and accounting practices, as essential founda-
22 tions for sustained economic growth.

23 **SEC. 7302. PURPOSES.**

24 The purposes of this subtitle are—

1 (1) to promote the private sector of partner
2 countries while considering the development impact
3 of investments and profitability of those investments,
4 particularly in small- and medium-sized enterprises;

5 (2) to promote policies and practices conducive
6 to strengthening the private sector through loans,
7 microloans, equity investments, insurance, guaran-
8 ties, grants, feasibility studies, technical assistance,
9 training for businesses receiving investment capital,
10 and other measures;

11 (3) to promote good corporate governance and
12 transparency, foster competition, catalyze produc-
13 tivity improvements in existing businesses, and
14 strengthen local capital markets;

15 (4) to promote stability and security through
16 job creation in the private sector and by fostering
17 upward economic mobility; and

18 (5) to promote fiscal sustainability through ex-
19 panded private sector adherence to tax codes and,
20 where appropriate, foster improvements in the tax
21 code and regulatory environment in order to support
22 economic development.

23 **SEC. 7303. AUTHORITY TO DESIGNATE ENTERPRISE FUNDS.**

24 (a) AUTHORITY.—

1 (1) IN GENERAL.—The Administrator is au-
2 thorized to designate private, nonprofit organizations
3 to operate pursuant to this subtitle as enterprise
4 funds, as eligible to receive funds and support pur-
5 suant to this subtitle after determining that such or-
6 ganizations have been established for the purposes
7 specified in section 7302.

8 (2) CONSULTATION.—The Administrator shall
9 consult with the appropriate congressional commit-
10 tees before designating an organization under para-
11 graph (1).

12 (b) BOARD OF DIRECTORS.—

13 (1) NUMBER AND APPOINTMENT.—Each enter-
14 prise fund shall be governed by a board of directors.
15 Subject to paragraph (3), the board of directors
16 shall be composed of 9 members appointed by the
17 Administrator as follows:

18 (A) Five individuals who are private citi-
19 zens of the United States.

20 (B) Three individuals who are private citi-
21 zens of the country in which the enterprise fund
22 will operate, to be appointed by the Adminis-
23 trator in consultation with the government of
24 such country.

1 (C) One individual who is an officer or em-
2 ployee of the United States Agency for Inter-
3 national Development.

4 (2) QUALIFICATIONS.—Each member of the
5 board of directors appointed under paragraph (1)
6 shall be selected from among individuals who have
7 demonstrated expertise in one or more of the fol-
8 lowing areas: business development, commerce, inter-
9 national markets, capital investment, banking, and
10 finance.

11 (3) NONVOTING MEMBERS.—The Administrator
12 may appoint not more than 2 additional members of
13 the board of directors, who may not vote on matters
14 before the board of directors. If appointed, such ad-
15 ditional members shall be representatives of non-
16 governmental organizations that have demonstrated
17 expertise in the development needs of the country
18 served by the enterprise fund.

19 (c) USE OF AMOUNTS.—

20 (1) IN GENERAL.—The Administrator may use
21 funds appropriated by Congress to carry out the
22 purposes specified in section 7302, including pay-
23 ment of the administrative expenses of the enterprise
24 fund.

1 (2) GRANTS.—The Administrator may use
2 funds appropriated by Congress to make grants to
3 enterprise funds designated under subsection (a), ex-
4 cept that such appropriated funds may be used only
5 for the purposes set forth in section 7302.

6 (3) COMPLIANCE REQUIREMENTS.—

7 (A) IN GENERAL.—The Administrator not
8 award a grant to an enterprise fund under
9 paragraph (2) unless the Administrator and en-
10 terprise fund enter into a grant agreement
11 under which the enterprise fund agrees to com-
12 ply with the requirements under this section.

13 (B) TERMINATION DATE.—Such grant
14 agreement shall state that the enterprise fund
15 shall liquidate its assets and dissolve not later
16 than a date determined by the Administrator,
17 unless the Administrator determines, after con-
18 sultation with the appropriate congressional
19 committees, that the enterprise fund should be
20 extended.

21 (C) DISPOSITION OF ASSETS.—At the time
22 the enterprise fund is dissolved, the assets of
23 the enterprise fund shall be transferred to the
24 General Fund of the United States Treasury.

25 (d) NOTIFICATION TO CONGRESS.—

1 (1) IN GENERAL.—Not less than 15 days before
2 designating an organization to operate as an enter-
3 prise fund under subsection (a), the Administrator
4 shall provide the information described in paragraph
5 (2) to the appropriate congressional committees.

6 (2) INFORMATION.—The information described
7 in this paragraph is—

8 (A) the identity of the organization to be
9 designated to operate as the enterprise fund
10 under subsection (a);

11 (B) the names and qualifications of the in-
12 dividuals who will comprise the board of direc-
13 tors of the enterprise fund; and

14 (C) a copy of the grant agreement between
15 the Administrator and the enterprise fund.

16 (e) PUBLIC DISCLOSURE.—Not later than 1 year
17 after the entry into force of the grant agreement between
18 the Administrator and an enterprise fund under this sec-
19 tion, and annually thereafter, the enterprise fund shall
20 prepare and make available to the public on an Internet
21 website administered by the enterprise fund a report on
22 the enterprise fund’s activities during the previous year,
23 including—

1 (1) a description of each investment supported
2 by the enterprise fund, including each type of assist-
3 ance provided in accordance with section 7303(c);

4 (2) the amounts invested by the enterprise fund
5 in each company or project;

6 (3) the amounts of additional private invest-
7 ments made in each company or project;

8 (4) the amounts of any profits or losses realized
9 by the enterprise fund in connection with each such
10 company or project;

11 (5) the nature and amounts of administrative
12 expenses incurred by the enterprise fund; and

13 (6) the annual independent audit of the enter-
14 prise fund, as required under this subtitle.

15 **SEC. 7304. GAO REPORTS.**

16 Not later than 3 years after the establishment of an
17 enterprise fund under this subtitle, and every 3 years
18 thereafter until the enterprise fund is dissolved, the Comp-
19 troller General of the United States shall submit to the
20 appropriate congressional committees a report assessing
21 the activities of the enterprise fund in achieving the pur-
22 poses of enterprise funds under this subtitle, identifying
23 obstacles to achieving such purposes, and recommending
24 such operational improvements in the enterprise fund that
25 the Comptroller General determines are necessary.

1 **SEC. 7305. OPERATION PROVISIONS.**

2 (a) PRIVATE CHARACTER OF ENTERPRISE FUNDS.—

3 Nothing in this subtitle shall be construed to make an en-
4 terprise fund an agency or establishment of the United
5 States Government, or to make the officers, employees, or
6 members of the board of directors of an enterprise fund
7 officers or employees of the United States for purposes
8 of title 5, United States Code.

9 (b) MATTERS TO BE CONSIDERED BY ENTERPRISE
10 FUNDS.—In carrying out this subtitle, each enterprise
11 fund shall take into account such considerations as inter-
12 nationally recognized worker rights and other internation-
13 ally recognized human rights, environmental factors,
14 United States economic and employment effects, and the
15 likelihood of commercial viability of the activity receiving
16 assistance from the enterprise fund.

17 (c) RETENTION OF INTEREST.—An enterprise fund
18 may hold funds granted to it pursuant to this subtitle in
19 interest-bearing accounts, prior to the disbursement of
20 such funds for purposes specified in section 7302, and
21 may retain for such program purposes any interest earned
22 on such deposits without returning such interest to the
23 Treasury of the United States and without further appro-
24 priation by the Congress.

25 (d) USE OF UNITED STATES PRIVATE VENTURE
26 CAPITAL.—In order to maximize the effectiveness of the

1 activities of the enterprise funds, each enterprise fund may
2 conduct public offerings or private placements for the pur-
3 pose of soliciting and accepting United States venture cap-
4 ital which may be used, separately or together with funds
5 made available pursuant to this subtitle, for any lawful
6 investment purpose that the board of directors of the en-
7 terprise fund may determine in carrying out this subtitle.
8 Financial returns on enterprise fund investments that in-
9 clude a component of private venture capital may be dis-
10 tributed, at such times and in such amounts as the board
11 of directors of the enterprise fund may determine, to the
12 investors of such capital.

13 (e) NONAPPLICABILITY OF OTHER LAWS.—Executive
14 branch agencies may conduct programs and activities and
15 provide services in support of the activities of the enter-
16 prise funds notwithstanding any other provision of law.

17 (f) LIMITATION ON PAYMENTS TO ENTERPRISE
18 FUND PERSONNEL.—

19 (1) BENEFITS BARRED.—No part of the funds
20 of an enterprise fund shall inure to the benefit of
21 any board member, officer, or employee of that en-
22 terprise fund, except as salary or reasonable com-
23 pensation for services, subject to paragraph (2).

1 (2) CERATIN COMPENSATION BARRED.—An en-
2 terprise fund may not pay compensation for services
3 to—

4 (A) any board member of the enterprise
5 fund, except for services as a board member; or

6 (B) any firm, association, or entity in
7 which a board member of the enterprise fund
8 serves as partner, director, officer, or employee.

9 (3) EXCEPTION FOR PRIOR SERVICES.—Noth-
10 ing in paragraph (2) shall preclude payment for
11 services performed before the date of the enactment
12 of this subsection, nor for arrangements approved by
13 the grantor and notified in writing to the Commit-
14 tees on Appropriations of the House of Representa-
15 tives and the Senate.

16 (g) INDEPENDENT PRIVATE AUDITS.—The accounts
17 of each enterprise fund shall be audited annually in ac-
18 cordance with generally accepted auditing standards by
19 independent certified public accountants or independent li-
20 censed public accountants certified or licensed by a regu-
21 latory authority of a State or other political subdivision
22 of the United States. The report of each such independent
23 audit shall be included in the annual report required by
24 this section.

1 (h) GAO AUDITS.—The financial transactions under-
2 taken pursuant to this subtitle by each enterprise fund
3 may be audited by the Government Accountability Office
4 in accordance with such principles and procedures and
5 under such rules and regulations as may be prescribed by
6 the Comptroller General of the United States, so long as
7 the enterprise fund is in receipt of United States Govern-
8 ment grants.

9 (i) RECORDKEEPING REQUIREMENTS.—The enter-
10 prise funds shall ensure—

11 (1) that each recipient of assistance provided
12 through the enterprise funds under this subtitle
13 keeps—

14 (A) separate accounts with respect to such
15 assistance;

16 (B) such records as may be reasonably
17 necessary to disclose fully the amount and the
18 disposition by such recipient of the proceeds of
19 such assistance, the total cost of the project or
20 undertaking in connection with which such as-
21 sistance is given or used, and the amount and
22 nature of that portion of the cost of the project
23 or undertaking supplied by other sources; and

24 (C) such other records as will facilitate an
25 effective audit; and

1 (2) that the enterprise funds, or any of their
2 duly authorized representatives, have access for the
3 purpose of audit and examination to any books, doc-
4 uments, papers, and records of the recipient that are
5 pertinent to assistance provided through the enter-
6 prise funds under this section.

7 (j) ANNUAL REPORTS.—Each enterprise fund shall
8 publish an annual report, which shall include a com-
9 prehensive and detailed description of the enterprise
10 fund’s operations, activities, financial condition, and ac-
11 complishments under this subtitle for the preceding fiscal
12 year. This report shall be published not later than January
13 31 each year, beginning in the calendar year after the cal-
14 endar year in which the enterprise fund is designated
15 under this subtitle.

16 (k) REINVESTMENT.—Returns on investments of an
17 enterprise fund and other payments to the fund may be
18 reinvested in projects carried out by the fund without fur-
19 ther appropriation by Congress.

20 **SEC. 7306. BEST PRACTICES AND PROCEDURES.**

21 To the maximum extent practicable, the board of di-
22 rectors of each enterprise fund established under this sub-
23 title should adopt the best practices and procedures used
24 by enterprise funds, including those for which funding was
25 made available pursuant to section 201 of the Support for

1 East European Democracy (SEED) Act of 1989 (22
2 U.S.C. 5421).

3 **SEC. 7307. EXPERIENCE OF OTHER ENTERPRISE FUNDS.**

4 In implementing this subtitle, the Administrator shall
5 ensure that the articles of incorporation of each enterprise
6 fund (including provisions specifying the responsibilities of
7 the board of directors of the enterprise fund), the terms
8 of United States Government grant agreements with the
9 enterprise fund, and United States Government oversight
10 of the enterprise fund are, to the maximum extent prac-
11 ticable, consistent with the Articles of Incorporation of,
12 the terms of grant agreements with, and the oversight of
13 the Enterprise Funds established pursuant to section 201
14 of the Support for East European Democracy (SEED)
15 Act of 1989 (22 U.S.C. 5421) and comparable provisions
16 of law.

17 **TITLE IX—STRATEGIC PLAN-**
18 **NING, MONITORING AND**
19 **EVALUATION, AND REPORT-**
20 **ING**

21 **Subtitle A—Strategic Planning**

22 **SEC. 9101. QUADRENNIAL DIPLOMACY, DEVELOPMENT,**
23 **AND SECURITY REVIEW.**

24 (a) REVIEW OF DIPLOMACY, DEVELOPMENT, AND
25 SECURITY.—

1 (1) IN GENERAL.—Not later than December 15,
2 2014, and every 4 years thereafter, the Secretary
3 and the Administrator shall complete a comprehen-
4 sive examination (to be known as a “Quadrennial
5 Diplomacy, Development, and Security Review”) of
6 United States diplomacy, development, and national
7 security efforts.

8 (2) KEY ELEMENTS OF REVIEW.—The review
9 described in paragraph (1) shall include information
10 on the following:

11 (A) The nature of the global challenges
12 and opportunities facing the United States and
13 the changes in such challenges and opportuni-
14 ties over the previous four-year period.

15 (B) Key objectives and missions for United
16 States foreign policy and foreign assistance, in-
17 cluding a clear statement of United States ob-
18 jectives for development assistance and for se-
19 curity assistance.

20 (C) The roles and responsibilities of Fed-
21 eral agencies in carrying out United States di-
22 plomacy, promoting global development, and
23 protecting national security, and the mecha-
24 nisms for cooperation between such agencies,
25 including any reforms needed in such agencies

1 and mechanisms to adapt to changing cir-
2 cumstances.

3 (D) The roles of international organiza-
4 tions and multilateral institutions in advancing
5 United States diplomatic, development, and se-
6 curity objectives, including the mechanisms for
7 coordinating and harmonizing development poli-
8 cies and programs with partner countries and
9 among donors.

10 (E) The requirements for overseas infra-
11 structure necessary to carry out United States
12 diplomatic, development, and security objec-
13 tives, including major changes in diplomatic
14 presence and new investments in technology
15 and facilities.

16 (F) A plan, budget, and timetable for im-
17 plementing the recommendations of the review,
18 including any legislative requests and executive
19 orders to be issued.

20 (3) INTERAGENCY COORDINATION AND CON-
21 SULTATION.—In conducting each Quadrennial Diplo-
22 macy, Development, and Security Review, the Sec-
23 retary and the Administrator shall take into account
24 the views of the Secretary of Defense, the Secretary
25 of the Treasury, the Attorney General, and the

1 heads of all other Federal agencies carrying out
2 international policies and programs under this Act.

3 (b) CONSULTATIVE PROCESS.—In conducting the re-
4 view required under subsection (a), the Secretary and the
5 Administrator shall consult with—

6 (1) the appropriate congressional committees;

7 (2) a variety of civil society groups, including
8 private businesses, nongovernmental organizations
9 involved in diplomacy, development, and security,
10 and experts at academic institutions or institutions
11 involved in the study of foreign policy, international
12 development, or national security; and

13 (3) appropriate international organizations and
14 partner countries.

15 (c) REPORT.—

16 (1) ADDITIONAL ELEMENTS.—The Secretary
17 and the Administrator shall transmit to the appro-
18 priate congressional committees a report upon com-
19 pletion of each Quadrennial Diplomacy, Develop-
20 ment, and Security Review. The report shall include,
21 in addition to all the elements identified in sub-
22 section (a)(2)—

23 (A) the assumptions used to inform the re-
24 view, including those regarding—

1 (i) key global challenges and opportu-
2 nities facing the United States over the
3 next 10-year period;

4 (ii) the capacity of United States dip-
5 lomatic, development, and security per-
6 sonnel to respond to such challenges and
7 opportunities;

8 (iii) the cooperation and capacity of
9 partner countries and international institu-
10 tions in addressing such challenges and op-
11 portunities;

12 (iv) the levels of engagement in oper-
13 ations other than war and smaller-scale
14 contingencies and withdrawal from such
15 operations and contingencies;

16 (v) the intensity, duration, and mili-
17 tary and political end-states of conflicts
18 and smaller-scale contingencies that arise
19 in the diplomatic, development, and secu-
20 rity context;

21 (vi) the anticipated roles and missions
22 of the reserve components available to ci-
23 vilian agencies, including capabilities and
24 resources necessary to assure that such re-

1 serve components can capably discharge
2 such roles and missions; and

3 (vii) the extent to which diplomatic,
4 development, and security personnel need
5 to be shifted to different regions to suc-
6 cessfully carry out the full range of mis-
7 sions called for in the review;

8 (B) a description of the process by which
9 the review was conducted, including participa-
10 tion of personnel of the Department of State
11 and the United States Agency for International
12 Development, coordination and consultation
13 with other Federal agencies, and consultations
14 as required under subsection (b); and

15 (C) lessons learned during the review proc-
16 ess and recommendations for improvements in
17 future years.

18 (2) PUBLIC AVAILABILITY.—The report re-
19 quired under this subsection shall be made publicly
20 available on the Internet upon transmission to the
21 appropriate congressional committees.

22 **SEC. 9102. COMPREHENSIVE WORKFORCE AND HUMAN RE-**
23 **SOURCES STRATEGY.**

24 (a) PLAN REQUIRED.—The Administrator shall, not
25 later than 1 year after the date of the enactment of this

1 Act and every 5 years thereafter, develop a comprehensive
2 workforce and human resources strategy, or review and
3 modify as necessary the existing strategy, to strengthen
4 the capacity of the Agency to carry out its mandate under
5 section 11201.

6 (b) CONTENTS.—The strategy required under sub-
7 section (a) shall include—

8 (1) an assessment of the implications of current
9 development strategies and foreign policy priorities
10 for technical and policy expertise;

11 (2) the number, types, and level of specialists
12 and generalists projected to be needed in each func-
13 tional and geographic area, including support, man-
14 agement, and administrative functions;

15 (3) the number, types, and level of specialists
16 and generalists currently employed by the Agency,
17 by bureau and office and by employment category;

18 (4) an analysis of the workloads and com-
19 petencies of existing staff, by bureau and office and
20 by employment category;

21 (5) the impact on paragraphs (3) and (4) of
22 projected retirement and attrition rates over the
23 next 5 years;

24 (6) the steps needed to recruit, retain, and de-
25 velop the necessary professional expertise, including

1 through education and training, details, fellowships,
2 scholarships and exchanges;

3 (7) an assessment of the suitability of overseas
4 facilities, including security, space, health and safe-
5 ty, physical integrity, access and location consider-
6 ations;

7 (8) a prioritized plan for capital improvements;

8 (9) projected human resource challenges, in-
9 cluding bureaucratic and legislative constraints, and
10 recommended options for meeting such challenges;
11 and

12 (10) the assumptions regarding program and
13 policy priorities and budget levels on which the
14 strategy is based.

15 (c) EMPLOYMENT CATEGORY.—For the purposes of
16 this section, the term “employment category” means the
17 statutory authority under which an individual is employed,
18 and includes civil service, Foreign Service, excepted serv-
19 ice, personal services contractors, detailees, and locally
20 employed staff.

21 (d) TRANSMISSION TO CONGRESS.—The plan re-
22 quired under subsection (a) shall be transmitted to the
23 appropriate congressional committees not later than 180
24 days after the date of the enactment of this Act, and every

1 5 years thereafter. Such plan may be updated at any time,
2 and such update shall be transmitted accordingly.

3 (e) MID-LEVEL HIRING AUTHORITY.—If the Admin-
4 istrator certifies that such hiring is necessary to meet the
5 workforce requirements of the Agency as set forth in the
6 plan required under subsection (a), the Administrator is
7 authorized, notwithstanding section 307 of the Foreign
8 Service Act of 1980, to hire up to 30 mid-career profes-
9 sionals, which may include individuals currently employed
10 as personal services contractors, in each of the 3 fiscal
11 years following the date of the enactment of this Act.

12 **Subtitle B—Monitoring and** 13 **Evaluation**

14 **SEC. 9201. MONITORING AND EVALUATION OF FOREIGN AS-** 15 **SISTANCE.**

16 (a) IN GENERAL.—The President shall develop and
17 implement a rigorous system to evaluate the effectiveness
18 and efficiency of foreign assistance.

19 (b) COMPONENTS OF SYSTEM.—In order to avoid du-
20 plication, ensure comprehensive coverage, promote high
21 and uniform standards, and facilitate comparability of re-
22 sults and the development of a strong body of evidence,
23 the system required under subsection (a) shall include—

1 (1) a method of coordinating evaluation activi-
2 ties among all Federal agencies carrying out foreign
3 assistance; and

4 (2) a process for consulting with relevant stake-
5 holders and subject matter experts, as appropriate,
6 on the planning, design, and implementation of eval-
7 uation activities and dissemination of evaluation
8 findings.

9 (c) REQUIRED ACTIONS.—In carrying out subsection
10 (a), the President shall ensure that the head of each Fed-
11 eral agency takes the following actions with regard to for-
12 eign assistance carried out by that agency:

13 (1) Establish measurable and meaningful per-
14 formance objectives, including disaggregation by sex
15 and age where appropriate.

16 (2) Establish criteria for the selection of pro-
17 grams, projects, and activities to be subject to var-
18 ious evaluation methodologies, with a particular em-
19 phasis on impact evaluation.

20 (3) Establish or designate an organizational
21 unit with adequate staff and resources to oversee
22 and provide technical support for evaluation activi-
23 ties.

24 (4) Develop a plan for improving the capacity
25 of the agency to conduct rigorous, relevant, and ob-

1 jective program monitoring and evaluation, including
2 by—

3 (A) providing relevant education and train-
4 ing opportunities;

5 (B) encouraging the adoption of improved
6 methodologies for data collection and analysis;
7 and

8 (C) ensuring that best practices are shared
9 within and between agencies.

10 (5) Establish guidelines for enhancing, in co-
11 operation with other donors, the capacity of partner
12 countries to monitor the use of and evaluate the im-
13 pact of donor assistance.

14 (6) Establish a process for applying the find-
15 ings and results of monitoring and evaluation activi-
16 ties, including impact evaluation research, into fu-
17 ture program planning, budgeting, design, and im-
18 plementation.

19 (7) Establish a policy for the publication of pro-
20 gram evaluations.

21 (8) Develop, in consultation with relevant stake-
22 holders an annual evaluation plan that describes how
23 the agency will meet the requirements of this sec-
24 tion.

1 (9) Identify the source or mechanism of funding
2 to conduct monitoring and evaluation of foreign as-
3 sistance carried out by such agency.

4 (d) SUBMISSION OF EVALUATION PLANS.—The
5 President shall ensure that the evaluation plans required
6 by subsection (c)(8) are submitted to the appropriate con-
7 gressional committees each year along with the annual
8 budget presentation, and are published on a government
9 Internet website.

10 (e) LOCAL PERFORMANCE.—To the extent feasible
11 and appropriate, evaluation activities carried out pursuant
12 to the requirements of this section shall be carried out by,
13 or with the participation of, organizations in the partner
14 country.

15 (f) DEFINITIONS.—In this section:

16 (1) EVALUATION.—The term “evaluation”
17 means the systematic and objective determination
18 and assessment of the design, implementation, and
19 results of an on-going or completed program,
20 project, or activity, including an explanation of the
21 reasons or causes for the observed results.

22 (2) IMPACT.—The term “impact” means a
23 long-term effect of a program, project, or activity,
24 whether positive or negative, direct or indirect, in-
25 tended or unintended.

1 (3) **IMPACT EVALUATION RESEARCH.**—The
2 term “impact evaluation research” means the appli-
3 cation of research methods and statistical analysis to
4 measure the extent to which an impact can be at-
5 tributed to a foreign assistance program, project, or
6 activity rather than to other factors.

7 **SEC. 9202. MONITORING AND EVALUATION OF HUMANI-**
8 **TARIAN ASSISTANCE.**

9 (a) **DIVISION OF RESPONSIBILITIES.**—The Depart-
10 ment of State shall be responsible for monitoring and eval-
11 uating humanitarian assistance carried out by the Depart-
12 ment of State, and USAID shall be responsible for moni-
13 toring and evaluating humanitarian assistance carried out
14 by USAID.

15 (b) **CONGRESSIONAL NOTIFICATION.**—The Secretary
16 or the Administrator, as appropriate, shall notify the ap-
17 propriate congressional committees if assistance made
18 available under this subtitle is not sufficient to meet inter-
19 national humanitarian standards. Such notification shall
20 include a description of the standards not being met, the
21 resources that would be required to meet such standards,
22 and the reasons why such resources are not available.

23 (c) **ROLE OF THE OFFICE OF FOOD FOR PEACE.**—
24 The Office of Food for Peace (FFP) of the Agency shall
25 be responsible for tracking and monitoring the nutritional

1 outcomes of emergency food assistance provided under
2 this Act and title II of the Agricultural Trade Develop-
3 ment and Assistance Act of 1954 (Public Law 83–480).

4 (d) MONITORING AND EVALUATION REQUIRED.—
5 The authorities of sections 1904 and 1905 shall not be
6 used to vitiate the requirement of section 9201 for moni-
7 toring and evaluation of foreign assistance.

8 **Subtitle C—Reporting**

9 **Requirements**

10 **SEC. 9301. TRANSPARENCY AND ACCOUNTABILITY IN**

11 **BUDGETING.**

12 (a) IN GENERAL.—The Secretary, the Administrator,
13 and the Chief Executive Officer of the Millennium Chal-
14 lenge Corporation shall maintain an online database of in-
15 formation, easily accessible to the public, which contains
16 the information described in subsection (b) for each
17 project and activity within their respective areas of respon-
18 sibility, including for any project or activity for which
19 funds are transferred to another Federal agency for obli-
20 gation.

21 (b) DATABASE REQUIREMENTS.—

22 (1) CONTENT.—Each project and activity shall
23 be identified separately in such database, and for
24 each project and activity the database shall include,
25 at a minimum—

1 (A) a brief description of the nature of the
2 project or activity;

3 (B) the geographic location or locations in
4 which the project or activity is being carried
5 out;

6 (C) the specific objectives and timetable of
7 the project or activity;

8 (D) the indicators, which shall be quan-
9 titative wherever possible and relevant, used to
10 define the successful achievement of the goals
11 of the project or activity;

12 (E) the number and demographic charac-
13 teristics of the intended beneficiaries of the
14 project or activity;

15 (F) each sector, theme, goal and objective
16 toward which the project or activity will be
17 counted;

18 (G) names and descriptions of the imple-
19 menting partners of the project or activity;

20 (H) the amount of United States foreign
21 assistance funds obligated for each such project
22 or activity and the source of those funds;

23 (I) expenditures of funds for the project or
24 activity on a quarterly basis;

1 (J) the contributions toward the project or
2 activity provided by the partner country;

3 (K) any conditions placed on the use of
4 United States Government funds obligated for
5 the project or activity, and whether those condi-
6 tions have been met;

7 (L) the evaluation and monitoring plan for
8 each such project or activity;

9 (M) semiannual updates on results
10 achieved to date for each such project or activ-
11 ity; and

12 (N) if a project or activity has been ex-
13 tended, suspended, terminated, or significantly
14 modified, the reasons for such action.

15 (2) ADMINISTRATIVE COSTS.—In addition to
16 the information relating to specific projects and ac-
17 tivities as required under paragraph (1), the data-
18 base shall contain, for each overseas mission, infor-
19 mation on all overhead and administrative costs, in-
20 cluding—

21 (A) for the previous fiscal year, numbers of
22 staff in each employment category, housing and
23 facilities operation and maintenance expenses,
24 salaries and benefits, travel and transportation
25 expenses, and other support costs; and

1 (B) for the coming fiscal year, planned
2 capital investments and projected staff in-
3 creases or reductions.

4 (3) TIMING.—

5 (A) EXISTING PROJECTS AND ACTIVI-
6 TIES.—For each project and activity in effect
7 on the date of the enactment of this Act, the
8 database shall be operative within 6 months of
9 such date of enactment.

10 (B) NEW PROJECTS AND ACTIVITIES.—For
11 each project and activity that has not received
12 United States Government funding as of the
13 date of the enactment of this Act, the depart-
14 ment or agency (as the case may be) shall enter
15 into the database the information required by
16 paragraph (1) within 90 days from the date of
17 the initial obligation of funds for the project or
18 activity.

19 (4) MODIFICATIONS.—In the event of any
20 changes or modifications in any of the elements of
21 the database for a project or activity, the database
22 shall be updated as soon as possible but in no event
23 later than 30 days from the date on which such
24 changes or modifications have been approved and,
25 where applicable, agreed to by the partner country.

1 (5) REPORTS IN LIEU OF INCLUSION.—If the
2 Secretary, the Administrator, or the Chief Executive
3 Officer of the Millennium Challenge Corporation, as
4 the case may be, makes a determination that the in-
5 clusion of a required item of information in the
6 database could reasonably be expected to jeopardize
7 the health or safety of a private partner or program
8 beneficiary or would be detrimental to the national
9 interests of the United States, such item of informa-
10 tion may be submitted to the appropriate congress-
11 sional committees in a non-public written report in
12 lieu of including it in the database, along the rea-
13 sons for not including it in the database.

14 (6) STRUCTURE.—The database required under
15 this section shall be structured so that—

16 (A) data may be uploaded from overseas
17 missions; and

18 (B) users may search the data by word
19 and sort the data by field.

20 (c) HARMONIZATION OF DATA.—The information
21 contained in the database required under subsection (b)
22 shall include all information provided to the Development
23 Assistance Committee of the Organization for Economic
24 Cooperation and Development and the International Aid
25 Transparency Initiative, and should, to the maximum ex-

1 tent possible, be harmonized with the types, categories and
2 formats of information requested by such organization and
3 such initiative.

4 (d) DEFINITION.—In this section, the terms
5 “project” and “activity” mean a discrete assistance activ-
6 ity for which funds are made available, including activities
7 encompassed within a strategy, compact, agreement, ac-
8 count or program of assistance.

9 **SEC. 9302. CONGRESSIONAL BUDGET JUSTIFICATION.**

10 (a) REQUIREMENT FOR SUBMISSION.—The President
11 shall prepare, and submit to the Congress not later than
12 February 1 of each year, a report justifying the resources
13 requested for all foreign assistance programs.

14 (b) MATERIALS TO BE INCLUDED.—The report sub-
15 mitted pursuant to subsection (a) shall include—

16 (1) a description of each planned country, re-
17 gional, or centrally funded program for the coming
18 fiscal year, and the rationale for each such program;

19 (2) the dollar amount of each program—

20 (A) as proposed for the coming fiscal year;

21 (B) as estimated for the current fiscal
22 year; and

23 (C) as allocated for the previous fiscal
24 year; and

1 (3) wherever possible, a description of the re-
2 sults achieved for each such program in the previous
3 1 to 5 fiscal years.

4 **SEC. 9303. REPORT ON ALLOCATION OF ASSISTANCE**
5 **UNDER THIS ACT.**

6 (a) REPORT ON ALLOCATIONS OF ASSISTANCE.—Not
7 later than 30 days after the date of the enactment of any
8 law appropriating funds to carry out any provision of this
9 Act, the President shall notify Congress of—

10 (1) each foreign country, international organi-
11 zation, regional program, and centrally funded pro-
12 gram for which the United States Government in-
13 tends to provide any portion of the funds under such
14 law; and

15 (2) the amount of funds under such law, by cat-
16 egory of assistance, that the United States Govern-
17 ment intends to provide to each such country, orga-
18 nization, and program.

19 (b) EXCEPTION.—Subsection (a) does not apply with
20 respect to any law making continuing appropriations.

21 (c) USE OF SPECIAL AUTHORITY.—The authority of
22 section 10603 may not be used to waive the provisions
23 of this section.

1 **SEC. 9304. SECURITY ASSISTANCE DATABASE.**

2 (a) DATABASE REQUIRED.—The Secretary shall
3 maintain an online database which contains the informa-
4 tion described in subsection (b). Such database may be
5 combined with the database required under section 9301.

6 (b) CONTENT.—The database required under sub-
7 section (a) shall include—

8 (1) the type, dollar value, and quantity of de-
9 fense articles (including excess defense articles), de-
10 fense services, and international military education
11 and training furnished by the United States to each
12 foreign country and international organization;

13 (2) the provision of law under which such arti-
14 cle, service, and education or training was furnished;

15 (3) the dollar value, quantity, and end user of
16 semiautomatic assault weapons, or spare parts for
17 such weapons, the manufacture, transfer, or posses-
18 sion of which is unlawful under section 922 of title
19 18, United States Code, receiving a license for ex-
20 port; and

21 (4) for military education and training provided
22 to foreign military personnel, the type of training,
23 the number of foreign military personnel trained,
24 their units of operation, and the location of the
25 training.

26 (c) MILITARY EDUCATION AND TRAINING.—

1 (1) RECORDKEEPING.—With respect to military
2 education and training provided under subsection
3 (b)(4), the Secretary of Defense shall develop and
4 maintain records, which shall not be subject to the
5 requirements for public availability in subsection (e),
6 for each foreign military and defense participant in
7 military education and training activities conducted
8 under this or any other Act. Such database shall be
9 made available to the Secretary of State and shall
10 include the type of instruction received, the dates
11 and location of such instruction, whether such in-
12 struction was completed successfully, and, to the ex-
13 tent practicable, the person’s subsequent military or
14 defense ministry career and current position and lo-
15 cation.

16 (2) REPORT ON VIOLATIONS.—Not later than
17 March 1 of each year, the Secretary of State shall
18 submit to the appropriate congressional committees
19 a report describing any involvement of a foreign
20 military or defense participant in military education
21 and training activities under this or any other Act
22 in a violation of internationally recognized human
23 rights subsequent to such participation. Such report
24 shall be in unclassified form, but may include a clas-
25 sified annex.

1 (3) ADDITION TO DATABASE.—The Secretary of
2 Defense shall ensure that the database required
3 under subsection (a) is updated to include the infor-
4 mation reported to Congress pursuant to paragraph
5 (2)

6 (d) TIMING.—The Secretary shall ensure that the
7 database required under this section is operative not later
8 than 180 days after the date of the enactment of this Act,
9 and shall prescribe such procedures as are necessary to
10 ensure that the required information is entered into the
11 database in a timely manner and continuously updated.

12 (e) PUBLIC AVAILABILITY.—The database required
13 under this section shall be made publicly available on the
14 Internet and shall be structured so that users may search
15 the data by word and sort the data by field.

16 (f) FORM.—The database described in subsection (a)
17 shall be in unclassified form and shall exclude any activity
18 that is reportable under title V of the National Security
19 Act of 1947.

20 **SEC. 9305. CLASSIFICATION OF REPORTS.**

21 (a) IN GENERAL.—Unless otherwise specifically pro-
22 vided by law, all information contained in any report re-
23 quired to be provided to Congress under this Act shall be
24 in unclassified form and shall be made available to the
25 public.

1 (b) EXCEPTION.—If the President determines that
2 publication of a specific item of information in any such
3 report would be detrimental to the security of the United
4 States, such item of information may be provided to Con-
5 gress in a supplemental report in classified form along
6 with an explanation of why publication of such specific
7 item would be detrimental to the security of the United
8 States.

9 **Subtitle D—Congressional** 10 **Notification Procedures**

11 **SEC. 9401. NOTIFICATION OF PROGRAM CHANGES.**

12 (a) NOTIFICATION OF PROGRAM CHANGES.—Unless
13 the appropriate congressional committees are notified at
14 least 15 days in advance, funds appropriated for a fiscal
15 year to carry out this Act may not be obligated for any
16 assistance or contributions under this Act—

17 (1) for a Country Development Cooperation
18 Strategy, or any significant revision thereof, which
19 has not been transmitted to the appropriate congres-
20 sional committees in accordance with section 1018;

21 (2) for a country, international organization, re-
22 gional program, or centrally funded program for
23 which assistance was not included in a Country De-
24 velopment Cooperation Strategy, or was not justified

1 in congressional budget justification documents for
2 that fiscal year;

3 (3) more than 10 percent in excess of the
4 amount allocated pursuant to section 9303 for that
5 country, international organization, regional pro-
6 gram, or centrally funded program for that fiscal
7 year;

8 (4) for a strategy or objective not justified to
9 Congress for that country, international organiza-
10 tion, regional program, or centrally funded program;

11 (5) for a nonproject assistance activity; or

12 (6) in the case of assistance administered
13 through the Department of Defense under this Act,
14 for the provision of major defense equipment (other
15 than conventional ammunition) or aircraft, ships,
16 missiles, or combat vehicles not previously justified
17 to Congress, or more than ten percent in excess of
18 the quantities justified to Congress.

19 (b) APPROPRIATIONS SUBJECT TO REQUIRE-
20 MENTS.—Subsection (a) applies with respect to all funds
21 appropriated for assistance and contributions under this
22 Act other than—

23 (1) subtitles A and B of title VII (relating to
24 the Overseas Private Investment Corporation and
25 the Trade and Development Agency, respectively);

1 (2) section 1131 (relating to the development
2 credit authority);

3 (3) section 2025 (relating to transition initia-
4 tives);

5 (4) section 2022 (relating to complex crisis, sta-
6 bilization, and prevention fund); and

7 (5) humanitarian assistance.

8 (c) WAIVER.—The requirements of subsection (a)
9 may be waived if the President—

10 (1) determines that doing so is necessitated by
11 emergency circumstances;

12 (2) notifies the appropriate congressional com-
13 mittees as early as practicable, but in no event later
14 than three days after taking the action to which
15 such notification requirement was applicable; and

16 (3) includes in such notification an explanation
17 of the circumstances necessitating the use of the au-
18 thority of this subsection.

19 **SEC. 9402. CONGRESSIONAL NOTIFICATION PARITY.**

20 The President shall ensure that the Committee on
21 Foreign Affairs of the House of Representatives and the
22 Committee on Foreign Relations of the Senate are notified
23 to the same degree and with the same conditions as the
24 Committees on Appropriations are notified by the execu-
25 tive branch regarding any matter relating to foreign as-

1 sistance. The requirements of this section are in addition
2 to, and not in lieu of, other congressional notification re-
3 quirements.

4 **SEC. 9403. PRESIDENTIAL FINDINGS AND DETERMINA-**
5 **TIONS.**

6 (a) WRITTEN DETERMINATIONS.—In any case in
7 which the President is required to make a report to the
8 Congress, or to any committee or officer of either House
9 of Congress, concerning any finding or determination
10 under any provision of this Act or related appropriations
11 Act, such finding or determination shall be reduced to
12 writing and signed by the President.

13 (b) EFFECTIVE DATE.—No action shall be taken
14 pursuant to any such finding or determination prior to
15 the date on which that finding or determination has been
16 reduced to writing and signed by the President.

17 (c) PUBLICATION.—Each such finding or determina-
18 tion shall be published on the Internet and in the Federal
19 Register as soon as practicable after it has been reduced
20 to writing and signed by the President. In any case in
21 which the President concludes that such publication would
22 be harmful to the national security of the United States,
23 only a statement that a determination or finding has been
24 made by the President, including the name and section
25 of the Act under which it was made, shall be published.

1 **TITLE X—POLICY RESTRICTIONS**
2 **AND SPECIAL AUTHORITIES**
3 **Subtitle A—Policy Restrictions**

4 **SEC. 10001. DEFINITIONS.**

5 In this title:

6 (1) **FOREIGN TERRORIST ORGANIZATION.**—The
7 term “foreign terrorist organization” means an or-
8 ganization designated as a foreign terrorist organiza-
9 tion by the Secretary of State in accordance with
10 section 219(a) of the Immigration and Nationality
11 Act (8 U.S.C. 1189(a)).

12 (2) **GOVERNMENT.**—

13 (A) **IN GENERAL.**—The term “govern-
14 ment”, when used with respect to a foreign
15 country—

16 (i) means the national government of
17 the foreign country; and

18 (ii) includes—

19 (I) the government of any polit-
20 ical subdivision of the foreign country;
21 and

22 (II) any agency or instrumen-
23 tality of the national government or
24 government of any political subdivi-
25 sion of the foreign country.

1 (B) AGENCY OR INSTRUMENTALITY DE-
2 FINED.—For purposes of subparagraph (A), the
3 term “agency or instrumentality of the national
4 government or government of any political sub-
5 division of the country” means an agency or in-
6 strumentality of a foreign state as defined in
7 section 1603(b) of title 28, United States Code,
8 with each reference in such section to “a for-
9 eign state” deemed to be a reference to “the
10 foreign country”.

11 (3) PROVIDE.—The term “provide” includes—

12 (A) the obligation and expenditure of
13 funds; and

14 (B) the sale, lease, grant, transfer, stock-
15 piling and delivery of foreign assistance.

16 (4) STATE SPONSOR OF DRUG TRAFFICKING.—

17 The term “state sponsor of drug trafficking” means
18 a foreign government that is the subject of a deter-
19 mination under section 10302(a) which has not been
20 waived or rescinded.

21 (5) STATE SPONSOR OF TERRORISM.—The term

22 “state sponsor of terrorism” means a foreign gov-
23 ernment that is the subject of a determination under
24 section 10401(a) which has not been waived or re-
25 scinded.

1 (6) INTERNATIONAL TERRORISM.—The term
2 “international terrorism” has the meaning given the
3 term in section 2331 of title 18, United States Code.

4 **CHAPTER 1—HUMAN RIGHTS**

5 **SEC. 10101. PROHIBITION ON ASSISTANCE TO GOVERN-**
6 **MENTS THAT ENGAGE IN VIOLATIONS OF**
7 **HUMAN RIGHTS.**

8 (a) IN GENERAL.—No foreign assistance may be pro-
9 vided, and no licenses may be issued under the Export
10 Administration Act of 1979 (as continued in effect under
11 the International Emergency Economic Powers Act) for
12 the export of crime control and detection instruments and
13 equipment, to a foreign government which the Secretary
14 determines engages in a consistent pattern of gross viola-
15 tions of internationally recognized human rights, includ-
16 ing—

- 17 (1) mass atrocities;
- 18 (2) torture or cruel, inhuman, or degrading
19 treatment or punishment;
- 20 (3) prolonged detention without charges and
21 trial;
- 22 (4) causing the disappearance of persons by the
23 abduction and clandestine detention of those per-
24 sons; or

1 (5) other flagrant denial of the right to life, lib-
2 erty, and the security of person.

3 (b) EXPIRATION OF DETERMINATIONS.—A deter-
4 mination of the Secretary under subsection (a) shall re-
5 main in effect until rescinded.

6 (c) RESCISSION OF DETERMINATIONS.—A deter-
7 mination of the Secretary under subsection (a) with re-
8 spect to a foreign government may not be rescinded unless
9 the President submits to the appropriate congressional
10 committees a report certifying that the government has
11 substantially improved its human rights record and no
12 longer engages in any of the actions described in sub-
13 section (a).

14 (d) PUBLICATION.—A determination made under
15 subsection (a) or a report submitted under subsection (c)
16 shall be published in the Federal Register and made avail-
17 able on the Internet website of the Department of State.

18 (e) LIST.—The Secretary shall include in the annual
19 report required by section 9302 (relating to congressional
20 budget justification) a list of foreign governments for
21 which determinations under subsection (a) are currently
22 in effect and the date on which each such determination
23 became effective.

1 (f) CONSIDERATIONS.—In determining whether or
2 not a foreign government meets the criteria described in
3 subsection (a), the Secretary shall consider—

4 (1) the extent of cooperation of the government
5 in permitting an unimpeded investigation of alleged
6 violations of internationally recognized human rights
7 by appropriate international organizations, including
8 the International Committee of the Red Cross, or
9 groups or persons acting under the authority of such
10 organizations;

11 (2) specific actions which have been taken by
12 the President or Congress because of the human
13 rights practices or policies of the government; and

14 (3) whether the government has engaged in or
15 tolerated particularly severe violations of religious
16 freedom (as such term is defined in section 3 of the
17 International Religious Freedom Act of 1998).

18 (g) WAIVER.—Assistance prohibited by subsection (a)
19 may be provided, and licenses may be issued, to a foreign
20 government described in that subsection if, at least 15
21 days before providing such assistance, the President sub-
22 mits to the relevant congressional committees—

23 (1) a certification that—

1 (A) extraordinary circumstances exist war-
2 ranting the provision of such assistance or the
3 issuance of such license; and

4 (B) the interests of providing such assist-
5 ance or issuing such license outweigh the inter-
6 ests of protecting internationally recognized
7 human rights; and

8 (2) a report describing—

9 (A) the types and amounts of assistance to
10 be provided or licenses to be issued pursuant to
11 the waiver;

12 (B) the justification for such waiver; and

13 (C) the time period for which such waiver
14 will be effective.

15 (h) DEFINITIONS.—In this section—

16 (1) the term “genocide” means an offense as
17 described in section 1091 of title 18, United States
18 Code; and

19 (2) the term “relevant congressional commit-
20 tees” means—

21 (A) the appropriate congressional commit-
22 tees; and

23 (B) in the case of licenses to be issued
24 under the Export Administration Act of 1979
25 (as continued in effect under the International

1 Emergency Economic Powers Act) for the ex-
2 port of crime control and detection instruments
3 and equipment, the Committee on Banking,
4 Housing, and Urban Affairs of the Senate.

5 **SEC. 10102. PROHIBITION ON ASSISTANCE TO CERTAIN**
6 **HUMAN RIGHTS VIOLATORS.**

7 (a) IN GENERAL.—No foreign assistance may be pro-
8 vided to—

9 (1) any unit of the security forces of a foreign
10 government,

11 (2) any agency or instrumentality of a foreign
12 government, or

13 (3) a private partner,

14 if the Secretary has credible information that such unit,
15 agency or instrumentality, or private partner, as the case
16 may be, has committed a gross violation of internationally
17 recognized human rights.

18 (b) EXCEPTION.—The prohibition in subsection (a)
19 shall not apply if the Secretary determines and reports
20 to the appropriate congressional committees that effective
21 steps and corrective measures are being taken to bring the
22 responsible members of such unit, agency or instrumen-
23 tality, or private partner, as the case may be, to justice.

24 (c) DUTY TO INFORM.—

1 (1) IN GENERAL.—In the event that funds are
2 withheld from any unit pursuant to this section, the
3 Secretary shall promptly inform the foreign govern-
4 ment of the basis for such action and shall, to the
5 maximum extent practicable, assist the government
6 in taking effective measures to bring the responsible
7 members of such unit to justice.

8 (2) PUBLICATION.—The Secretary shall make
9 publicly available on the Internet website of the De-
10 partment of State the identity of each unit for which
11 there is credible information that such unit has com-
12 mitted a gross violation of internationally recognized
13 human rights.

14 (3) EXCEPTION.—The requirements of para-
15 graphs (1) and (2) shall not apply if the Secretary
16 determines such application would compromise
17 United States sources and methods or would jeop-
18 ardize the health, safety, or human rights of a wit-
19 ness or informant.

20 (d) CREDIBLE INFORMATION.—The Secretary shall
21 establish, and periodically update, procedures to—

22 (1) maintain a current list of each foreign coun-
23 try with respect to which the United States provides
24 training, equipment, or other types of assistance to

1 any unit of the security forces of the government of
2 such country;

3 (2) facilitate receipt by the Department of
4 State and United States embassies of information
5 from individuals and organizations outside the
6 United States Government about gross violations of
7 internationally recognized human rights by any enti-
8 ty described in paragraph (1), (2), or (3) of sub-
9 section (a);

10 (3) routinely request and obtain such informa-
11 tion from the Department of Defense, the Central
12 Intelligence Agency, and other United States Gov-
13 ernment sources departments and agencies;

14 (4) synchronize information obtained from all
15 sources;

16 (5) ensure that such information is evaluated
17 and preserved;

18 (6) ensure that when vetting an individual for
19 eligibility to receive United States training the indi-
20 vidual's unit is also vetted; and

21 (7) seek to identify the unit involved when cred-
22 ible information of a gross violation of internation-
23 ally recognized human rights exists but the identity
24 of the unit is lacking.

25 (e) INVESTIGATIONS.—

1 (1) IN GENERAL.—The Secretary is authorized
2 to use funds made available under title III or title
3 IV for purposes of gathering, receiving, preserving,
4 investigating, and evaluating evidence of gross viola-
5 tions of internationally recognized human rights by
6 any entity described in paragraph (1), (2), or (3) of
7 subsection (a).

8 (2) SUPPLEMENT NOT SUPPLANT.—Funds
9 made available under paragraph (1) are in addition
10 to amounts otherwise made available for the pur-
11 poses described in paragraph (1).

12 (f) DEFINITIONS.—In this section—

13 (1) the term “agency or instrumentality of a
14 foreign government” means an agency or instrumen-
15 tality of a foreign state as defined in section 1603(b)
16 of title 28, United States Code; and

17 (2) the term “unit” means the smallest unit op-
18 erating in the field.

19 **SEC. 10103. PROHIBITION ON ASSISTANCE TO GOVERN-**
20 **MENTS FOLLOWING COUPS D’ÉTAT.**

21 (a) IN GENERAL.—No foreign assistance may be pro-
22 vided to a foreign government whose duly elected leader
23 the Secretary determines has been deposed by violence or
24 threat of violence.

1 (b) EXCEPTIONS.—The prohibition in subsection (a)
2 shall not apply with respect to a foreign government if
3 the Secretary determines and reports to the appropriate
4 congressional committees that—

5 (1) the purpose and effect of the deposition was
6 to restore democratic governance; or

7 (2) subsequent to the deposition, a democrat-
8 ically elected government has taken office.

9 (c) PUBLICATION.—A determination made under
10 subsection (a) shall be published in the Federal Register
11 and made available on the Internet website of the Depart-
12 ment of State.

13 (d) WAIVER.—Assistance prohibited by subsection
14 (a) may be provided to a foreign government described in
15 that subsection if, at least 15 days before providing assist-
16 ance, the Secretary submits to the appropriate congress-
17 sional committees—

18 (1) a certification that providing assistance is
19 important to the national security interest of the
20 United States; and

21 (2) a report describing—

22 (A) the types and amounts of assistance to
23 be provided pursuant to the waiver;

24 (B) the justification for the waiver; and

1 (C) the time period for which the waiver
2 will be effective.

3 **SEC. 10104. PROHIBITION ON ASSISTANCE TO GOVERN-**
4 **MENTS THAT PROHIBIT OR IMPEDE DELIV-**
5 **ERY OF HUMANITARIAN ASSISTANCE.**

6 (a) IN GENERAL.—No foreign assistance may be pro-
7 vided to a foreign government which the Secretary deter-
8 mines prohibits or impedes the delivery of humanitarian
9 assistance.

10 (b) PUBLICATION.—A determination made under
11 subsection (a) shall be published in the Federal Register
12 and made available on the Internet website of the Depart-
13 ment of State.

14 (c) WAIVER.—Assistance prohibited by subsection (a)
15 may be provided to a foreign government described in that
16 subsection if, at least 15 days before providing assistance,
17 the Secretary certifies and reports to the appropriate con-
18 gressional committees that to do so is in the national secu-
19 rity interest of the United States.

20 **SEC. 10105. PROHIBITION ON USE OF FUNDS TO SUPPORT**
21 **OR JUSTIFY TORTURE.**

22 (a) IN GENERAL.—No funds made available to carry
23 out this Act may be made available to support or justify
24 the use of torture or cruel, inhuman, or degrading treat-

1 ment or punishment by any official or contract employee
2 of the United States Government.

3 (b) REPORTING OF ABUSES.—The Secretary shall
4 submit to the appropriate congressional committees a re-
5 port of any credible information that an official or con-
6 tract employee of the United States Government has en-
7 gaged in a violation of subsection (a).

8 **SEC. 10106. PROHIBITION ON ASSISTANCE TO GOVERN-**
9 **MENTS ENGAGED IN INTIMIDATION AND HAR-**
10 **ASSMENT AGAINST INDIVIDUALS IN THE**
11 **UNITED STATES.**

12 (a) IN GENERAL.—No foreign assistance may be pro-
13 vided to a foreign government which the Secretary deter-
14 mines is engaged in a consistent pattern of acts of intimi-
15 dation or harassment directed against individuals in the
16 United States.

17 (b) PUBLICATION.—A determination made under
18 subsection (a) shall be published in the Federal Register
19 and made available on the Internet website of the Depart-
20 ment of State.

21 (c) DETERMINATIONS.—The Secretary shall report a
22 determination under section (a) to the appropriate con-
23 gressional committees.

1 **CHAPTER 2—NON-PROLIFERATION**

2 **SEC. 10201. PROHIBITION ON ASSISTANCE TO GOVERN-**
3 **MENTS THAT TRANSFER NUCLEAR ENRICH-**
4 **MENT EQUIPMENT, MATERIALS, OR TECH-**
5 **NOLOGY.**

6 (a) IN GENERAL.—No foreign assistance may be pro-
7 vided to a foreign government which the Secretary deter-
8 mines has delivered or received nuclear enrichment equip-
9 ment, materials, or technology to or from any other coun-
10 try on or after August 4, 1977.

11 (b) EXCEPTION.—The prohibition in subsection (a)
12 shall not apply with respect to a foreign government if—

13 (1) the receiving country had not been des-
14 ignated as a state sponsor of terrorism before deliv-
15 ery of such equipment, materials, or technology;

16 (2) the supplying and receiving countries have
17 reached agreement to place all such equipment, ma-
18 terials, or technology, upon delivery, under multilat-
19 eral auspices and management when available;

20 (3) the transfers of all such equipment, mate-
21 rials, or technology occur in compliance with the
22 Guidelines of the Nuclear Suppliers Group; and

23 (4) the receiving country has entered into an
24 agreement with the International Atomic Energy
25 Agency (IAEA) to place all such equipment, mate-

1 rials, technology, and all nuclear fuel and facilities
2 in the country under the safeguards system of the
3 IAEA, and is complying with such agreement.

4 (c) EXPIRATION OF DETERMINATIONS.—A deter-
5 mination of the Secretary under subsection (a) shall re-
6 main in effect until rescinded.

7 (d) RESCISSION OF DETERMINATIONS.—A deter-
8 mination of the Secretary under subsection (a) with re-
9 spect to a foreign government may not be rescinded unless
10 the President submits to the appropriate congressional
11 committees a report certifying that—

12 (1) there has been a fundamental change in the
13 leadership and policies of the government; or

14 (2) the government has entered into an agree-
15 ment with the IAEA to place all such equipment,
16 materials, technology, and all nuclear fuel and facili-
17 ties in such country under the safeguards system of
18 the IAEA, and is complying with such agreement.

19 (e) PUBLICATION.—A determination made under
20 subsection (a) or a report submitted under subsection (d)
21 shall be published in the Federal Register and made avail-
22 able on the Internet website of the Department of State.

23 (f) LIST.—The Secretary shall include in the annual
24 report required by section 9302 (relating to congressional

1 budget justification) a list of governments for which deter-
2 minations under subsection (a) are currently in effect.

3 (g) WAIVER.—Assistance prohibited by subsection (a)
4 may be provided to a foreign government described in that
5 subsection if, at least 15 days before providing such assist-
6 ance, the President certifies and reports to the appropriate
7 congressional committees that—

8 (1) the termination of such assistance would
9 have a serious adverse effect on vital United States
10 interests; and

11 (2) the President has received reliable assur-
12 ances that the government—

13 (A) if a government of a non-nuclear weap-
14 on state—

15 (i) will not acquire or develop nuclear
16 weapons or assist other countries in doing
17 so; and

18 (ii) will ensure that all past and fu-
19 ture transfers of such equipment, mate-
20 rials, or technology shall be placed under
21 an appropriate safeguards system by the
22 IAEA; and

23 (B) has taken or will take effective meas-
24 ures to ensure any future transfers of such
25 equipment, materials, or technology are made in

1 accordance with the Guidelines of the Nuclear
2 Suppliers Group.

3 (h) RESOLUTION OF DISAPPROVAL.—

4 (1) IN GENERAL.—A rescission under sub-
5 section (d) or waiver under subsection (g) of a deter-
6 mination under subsection (a) shall cease to be ef-
7 fective if Congress enacts a joint resolution dis-
8 approving the proposed rescission or waiver.

9 (2) JOINT RESOLUTION DESCRIBED.—For the
10 purposes of paragraph (1), the term “joint resolu-
11 tion” means only a joint resolution introduced not
12 later than 30 days after the date of receipt of a re-
13 port under subsection (d) or (g), as the case may be,
14 the matter after the resolving clause of which is as
15 follows: “That the proposed _____ submitted
16 to Congress on _____ under section 10201 of
17 the Global Partnerships Act of 2012 is hereby pro-
18 hibited.”, with the first blank space being filled with
19 “rescission” or “waiver”, as appropriate, and the
20 second blank space being filled with the appropriate
21 date.

22 (3) CONGRESSIONAL PROCEDURES.—A joint
23 resolution described in paragraph (2) and introduced
24 within the appropriate 30-day period shall be consid-
25 ered in the Senate and the House of Representatives

1 in accordance with paragraphs (3) through (7) of
2 section 8066(c) of the Department of Defense Ap-
3 propriations Act, 1985 (as contained in Public Law
4 98–473), except that references in such paragraphs
5 to the Committees on Appropriations of the House
6 of Representatives and the Senate shall be deemed
7 to be references to the Committee on Foreign Af-
8 fairs of the House of Representatives and the Com-
9 mittee on Foreign Relations of the Senate, respec-
10 tively.

11 **SEC. 10202. PROHIBITION ON ASSISTANCE TO GOVERN-**
12 **MENTS THAT TRANSFER NUCLEAR REPROC-**
13 **ESSING EQUIPMENT, MATERIALS, OR TECH-**
14 **NOLOGY OR NUCLEAR EXPLOSIVE DEVICES.**

15 (a) PROHIBITION.—

16 (1) IN GENERAL.—No foreign assistance may
17 be provided, and no loans or credit by a United
18 States bank or financial institution extended, no
19 goods subject to licensing by the United States for
20 national security or foreign policy reasons exported,
21 and no support by the United States given for any
22 loan or financial or technical assistance by an inter-
23 national financial institution, to a government which
24 the President determines—

1 (A) transfers to a non-nuclear-weapon
2 state a nuclear explosive device, or any design
3 information or component which is determined
4 by the President to be important to, and known
5 by the transferring government to be intended
6 by the recipient state for use in, the develop-
7 ment or manufacture of any nuclear explosive
8 device;

9 (B) is a non-nuclear-weapon state and—

10 (i) receives a nuclear explosive device;

11 (ii) detonates a nuclear explosive de-
12 vice;

13 (iii) seeks and receives any design in-
14 formation or component which is deter-
15 mined by the President to be important to,
16 and intended by the recipient state for use
17 in, the development or manufacture of any
18 nuclear explosive device; or

19 (iv) on or after August 8, 1985, ex-
20 ports illegally (or attempts to export ille-
21 gally) from the United States any material,
22 equipment, or technology which would con-
23 tribute significantly to the ability of such
24 country to manufacture a nuclear explosive
25 device, if the President determines that the

1 material, equipment, or technology was to
2 be used by such country in the manufac-
3 ture of a nuclear explosive device, or

4 (C) delivers nuclear reprocessing equip-
5 ment, materials, or technology to any other
6 country or receives such equipment, materials,
7 or technology from any other country, on or
8 after August 4, 1977.

9 (2) RULE OF CONSTRUCTION.—For purposes of
10 paragraph (1)(B)(4), an export (or attempted ex-
11 port) by a person who is an agent of, or is otherwise
12 acting on behalf of or in the interests of, a country
13 shall be considered to be an export (or attempted ex-
14 port) by that country.

15 (b) EXCEPTION.—The prohibitions under subsection
16 (a) shall not apply—

17 (1) to any transaction subject to the reporting
18 requirements of title V of the National Security Act
19 of 1947 (relating to congressional oversight of intel-
20 ligence activities);

21 (2) to medicines, medical equipment, and hu-
22 manitarian assistance; or

23 (3) to any credit, credit guarantee, or financial
24 assistance provided by the Department of Agri-

1 culture to support the purchase of food or other ag-
2 ricultural commodity.

3 (c) WAIVER.—

4 (1) IN GENERAL.—Assistance prohibited by
5 subsection (a) may be provided to a government de-
6 scribed in that subsection if the President deter-
7 mines and certifies to the appropriate congressional
8 committees that the termination of such assistance
9 would be seriously prejudicial to the achievement of
10 United States nonproliferation objectives or other-
11 wise jeopardize the common defense and security.

12 (2) SPECIAL AUTHORITY.—Assistance prohib-
13 ited by subsection (a)(1)(B)(ii) may be provided to
14 a foreign government described in that subsection if
15 the President determines and certifies to the appro-
16 priate congressional committees that the government
17 has taken a significant compensatory nonprolifera-
18 tion action, such as the declaration of an unlimited
19 moratorium on further nuclear detonations, the sig-
20 nature and entry-into-force of a legally binding
21 international instrument prohibiting the production
22 of additional fissile nuclear material, or similar ac-
23 tion.

24 (3) EFFECTIVE DATE.—A certification under
25 paragraph (1) or (2) shall not take effect until 30

1 days of continuous session of Congress have elapsed
2 after its submission. For purposes of this paragraph,
3 continuity of session of Congress is broken only by
4 an adjournment of Congress sine die and the days
5 on which either House is not in session because of
6 an adjournment of more than 3 days to a day cer-
7 tain are excluded in the computation of any period
8 of time in which Congress is in continuous session.

9 (4) NON-DELEGATION OR TRANSFER.—The
10 President may not delegate or transfer the Presi-
11 dent’s power, authority, or discretion to make or
12 modify determinations under this subsection.

13 (d) RESOLUTION OF DISAPPROVAL.—

14 (1) IN GENERAL.—A waiver under subsection
15 (c) of a determination under subsection (a) shall
16 cease to be effective if Congress enacts a joint reso-
17 lution disapproving the proposed waiver.

18 (2) JOINT RESOLUTION DESCRIBED.—For the
19 purposes of paragraph (1), the term “joint resolu-
20 tion” means only a joint resolution introduced not
21 later than 30 days of continuous session of Congress
22 (as described in subsection (c)(3)) after receipt of a
23 certification under subsection (c), the matter after
24 the resolving clause of which is as follows: “That the

1 proposed waiver under section 10202(c) of the Glob-
2 al Partnerships Act of 2012 is hereby prohibited.”.

3 (3) CONGRESSIONAL PROCEDURES.—A joint
4 resolution described in paragraph (2) and introduced
5 within the appropriate period shall be considered in
6 the Senate and the House of Representatives in ac-
7 cordance with paragraphs (3) through (7) of section
8 8066(c) of the Department of Defense Appropria-
9 tions Act, 1985 (as contained in Public Law 98–
10 473), except that references in such paragraphs to
11 the Committees on Appropriations of the House of
12 Representatives and the Senate shall be deemed to
13 be references to the Committee on Foreign Affairs
14 of the House of Representatives and the Committee
15 on Foreign Relations of the Senate, respectively.

16 (e) DEFINITIONS.—In this section—

17 (1) the term “non-nuclear-weapon state” has
18 the meaning given the term in section 830(5) of the
19 Nuclear Proliferation Prevention Act of 1994 (22
20 U.S.C. 6305(5)); and

21 (2) the term “nuclear explosive device” has the
22 meaning given that term in section 830(4) of the
23 Nuclear Proliferation Prevention Act of 1994 (22
24 U.S.C. 6305(4)).

1 **SEC. 10203. SECURITY ASSISTANCE TO PAKISTAN.**

2 (a) IN GENERAL.—Security assistance may be pro-
3 vided to Pakistan after the Secretary makes a certification
4 in accordance with subsection (b).

5 (b) CERTIFICATION.—Not less than 15 days before
6 providing security assistance for Pakistan in a fiscal year,
7 the Secretary shall transmit a certification to the appro-
8 priate congressional committees that—

9 (1) the Government of Pakistan is continuing
10 to safeguard its nuclear weapons-related facilities,
11 material, and technology from theft and terrorist at-
12 tack; and

13 (2) the Government of Pakistan during the pre-
14 ceding fiscal year has demonstrated a sustained
15 commitment to and is making significant efforts to-
16 wards combating terrorist groups, taking into ac-
17 count the extent to which the Government of Paki-
18 stan has made progress on matters such as—

19 (A) ceasing support, including by any ele-
20 ments within the Pakistan military or its intel-
21 ligence agency, to extremist and terrorist
22 groups, particularly to any group that has con-
23 ducted attacks against United States or coal-
24 ition forces in Afghanistan, or against the terri-
25 tory or people of neighboring countries;

1 (B) preventing al Qaeda, the Taliban and
2 associated terrorist groups, such as Lashkar-e-
3 Taiba, the Haqqani Network and Jaish-e-Mo-
4 hammed, from operating in the territory of
5 Pakistan, including by stopping cross-border at-
6 tacks into neighboring countries, closing ter-
7 rorist camps in the Federally Administered
8 Tribal Areas, dismantling terrorist bases of op-
9 erations in other parts of the country, including
10 Quetta and Muridke, and taking action when
11 provided with intelligence about high-level ter-
12 rorist targets; and

13 (C) strengthening counterterrorism and
14 anti-money laundering laws.

15 (c) WAIVER.—

16 (1) IN GENERAL.—The Secretary may waive
17 the requirement contained in subsection (a) for a fis-
18 cal year if the Secretary determines that is impor-
19 tant to the national security interests of the United
20 States to do so.

21 (2) PRIOR NOTICE OF WAIVER.—The authority
22 of paragraph (1) may not be exercised until 7 days
23 after the Secretary provides to the appropriate con-
24 gressional committees a written notice of the intent
25 to issue a waiver and the reasons therefor. The no-

1 tice may be submitted in classified or unclassified
2 form, as necessary.

3 (d) EFFECTIVE DATE.—The provisions of this sec-
4 tion shall take effect on the date on which section 203
5 of the Enhanced Partnership with Pakistan Act of 2009
6 (Public Law 111–73) ceases to be effective.

7 **CHAPTER 3—NARCOTICS**

8 **SEC. 10301. PROHIBITION ON ASSISTANCE TO DRUG TRAF-** 9 **FICKERS.**

10 (a) IN GENERAL.—The Secretary shall take all rea-
11 sonable steps to ensure that foreign assistance is not pro-
12 vided to or through any individual or entity that the Sec-
13 retary knows or has reason to believe—

14 (1) has been convicted of a violation of, or a
15 conspiracy to violate, any law or regulation of the
16 United States or a foreign country relating to nar-
17 cotic or psychotropic drugs or other controlled sub-
18 stances; or

19 (2) is or has been an illicit trafficker in any
20 such controlled substance or is or has been a know-
21 ing assistor, abettor, conspirator, or colluder with
22 others in the illicit trafficking in any such substance.

23 (b) REGULATIONS.—The Secretary shall issue regula-
24 tions to carry out this section.

1 (c) CONGRESSIONAL NOTIFICATION.—Regulations
2 issued pursuant to subsection (b) shall be submitted to
3 the appropriate congressional committees before they take
4 effect.

5 (d) UNITED STATES DEFINED.—In this section, the
6 term “United States” includes each State of the several
7 States, the District of Columbia, the Commonwealth of
8 Puerto Rico, American Samoa, Guam, the Commonwealth
9 of the Northern Mariana Islands, the Virgin Islands of
10 the United States, and any other territory or possession
11 of the United States.

12 **SEC. 10302. PROHIBITION ON ASSISTANCE TO STATE SPON-**
13 **SORS OF DRUG TRAFFICKING.**

14 (a) IN GENERAL.—No foreign assistance may be pro-
15 vided to a foreign government which the Secretary deter-
16 mines has expressly consented to, or with knowledge, al-
17 lowed, tolerated, or disregarded the recurring use of any
18 part of the land, waters, or airspace of the country for
19 the transit, production, or financing of illicit narcotics.

20 (b) EXPIRATION OF DETERMINATIONS.—A deter-
21 mination of the Secretary under subsection (a) shall re-
22 main in effect until rescinded.

23 (c) RESCISSION OF DETERMINATIONS.—A deter-
24 mination of the Secretary under subsection (a) with re-
25 spect to a government may not be rescinded unless the

1 President submits to the appropriate congressional com-
2 mittees a report certifying that such government no longer
3 expressly consents to, or with knowledge, allows, tolerates,
4 or disregards the recurring use of any part of the land,
5 waters, or airspace of the country for the transit, produc-
6 tion, or financing of illicit narcotics.

7 (d) PUBLICATION.—A determination made under
8 subsection (a) and a report submitted under subsection
9 (c) shall be published in the Federal Register and made
10 available on the Internet website of the Department of
11 State.

12 (e) LIST.—The Secretary shall include in the annual
13 report required by section 9302 (relating to congressional
14 budget justification) a list of governments for which deter-
15 minations under subsection (a) are currently in effect and
16 the date on which each determination became effective.

17 (f) WAIVER.—Assistance prohibited by subsection (a)
18 may be provided to a government described in that sub-
19 section if, at least 15 days before providing assistance, the
20 President submits to the appropriate congressional com-
21 mittees—

22 (1) a certification that national security inter-
23 ests or humanitarian reasons justify such a waiver;
24 and

25 (2) a report describing—

- 1 (A) the type and amount of assistance to
2 be provided pursuant to the waiver;
3 (B) the justification for such waiver; and
4 (C) the time period for which such waiver
5 will be effective.

6 **SEC. 10303. PROHIBITION ON REIMBURSEMENTS FOR DRUG**
7 **CROP ERADICATIONS.**

8 No foreign assistance may be made available to reim-
9 burse persons in foreign countries for the eradication of
10 their illicit drug crops.

11 **CHAPTER 4—TERRORISM**

12 **Subchapter A—General Provisions**

13 **SEC. 10401. PROHIBITION ON ASSISTANCE TO STATE SPON-**
14 **SORS OF TERRORISM.**

15 (a) IN GENERAL.—No foreign assistance may be pro-
16 vided to a foreign government which the Secretary deter-
17 mines—

18 (1) has repeatedly provided support for acts of
19 international terrorism; or

20 (2) is controlled by an organization designated
21 as a terrorist organization under section 219 of the
22 Immigration and Nationality Act.

23 (b) EXPIRATION OF DETERMINATIONS.—A deter-
24 mination of the Secretary under subsection (a) shall re-
25 main in effect until rescinded.

1 (c) RESCISSION OF DETERMINATIONS.—A deter-
2 mination of the Secretary under subsection (a) with re-
3 spect to a government may not be rescinded unless the
4 President submits to the appropriate congressional com-
5 mittees—

6 (1) before the proposed rescission would take
7 effect, a report certifying that—

8 (A) there has been a fundamental change
9 in the leadership and policies of the govern-
10 ment;

11 (B) the government is not supporting acts
12 of international terrorism; and

13 (C) the government has provided assur-
14 ances that it will not support acts of inter-
15 national terrorism in the future; or

16 (2) at least 45 days before the proposed rescis-
17 sion would take effect, a report justifying the rescis-
18 sion and certifying that—

19 (A) the government has not provided any
20 support for international terrorism during the
21 preceding 6-month period; and

22 (B) the government has provided assur-
23 ances that it will not support acts of inter-
24 national terrorism in the future.

1 (d) PUBLICATION.—A determination made under
2 subsection (a) or a report submitted under subsection (c)
3 shall be published in the Federal Register and made avail-
4 able on the Internet website of the Department of State.

5 (e) LIST.—The Secretary shall include in the annual
6 report required by section 9302 (relating to congressional
7 budget justification) a list of governments for which deter-
8 minations under subsection (a) are currently in effect.

9 (f) WAIVER.—Assistance prohibited by subsection (a)
10 may be provided to a foreign government described in that
11 subsection if, at least 15 days before providing assistance,
12 the President submits to the appropriate congressional
13 committees—

14 (1) a certification that national security inter-
15 ests or humanitarian reasons justify a such a waiver;
16 and

17 (2) a report describing—

18 (A) the type and amount of assistance to
19 be provided pursuant to the waiver;

20 (B) the justification for such waiver; and

21 (C) the time period for which such waiver
22 will be effective.

23 (g) RESOLUTION OF DISAPPROVAL.—

24 (1) IN GENERAL.—A rescission under sub-
25 section (c)(2) or a waiver under subsection (f) of a

determination under subsection (a) shall cease to be effective if Congress enacts a joint resolution disapproving the proposed rescission or waiver.

(2) JOINT RESOLUTION DESCRIBED.—For the purposes of paragraph (1), the term “joint resolution” means only a joint resolution introduced not later than 45 days after the date of receipt of a report under subsection (c)(2) or not later than 15 days after receipt of a certification under subsection (f), as the case may be, the matter after the resolving clause of which is as follows: “That the proposed _____ submitted to Congress on _____ under section 10401 of the Global Partnerships Act of 2012 is hereby prohibited.”, with the first blank space being filled with “rescission” or “waiver”, as appropriate, and the second blank space being filled with the appropriate date.

(3) CONGRESSIONAL PROCEDURES.—A joint resolution described in paragraph (2) and introduced within the appropriate period shall be considered in the Senate and the House of Representatives in accordance with paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98–473), except that references in such paragraphs to

1 the Committees on Appropriations of the House of
2 Representatives and the Senate shall be deemed to
3 be references to the Committee on Foreign Affairs
4 of the House of Representatives and the Committee
5 on Foreign Relations of the Senate, respectively.

6 (h) DEFINITION.—In this section, the term “support
7 for acts of international terrorism” includes—

8 (1) expressly consenting to, or with knowledge,
9 allowing, tolerating, or disregarding the recurring
10 use of any part of the land, waters, or airspace of
11 the country by a terrorist or terrorist organization—

12 (A) to carry out terrorist activities, includ-
13 ing training, financing, and recruitment; or

14 (B) as a transit point;

15 (2) granting sanctuary from prosecution to any
16 individual or group which has committed an act of
17 international terrorism; or

18 (3) willfully aiding or abetting—

19 (A) the international proliferation of nu-
20 clear explosive devices to individuals or groups;

21 (B) the acquisition by individuals or
22 groups of unsafeguarded special nuclear mate-
23 rial; and

24 (C) the efforts of an individual or group to
25 use, develop, produce, stockpile, or otherwise

1 acquire chemical, biological, or radiological
2 weapons.

3 **SEC. 10402. PROHIBITION ON ASSISTANCE TO FOREIGN**
4 **GOVERNMENTS SUPPORTING STATE SPON-**
5 **SORS OF TERRORISM.**

6 (a) IN GENERAL.—No foreign assistance may be pro-
7 vided to a foreign government which the Secretary deter-
8 mines provides assistance (other than humanitarian as-
9 sistance) to, or transfers lethal military equipment to, a
10 state sponsor of terrorism.

11 (b) APPLICABILITY.—The prohibition in subsection
12 (a) shall apply only to assistance provided or transfers
13 made after the date on which a government was des-
14 ignated as a state sponsor of terrorism.

15 (c) EXPIRATION OF DETERMINATIONS.—A deter-
16 mination of the Secretary under subsection (a) shall re-
17 main in effect until rescinded.

18 (d) RESCISSION OF DETERMINATIONS.—A deter-
19 mination of the Secretary under subsection (a) with re-
20 spect to a government may not be rescinded unless the
21 President submits to the appropriate congressional com-
22 mittees a report certifying that—

23 (1) the government has not provided assistance
24 or transferred lethal military equipment to a state

1 sponsor of terrorism during the preceding 12-month
2 period;

3 (2) there has been a fundamental change in the
4 leadership and policies of the government; and

5 (3) the government has provided assurances
6 that it will not provide assistance or transfer lethal
7 military equipment to a state sponsor of terrorism in
8 the future.

9 (e) PUBLICATION.—A determination made under
10 subsection (a) and a report submitted under subsection
11 (d) shall be published in the Federal Register and made
12 available on the Internet website of the Department of
13 State.

14 (f) LIST.—The Secretary shall include in the annual
15 report required by section 9302 (relating to congressional
16 budget justification) a list of governments for which deter-
17 minations under subsection (a) are currently in effect.

18 (g) WAIVER.—Assistance prohibited by subsection (a)
19 may be provided to a government described in that sub-
20 section if, at least 15 days before providing assistance, the
21 President submits to the appropriate congressional com-
22 mittees—

23 (1) a certification that providing foreign assist-
24 ance to the government is important to the national
25 interests of the United States; and

1 (2) a report describing—

2 (A) the type and amount of assistance to
3 be provided pursuant to the waiver;

4 (B) the justification for such waiver; and

5 (C) the time period for which such waiver
6 will be effective.

7 **SEC. 10403. PROHIBITION ON TRANSACTIONS WITH STATE**
8 **SPONSORS OF TERRORISM.**

9 (a) PROHIBITED TRANSACTIONS BY THE UNITED
10 STATES GOVERNMENT.—The following transactions by
11 the United States Government are prohibited:

12 (1) Exporting or otherwise providing (by sale,
13 lease or loan, grant, or other means), directly or in-
14 directly, any munitions item to a country described
15 in subsection (d) under the authority of this Act or
16 any other law (except as provided in subsection (g)).

17 In implementing this paragraph, the President—

18 (A) shall suspend delivery to such country
19 of any such item pursuant to any such trans-
20 action which has not been completed at the
21 time the Secretary makes the determination de-
22 scribed in section 10401(a) with respect to the
23 government of the country; and

24 (B) shall terminate any lease or loan to
25 such country of any such item which is in effect

1 at the time the Secretary makes that deter-
2 mination.

3 (2) Providing credits, guarantees, or other fi-
4 nancial assistance under the authority of this Act or
5 any other law (except as provided in subsection (g)),
6 with respect to the acquisition of any munitions item
7 by a country described in subsection (d). In imple-
8 menting this paragraph, the President shall suspend
9 expenditures pursuant to any such assistance obli-
10 gated before the Secretary makes the determination
11 described in section 10401(a) with respect to the
12 government of the country. The President may au-
13 thorize expenditures otherwise required to be sus-
14 pended pursuant to the preceding sentence if the
15 President has determined, and reported to Congress,
16 that suspension of those expenditures causes undue
17 financial hardship to a supplier, shipper, or similar
18 person and allowing the expenditure will not result
19 in any munitions item being made available for use
20 by such country.

21 (3) Consenting under this Act, or under any
22 other law (except as provided in subsection (g)), to
23 any transfer of any munitions item to a country de-
24 scribed in subsection (d). In implementing this para-
25 graph, the President shall withdraw any such con-

1 sent, which is in effect at the time the Secretary
2 makes the determination described in section
3 10401(a) with respect to the government of the
4 country, except that this sentence does not apply
5 with respect to any item that has already been
6 transferred to such country.

7 (4) Providing any license or other approval
8 under this Act for any export or other transfer (in-
9 cluding by means of a technical assistance agree-
10 ment, manufacturing licensing agreement, or co-
11 production agreement) of any munitions item to a
12 country described in subsection (d). In implementing
13 this paragraph, the President shall suspend any
14 such license or other approval which is in effect at
15 the time the Secretary makes the determination de-
16 scribed in section 10401(a) with respect to the gov-
17 ernment of the country, except that this sentence
18 does not apply with respect to any item that has al-
19 ready been exported or otherwise transferred to such
20 country.

21 (5) Otherwise facilitating the acquisition of any
22 munitions item by a state sponsor of terrorism. This
23 paragraph applies with respect to activities under-
24 taken—

1 (A) by any department, agency, or other
2 instrumentality of the United States Govern-
3 ment;

4 (B) by any officer or employee of the
5 United States Government (including members
6 of the United States Armed Forces); or

7 (C) by any other person at the request or
8 on behalf of the United States Government.

9 The President may waive the requirements of the
10 second sentence of paragraph (1), the second sen-
11 tence of paragraph (3), and the second sentence of
12 paragraph (4) to the extent that the President deter-
13 mines, after consultation with Congress, that un-
14 usual and compelling circumstances require that the
15 President not take the actions specified in that sen-
16 tence.

17 (b) PROHIBITED TRANSACTIONS BY UNITED STATES
18 PERSONS.—

19 (1) IN GENERAL.—A United States person may
20 not take any of the following actions:

21 (A) Exporting any munitions item to any
22 country described in subsection (d).

23 (B) Selling, leasing, loaning, granting, or
24 otherwise providing any munitions item to any
25 country described in subsection (d).

1 (C) Selling, leasing, loaning, granting, or
2 otherwise providing any munitions item to any
3 recipient which is not the government of or a
4 person in a country described in subsection (d)
5 if the United States person has reason to know
6 that the munitions item will be made available
7 to any country described in subsection (d).

8 (D) Taking any other action which would
9 facilitate the acquisition, directly or indirectly,
10 of any munitions item by a state sponsor of ter-
11 rorism, or any person acting on behalf of that
12 government, if the United States person has
13 reason to know that action will facilitate the ac-
14 quisition of that item by such a government or
15 person.

16 (2) LIABILITY FOR ACTIONS OF FOREIGN SUB-
17 SIDIARIES, ETC.—A United States person violates
18 this subsection if a corporation or other person that
19 is controlled in fact by that United States person (as
20 determined under regulations, which the President
21 shall issue), takes an action described in paragraph
22 (1) outside the United States.

23 (3) APPLICABILITY TO ACTIONS OUTSIDE THE
24 UNITED STATES.—Paragraph (1) applies with re-
25 spect to actions described in that paragraph which

1 are taken either within or outside the United States
2 by a United States person described in subsection
3 (k)(2)(A) or (B). To the extent provided in regula-
4 tions issued under subsection (k)(2)(D), paragraph
5 (1) applies with respect to actions described in that
6 paragraph which are taken outside the United
7 States by a person designated as a United States
8 person in those regulations.

9 (c) TRANSFERS TO GOVERNMENTS AND PERSONS
10 COVERED.—This section applies with respect to—

11 (1) the acquisition of munitions items by a
12 state sponsor of terrorism; and

13 (2) the acquisition of munitions items by any
14 individual, group, or other person within a country
15 described in subsection (d), except to the extent that
16 subparagraph (D) of subsection (b)(1) provides oth-
17 erwise.

18 (d) COUNTRIES COVERED BY PROHIBITION.—The
19 prohibitions contained in this section apply with respect
20 to any country that is the subject of a determination under
21 section 10401(a), which has not been waived or rescinded.

22 (e) PUBLICATION OF DETERMINATIONS.—Each de-
23 termination of the Secretary under subsection (d) shall be
24 published in the Federal Register and made available on
25 the Internet website of the Department of State.

1 (f) WAIVER.—

2 (1) IN GENERAL.—The President may waive
3 the prohibitions contained in this section with re-
4 spect to a specific transaction if—

5 (A) the President determines that the
6 transaction is essential to the national security
7 interests of the United States; and

8 (B) not less than 15 days prior to the pro-
9 posed transaction, the President—

10 (i) consults with the Committee on
11 Foreign Affairs of the House of Represent-
12 atives and the Committee on Foreign Rela-
13 tions of the Senate; and

14 (ii) submits to the appropriate con-
15 gressional committees a report con-
16 taining—

17 (I) the name of any country in-
18 volved in the proposed transaction,
19 the identity of any recipient of the
20 items to be provided pursuant to the
21 proposed transaction, and the antici-
22 pated use of those items;

23 (II) a description of the muni-
24 tions items involved in the proposed
25 transaction (including their market

1 value) and the actual sale price at
2 each step in the transaction (or if the
3 items are transferred by other than
4 sale, the manner in which they will be
5 provided);

6 (III) the reasons why the pro-
7 posed transaction is essential to the
8 national security interests of the
9 United States and the justification for
10 such proposed transaction;

11 (IV) the date on which the pro-
12 posed transaction is expected to occur;
13 and

14 (V) the name of each United
15 States Government department, agen-
16 cy, or other entity involved in the pro-
17 posed transaction, every foreign gov-
18 ernment involved in the proposed
19 transaction, and every private party
20 with significant participation in the
21 proposed transaction.

22 (2) FORM.—To the extent possible, the infor-
23 mation specified in paragraph (1)(B)(ii) shall be
24 provided in unclassified form, with any classified in-
25 formation provided in an addendum to the report.

1 (g) EXEMPTION FOR TRANSACTIONS SUBJECT TO
2 NATIONAL SECURITY ACT REPORTING REQUIRE-
3 MENTS.—The prohibitions contained in this section do not
4 apply with respect to any transaction subject to reporting
5 requirements under title V of the National Security Act
6 of 1947 (50 U.S.C. 413 et seq.; relating to congressional
7 oversight of intelligence activities).

8 (h) RELATION TO OTHER LAWS.—

9 (1) IN GENERAL.—With regard to munitions
10 items controlled pursuant to this Act, the provisions
11 of this section shall apply notwithstanding any other
12 provisions of law, other than section 10603.

13 (2) WAIVER AUTHORITY.—If the authority of
14 section 10603(a) is used to permit a transaction
15 under this Act which is otherwise prohibited by this
16 section, the written policy justification required by
17 that section shall include the information specified in
18 subsection (f)(2)(B) of this section.

19 (i) CRIMINAL PENALTY.—Any person who willfully
20 violates this section shall be fined for each violation not
21 more than \$1,000,000, imprisoned not more than 10
22 years, or both.

23 (j) CIVIL PENALTIES; ENFORCEMENT.—In the en-
24 forcement of this section, the President is authorized to
25 exercise the same powers concerning violations and en-

1 forcement which are conferred upon departments, agen-
2 cies, and officials by sections 11(c), 11(e), 11(g), and
3 12(a) of the Export Administration Act of 1979 (as con-
4 tinued in effect under the International Emergency Eco-
5 nomic Powers Act) (subject to the same terms and condi-
6 tions as are applicable to such powers under that Act),
7 except that section 11(c)(2)(B) of such Act shall not
8 apply, and instead, as prescribed in regulations issued
9 under this section, the Secretary of State may assess civil
10 penalties for violations of this Act and regulations pre-
11 scribed thereunder and further may commence a civil ac-
12 tion to recover such civil penalties, and except further
13 that, notwithstanding section 11(c) of that Act, the civil
14 penalty for each violation of this section may not exceed
15 \$500,000.

16 (k) DEFINITIONS.—As used in this section—

17 (1) the term “munitions item” means any item
18 enumerated on the United States Munitions list
19 (without regard to whether the item is imported into
20 or exported from the United States);

21 (2) the term “United States person” means—

22 (A) any citizen or permanent resident alien
23 of the United States;

24 (B) any sole proprietorship, partnership,
25 company, association, or corporation having its

1 principal place of business within the United
2 States or organized under the laws of the
3 United States, any State, the District of Co-
4 lumbia, the Commonwealth of Puerto Rico, the
5 Commonwealth of the Northern Mariana Is-
6 lands, or any territory or possession of the
7 United States;

8 (C) any other person with respect to that
9 person's actions while in the United States; and

10 (D) to the extent provided in regulations
11 issued by the Secretary, any person that is not
12 described in subparagraph (A), (B), or (C)
13 but—

14 (i) is a foreign subsidiary or affiliate
15 of a United States person described in sub-
16 paragraph (B) and is controlled in fact by
17 that United States person (as determined
18 in accordance with those regulations), or

19 (ii) is otherwise subject to the juris-
20 diction of the United States,

21 with respect to that person's actions while out-
22 side the United States;

23 (3) the term “nuclear explosive device” has the
24 meaning given that term in section 830(4) of the

1 Nuclear Proliferation Prevention Act of 1994 (22
2 U.S.C. 6305(4)); and

3 (4) the term “unsafeguarded special nuclear
4 material” has the meaning given that term in sec-
5 tion 830(8) of the Nuclear Proliferation Prevention
6 Act of 1994 (22 U.S.C. 6305 (8)).

7 **SEC. 10404. TRANSACTIONS WITH COUNTRIES NOT FULLY**
8 **COOPERATING WITH UNITED STATES**
9 **COUNTERTERRORISM EFFORTS.**

10 (a) PROHIBITED TRANSACTIONS.—No defense article
11 or defense service may be sold or licensed for export under
12 this Act in a fiscal year to a foreign country whose govern-
13 ment the Secretary determines and certifies to Congress,
14 by May 15 of the calendar year in which that fiscal year
15 begins, is not cooperating fully with United States
16 counterterrorism efforts.

17 (b) WAIVER.—The President may waive the prohibi-
18 tion in subsection (a) with respect to a specific transaction
19 if the President determines and reports to the appropriate
20 congressional committees that the transaction is impor-
21 tant to the national interests of the United States.

1 **SEC. 10405. WITHHOLDING OF UNITED STATES PROPOR-**
2 **TIONATE SHARE FOR CERTAIN PROGRAMS**
3 **OF INTERNATIONAL ORGANIZATIONS.**

4 (a) IN GENERAL.—No contributions by the United
5 States shall be made to any international organization for
6 the United States proportionate share for programs in
7 countries determined to be state sponsors of terrorism in
8 accordance with section 10401(a).

9 (b) PROPORTIONATE SHARE.—The Secretary shall—
10 (1) review, at least annually, the budgets and
11 accounts of all international organizations receiving
12 funds under this Act; and

13 (2) report to the appropriate congressional com-
14 mittees the amounts of funds expended by each such
15 organization for the purposes described in subsection
16 (a) and the amount contributed by the United
17 States to each such organization.

18 (c) EXCEPTIONS.—The limitation in subsection (a)
19 shall not apply to contributions to the International Atom-
20 ic Energy Agency or the United Nations Children’s Fund
21 (UNICEF).

1 **Subchapter B—Middle East Provisions**

2 **SEC. 10411. CONDITIONAL CONTRIBUTIONS TO CERTAIN**
3 **INTERNATIONAL ORGANIZATIONS.**

4 (a) IN GENERAL.—No contributions by the United
5 States shall be made to the United Nations Relief and
6 Works Agency for Palestine Refugees in the Near East.

7 (b) EXCEPTION.—The limitation in subsection (a)
8 shall not apply if the Secretary determines and reports
9 to the appropriate congressional committees that the
10 United Nations Relief and Works Agency is taking all pos-
11 sible measures to assure that no part of the United States
12 contribution shall be used to provide assistance to any ref-
13 ugee who is receiving military training as a member of
14 any terrorist group or guerrilla-type organization or who
15 has engaged in any act of terrorism.

16 **SEC. 10412. LIMITATION ON ASSISTANCE TO THE PALES-**
17 **TINIAN AUTHORITY.**

18 (a) LIMITATION.—Assistance may be provided under
19 this Act to the Hamas-controlled Palestinian Authority
20 only during a period for which a certification described
21 in subsection (b) is in effect.

22 (b) CERTIFICATION.—A certification described in
23 subsection (a) is a certification transmitted by the Presi-
24 dent to Congress that contains a determination of the
25 President that—

1 (1) no ministry, agency, or instrumentality of
2 the Palestinian Authority is effectively controlled by
3 Hamas, unless the Hamas-controlled Palestinian Au-
4 thority has—

5 (A) publicly acknowledged the Jewish state
6 of Israel’s right to exist; and

7 (B) committed itself and is adhering to all
8 previous agreements and understandings with
9 the United States Government, with the Gov-
10 ernment of Israel, and with the international
11 community, including agreements and under-
12 standings pursuant to the Performance-Based
13 Roadmap to a Permanent Two-State Solution
14 to the Israeli-Palestinian Conflict (commonly
15 referred to as the “Roadmap”); and

16 (2) the Hamas-controlled Palestinian Authority
17 has made demonstrable progress toward—

18 (A) completing the process of purging from
19 its security services individuals with ties to ter-
20 rorism;

21 (B) dismantling all terrorist infrastructure
22 within its jurisdiction, confiscating unauthor-
23 ized weapons, arresting and bringing terrorists
24 to justice, destroying unauthorized arms fac-
25 tories, thwarting and preempting terrorist at-

1 tacks, and fully cooperating with Israel's secu-
2 rity services;

3 (C) halting all anti-American and anti-
4 Israel incitement in Palestinian Authority-con-
5 trolled electronic and print media and in
6 schools, mosques, and other institutions it con-
7 trols, and replacing educational materials, in-
8 cluding textbooks, with materials that promote
9 peace, tolerance, and coexistence with Israel;

10 (D) ensuring democracy, the rule of law,
11 and an independent judiciary, and adopting
12 other reforms such as ensuring transparent and
13 accountable governance; and

14 (E) ensuring the financial transparency
15 and accountability of all government ministries
16 and operations.

17 (c) RECERTIFICATIONS.—Not later than 90 days
18 after the date on which the President transmits to Con-
19 gress an initial certification under subsection (b), and
20 every six months thereafter—

21 (1) the President shall transmit to Congress a
22 recertification that the conditions described in sub-
23 section (b) are continuing to be met; or

1 (2) if the President is unable to make such a
2 recertification, the President shall transmit to Con-
3 gress a report that contains the reasons therefor.

4 (d) CONGRESSIONAL NOTIFICATION.—Assistance
5 made available under this Act to the Palestinian Authority
6 may not be provided until 15 days after the date on which
7 the President has provided notice thereof to the appro-
8 priate congressional committees in accordance with the
9 procedures applicable to reprogramming notifications
10 under section 9401.

11 (e) NATIONAL SECURITY WAIVER.—

12 (1) IN GENERAL.—Subject to paragraph (2),
13 the President may waive subsection (a) with respect
14 to—

15 (A) the administrative and personal secu-
16 rity costs of the Office of the President of the
17 Palestinian Authority;

18 (B) the activities of the President of the
19 Palestinian Authority to fulfill his or her duties
20 as President, including to maintain control of
21 the management and security of border cross-
22 ings, to foster the Middle East peace process,
23 and to promote democracy and the rule of law;
24 and

1 (C) assistance for the judiciary branch of
2 the Palestinian Authority and other entities.

3 (2) CERTIFICATION.—The President may only
4 exercise the waiver authority under paragraph (1)
5 after—

6 (A) consulting with, and submitting a writ-
7 ten policy justification to, the appropriate con-
8 gressional committees; and

9 (B) certifying to the appropriate congres-
10 sional committees that—

11 (i) it is in the national security inter-
12 est of the United States to provide assist-
13 ance otherwise prohibited under subsection
14 (a); and

15 (ii) the individual or entity for which
16 assistance is proposed to be provided is not
17 a member of, or effectively controlled by
18 (as the case may be), Hamas or any other
19 foreign terrorist organization.

20 (3) REPORT.—Not later than 10 days after ex-
21 ercising the waiver authority under paragraph (1),
22 the President shall submit to the appropriate con-
23 gressional committees a report describing how the
24 funds provided pursuant to such waiver will be spent

1 and detailing the accounting procedures that are in
2 place to ensure proper oversight and accountability.

3 (4) TREATMENT OF CERTIFICATION AS NOTIFI-
4 CATION OF PROGRAM CHANGE.—For purposes of
5 this subsection, the certification required under
6 paragraph (2)(B) shall be deemed to be a notifica-
7 tion under section 9401 and shall be considered in
8 accordance with the procedures applicable to notifi-
9 cations submitted pursuant to that section.

10 (f) DEFINITION.—In this section, the term “Pales-
11 tinian Authority” means the interim Palestinian adminis-
12 trative organization that governs part of the West Bank
13 and all of the Gaza Strip (or any successor Palestinian
14 governing entity), including the Palestinian Legislative
15 Council.

16 **SEC. 10413. LIMITATION ON ASSISTANCE FOR THE WEST**
17 **BANK AND GAZA.**

18 (a) LIMITATION.—Assistance may be provided under
19 this Act to nongovernmental organizations for the West
20 Bank and Gaza only during a period for which a certifi-
21 cation described in section 10412(b) is in effect with re-
22 spect to the Palestinian Authority.

23 (b) EXCEPTIONS.—Subsection (a) shall not apply
24 with respect to the following:

1 (1) ASSISTANCE TO MEET BASIC HUMAN
2 NEEDS.—Assistance to meet food, water, medicine,
3 health, or sanitation needs, or other assistance to
4 meet basic human needs.

5 (2) ASSISTANCE TO PROMOTE DEMOCRACY.—
6 Assistance to promote democracy, human rights,
7 freedom of the press, non-violence, reconciliation,
8 and peaceful coexistence, provided that such assist-
9 ance does not directly benefit Hamas or any other
10 foreign terrorist organization.

11 (3) ASSISTANCE FOR INDIVIDUAL MEMBERS OF
12 THE PALESTINIAN LEGISLATIVE COUNCIL.—Assist-
13 ance, other than funding of salaries or salary supple-
14 ments, to individual members of the Palestinian
15 Legislative Council who the President determines
16 are not members of Hamas or any other foreign ter-
17 rorist organization, for the purposes of facilitating
18 the attendance of such members in programs for the
19 development of institutions of democratic govern-
20 ance, including enhancing the transparent and ac-
21 countable operations of such institutions, and pro-
22 viding support for the Middle East peace process.

23 (4) OTHER TYPES OF ASSISTANCE.—Any other
24 type of assistance if the President—

1 (A) determines that the provision of such
2 assistance is in the national security interest of
3 the United States; and

4 (B) not less than 30 days prior to the obli-
5 gation of amounts for the provision of such as-
6 sistance—

7 (i) consults with the appropriate con-
8 gressional committees regarding the spe-
9 cific programs, projects, and activities to
10 be carried out using such assistance; and

11 (ii) submits to the appropriate con-
12 gressional committees a written memo-
13 randum that contains the determination of
14 the President under subparagraph (A).

15 (c) MARKING REQUIREMENT.—Assistance provided
16 under this Act to nongovernmental organizations for the
17 West Bank and Gaza shall be marked as assistance from
18 the American people or the United States Government un-
19 less the Secretary of State or, as appropriate, the Admin-
20 istrator of the United States Agency for International De-
21 velopment, determines that such marking will endanger
22 the lives or safety of persons delivering such assistance
23 or would have an adverse effect on the implementation of
24 that assistance.

1 (d) CONGRESSIONAL NOTIFICATION.—Assistance
2 made available under this Act to nongovernmental organi-
3 zations for the West Bank and Gaza may not be provided
4 until 15 days after the date on which the President has
5 provided notice thereof to the appropriate congressional
6 committees in accordance with the procedures applicable
7 to reprogramming notifications under section 9401.

8 **SEC. 10414. PALESTINIAN STATEHOOD.**

9 (a) LIMITATION.—None of the funds made available
10 under this Act may be provided to support a Palestinian
11 state unless the Secretary determines and certifies to the
12 appropriate congressional committees that—

13 (1) the governing entity of a new Palestinian
14 state—

15 (A) has demonstrated a firm commitment
16 to peaceful co-existence with the State of Israel;
17 and

18 (B) is taking appropriate measures to
19 counter terrorism and terrorist financing in the
20 West Bank and Gaza, including the dismantling
21 of terrorist infrastructures, and is cooperating
22 with appropriate Israeli and other appropriate
23 security organizations; and

24 (2) the Palestinian Authority (or the governing
25 entity of a new Palestinian state) is working with

1 other countries in the region to vigorously pursue ef-
2 forts to establish a just, lasting, and comprehensive
3 peace in the Middle East that will enable Israel and
4 an independent Palestinian state to exist within the
5 context of full and normal relationships, which
6 should include—

7 (A) termination of all claims or states of
8 belligerency;

9 (B) respect for and acknowledgment of the
10 sovereignty, territorial integrity, and political
11 independence of every state in the area through
12 measures including the establishment of demili-
13 tarized zones;

14 (C) their right to live in peace within se-
15 cure and recognized boundaries free from
16 threats or acts of force;

17 (D) freedom of navigation through inter-
18 national waterways in the area; and

19 (E) a framework for achieving a just set-
20 tlement of the refugee problem.

21 (b) SENSE OF CONGRESS.—It is the sense of Con-
22 gress that the governing entity should enact a constitution
23 assuring the rule of law, an independent judiciary, and
24 respect for human rights for its citizens, and should enact

1 other laws and regulations assuring transparent and ac-
2 countable governance.

3 (c) WAIVER.—The President may waive the limita-
4 tion on assistance in subsection (a) if the President deter-
5 mines and reports to Congress that it is important to the
6 national security interests of the United States to do so.

7 (d) EXEMPTION.—The limitation in subsection (a)
8 shall not apply to assistance intended to help reform the
9 Palestinian Authority and affiliated institutions, or the
10 governing entity, in order to help meet the requirements
11 of subsection (a), consistent with the provisions of section
12 10418.

13 **SEC. 10415. RESTRICTIONS CONCERNING THE PALESTINIAN**
14 **AUTHORITY.**

15 (a) IN GENERAL.—None of the funds made available
16 under this Act may be provided to create in any part of
17 Jerusalem a new office of any department or agency of
18 the United States Government for the purpose of con-
19 ducting official United States Government business with
20 the Palestinian Authority over Gaza and Jericho or any
21 successor Palestinian governing entity provided for in the
22 Israel-PLO Declaration of Principles.

23 (b) EXCEPTION.—The restriction in subsection (a)
24 shall not apply to the acquisition of additional space for
25 the existing Consulate General in Jerusalem.

1 (c) MEETING LOCATION.—Meetings between officers
2 and employees of the United States and officials of the
3 Palestinian Authority, or any successor Palestinian gov-
4 erning entity provided for in the Israel-PLO Declaration
5 of Principles, for the purpose of conducting official United
6 States Government business with such authority should
7 continue to take place in locations other than Jerusalem.

8 (d) INCIDENTAL DISCUSSIONS.—Consistent with
9 past practices, officers and employees of the United States
10 Government may continue to meet in Jerusalem on other
11 subjects with Palestinians (including those who now oc-
12 cupy positions in the Palestinian Authority), have social
13 contacts, and have incidental discussions.

14 **SEC. 10416. PROHIBITION ON ASSISTANCE TO THE PALES-**
15 **TINIAN BROADCASTING CORPORATION.**

16 None of the funds made available under this Act may
17 be made available to provide equipment, technical support,
18 consulting services, or any other form of assistance to the
19 Palestinian Broadcasting Corporation.

20 **SEC. 10417. ASSISTANCE FOR THE WEST BANK AND GAZA.**

21 (a) OVERSIGHT.—The Secretary shall ensure that
22 procedures have been established to assure the Comp-
23 troller General of the United States has access to appro-
24 priate United States financial information in order to re-

1 view the uses of United States assistance for the West
2 Bank and Gaza.

3 (b) VETTING.—

4 (1) IN GENERAL.—The Secretary shall take all
5 appropriate steps to ensure that assistance for the
6 West Bank and Gaza is not provided to or through
7 any individual, private or government entity, or edu-
8 cational institution that the Secretary knows or has
9 reason to believe advocates, plans, sponsors, engages
10 in, or has engaged in, terrorist activity nor, with re-
11 spect to private entities or educational institutions,
12 those that have as a principal officer of the entity's
13 governing board or governing board of trustees any
14 individual that has been determined to be involved
15 in, or advocating terrorist activity or determined to
16 be a member of a designated foreign terrorist orga-
17 nization.

18 (2) PROCEDURES.—The Secretary shall, as ap-
19 propriate, establish procedures specifying the steps
20 to be taken in carrying out this subsection and shall
21 terminate assistance to any individual, entity, or
22 educational institution which the Secretary has de-
23 termined to be involved in or advocating terrorist ac-
24 tivity.

1 (c) PROHIBITION.—None of the funds made available
2 under this Act for assistance to the West Bank and Gaza
3 may be made available for the purpose of recognizing or
4 otherwise honoring individuals who commit, or have com-
5 mitted acts of terrorism.

6 (d) BENCHMARKS.—Before providing assistance to
7 the West Bank and Gaza for a fiscal year, the Secretary
8 shall report to the appropriate congressional committees
9 on the benchmarks that have been established for security
10 assistance for the West Bank and Gaza and the extent
11 of Palestinian compliance with such benchmarks.

12 (e) AUDITS.—

13 (1) IN GENERAL.—The Administrator shall en-
14 sure that Federal or non-Federal audits of all con-
15 tractors and grantees, and significant subcontractors
16 and sub-grantees, under the West Bank and Gaza
17 Program, are conducted at least on an annual basis
18 to ensure, among other things, compliance with this
19 section.

20 (2) AUDITS, INSPECTIONS, AND OTHER ACTIVI-
21 TIES.—Of amounts made available in a fiscal year
22 for the Office of Inspector General of the United
23 States Agency for International Development, up to
24 \$500,000 may be used for audits, inspections, and
25 other activities in furtherance of the requirements of

1 this subsection, in addition to funds otherwise avail-
2 able for such purposes.

3 **SEC. 10418. LIMITATION ON ASSISTANCE TO THE PALES-**
4 **TINIAN AUTHORITY.**

5 (a) **LIMITATION.**—None of the funds made available
6 under section 4103 may be provided to the Palestinian Au-
7 thority.

8 (b) **WAIVER.**—The prohibition in subsection (a) shall
9 not apply if the President certifies in writing to the Speak-
10 er of the House of Representatives, the President pro tem-
11 pore of the Senate, and the appropriate congressional com-
12 mittees that waiving such prohibition is important to the
13 national security interests of the United States.

14 (c) **PERIOD OF WAIVER.**—Any waiver issued pursu-
15 ant to subsection (b) shall be effective for no more than
16 a period of 6 months.

17 (d) **REPORT.**—Whenever the waiver authority pursu-
18 ant to subsection (b) is exercised, the President shall sub-
19 mit to the appropriate congressional committees a report
20 detailing—

21 (1) the justification for the waiver;

22 (2) the purposes for which the funds will be
23 spent;

24 (3) the accounting procedures in place to en-
25 sure that the funds are properly disbursed; and

1 (4) the steps the Palestinian Authority has
2 taken to arrest terrorists, confiscate weapons, and
3 dismantle the terrorist infrastructure.

4 (e) CERTIFICATION.—If the waiver authority pursu-
5 ant to subsection (b) is exercised, the Secretary shall cer-
6 tify and report to the appropriate congressional commit-
7 tees, before providing assistance to the Palestinian Au-
8 thority, that—

9 (1) the Palestinian Authority has established a
10 single treasury account for all Palestinian Authority
11 financing;

12 (2) all financing mechanisms flow through such
13 account;

14 (3) no parallel financing mechanisms exist out-
15 side of such account; and

16 (4) there is a single comprehensive civil service
17 roster and payroll.

18 (f) PROHIBITION ON ASSISTANCE TO HAMAS AND
19 THE PALESTINE LIBERATION ORGANIZATION.—

20 (1) IN GENERAL.—None of the funds made
21 available under this Act may be provided for—

22 (A) salaries of personnel of the Palestinian
23 Authority located in Gaza;

24 (B) assistance to Hamas or any entity ef-
25 fectively controlled by Hamas; or

1 (C) any power-sharing government of
2 which Hamas is a member, or that results from
3 an agreement with Hamas and over which
4 Hamas exercises undue influence.

5 (2) EXCEPTION.—Notwithstanding paragraph
6 (1), assistance may be provided to a power-sharing
7 government only if the President certifies and re-
8 ports to the appropriate congressional committees
9 that such government, including all of its ministers
10 or such equivalent, has publicly accepted and is com-
11 plying with the principles contained in subpara-
12 graphs (A) and (B) of section 10412(b)(1).

13 (3) NATIONAL SECURITY WAIVER.—The Presi-
14 dent may exercise the authority in section 10412(e)
15 with respect to this subsection.

16 (4) REPORT.—Whenever the certification pur-
17 suant to paragraph (2) is exercised, the Secretary
18 shall submit to the appropriate congressional com-
19 mittees a report not later than 120 days after the
20 date of the certification and every quarter thereafter
21 on—

22 (A) whether such government, including all
23 of its ministers or such equivalent are con-
24 tinuing to comply with the principles contained

1 in subparagraph (A) and (B) of section
2 10412(b)(1);

3 (B) the amount, purposes and delivery
4 mechanisms for any assistance provided pursu-
5 ant to the certification; and

6 (C) a full accounting of any direct support
7 of such government.

8 (5) LIMITATION ON ASSISTANCE TO THE PLO.—

9 None of the funds made available under this Act
10 may be used to provide assistance for the Palestine
11 Liberation Organization.

12 **SEC. 10419. LIMITATION RELATING TO PALESTINIAN STA-**
13 **TUS IN THE UNITED NATIONS.**

14 (a) LIMITATION.—None of the funds made available
15 under section 4103 may be used to provide assistance for
16 the Palestinian Authority if the Palestinians obtain, after
17 the date of the enactment of this Act, the same standing
18 as member states, enhanced observer status, or full mem-
19 bership as a state in the United Nations or any specialized
20 agency thereof outside an agreement negotiated between
21 Israel and the Palestinians.

22 (b) WAIVER BY SECRETARY.—The Secretary may
23 waive the limitation in subsection (a) if the Secretary cer-
24 tifies to the appropriate congressional committees that to
25 do so is in the national security interest of the United

1 States and submits to the appropriate congressional com-
2 mittees a report detailing how the waiver and the continu-
3 ation of assistance would assist in furthering Middle East
4 peace.

5 (c) WAIVERS BY PRESIDENT.—

6 (1) IN GENERAL.—The President may waive
7 the provisions of section 1003 of the Anti-Terrorism
8 Act of 1987 (22 U.S.C. 5202) if the President deter-
9 mines and certifies in writing to the Speaker of the
10 House of Representatives, the President pro tempore
11 of the Senate, and the appropriate congressional
12 committees that the Palestinians have not, after the
13 date of the enactment of this Act, obtained in the
14 United Nations or any specialized agency thereof the
15 same standing as member states, enhanced observer
16 status, or full membership as a state in the United
17 Nations or any specialized agency thereof outside an
18 agreement negotiated between Israel and the Pal-
19 estinians.

20 (2) ADDITIONAL WAIVER.—Not less than 90
21 days after the President is unable to make the cer-
22 tification pursuant to paragraph (1), the President
23 may waive section 1003 of the Anti-Terrorism Act
24 of 1987 if the President determines and certifies in
25 writing to the Speaker of the House of Representa-

1 tives, the President pro tempore of the Senate, and
2 the appropriate congressional committees that the
3 Palestinians have entered into direct and meaningful
4 negotiations with Israel relating to Palestinian state-
5 hood.

6 (3) EXPIRATION OF OTHER WAIVERS.—Any
7 waiver of the provisions of section 1003 of the Anti-
8 Terrorism Act of 1987 under paragraph (1) or
9 under previous provisions of law must expire before
10 a waiver under paragraph (2) may be exercised.

11 (4) EFFECTIVE DATE.—Any waiver of the pro-
12 visions of section 1003 of the Anti-Terrorism Act of
13 1987 pursuant to paragraph (1) or (2) shall be ef-
14 fective for not more than a period of 6 months.

15 **CHAPTER 5—TRADE AND COMMERCE**

16 **SEC. 10501. PROHIBITION ON ASSISTANCE FOR EXPORTING** 17 **UNITED STATES JOBS.**

18 (a) INCENTIVES AND INDUCEMENTS.—No foreign as-
19 sistance may be made available to provide any financial
20 incentive to a business enterprise located in the United
21 States for the purpose of inducing such enterprise to relo-
22 cate outside the United States, if such incentive or induce-
23 ment is likely to reduce the number of employees of such
24 business enterprise in the United States because United

1 States production is being replaced by such enterprise out-
 2 side the United States.

3 (b) WORKERS' RIGHTS.—No foreign assistance may
 4 be made available for any program, project, or activity
 5 that contributes to the violation of internationally recog-
 6 nized worker rights (as such term is defined in section
 7 507(4) of the Trade Act of 1974 (19 U.S.C. 2467(4)))
 8 of workers in a partner country, including any designated
 9 zone or area in the country.

10 (c) MICRO AND SMALL-SCALE ENTERPRISE.—The
 11 application of subparagraph (D) or (E) of section 507(4)
 12 of the Trade Act of 1974 (19 U.S.C. 2467(4)) with respect
 13 to a partner country should be commensurate with the
 14 level of development of the country and the relevant eco-
 15 nomic sector of the country, and shall not preclude assist-
 16 ance for the informal sector of the country, micro and
 17 small-scale enterprise in the country, and smallholder agri-
 18 culture in the country.

19 **SEC. 10502. PROHIBITION ON ASSISTANCE TO GOVERN-**
 20 **MENTS THAT EXPROPRIATE UNITED STATES**
 21 **PROPERTY.**

22 (a) IN GENERAL.—No foreign assistance may be pro-
 23 vided to a foreign government which the Secretary deter-
 24 mines has—

25 (1) on or after January 1, 1962—

1 (A) nationalized or expropriated or seized
2 ownership or control of property owned by any
3 United States citizen or by any corporation,
4 partnership, or association not less than 50 per-
5 cent beneficially owned by United States citi-
6 zens;

7 (B) taken steps to repudiate or nullify ex-
8 isting contracts or agreements with any United
9 States citizen or any corporation, partnership,
10 or association not less than 50 percent bene-
11 ficially owned by United States citizens; or

12 (C) imposed or enforced discriminatory
13 taxes or other exactions, or restrictive mainte-
14 nance or operational conditions, or has taken
15 other actions, which have the effect of national-
16 izing, expropriating, or otherwise seizing owner-
17 ship or control of property so owned; and

18 (2) failed within a reasonable time to take ap-
19 propriate steps, which may include arbitration, to—

20 (A) discharge its obligations under inter-
21 national law toward such citizen or entity, in-
22 cluding speedy compensation for such property
23 in convertible foreign exchange, equivalent to
24 the full value thereof, as required by inter-
25 national law; or

1 (B) provide relief from such taxes, exac-
2 tions, or conditions, as the case may be.

3 (b) “REASONABLE TIME” DEFINED.—For the pur-
4 poses of subsection (a)(2), the term “reasonable time”
5 means—

6 (1) not more than six months after an action
7 described in subsection (a)(1); or

8 (2) in the event of a referral to the Foreign
9 Claims Settlement Commission of the United States,
10 not more than twenty days after the report of the
11 Commission is received.

12 (c) EXPIRATION OF DETERMINATIONS.—A deter-
13 mination of the Secretary under subsection (a) shall re-
14 main in effect until rescinded.

15 (d) RESCISSION OF DETERMINATIONS.—A deter-
16 mination of the Secretary under subsection (a) with re-
17 spect to a foreign government shall not be rescinded unless
18 the President submits to the appropriate congressional
19 committees a report certifying that the government has
20 taken appropriate steps to—

21 (1) discharge its obligations under international
22 law toward such citizen or entity; or

23 (2) provide relief from the taxes, exactions, or
24 conditions, as the case may be.

1 (e) PUBLICATION.—A determination made under
2 subsection (a) or a report submitted under subsection (d)
3 shall be published in the Federal Register and made avail-
4 able on the Internet website of the Department of State.

5 (f) LIST.—The Secretary shall include in the annual
6 report required by section 9302 (relating to congressional
7 budget justification) a list of foreign governments for
8 which determinations under subsection (a) are currently
9 in effect.

10 (g) WAIVER.—Assistance prohibited by subsection (a)
11 may be provided to a foreign government described in that
12 subsection if, at least 15 days before providing assistance,
13 the President submits to the appropriate congressional
14 committees—

15 (1) a certification that such a waiver is impor-
16 tant to the national interests of the United States;
17 and

18 (2) a report describing—

19 (A) the type and amount of assistance to
20 be provided pursuant to the waiver;

21 (B) the justification for such waiver; and

22 (C) the time period for which such waiver
23 will be effective.

24 (h) FOREIGN CLAIMS SETTLEMENT COMMISSION.—

1 (1) IN GENERAL.—Upon request of the Presi-
2 dent (within 70 days after an action referred to in
3 subsection (a)(1)), the Foreign Claims Settlement
4 Commission of the United States (established pursu-
5 ant to Reorganization Plan No. 1 of 1954, 68 Stat.
6 1279) is hereby authorized to evaluate expropriated
7 property, determining the full value of any property
8 nationalized, expropriated, or seized, or subject to
9 discriminatory or other actions as aforesaid, for pur-
10 poses of this section and to render an advisory re-
11 port to the President within 90 days after such re-
12 quest.

13 (2) FORM OF REPORT.—Unless authorized by
14 the President, the Commission shall not publish its
15 advisory report except to the citizen or entity owning
16 such property.

17 (3) AUTHORIZATION OF APPROPRIATIONS.—
18 There is authorized to be appropriated such
19 amounts, to remain available until expended, as may
20 be necessary from time to time to enable the Com-
21 mission to carry out expeditiously its functions
22 under this subsection.

23 (i) FEDERAL ACT OF STATE DOCTRINE.—

24 (1) IN GENERAL.—Notwithstanding any other
25 provision of law, no court in the United States shall

1 decline on the ground of the Federal act of state
2 doctrine to make a determination on the merits giv-
3 ing effect to the principles of international law in a
4 case in which claim of title or other right to property
5 is asserted by any party, including a foreign state
6 (or a party claiming through such state), based upon
7 (or traced through) a confiscation or other taking
8 after January 1, 1959, by an act of that state in vio-
9 lation of the principles of international law, includ-
10 ing the principles of compensation and the other
11 standards set out in this section.

12 (2) EXCEPTIONS.—This subsection shall not be
13 applicable—

14 (A) in any case in which an act of a for-
15 eign state is not contrary to international law
16 or with respect to a claim of title or other right
17 to property acquired pursuant to an irrevocable
18 letter of credit of not more than 180 days dura-
19 tion issued in good faith prior to the time of the
20 confiscation or other taking; or

21 (B) in any case with respect to which the
22 President determines that application of the act
23 of state doctrine is required in that particular
24 case by the foreign policy interests of the
25 United States and a suggestion to this effect is

1 filed on the President's behalf in that case with
2 the court.

3 **SEC. 10503. PROHIBITION ON ASSISTANCE FOR COMPENSA-**
4 **TION RELATING TO EXPROPRIATED OR NA-**
5 **TIONALIZED PROPERTY.**

6 (a) PROHIBITION.—No foreign assistance may be
7 provided to compensate owners for expropriated or nation-
8 alized property and, upon finding by the President that
9 such assistance has been used by a government for such
10 purpose, no further assistance under this Act may be pro-
11 vided to the government until appropriate reimbursement
12 is made to the United States.

13 (b) EXCEPTION.—The prohibition in subsection (a)
14 shall not apply to monetary assistance made available for
15 use by a foreign government to compensate nationals of
16 that country in accordance with a land reform program
17 if the President determines that monetary assistance for
18 such land reform program will further the national inter-
19 ests of the United States.

20 **SEC. 10504. PROHIBITION ON ASSISTANCE TO GOVERN-**
21 **MENTS THAT REFUSE EXTRADITION RE-**
22 **QUESTS.**

23 (a) IN GENERAL.—No assistance under this Act
24 (other than assistance under title V) may be provided to
25 the central government of a country which has notified

1 the Department of State of its refusal to extradite to the
2 United States any individual indicted for a criminal of-
3 fense for which the maximum penalty is life imprisonment
4 without the possibility of parole or for killing a law en-
5 forcement officer, as specified in a United States extra-
6 dition request.

7 (b) APPLICABILITY.—The prohibition in subsection
8 (a) shall only apply to the central government of a coun-
9 try—

10 (1) with which the United States maintains dip-
11 lomatic relations; and

12 (2) which is violating the terms and conditions
13 of its extradition treaty with the United States.

14 (c) WAIVER.—The Secretary may waive the prohibi-
15 tion in subsection (a) on a case-by-case basis if the Sec-
16 retary certifies and reports to the appropriate congres-
17 sional committees pursuant to section 9401 that such
18 waiver is important to the national interests of the United
19 States.

20 **SEC. 10505. PROHIBITION ON TAXATION OF FOREIGN AS-**
21 **SISTANCE.**

22 (a) IN GENERAL.—No foreign assistance may be pro-
23 vided to a foreign government under a bilateral agreement
24 entered into after the date of the enactment of this Act
25 governing the terms and conditions under which such as-

1 sistance is to be provided unless such agreement includes
2 a provision stating that United States foreign assistance
3 shall be exempt from taxation or reimbursed by the for-
4 eign government.

5 (b) REIMBURSEMENT OF FOREIGN TAXES.—In each
6 fiscal year, the Secretary shall reduce the amount of for-
7 eign assistance made available under this Act to a govern-
8 ment by an amount equivalent to the total taxes assessed
9 on United States foreign assistance, either directly or
10 through grantees, contractors and subcontractors, by such
11 government in the previous fiscal year, until such taxes
12 have been reimbursed to the United States.

13 (c) TRANSPARENCY.—The Secretary shall include in
14 each report on allocations of assistance under section 9303
15 the amount of unreimbursed taxes assessed by each gov-
16 ernment to which the United States Government intends
17 to provide funds.

18 (d) DEFINITION.—In this section, the terms “taxes”
19 and “taxation” refer to value-added taxes and customs du-
20 ties imposed on commodities financed with United States
21 foreign assistance, and do not include foreign taxes of a
22 de minimis nature.

1 **SEC. 10506. REIMBURSEMENT OF PARKING FINES AND**
2 **REAL PROPERTY TAXES OWED BY GOVERN-**
3 **MENTS.**

4 (a) IN GENERAL.—In each fiscal year, the Secretary
5 shall reduce the amounts made available to a foreign gov-
6 ernment under this Act by an amount equivalent to 110
7 percent of the total amount of the unpaid parking fines
8 and unpaid property taxes owed by such government, until
9 such parking fines and property taxes are fully paid.

10 (b) ADDITIONAL AMOUNTS.—Amounts reduced
11 under subsection (a) shall be in addition to amounts with-
12 held under any other provision of law.

13 (c) WAIVER.—The Secretary may waive the require-
14 ments of subsection (a) with respect to a government if
15 the Secretary determines that it is in the national interests
16 of the United States to do so.

17 (d) REPORTS.—The Secretary shall—

18 (1) include in the annual report required by
19 section 9302 a list of governments for which waivers
20 under subsection (c) have been issued; and

21 (2) include in each report on allocations of as-
22 sistance under section 9303 the amount of unpaid
23 parking fines and unpaid property taxes owed by
24 each foreign government to which the United States
25 Government intends to provide assistance.

26 (e) DEFINITIONS.—In this section—

1 (1) the term “unpaid parking fines” means
2 fully adjudicated parking fines, including penalties—

3 (A) which are incurred after April 1, 1997;

4 (B) which are owed to the District of Co-
5 lumbia or New York, New York;

6 (C) for which the person to whom the vehi-
7 cle is registered—

8 (i) has not responded to the parking
9 violation summons; or

10 (ii) has not followed the appropriate
11 adjudication procedure to challenge the
12 summons; and

13 (D) for which the period of time for pay-
14 ment of or challenge to the summons has
15 lapsed; and

16 (2) the term “unpaid property taxes” means
17 the amount of unpaid taxes and interest determined
18 to be owed by a foreign country on real property in
19 the District of Columbia or New York, New York,
20 in a court order or judgment entered against such
21 country by a court of the United States or any State
22 or subdivision thereof.

1 **SEC. 10507. LIMITATION ON ASSISTANCE TO COUNTRIES IN**
2 **DEFAULT.**

3 No assistance made available under this Act may be
4 made available for new loans to the government of any
5 country which is in default, during a period in excess of
6 six calendar months, in payment to the United States of
7 principal or interest on any loan made to such country
8 under this Act, unless—

9 (1) such country meets its obligations under the
10 existing loan; or

11 (2) the Secretary determines that new loans to
12 such government are in the national interest and no-
13 tifies the appropriate congressional committees of
14 such determination.

15 **SEC. 10508. PROHIBITION ON PROMOTION OF TOBACCO.**

16 No foreign assistance may be made available to pro-
17 mote the sale or export of tobacco or tobacco products,
18 or to seek the reduction or removal by any foreign country
19 of restrictions on the marketing of tobacco or tobacco
20 products, except to ensure that restrictions are applied
21 equally to all tobacco or tobacco products of the same type.

22 **SEC. 10509. PROHIBITION ON ASSISTANCE FOR OFFICIAL**
23 **GIFTS.**

24 No assistance made available under this Act may be
25 used to pay for a gift to an official of a foreign govern-
26 ment.

1 **Subtitle B—Policy Authorities**

2 **SEC. 10601. CONTINGENCIES.**

3 (a) IN GENERAL.—Notwithstanding any other provi-
4 sion of law, the President is authorized to use funds made
5 available to carry out any provision of this Act in order
6 to provide, for any unanticipated contingencies, assistance
7 authorized by title I, II or III in accordance with the provi-
8 sions applicable to the furnishing of such assistance.

9 (b) LIMITATION.—The authority of subsection (a)
10 may not be used to authorize the use of more than
11 \$50,000,000 during any fiscal year.

12 (c) REPORT REQUIRED.—The President shall report
13 in advance to the extent practicable to the appropriate
14 congressional committees each time the President intends
15 to exercise the authority of subsection (a).

16 **SEC. 10602. TRANSFER BETWEEN ACCOUNTS.**

17 (a) IN GENERAL.—Whenever the President deter-
18 mines it to be necessary for the purposes of this Act, not
19 to exceed 10 percent of the funds made available for any
20 provision of this Act may be transferred to, and consoli-
21 dated with, the funds made available for any other provi-
22 sion of this Act, and may be used for any of the purposes
23 for which such funds may be used, except that the total
24 in the provision for the benefit of which the transfer is

1 made shall not be increased by more than 20 percent of
2 the amount of funds made available for such provision.

3 (b) EXCEPTION.—The authority of subsection (a)
4 shall not be used to transfer funds made available for the
5 purposes of titles I, II, or III and consolidate them with
6 funds made available for the purposes of titles IV or V
7 of this Act.

8 (c) REPORT REQUIRED.—The President shall report
9 in advance to the extent practicable to the appropriate
10 congressional committees each time the President intends
11 to exercise the authority of subsection (a).

12 **SEC. 10603. SPECIAL WAIVER AUTHORITY.**

13 (a) AUTHORITY.—The President may authorize the
14 taking of any action (or the refraining from the taking
15 of any action) under this Act or any other Act relating
16 to foreign assistance, notwithstanding any provision of
17 law, if the President determines—

18 (1) in cases relating to the transfer of defense
19 articles or defense services, that to do so is essential
20 to the national interests of the United States; and

21 (2) in any other cases, that to do so is impor-
22 tant to the national interests of the United States.

23 (b) CONSULTATION WITH CONGRESS.—Before exer-
24 cising the authority of subsection (a), the President shall

1 consult with, and shall provide a written policy justifica-
2 tion to, the appropriate congressional committees.

3 (c) NOTIFICATION TO CONGRESS.—A determination
4 under subsection (a) shall not be effective until the Presi-
5 dent submits written notification of that determination to
6 the appropriate congressional committees.

7 (d) ANNUAL CEILINGS.—

8 (1) IN GENERAL.—The authority of this section
9 may not be used in any fiscal year to authorize—

10 (A) more than \$1,000,000,000 in sales or
11 leases to be made under subtitle C of title IV;

12 (B) the use of more than \$500,000,000 of
13 funds made available for use under any other
14 provision of this Act; and

15 (C) the use of more than \$100,000,000 of
16 foreign currencies accruing under this Act or
17 any other law.

18 (2) ARMS SALES.—If the authority of this sec-
19 tion is used both to authorize a sale or lease under
20 subtitle C of title IV and to authorize funds to be
21 used under this Act with respect to the financing of
22 that sale or lease, then the use of the funds shall be
23 counted against the limitation in paragraph (1)(B)
24 and the portion, if any, of the sale or lease which

1 is not so financed shall be counted against the limi-
2 tation in paragraph (1)(A).

3 (3) LEASES.—For purposes of paragraph
4 (1)(A), the replacement cost, less any depreciation in
5 the value, of the defense articles authorized to be
6 leased shall be counted against the limitation in that
7 paragraph.

8 (4) COUNTRY LIMITS.—The following limita-
9 tions shall apply with respect to any one country in
10 any fiscal year:

11 (A) Not more than \$100,000,000 of the
12 \$500,000,000 limitation provided in paragraph
13 (1)(B) may be allocated to the country unless
14 the country is a victim of active aggression.

15 (B) Not more than \$750,000,000 of the
16 aggregate limitation of \$1,500,000,000 pro-
17 vided in paragraphs (1)(A) and (1)(B) may be
18 allocated to the country.

19 **TITLE XI—ORGANIZATION, MAN-**
20 **AGEMENT, AND HUMAN RE-**
21 **SOURCES**

22 **SEC. 11001. DEFINITIONS.**

23 In this title:

24 (1) COMMODITY.—The term “commodity” in-
25 cludes any material, article, supply, goods, or equip-

1 ment used for the purposes of providing non-military
2 assistance.

3 (2) COMMODITY RESTRICTIONS.—The term
4 “commodity restrictions” means statutory and regu-
5 latory requirements that apply to the procurement
6 or transportation of commodities financed under this
7 Act, including—

8 (A) sections 11501 and 11503;

9 (B) section 901(b)(1) of the Merchant Ma-
10 rine Act of 1936;

11 (C) section 5 of the International Air
12 Transportation Fair Competitive Practice Act
13 of 1974;

14 (D) section 644 of the Small Business Act;

15 (E) section 2711 of the Competition in
16 Contracting Act of 1984; and

17 (F) the Federal Property and Administra-
18 tive Services Act of 1949.

19 (3) COUNTRY OF ASSIGNMENT.—The term
20 “country of assignment” means the foreign country
21 in which an individual serves an accredited rep-
22 resentative of the United States Government.

23 (4) DEFENSE ARTICLE AND RELATED
24 TERMS.—The terms “defense article”, “defense serv-
25 ice”, “defense information”, “excess defense arti-

1 cle”, “major defense equipment”, and “significant
2 military equipment” have the meanings given such
3 terms in section 4411.

4 (5) FEDERAL EMPLOYEE.—The term “Federal
5 employee” or “employee” has the meaning given the
6 term “employee” in section 2105(a) of title 5,
7 United States Code.

8 (6) FEDERAL OFFICER.—The term “Federal of-
9 ficer” or “officer” has the meaning given the term
10 “officer” in section 2104 of title 5, United States
11 Code.

12 (7) FEDERAL PERSONNEL.—The term “Federal
13 personnel” or “personnel” includes Federal employ-
14 ees, Federal officers, personal services contractors,
15 locally employed staff, foreign national employees of
16 the Foreign Service (as defined in section 103(6) of
17 the Foreign Service Act of 1980), and any other in-
18 dividual employed by a Federal department or agen-
19 cy, as defined under regulations prescribed by the
20 President.

21 (8) FOREIGN SERVICE OFFICER.—The term
22 “Foreign Service Officer” means a member of the
23 Foreign Service as defined in section 103 of the
24 Foreign Service Act of 1980.

1 (9) FUNCTION.—The term “function” includes
2 any duty, obligation, power, authority, responsibility,
3 right, privilege, discretion, or activity.

4 (10) GENDER ANALYSIS, EQUALITY, AND INTE-
5 GRATION.—The terms “gender analysis”, “gender
6 equality”, and “gender integration” have the mean-
7 ings given such terms in section 1708.

8 (11) LOCAL ENTITY.—

9 (A) IN GENERAL.—The term “local entity”
10 means an individual, corporation, nonprofit or-
11 ganization, or another body of persons that—

12 (i) is located in a partner country;

13 (ii) is organized under the laws of the
14 partner country;

15 (iii) has as its principal place of busi-
16 ness or operations the partner country;
17 and

18 (iv) is owned or controlled by citizens
19 of the partner country.

20 (B) OWNED OR CONTROLLED.—In sub-
21 paragraph (iv), the term “owned or controlled”
22 means—

23 (i) in the case of a corporation, the
24 holding of at least 50 percent (by vote or

1 value) of the capital structure of the cor-
 2 poration; or

3 (ii) in the case of any other kind of
 4 legal entity, the holding of interests rep-
 5 resenting at least 50 percent of the capital
 6 structure of the entity.

7 (12) SERVICE.—The term “service” includes
 8 any service, repair, training, technical assistance, ad-
 9 vice, or information used for purposes of this Act.

10 **Subtitle A—Organization**
 11 **CHAPTER 1—EXERCISE AND**
 12 **COORDINATION OF FUNCTIONS**

13 **SEC. 11101. DELEGATIONS; REGULATIONS.**

14 (a) DELEGATIONS BY THE PRESIDENT.—The Presi-
 15 dent may exercise any functions conferred upon the Presi-
 16 dent by this Act through such Federal agency or Federal
 17 officer as the President shall direct.

18 (b) ISSUE REGULATIONS AND DELEGATIONS BY
 19 AGENCY HEADS.—The head of any such agency or any
 20 such officer exercising functions under this Act—

21 (1) may from time to time promulgate such
 22 rules and regulations as may be necessary to carry
 23 out such functions; and

24 (2) may delegate authority, including the dele-
 25 gation to any other agency, upon obtaining the con-

1 currence of the head of that agency, to perform any
2 such functions, including, if the delegating official
3 shall so specify, the authority successively to redele-
4 gate any such functions.

5 **SEC. 11102. ROLE OF THE SECRETARY OF STATE.**

6 (a) IN GENERAL.—Under the direction of the Presi-
7 dent, the Secretary shall be responsible for the continuous
8 supervision, overall coordination, and general direction of
9 United States foreign assistance, and for ensuring that the
10 foreign policy of the United States is best served thereby.

11 (b) MILITARY ASSISTANCE.—The responsibility con-
12 ferred upon the Secretary in subsection (a) includes—

- 13 (1) all forms of military assistance; and
14 (2) determinations of whether to offer or deliver
15 any form of military assistance and the scope, types,
16 amounts, and conditions of such assistance.

17 **SEC. 11103. ROLE OF THE CHIEF OF MISSION.**

18 (a) IN GENERAL.—The Chief of Mission shall be re-
19 sponsible for the continuous supervision, overall coordina-
20 tion, and general direction of all activities, resources, and
21 programs of the United States Government as they are
22 carried out in the country of assignment.

23 (b) EXCEPTIONS.—The responsibility conferred upon
24 the Chief of Mission in subsection (a) shall not include
25 authority over—

1 (1) Federal personnel under the command of a
2 United States area military commander; or

3 (2) Federal personnel specifically exempted by
4 law or designated by the President.

5 **SEC. 11104. ROLE OF THE SECRETARY OF DEFENSE.**

6 (a) PRIMARY RESPONSIBILITIES.—With respect to
7 security assistance, the Secretary of Defense shall have
8 primary responsibility for—

9 (1) the determination of military end-item re-
10 quirements;

11 (2) the procurement of military equipment in a
12 manner that permits its integration with service pro-
13 grams;

14 (3) the monitoring of military end-item use by
15 the partner countries;

16 (4) the supervision of the training of foreign
17 military and related civilian personnel;

18 (5) the movement and delivery of military end-
19 items;

20 (6) the designation of defense articles as excess
21 to United States requirements; and

22 (7) the performance of any other related func-
23 tions within the Department of Defense.

24 (b) REGARDING MILITARY EQUIPMENT.—The estab-
25 lishment of priorities in the procurement, delivery, and al-

1 location of military equipment shall be determined by the
2 Secretary of Defense.

3 **SEC. 11105. OFFICE FOR GLOBAL WOMEN’S ISSUES.**

4 (a) ESTABLISHMENT.—There is established an Office
5 for Global Women’s Issues (in this section referred to as
6 the “Office”) in the Office of the Secretary of State in
7 the Department of State. The Office shall be headed by
8 the Ambassador-at-Large (in this section referred to as
9 the “Ambassador”), who shall report directly to the Sec-
10 retary of State.

11 (b) PURPOSE.—The Office shall coordinate efforts of
12 the United States Government regarding gender integra-
13 tion and women’s empowerment in United States foreign
14 policy.

15 (c) DUTIES.—

16 (1) IN GENERAL.—The Ambassador shall—

17 (A) coordinate and advise on activities,
18 policies, programs, and funding relating to gen-
19 der integration and women’s empowerment
20 internationally for all bureaus and offices of the
21 Department of State and in the international
22 programs of other Federal agencies;

23 (B) design, support, and as appropriate,
24 implement, limited projects regarding women’s
25 empowerment internationally;

1 (C) actively promote and advance the full
2 integration of gender analysis into the pro-
3 grams, structures, processes, and capacities of
4 all bureaus and offices of the Department of
5 State and in the international programs of
6 other Federal agencies; and

7 (D) direct, as appropriate, United States
8 Government resources to respond to needs for
9 gender integration and women's empowerment
10 in United States Government foreign policies
11 and international programs.

12 (2) DIPLOMATIC REPRESENTATION.—Subject to
13 the direction of the President and the Secretary of
14 State, the Ambassador is authorized to represent the
15 United States in matters relevant to the status of
16 women internationally.

17 (d) REPORTING.—The heads of all bureaus and inde-
18 pendent offices of the Department of State, the United
19 States Agency for International Development, and the
20 Millennium Challenge Corporation shall, as appropriate,
21 evaluate and monitor all women's empowerment programs
22 administered by such bureaus and offices and annually
23 submit to the Ambassador a report on such programs and
24 on policies and practices to integrate gender.

1 **SEC. 11106. BUREAU FOR ENERGY RESOURCES.**

2 (a) IN GENERAL.—Section 931(a) of the Energy
3 Independence and Security Act of 2007 (42 U.S.C.
4 17371(a)) is amended—

5 (1) in the subsection heading, by striking “Co-
6 ORDINATOR FOR” and inserting “COORDINATION
7 OF”; and

8 (2) in paragraph (2)—

9 (A) in the paragraph heading, by striking
10 “COORDINATOR FOR” and inserting “COORDINA-
11 TION OF”; and

12 (B) by striking “There is established with-
13 in the Office of the Secretary of State a Coordi-
14 nator for International Energy Affairs,” and in-
15 serting in lieu thereof the following: “There is
16 established within the Department of State a
17 Bureau for Energy Resources, to be headed by
18 an Assistant Secretary,”.

19 (b) TRANSFER AUTHORITY.—The Secretary of State
20 may transfer any authority, duty, or function assigned to
21 the Coordinator for International Energy Affairs or to the
22 Office of International Energy Affairs to the Assistant
23 Secretary for Energy Resources or to the Bureau for En-
24 ergy Resources (as the case may be).

25 (c) CONFORMING AMENDMENTS.—(1) Section
26 1(c)(1) of the State Department Basic Authorities Act of

1 1956 (22 U.S.C. 2651a), as amended by this Act, is fur-
2 ther amended by striking “25” and inserting “26”.

3 (2) Section 5315 of title 5, United States Code, as
4 amended by this Act, is further amended in the item relat-
5 ing to Assistant Secretaries of State, by striking “(25)”
6 and inserting “(26)”.

7 **SEC. 11107. BUREAU OF OCEANS, ENVIRONMENT AND**
8 **SCIENCE.**

9 (a) DEPARTMENT OF STATE APPROPRIATIONS AU-
10 THORIZATION ACT OF 1973.—Section 9 of the Depart-
11 ment of State Appropriations Authorization Act of 1973
12 (22 U.S.C. 2655a) is amended—

13 (1) in the section heading, by striking “OCEANS
14 AND INTERNATIONAL ENVIRONMENTAL AND SCI-
15 ENTIFIC AFFAIRS” and inserting “OCEANS, ENVI-
16 RONMENT AND SCIENCE” ; and

17 (2) by striking “Oceans and International Envi-
18 ronmental and Scientific Affairs” each place it ap-
19 pears and inserting “Oceans, Environment and
20 Science”.

21 (b) CLEAN AIR ACT.—Section 617(a) of the Clean
22 Air Act (42 U.S.C. 7671p(a)) is amended by striking
23 “Oceans and International Environmental and Scientific
24 Affairs” and inserting “Oceans, Environment and
25 Science”.

1 **CHAPTER 2—UNITED STATES AGENCY**
2 **FOR INTERNATIONAL DEVELOPMENT**

3 **SEC. 11201. UNITED STATES AGENCY FOR INTERNATIONAL**
4 **DEVELOPMENT.**

5 (a) **ESTABLISHMENT.**—The United States Agency for
6 International Development shall be an agency of the
7 United States whose programs shall be under the contin-
8 uous supervision, overall coordination, and general direc-
9 tion of the Secretary of State.

10 (b) **MANDATE.**—The mandate of the United States
11 Agency for International Development shall be to reduce
12 global poverty and alleviate human suffering.

13 (c) **STATUTORY OFFICERS.**—

14 (1) **ADMINISTRATOR.**—The United States
15 Agency for International Development shall be head-
16 ed by an Administrator, who shall be appointed by
17 the President, by and with the advice and consent
18 of the Senate.

19 (2) **DEPUTY ADMINISTRATORS.**—The President
20 may appoint, by and with the advice and consent of
21 the Senate, up to 2 Deputy Administrators of the
22 United States Agency for International Develop-
23 ment, who shall be compensated at the rate provided
24 for at level III of the Executive Schedule under sec-
25 tion 5314 of title 5, United States Code.

1 (3) ASSISTANT ADMINISTRATORS.—The Presi-
2 dent may appoint, by and with the advice and con-
3 sent of the Senate, up to 13 Assistant Administra-
4 tors of the United States Agency for International
5 Development, who shall be compensated at the rate
6 provided for at level IV of the Executive Schedule
7 under section 5315 of title 5, United States Code.
8 Among these shall be—

9 (A) an Assistant Administrator for Policy,
10 Planning, and Learning;

11 (B) an Assistant Administrator for Food
12 Security;

13 (C) an Assistant Administrator for Demo-
14 cratic and Civic Development; and

15 (D) an Assistant Administrator for Eco-
16 nomic Growth, Environment, and Energy.

17 (4) NOMINATIONS OF ASSISTANT ADMINISTRA-
18 TORS.—Whenever the President submits to the Sen-
19 ate a nomination of an individual for appointment to
20 a position in the United States Agency for Inter-
21 national Development pursuant to paragraph (3),
22 the President shall designate the regional or func-
23 tional bureau or bureaus of the Agency with respect
24 to which the individual shall have responsibility.

1 (d) CONFORMING AMENDMENTS.—Title 5, United
2 States Code, is amended as follows:

3 (1) In section 5315, in the item relating to As-
4 sistant Administrators, Agency for International De-
5 velopment—

6 (A) by inserting “United States” before
7 “Agency”; and

8 (B) by striking “(6)” and inserting “(13)”.

9 (2) In section 7103(a)(2)(B)(iv), by inserting
10 “United States” before “Agency for International
11 Development”.

12 **SEC. 11202. ROLE OF THE ADMINISTRATOR.**

13 (a) IN GENERAL.—The Administrator shall have the
14 responsibility for carrying out the mandate of the United
15 States Agency for International Development and for co-
16 ordinating all United States development-related activi-
17 ties.

18 (b) CHIEF DEVELOPMENT ADVISOR.—The Adminis-
19 trator shall be the chief development advisor to the Sec-
20 retary of State.

21 (c) NATIONAL SECURITY COUNCIL PARTICIPA-
22 TION.—The President should invite the Administrator to
23 participate in all appropriate meetings of the National Se-
24 curity Council.

1 (d) UNITED NATIONS DEVELOPMENT AGENCIES.—
2 The Administrator should be responsible for the coordina-
3 tion and direction of United States policy regarding, and
4 contributions to, all development-related agencies of the
5 United Nations, in consultation with the Assistant Sec-
6 retary of State for International Organization Affairs.

7 (e) MULTILATERAL DEVELOPMENT BANKS.—The
8 President should appoint the Administrator to be the Al-
9 ternate United States Governor of the Asian Development
10 Bank, the African Development Bank, and the Inter-
11 American Development Bank.

12 **SEC. 11203. OVERSEAS MISSIONS.**

13 (a) AUTHORITY TO MAINTAIN OVERSEAS MIS-
14 SIONS.—

15 (1) IN GENERAL.—The Administrator may
16 maintain special missions or staffs outside the
17 United States in such countries and for such periods
18 of time as may be necessary to carry out the pur-
19 poses of this Act.

20 (2) OTHER LOCATIONS.—To the degree per-
21 mitted by security and financial considerations, the
22 Secretary should give favorable consideration to re-
23 quests by the Administrator that the Secretary exer-
24 cise authority under section 606(a)(2)(B) of the Se-
25 cure Embassy Construction and Counterterrorism

1 Act of 1999 (22 U.S.C. 4865(a)(2)(B)) to waive cer-
2 tain requirements of that Act in order to permit the
3 United States Agency for International Development
4 to maintain such missions or staffs at locations sep-
5 arate from the United States embassy.

6 (b) APPOINTMENT.—The Administrator may appoint
7 a head, who shall be known as the Mission Director, of
8 each office or staff maintained under subsection (a).

9 (c) COMPENSATION AND ALLOWANCES.—Each Mis-
10 sion Director may receive such compensation and allow-
11 ances as are authorized by the Foreign Service Act of
12 1980, not to exceed those authorized for a chief of mission
13 (as defined in section 102(a)(3) of that Act), as the Ad-
14 ministrator deems appropriate.

15 (d) ROLE OF MISSION DIRECTOR.—The Mission Di-
16 rector's responsibilities shall include—

17 (1) serving as the primary development and hu-
18 manitarian advisor to the Chief of Mission;

19 (2) coordinating preparation of the Country De-
20 velopment Cooperation Strategy; and

21 (3) supervising and directing United States de-
22 velopment cooperation with, and United States hu-
23 manitarian operations in, such country.

24 (e) RELATIONSHIP TO FOREIGN ASSISTANCE COOR-
25 DINATOR.—The responsibilities assigned to the Mission

1 Director under subsection (d) shall not preclude the Sec-
2 retary of State from appointing an individual to oversee
3 and coordinate the full range of economic and security as-
4 sistance programs in a country.

5 **SEC. 11204. CHAIRMAN OF OECD DEVELOPMENT ASSIST-**
6 **ANCE COMMITTEE.**

7 (a) APPOINTMENT.—The President may—

8 (1) appoint any United States citizen who is
9 not a Federal employee, or

10 (2) assign any United States citizen who is a
11 Federal employee,

12 to serve as Chairman of the Development Assistance Com-
13 mittee (DAC) or any successor committee thereto of the
14 Organization for Economic Cooperation and Development,
15 upon election thereto by members of said Committee.

16 (b) COMPENSATION AND ALLOWANCES.—

17 (1) IN GENERAL.—An individual appointed or
18 assigned under subsection (a) may receive such com-
19 pensation and allowances as are authorized by the
20 Foreign Service Act of 1980, not to exceed those au-
21 thorized for a chief of mission (as defined in section
22 102(a)(3) of that Act), as the President deems ap-
23 propriate.

24 (2) ADDITIONAL PROVISIONS.—Such individual
25 (if appointed under subsection (a)(1)) shall be

1 deemed to be a Federal employee for purposes of
2 chapters 81, 83, 84, 87, and 89 of title 5, United
3 States Code. Such individual may also, in the Presi-
4 dent's discretion, receive any other benefits and per-
5 quisites then available under this Act to a Chief of
6 Mission under section 11103.

7 **SEC. 11205. RESPONSIBILITIES OF THE INSPECTOR GEN-**
8 **ERAL OF THE UNITED STATES AGENCY FOR**
9 **INTERNATIONAL DEVELOPMENT.**

10 Section 8A of the Inspector General Act of 1978 (5
11 U.S.C. App. 3) is amended—

12 (1) by redesignating subsections (b) through (f)
13 as subsections (c) through (g), respectively; and

14 (2) inserting after subsection (a) the following:

15 “(b) In addition to the other duties and responsibil-
16 ities specified in this Act, the Inspector General of the
17 United States Agency for International Development shall
18 supervise, direct, and control all audit and investigative
19 activities relating to programs and operations within the
20 African Development Foundation, the Inter-American
21 Foundation, the Millennium Challenge Corporation, the
22 Office of the U.S. Global AIDS Coordinator of the Depart-
23 ment of State, and the United States Trade and Develop-
24 ment Agency.”.

1 **Subtitle B—Management and**
2 **Program Administration**
3 **CHAPTER 1—OPERATING EXPENSES AND**
4 **ADMINISTRATIVE AUTHORITIES**

5 **SEC. 11301. OPERATING EXPENSES OF THE UNITED STATES**
6 **AGENCY FOR INTERNATIONAL DEVELOP-**
7 **MENT.**

8 (a) OPERATING EXPENSES.—The Administrator is
9 authorized to use up to 10 percent of the total amount
10 of funds managed by the United States Agency for Inter-
11 national Development in a fiscal year for operating ex-
12 penses of the United States Agency for International De-
13 velopment.

14 (b) CAPITAL INVESTMENT FUND.—In addition to
15 funds made available under subsection (a), the Adminis-
16 trator is authorized to use up to 1 percent of the total
17 amount of funds managed by the United States Agency
18 for International Development in a fiscal year for overseas
19 construction and related costs, and for the procurement
20 and enhancement of information technology and related
21 capital investments. Amounts made available under this
22 subsection are authorized to remain available until ex-
23 pended.

24 (c) MANAGEMENT OF FUNDS.—The annual congres-
25 sional budget justification prepared pursuant to section

1 9302 of this Act shall contain an estimate of the total
2 funds managed by the United States Agency for Inter-
3 national Development, disaggregated by account, and a
4 detailed operating expenses budget.

5 (d) STATUS OF OBLIGATIONS.—The Administrator
6 shall keep the appropriate congressional committees cur-
7 rently informed of the status of obligations of amounts
8 made available under this section.

9 (e) DEFINITIONS.—In this section:

10 (1) OPERATING EXPENSES.—The term “oper-
11 ating expenses” means a use of funds that is author-
12 ized under section 11302.

13 (2) FUNDS MANAGED BY AGENCY.—The term
14 “funds managed by the United States Agency for
15 International Development” means all funds over
16 which the Administrator has obligation authority, in-
17 cluding—

18 (A) appropriations to carry out this Act;

19 (B) allocations or transfers from any other
20 Federal agency, or from other appropriations,
21 for functions directly related to the purposes of
22 this Act; and

23 (C) proceeds from the disposal of property
24 acquired under the authority of section 11302
25 (or predecessor provisions of law).

1 **SEC. 11302. AUTHORIZED USES OF FUNDS.**

2 (a) AUTHORIZED USES.—For purposes of section
3 11301(a), the following costs shall be considered operating
4 expenses of the United States Agency for International
5 Development and shall be included within the percentage
6 limitation contained in such section:

7 (1) All compensation, training and benefits for
8 Agency personnel, including personal services con-
9 tractors, during the time such personnel have Wash-
10 ington D.C. or other places in the United States as
11 their official duty station.

12 (2) Travel and transportation of Agency per-
13 sonnel described in paragraph (1) and their depend-
14 ents and possessions.

15 (3) Acquisition, rent, operation and mainte-
16 nance in the United States of motor vehicles, air-
17 craft, and vessels.

18 (4) Acquisition, rent, operation and mainte-
19 nance in the United States of land and facilities.

20 (5) Furniture and equipment located in the
21 United States, including operation and maintenance.

22 (6) Utilities, insurance, communications, print-
23 ing and reproduction, and miscellaneous services and
24 charges in the United States.

25 (7) Subscriptions, supplies and materials for
26 use in the United States.

1 (8) Attendance at meetings and conferences of
2 Agency personnel described in paragraph (1).

3 (9) Commissions, councils, boards and similar
4 groups authorized by law primarily located in the
5 United States.

6 (10) Security equipment and services in the
7 United States.

8 (11) Institutional, administrative service, and
9 any other contract, including profit and overhead,
10 for work to be performed primarily in the United
11 States.

12 (12) Representation and entertainment ex-
13 penses in the United States.

14 (b) COMPLIANCE WITH FEDERAL LAW.—All new fa-
15 cilities constructed under the authorities of this section,
16 whether inside or outside the United States, shall comply
17 with all relevant Federal codes and standards requiring
18 access for persons with disabilities.

19 **SEC. 11303. OPERATING EXPENSES OF THE OFFICE OF THE**
20 **INSPECTOR GENERAL.**

21 (a) IN GENERAL.—The President is authorized to
22 pay for the necessary operating expenses of the Office of
23 the Inspector General of the United States Agency for
24 International Development to the extent and in the

1 amounts authorized and appropriated for such purposes
2 in any fiscal year.

3 (b) ADDITIONAL AMOUNTS.—There are authorized to
4 be appropriated to the President such amounts as may
5 be necessary for increases in compensation, retirement,
6 and other personnel benefits authorized by law, and for
7 other nondiscretionary costs of the Office.

8 **SEC. 11304. ADMINISTRATIVE AUTHORITIES OF THE DE-**
9 **PARTMENT OF DEFENSE.**

10 (a) IN GENERAL.—Funds allocated to the Depart-
11 ment of Defense for the purpose of providing assistance
12 under this Act shall be available for the following:

13 (1) Administrative, extraordinary (not to exceed
14 \$300,000 in any fiscal year), and operating expenses
15 incurred in furnishing assistance under this Act ad-
16 ministered through the Department of Defense, in-
17 cluding the purchase of passenger motor vehicles for
18 replacement only for use outside of the United
19 States.

20 (2) Reimbursement of actual expenses of mili-
21 tary officers detailed or assigned as tour directors in
22 connection with orientation visits of foreign military
23 and related civilian personnel, in accordance with the
24 provisions of section 5702 of title 5, United States
25 Code, applicable to Federal employees.

1 (3) Maintenance, repair, alteration, and fur-
2 nishing of United States-owned facilities in the Dis-
3 trict of Columbia or elsewhere for the training of
4 foreign military and related civilian personnel with-
5 out regard to the provisions of section 6303 of title
6 41, United States Code, or other provision of law re-
7 quiring a specific authorization or specific appropria-
8 tion for such public contracts.

9 (b) **MILITARY OFFICER.**—The term “military offi-
10 cer” means a commissioned, warrant, or non-commis-
11 sioned officer of the United States Armed Forces.

12 **SEC. 11305. WORKING CAPITAL FUND.**

13 (a) **ESTABLISHMENT.**—The Administrator is author-
14 ized to establish a Working Capital Fund (in this section
15 referred to as the “Fund”).

16 (b) **PURPOSE.**—Amounts deposited during any fiscal
17 year in the Fund shall be available without fiscal year limi-
18 tation and used, in addition to other funds available for
19 such purposes, for administrative costs resulting from
20 Agency implementation and procurement reform efforts,
21 the administration of this Fund, and administrative con-
22 tingencies designated by the Administrator.

23 (c) **DEPOSITS INTO THE FUND.**—There may be de-
24 posited in any fiscal year in the Fund up to 1 percent
25 of the total value of obligations entered into by the Agency

1 from appropriations available to the Agency and any ap-
2 propriation made available for the purpose of providing
3 capital. Receipts from the disposal of, or payments for the
4 loss or damage to, property held in the Fund, rebates, re-
5 imbursements, refunds and other credits applicable to the
6 operation of the Fund may be deposited into the Fund.

7 (d) REFUNDS.—At the close of each fiscal year the
8 Administrator shall transfer out of the Fund and into the
9 Emergency Humanitarian Response Fund established
10 under section 1905 of this Act amounts in excess of
11 \$100,000,000 and any other amounts that the Adminis-
12 trator determines to be in excess of the needs of the Fund.

13 **SEC. 11306. SUSPENSION AND DEBARMENT.**

14 (a) ELIGIBILITY TO RECEIVE FUNDS.—The Presi-
15 dent shall issue and enforce regulations determining the
16 eligibility of any person to receive funds made available
17 under this Act.

18 (b) SUSPENSION.—The regulations described in sub-
19 section (a) shall provide for the suspension of eligibility
20 of a person for a temporary period pending the completion
21 of an investigation and any resulting judicial or debarment
22 proceedings, upon cause for belief that such person or an
23 affiliate thereof probably has undertaken conduct which
24 constitutes a cause for debarment.

1 (c) DEBARMENT.—A person may be debarred from
2 further receipt of funds made available under this Act, and
3 from participating in any contract or agreement regarding
4 the use of funds made available under this Act, for—

5 (1) conviction of or civil judgment for—

6 (A) commission of fraud or a criminal of-
7 fense in connection with obtaining, attempting
8 to obtain, or performing a public or private
9 agreement or transaction;

10 (B) violation of Federal or State antitrust
11 statutes, including those proscribing price fixing
12 between competitors, allocation of customers be-
13 tween competitors, and bid rigging;

14 (C) commission of embezzlement, theft,
15 forgery, bribery, falsification or destruction of
16 records, making false statements, tax evasion,
17 receiving stolen property, making false claims
18 or obstruction of justice; or

19 (D) commission of any other offense indi-
20 cating a lack of business integrity or business
21 honesty;

22 (2) violation of the terms of a public agreement
23 or transaction so serious as to affect the integrity of
24 a program under this Act, such as—

1 (A) a willful failure to perform in accord-
2 ance with the terms of one or more public
3 agreements or transactions;

4 (B) a history of failure to perform or of
5 unsatisfactory performance of one or more pub-
6 lic agreements or transactions; or

7 (C) a willful violation of a statutory or reg-
8 ulatory provision or requirement applicable to a
9 public agreement or transaction; or

10 (3) any of the following causes:

11 (A) knowingly doing business with an ineli-
12 gible person;

13 (B) failure to pay a single substantial debt,
14 or a number of outstanding debts, owed to any
15 Federal agency or instrumentality; or

16 (C) any other cause of a serious or compel-
17 ling nature.

18 (d) REINSTATEMENT.—Reinstatement of eligibility in
19 each particular case shall be subject to such conditions
20 as the President shall direct.

21 **SEC. 11307. FALSE CLAIMS AND INELIGIBLE COMMODITIES.**

22 (a) IN GENERAL.—Any person who makes or causes
23 to be made or presents or causes to be presented to any
24 bank or other financial institution or to any officer, agent,
25 or employee of any agency of the United States Govern-

1 ment a claim for payment from funds made available
2 under this Act for the purposes of furnishing assistance
3 and who knows the claim to be false, fraudulent, or ficti-
4 tious or to cover a commodity or commodity-related service
5 determined by the President to be ineligible for payment
6 from funds made available under this Act, or who uses
7 to support such claim any certification, statement, or
8 entry on any contract, bill of lading, Government or com-
9 mercial invoice, or Government form, which such person
10 knows, or in the exercise of prudent business management
11 should know, to contain false, fraudulent, or fictitious in-
12 formation, or who uses or engages in any other fraudulent
13 trick, scheme, or device for the purpose of securing or ob-
14 taining, or aiding to secure or obtain, for any person any
15 benefit or payment from funds so made available under
16 this Act in connection with the negotiation, procurement,
17 award, or performance of a contract financed with funds
18 so made available under this Act, and any person who en-
19 ters into an agreement, combination or conspiracy to do
20 so—

21 (1) shall pay to the United States an amount
22 equal to 25 per centum of any amount thereby
23 sought to be wrongfully secured or obtained but not
24 actually received;

1 (2) shall forfeit and refund any payment, com-
2 pensation, loan, commission, or advance received as
3 a result thereof; and

4 (3) shall, in addition, pay to the United States
5 for each such act—

6 (A) the sum of \$2,000 and double the
7 amount of any damage which the United States
8 may have sustained by reason thereof; or

9 (B) an amount equal to 50 per centum of
10 any such payment, compensation, loan, commis-
11 sion, or advance so received, whichever is the
12 greater, together with the costs of suit.

13 (b) JUDICIAL PROCEEDING AND WITHHOLDING OF
14 FUNDS.—

15 (1) IN GENERAL.—In order to secure recovery
16 under this section, the President may, as the Presi-
17 dent deems appropriate—

18 (A) institute suit in the United States dis-
19 trict court for any judicial district in which the
20 person alleged to have performed or partici-
21 pated in an act described by this section may
22 reside or may be found; and

23 (B) upon posting by registered mail to
24 such person a notice of claim describing the
25 basis therefor and identifying the funds to be

1 withheld, withhold from funds owed by any
2 agency of the United States Government to
3 such person an amount equal to the refund,
4 damages, liquidated damages, and exemplary
5 damages claimed by the United States under
6 this section.

7 (2) EFFECT OF WITHHOLDING.—Any such
8 withholding of funds from any person shall con-
9 stitute a final determination of the rights and liabil-
10 ities of such person under this section with respect
11 to the amount so withheld, unless within one year of
12 receiving the notice of claim such person brings suit
13 for recovery, which is hereby authorized, against the
14 United States in any United States district court.

15 (c) PERSON DEFINED.—For purposes of this section,
16 the term “person” includes any individual, corporation,
17 partnership, association, or other legal entity.

18 **SEC. 11308. TERMINATION EXPENSES.**

19 (a) TERMINATION EXPENSES.—

20 (1) IN GENERAL.—Funds made available under
21 this Act, the former authority of the Foreign Assist-
22 ance Act of 1961, the former authority of section 23
23 of the Arms Export Control Act, or other prede-
24 cessor provisions of law shall remain available for
25 obligation for a period not to exceed 8 months from

1 the date of any termination of assistance under such
2 Acts for the necessary expenses of winding up pro-
3 grams related to such termination and may remain
4 available until expended.

5 (2) TREATMENT OF OBLIGATED FUNDS.—

6 Funds obligated under the authority of such Acts
7 prior to the effective date of the termination of as-
8 sistance may remain available for expenditure for
9 the necessary expenses of winding up programs re-
10 lated to such termination notwithstanding any provi-
11 sion of law restricting the expenditure of funds.

12 (3) COMPLETION OF TRAINING OR STUDIES.—

13 In order to ensure the effectiveness of such assist-
14 ance, such expenses for orderly termination of pro-
15 grams may include the obligation and expenditure of
16 funds to complete the training or studies outside
17 their countries of origin of students whose course of
18 study or training program began before assistance
19 was terminated.

20 (b) LIABILITY TO CONTRACTORS.—For the purpose
21 of making an equitable settlement of termination claims
22 under extraordinary contractual relief standards, the
23 President is authorized to adopt as a contract or other
24 obligation of the United States Government, and assume
25 (in whole or in part) any liabilities arising thereunder, any

1 contract with a United States or third-country contractor
2 that had been funded with assistance under the Acts re-
3 ferred to in subsection (a) prior to the termination of as-
4 sistance.

5 (c) REOBLIGATION OF AMOUNTS TERMINATED.—
6 Amounts obligated for assistance and subsequently termi-
7 nated by the President, or by any provision of law, shall
8 continue to remain available and may be reobligated to
9 meet any necessary expenses arising from the termination
10 of such assistance.

11 (d) GUARANTY PROGRAMS.—No provision of this Act
12 or any other Act requiring the termination of assistance
13 under this Act or any other Act shall be construed to re-
14 quire the termination of guarantee commitments that were
15 entered into prior to the effective date of the termination
16 of assistance.

17 (e) RELATION TO OTHER PROVISIONS.—Unless spe-
18 cifically made inapplicable by another provision of law, the
19 provisions of this section shall be applicable to the termi-
20 nation of assistance pursuant to any provision of law.

21 **SEC. 11309. PROHIBITION ON CERTAIN FIRST-CLASS TRAV-**
22 **EL.**

23 None of the funds made available under this Act may
24 be used for first-class travel by Federal personnel of agen-
25 cies funded by this Act in contravention of sections 301–

1 10.122 through 301–10.124 of title 41, Code of Federal
2 Regulations.

3 **CHAPTER 2—ASSISTANCE AUTHORITIES**
4 **AND PROGRAM EXPENSES**

5 **SEC. 11401. GENERAL ASSISTANCE AUTHORITIES.**

6 (a) TERMS OF ASSISTANCE.—Except as otherwise
7 specifically prohibited in this Act, assistance under this
8 Act may be furnished on a grant, loan, or guaranty basis,
9 or on such terms, including cash, credit, or other terms
10 of repayment (including repayment in foreign currencies
11 or by transfer to the United States Government of arti-
12 cles), as may be determined to be best suited to the
13 achievement of the purposes of this Act.

14 (b) TERMS AND CONDITIONS.—The President, the
15 Secretary, and the Administrator, as the case may be, may
16 furnish assistance under this Act on such terms and condi-
17 tions (consistent with other provisions of law) as he or
18 she deems appropriate, and, consistent with the provisions
19 of this Act, may charge such fees for guarantees and loans
20 under this Act as he or she deems appropriate. Credit as-
21 sistance shall be consistent with the provisions of the Fed-
22 eral Credit Reform Act of 1990. In the case of contribu-
23 tions or other assistance provided for an international or-
24 ganization or arrangement under this or any other Act,
25 such organization or arrangement may utilize its own pro-

1 curement, administrative, accounting, and audit rules and
2 procedures.

3 (c) IMPLEMENTATION.—In furtherance of the pur-
4 poses and subject to the limitations of this Act, the Presi-
5 dent, the Secretary, and the Administrator, in providing
6 assistance under this Act, may make loans (in conformity
7 with the provisions of the Federal Credit Reform Act of
8 1990), advances, and grants to, make and perform agree-
9 ments and contracts with, or enter into other transactions
10 with, any person, corporation, or other body of persons,
11 any government or government agency, and any inter-
12 national organization or arrangement.

13 (d) GIFTS.—The President, the Secretary, and the
14 Administrator may accept and use in furtherance of the
15 purposes of this Act, money, funds, property, and services
16 of any kind made available by gift, devise, bequest, grant,
17 or otherwise for such purpose.

18 (e) INSURANCE.—

19 (1) FOREIGN PARTICIPANTS.—Any Federal
20 agency is authorized to pay the cost of health and
21 accident insurance for foreign participants in any
22 program of furnishing assistance administered by
23 such agency while such participants are absent from
24 their homes for the purpose of participation in such
25 program.

1 (2) FOREIGN PERSONNEL.—Any Federal agen-
2 cy is authorized to pay the cost of health and acci-
3 dent insurance for foreign personnel of that agency
4 while such personnel are absent from their places of
5 employment abroad for purposes of training or other
6 official duties.

7 (f) ADMISSION TO UNITED STATES.—Alien partici-
8 pants in any program of furnishing assistance under this
9 Act may be admitted to the United States if otherwise
10 qualified as nonimmigrants under section 101(a)(15) of
11 the Immigration and Nationality Act (8 U.S.C.
12 1101(a)(15)), for such time and under such conditions as
13 may be prescribed by regulations promulgated by the Sec-
14 retary of State and the Attorney General.

15 (g) ASSISTANCE AUTHORITIES.—In furnishing and
16 administering assistance under this Act, the President, the
17 Secretary, and the Administrator—

18 (1) may issue letters of credit and letters of
19 commitment;

20 (2) may collect, compromise, reschedule or oth-
21 erwise settle any obligations assigned to, or held by,
22 and any legal or equitable rights accruing to, the
23 United States and may (as he or she deems appro-
24 priate) refer any such obligations or rights to the
25 Attorney General for suit or collection;

1 (3) may—

2 (A) acquire and dispose of (upon such
3 terms and conditions as he or she deems appro-
4 priate) any property, including any instrument
5 evidencing indebtedness or ownership; and

6 (B) guarantee payment against any such
7 instrument;

8 (4) may establish the character of, and decide
9 the necessity for, obligations and expenditures of
10 funds used in furnishing and administering such as-
11 sistance and the manner in which such obligations
12 and expenditures shall be incurred, allowed, and
13 paid, subject to provisions of law specifically applica-
14 ble to corporations of the United States Govern-
15 ment; and

16 (5) shall cause to be maintained an integral set
17 of accounts which shall be audited by the Govern-
18 ment Accountability Office in accordance with prin-
19 ciples and procedures applicable to commercial cor-
20 porate transactions as provided by chapter 91 of
21 title 31, United States Code.

22 (h) GUARANTEES.—Guarantees issued to carry out
23 the purposes of this Act shall be subject to the following:

24 (1) FULL FAITH AND CREDIT.—The full faith
25 and credit of the United States may be pledged for

1 the full payment and performance of guarantees
2 issued under this Act or predecessor Acts.

3 (2) CHARGES.—The President may charge ap-
4 propriate fees or interest in connection with the ac-
5 tivities carried out under such authority.

6 (3) RELATIONSHIP TO OTHER PROVISIONS OF
7 LAW.—Guarantees may be provided under this Act
8 without regard to commodity restrictions.

9 (4) DENOMINATION OF LIABILITY.—The losses
10 guaranteed may be in dollars or in other currencies.
11 In the case of losses guaranteed in currencies other
12 than dollars, the guarantees issued shall be subject
13 to an overall payment limitation expressed in dollars.

14 (i) LOAN GUARANTEES TO ISRAEL PROGRAM.—Not-
15 withstanding section 12201(1), section 226 of the Foreign
16 Assistance Act of 1961 (22 U.S.C. 2186; relating to Loan
17 Guarantees to Israel Program), shall not be repealed and
18 shall remain in effect as on the day before the date of
19 the enactment of this Act.

20 (j) SUBSIDY COST OF GUARANTEES AND LOANS.—
21 The President, the Secretary, and the Administrator, as
22 the case may be, may use funds made available under this
23 Act to pay the cost (as defined in section 13201 of the
24 Budget Enforcement Act of 1990) of direct loans and loan
25 guarantees made or entered into (and associated adminis-

1 trative costs) in furtherance of the purposes of this Act.
2 Funds appropriated to pay the cost (as defined in section
3 13201 of the Budget Enforcement Act of 1990) of direct
4 loans and loan guarantees made or entered into to carry
5 out the provisions of this Act shall be provided in con-
6 formity with section 504(b)(1) of the Federal Credit Re-
7 form Act of 1990.

8 (k) CLAIMS RELATING TO GUARANTEES.—Claims
9 arising as a result of any guarantee program authorized
10 by this Act may be settled, and disputes arising as the
11 result thereof may be arbitrated with the consent of the
12 parties, on such terms and conditions as the President
13 may direct. Payment made pursuant to any such settle-
14 ment, or as a result of an arbitration award, shall be final
15 and conclusive notwithstanding any other provision of law.

16 (l) FINANCIAL TRANSACTIONS WITH FOREIGN GOV-
17 ERNMENTS IN DEFAULT OF OBLIGATIONS TO THE
18 UNITED STATES.—Section 955 of title 18, United States
19 Code, shall not apply to any person—

20 (1) who acts for or participates in any oper-
21 ation or transaction arising under this Act; or

22 (2) who acquires any obligation issued in con-
23 nection with any operation or transaction arising
24 under this Act.

1 (m) EDUCATIONAL INSTITUTIONS.—Any cost-type
2 contract or agreement (including grants) entered into with
3 an institution of higher education for the purpose of car-
4 rying out programs authorized by this Act may provide
5 for the payment of the reimbursable indirect costs of that
6 institution on the basis of predetermined fixed-percentage
7 rates applied to the total or an element thereof, of the
8 reimbursable direct costs incurred.

9 (n) PER DIEM.—Funds made available under this
10 Act may be used for payment of per diem in lieu of sub-
11 sistence to foreign participants engaged in any program
12 under this Act while such participants are away from their
13 homes in countries other than the United States, at rates
14 not in excess of those prescribed by the standardized Gov-
15 ernment travel regulations, notwithstanding any other
16 provision of law.

17 (o) MULTIYEAR COMMITMENTS.—Except as other-
18 wise provided in this Act, a contract or agreement which
19 entails commitments for the expenditure of funds under
20 this Act may, subject to any future action of the Congress,
21 extend at any time for not more than 5 years.

22 (p) PROGRAM AND MANAGEMENT OVERSIGHT.—The
23 Administrator may use funds made available under title
24 I to provide program and management oversight for activi-
25 ties that are funded under that title and that are con-

1 ducted in countries in which the Agency does not have
2 a field mission or office.

3 **SEC. 11402. AUTHORITY TO CONDUCT REIMBURSABLE PRO-**
4 **GRAMS.**

5 (a) GENERAL AUTHORITY.—Whenever the President
6 considers it consistent with and within the limitations of
7 this Act, any Federal agency is authorized to furnish serv-
8 ices and articles on an advance-of-funds or reimbursement
9 basis to partner countries, international organizations and
10 arrangements, and nongovernmental organizations.

11 (b) PERSONAL SERVICE CONTRACTS.—

12 (1) IN GENERAL.—When any Federal agency
13 provides services on an advance-of-funds or reim-
14 bursable basis under this section, such agency may
15 contract with individuals for personal service abroad
16 or in the United States—

17 (A) to perform such services; or

18 (B) to replace, in a manner otherwise per-
19 mitted by law, Federal employees who are as-
20 signed by the agency to provide such services.

21 (2) RULE OF CONSTRUCTION.—Such individ-
22 uals shall not be regarded as Federal employees for
23 the purpose of any law administered by the Office
24 of Personnel Management.

1 (c) USE OF PAYMENTS.—Advances and reimburse-
2 ments received under this section shall be credited to the
3 currently applicable appropriation, account, or fund of the
4 agency concerned and shall be available for the purposes
5 for which such appropriation, account, or fund is author-
6 ized to be used.

7 **SEC. 11403. RETENTION OF INTEREST.**

8 (a) GENERAL AUTHORITY.—The Administrator may,
9 for the purpose of carrying out the provisions of title I,
10 enter into agreements with international organizations
11 and with local entities that provide for the retention by
12 such organizations and entities, without deposit in the
13 Treasury of the United States and without further appro-
14 priation by Congress, of interest earned on the advance
15 of funds.

16 (b) USE OF INTEREST.—Any interest earned on the
17 advance of funds made available under subsection (a) shall
18 be used only for the purposes for which the agreement
19 is made.

20 (c) AUDITS.—The Administrator shall audit, on a
21 regular and recurring basis, interest earned on advance
22 funds to ensure that the requirements of subsection (a)
23 are strictly observed.

1 (d) LIMITATION.—The authorities of this section may
2 be used only for agreements with a value of \$5,000,000
3 or less.

4 (e) TRANSPARENCY.—The Administrator shall make
5 publicly available on the Internet website of the Agency
6 information about each agreement made under the author-
7 ity of this section, including the name of the organization
8 or entity and the amount and the purpose of the agree-
9 ment.

10 **SEC. 11404. MARKING AND BRANDING OF ECONOMIC AND**
11 **HUMANITARIAN ASSISTANCE.**

12 (a) REQUIREMENT.—Economic assistance and hu-
13 manitarian assistance implemented with funds made avail-
14 able to any agency to carry out the purposes of this or
15 any other Act, and to any contractor or grantee thereof,
16 shall be identified as being “From the American People”
17 and only as follows:

18 (1) The site or article, as appropriate, shall not
19 include any reference to a particular Federal agency
20 or division thereof.

21 (2) The identification of the assistance shall in-
22 clude only a representation of the American flag,
23 and shall not include any logo of a particular Fed-
24 eral agency or division thereof.

1 (b) RELATIONSHIP TO OTHER PROVISIONS OF LAW
2 AND REGULATIONS.—The provisions of this section shall
3 be applicable notwithstanding any other provision of this
4 or any other Act, and notwithstanding any Federal regula-
5 tion, agency guidance, or procedure to the contrary.

6 (c) APPLICABILITY.—The provisions of this section
7 shall be applicable to all—

8 (1) articles; and

9 (2) program, project and activity sites.

10 (d) ONGOING PROGRAMS.—To the extent it is feasible
11 and cost effective to do so, the marking and branding of
12 articles and sites financed pursuant to ongoing agree-
13 ments, including grants, contracts, and cooperative agree-
14 ments, shall be conformed to meet the requirements of this
15 section.

16 (e) EXCEPTIONS.—The requirements of subsection
17 (a) shall not apply—

18 (1) if the Chief of Mission or the relevant As-
19 sistant Secretary of State determines that the mark-
20 ing of a particular program, project, or activity
21 would—

22 (A) jeopardize the health, safety or human
23 rights of a private partner or intended bene-
24 ficiary; or

1 (B) be detrimental to the achievement of
2 overall United States foreign policy objectives in
3 such country;

4 (2) if the Secretary determines that the mark-
5 ing of economic assistance or humanitarian assist-
6 ance in such country would be detrimental to the
7 achievement of overall United States foreign policy
8 objectives in such country; or

9 (3) to office space occupied by the imple-
10 menting partner, or to housing, personal vehicles or
11 other personal property of employees thereof.

12 (f) EXEMPTION FROM DETERMINATION.—A deter-
13 mination under subsection (e)(2) shall not preclude the
14 Secretary from requiring that specific articles or sites fi-
15 nanced by the United States Government in such country
16 be subject to the requirements of subsection (a).

17 (g) CO-BRANDING.—The requirements of subsection
18 (a) shall not prohibit the identification of economic assist-
19 ance or humanitarian assistance provided through a pri-
20 vate partner with such partner's own organizational brand
21 or logo, subject to any standards or regulations that the
22 President may establish.

23 **SEC. 11405. REDUCTIONS IN DESIGNATED FUNDS.**

24 (a) DESIGNATED FUNDS DEFINED.—For the pur-
25 poses of this section, the term “designated funds” means

1 amounts within an account that are authorized or appro-
2 priated to be available only for a particular country, orga-
3 nization, or purpose during a specified fiscal period.

4 (b) PROPORTIONAL REDUCTIONS.—If the amount
5 appropriated for a fiscal period to carry out any provision
6 of this Act (including rescissions and reductions required
7 by law) is less than the amount authorized to be appro-
8 priated to carry out such provision, then the President is
9 authorized to make a proportionate reduction in des-
10 ignated funds, notwithstanding the provision of law mak-
11 ing such designation.

12 (c) REPROGRAMMINGS.—Notwithstanding a provision
13 of law providing for designated funds, the President may
14 reprogram such designated funds to other programs with-
15 in the same account under the same terms and conditions
16 as originally provided, if—

17 (1) compliance with such provision of law is
18 made impossible by operation of law; or

19 (2) the President determines that a significant
20 change in circumstances relating to the particular
21 country, organization, or purpose makes it unlikely
22 that the designated funds can be obligated during
23 the original period of availability.

1 (d) CONGRESSIONAL NOTIFICATION.—A reprogram-
2 ming pursuant to subsection (c) shall be subject to the
3 regular notification procedures under section 9401.

4 **SEC. 11406. REQUIREMENT FOR AUTHORIZATION OF AP-**
5 **PROPRIATIONS.**

6 (a) REQUIREMENT FOR AUTHORIZATION.—Funds
7 appropriated to carry out this Act shall not be available
8 for obligation or expenditure—

9 (1) unless the appropriation thereof has been
10 specifically authorized by law; or

11 (2) in excess of the amount authorized by law.

12 (b) SUBSEQUENT AUTHORIZATIONS.—To the extent
13 that legislation enacted after the making of an appropria-
14 tion for foreign assistance authorizes the obligation or ex-
15 penditure thereof, the limitation contained in subsection
16 (a) shall not apply.

17 (c) RELATION TO OTHER PROVISIONS.—The provi-
18 sions of this section shall not be superseded except by a
19 provision of law that specifically repeals or modifies the
20 provisions of this section.

21 **SEC. 11407. UNEXPENDED BALANCES.**

22 Unexpended balances of funds made available pursu-
23 ant to the Foreign Assistance Act of 1961 (as in effect
24 on the day before the date of the enactment of this Act)
25 are authorized to remain available for the general pur-

1 poses for which appropriated and may be consolidated
2 with appropriations made available for the same general
3 purposes under the authority of this Act.

4 **SEC. 11408. AUTHORITY FOR EXTENDED PERIOD OF AVAIL-**
5 **ABILITY OF APPROPRIATIONS.**

6 Unless otherwise specified, amounts appropriated to
7 carry out this Act are authorized to remain available until
8 expended.

9 **SEC. 11409. SUPPORT FOR REGIONAL, INTERNATIONAL AND**
10 **NONGOVERNMENTAL ORGANIZATIONS.**

11 In carrying out the goals and objectives of this Act,
12 the Administrator is authorized to support programs,
13 projects, and activities of, and to provide technical assist-
14 ance to, regional, international, and nongovernmental or-
15 ganizations.

16 **SEC. 11410. PROTECTION OF PATENTS AND TECHNICAL IN-**
17 **FORMATION.**

18 (a) INVENTIONS AND DISCOVERIES.—Whenever, in
19 connection with the furnishing of assistance under this
20 Act—

21 (1) an invention or discovery covered by a pat-
22 ent issued by the United States Government is prac-
23 ticed within the United States without the author-
24 ization of the owner, or

1 (2) information, which is (A) protected by law,
2 and (B) held by the United States Government sub-
3 ject to restrictions imposed by the owner, is dis-
4 closed by the United States Government or any of
5 its officers, employees, or agents in violation of such
6 restrictions,
7 the exclusive remedy of the owner, except as provided in
8 subsection (b), is to sue the United States Government
9 for reasonable and entire compensation for such practice
10 or disclosure in the district court of the United States for
11 the district in which such owner is a resident, or in the
12 United States Court of Federal Claims within six years
13 after the cause of action arises. Any period during which
14 the United States Government is in possession of a written
15 claim under subsection (b) before mailing a notice of de-
16 nial of that claim does not count in computing the six
17 years. In any such suit, the United States Government
18 may plead any defense that may be pleaded by a private
19 person in such an action. The last paragraph of section
20 1498(a) of title 28 of the United States Code shall apply
21 to inventions and information covered by this section.

22 (b) REMEDY.—Before suit against the United States
23 Government has been instituted, the head of the agency
24 of the United States Government concerned may settle
25 and pay any claim arising under the circumstances de-

1 scribed in subsection (a). No claim may be paid under this
2 subsection unless the amount tendered is accepted by the
3 claimant in full satisfaction.

4 (c) PHARMACEUTICAL PRODUCTS.—No assistance
5 under this Act may be made available for the acquisition
6 of any drug product or pharmaceutical product manufac-
7 tured outside the United States, if the manufacture of
8 such drug product or pharmaceutical product in the
9 United States would involve the use of, or be covered by,
10 an unexpired patent of the United States which has not
11 previously been held invalid by an unappealed or
12 unappealable judgment or decree of a court of competent
13 jurisdiction, unless—

14 (1) such manufacture is expressly authorized by
15 the owner of such patent; or

16 (2) the President determines, on a case-by-case
17 basis, that the application of this subsection would
18 significantly reduce the ability of the United States
19 to save lives and alleviate human suffering in a de-
20 veloping country.

21 **SEC. 11411. PRIVATE AND VOLUNTARY ORGANIZATIONS**
22 **AND COOPERATIVES.**

23 Prohibitions on assistance to countries contained in
24 this or any other Act shall not be construed to prohibit
25 assistance by the Agency in support of programs of private

1 and voluntary organizations and cooperatives already
2 being supported prior to the date such prohibition becomes
3 applicable, if the President determines, and reports to the
4 appropriate congressional committees within 15 days of
5 making such determination, that continuation of support
6 for such programs is in the national interest of the United
7 States, along with the reasons for such continuation.

8 **CHAPTER 3—PROCUREMENT, DISPOSI-**
9 **TION, TRANSPORTATION AND VALU-**
10 **ATION OF ARTICLES**

11 **SEC. 11501. PROCUREMENT STANDARDS AND PROCE-**
12 **DURES.**

13 (a) LIMITATIONS ON PROCUREMENT OUTSIDE THE
14 UNITED STATES.—Funds made available for assistance
15 under this Act may be used by the President for procure-
16 ment—

17 (1) only in the United States, the recipient
18 country, or developing countries; or

19 (2) in any other country but only if—

20 (A) the provision of such assistance re-
21 quires articles or services of a type that are not
22 produced in and available for purchase in any
23 country specified in paragraph (1); or

24 (B) the President determines that procure-
25 ment in such other country is necessary—

1 (i) to meet unforeseen circumstances,
2 such as emergency situations, where it is
3 important to permit procurement in a
4 country not specified in paragraph (1); or
5 (ii) to promote efficiency in the use of
6 United States foreign assistance resources,
7 including to avoid impairment of foreign
8 assistance objectives.

9 (b) BULK COMMODITIES.—No funds made available
10 under this Act shall be used for the purchase in bulk of
11 any commodities at prices higher than the market price
12 prevailing in the United States at the time of purchase,
13 adjusted for differences in the cost of transportation to
14 destination, quality, and terms of payment, except to meet
15 unforeseen circumstances, such as emergency situations.

16 (c) SURPLUS COMMODITIES.—None of the funds
17 made available under this Act shall be used to establish
18 or expand production of any commodity or extraction of
19 any mineral for export by a foreign country if—

20 (1) the commodity or mineral is likely to be in
21 surplus on world markets at the time the resulting
22 productive or extractive capacity is expected to be-
23 come operative; and

1 (2) the assistance will cause substantial injury
2 to United States producers of the same, similar, or
3 competing commodity or mineral.

4 (d) EXCEPTIONS.—The prohibition contained in sub-
5 section (c) shall not apply—

6 (1) if the President determines that—

7 (A) the benefits to industry and employ-
8 ment in the United States are likely to out-
9 weigh the injury to United States producers of
10 the same, similar, or competing commodity or
11 mineral; or

12 (B) the foreign country is a low-income
13 country for which production of the commodity
14 or extraction of the mineral would contribute
15 substantially to the reduction of poverty;

16 (2) to activities in a low-income country that
17 does not export on a consistent basis the commodity
18 or mineral with respect to which assistance is pro-
19 vided; or

20 (3) to activities in a country which the Presi-
21 dent determines is recovering from widespread con-
22 flict, a humanitarian crisis, or a complex emergency.

23 (e) NOTIFICATION.—The President shall notify the
24 appropriate congressional committees of a determination

1 under this section, in accordance with the procedures set
2 forth in section 9401.

3 (f) LOW-INCOME COUNTRY DEFINED.—In this sec-
4 tion, the term “low-income country” means a country that
5 is eligible for assistance from the International Develop-
6 ment Association but is not eligible for assistance from
7 the International Bank for Reconstruction and Develop-
8 ment.

9 **SEC. 11502. LOCAL PROCUREMENT.**

10 (a) LIMITED COMPETITION.—The Administrator is
11 authorized, using funds made available under title I, to
12 award contracts and other instruments in which competi-
13 tion is limited to local entities.

14 (b) AMOUNT OF AWARDS.—The authority provided in
15 subsection (a) may not be used to make awards in excess
16 of \$5,000,000.

17 (c) PROCUREMENTS.—The requirements of section
18 11501 and similar provisions of law relating to the pro-
19 curement of goods and services shall not apply to procure-
20 ments made under agreements entered into under the au-
21 thority of this section.

22 **SEC. 11503. UNITED STATES COMPETITIVENESS.**

23 In order to ensure maximum competition for con-
24 tracts receiving funding under this Act, the President shall
25 establish procedures to ensure that—

1 (1) all solicitations under this Act for contracts
2 over \$5,000,000, regardless of the location where the
3 contract is to be performed, are made publicly avail-
4 able on a single, centralized Internet website;

5 (2) in countries with nonconvertible or highly
6 unstable currencies—

7 (A) solicitations may be bid in United
8 States dollars; and

9 (B) contracts awarded to United States
10 firms may be paid in United States dollars;

11 (3) United States diplomatic and consular posts
12 assist United States firms in obtaining local licenses
13 and permits; and

14 (4) United States firms are not disadvantaged
15 during the solicitation and bid evaluation process.

16 **SEC. 11504. SMALL BUSINESS.**

17 (a) IN GENERAL.—Insofar as practicable and to the
18 maximum extent consistent with the accomplishment of
19 the purposes of this Act, the President shall assist United
20 States small business to participate equitably in the provi-
21 sion of commodities, articles, and services (including de-
22 fense articles and defense services) financed with funds
23 made available under this Act—

24 (1) by causing to be made available to suppliers
25 in the United States, and particularly to small inde-

1 pendent enterprises, information, as far in advance
2 as possible, with respect to purchases proposed to be
3 financed with such funds;

4 (2) by causing to be made available to prospec-
5 tive purchasers in partner countries information as
6 to such commodities, articles, and services produced
7 by small independent enterprises in the United
8 States; and

9 (3) by providing for additional services to give
10 small business better opportunities to participate in
11 the provision of such commodities, articles, and serv-
12 ices financed with such funds.

13 (b) OFFICE OF SMALL AND DISADVANTAGED BUSI-
14 NESS UTILIZATION.—There shall be an Office of Small
15 and Disadvantaged Business Utilization within the Agen-
16 cy, and similar offices within such other agencies as the
17 President may direct, to assist in carrying out the provi-
18 sions of subsection (a).

19 (c) DEPARTMENT OF DEFENSE PURCHASES.—The
20 Secretary of Defense shall ensure that there is made avail-
21 able to suppliers in the United States, and particularly
22 to small independent enterprises, information with respect
23 to purchases made by the Department of Defense pursu-
24 ant to title IV, such information to be furnished as far
25 in advance as possible.

1 **SEC. 11505. ALLOCATION OR TRANSFER OF FUNDS AND RE-**
2 **IMBURSEMENT AMONG AGENCIES.**

3 (a) **ALLOCATIONS OR TRANSFERS TO AGENCIES.—**

4 The President, or with respect to funds appropriated to
5 any Federal agency, the head of such agency, as the case
6 may be, may allocate or transfer to any Federal agency
7 any funds available for providing assistance under this
8 Act, including any advance to the United States Govern-
9 ment by any country or international organization for the
10 procurement of articles or services. Such funds shall be
11 available for obligation and expenditure for the purposes
12 for which authorized, in accordance with the authority
13 pursuant to which they were made available or the author-
14 ity governing the activities of the agency to which such
15 funds are allocated or transferred.

16 (b) **PROCUREMENT FROM OTHER AGENCIES.—**

17 (1) **AUTHORITY.—**Any officer of the United
18 States Government carrying out functions under this
19 Act may utilize any facility of, and may procure any
20 article or service from, any Federal agency as the
21 President shall direct, or with the consent of the
22 head of such agency.

23 (2) **SEPARATE ACCOUNT.—**Funds allocated pur-
24 suant to this subsection to any such agency may be
25 established in separate appropriation accounts on
26 the books of the Treasury of the United States.

1 (c) REIMBURSEMENT TO AGENCIES.—

2 (1) IN GENERAL.—In the case of any facility
3 utilized by, or any article or service procured from,
4 any Federal agency to carry out any provision of
5 this Act (except as otherwise specifically provided in
6 this Act), reimbursement or payment shall be made
7 to such agency from funds available to carry out
8 that provision.

9 (2) AMOUNT OF REIMBURSEMENT.—Such reim-
10 bursement or payment shall be at—

11 (A) replacement cost;

12 (B) if required by law, actual cost;

13 (C) in the case of defense articles procured
14 from the Department of Defense, value as de-
15 fined in section 4412, or, if required by law, ac-
16 tual costs;

17 (D) in the case of services procured from
18 the Department of Defense, the amount of the
19 additional costs incurred by the Department of
20 Defense in providing such services, or, if re-
21 quired by law, actual costs; or

22 (E) at any other cost agreed to by the
23 owning or disposing agency.

24 (3) CREDITING OF REIMBURSEMENT.—The
25 amount of any such reimbursement or payment shall

1 either be credited to current applicable appropria-
2 tions, funds, or accounts of such agency, to be avail-
3 able for the same purposes and for the same time
4 period as the appropriation, fund or account to
5 which transferred, or any such credited funds shall
6 remain available for such purposes until expended.

7 (d) REIMBURSEMENT TO THE DEPARTMENT OF DE-
8 FENSE.—Reimbursement or payment to the Department
9 of Defense under subsection (c) shall exclude salaries of
10 members of the United States Armed Forces (other than
11 the Coast Guard) and unfunded estimated costs of civilian
12 retirement and other benefits, unless otherwise required
13 by law.

14 (e) ESTABLISHMENT OF ACCOUNTS.—

15 (1) AUTHORITY TO ESTABLISH; USES.—In fur-
16 nishing assistance under this Act, accounts may be
17 established on the books of any Federal agency or,
18 on terms and conditions approved by the Secretary
19 of the Treasury, in banking institutions in the
20 United States—

21 (A) against which letters of commitment
22 may be issued which shall constitute recordable
23 obligations of the United States Government,
24 and moneys due or to become due under such
25 letters of commitment shall be assignable under

1 the last sentence of section 3727(b) and section
2 3727(c) of title 31, United States Code, and
3 paragraphs (5) and (6) of section 6305(b) of
4 title 41, United States Code; and

5 (B) from which disbursements may be
6 made to, or withdrawals may be made by, re-
7 cipient countries or agencies, organizations, or
8 persons upon presentation of contracts, in-
9 voices, or other appropriate documentation.

10 (2) ACCOUNTING FOR EXPENDITURES.—Ex-
11 penditure of funds that have been made available
12 through accounts established under paragraph (1)
13 shall be accounted for on standard documentation
14 required for expenditure of funds of the United
15 States Government.

16 (f) RESPONSIBILITY OF AGENCIES.—

17 (1) IN GENERAL.—The agency to which funds
18 are transferred or allocated pursuant to the author-
19 ity of subsection (a), or any comparable provision of
20 law, shall be the agency responsible for the manage-
21 ment and use of such funds.

22 (2) AUDIT.—Any agreement for the transfer or
23 allocation of such funds shall expressly provide that
24 the Office of the Inspector General for the agency
25 receiving the transfer or allocation shall perform

1 periodic program and financial audits of the use of
2 those funds. Funds transferred or allocated pursu-
3 ant to subsection (a) may be used for the cost of
4 such audits.

5 **SEC. 11506. RETENTION AND USE OF CERTAIN ITEMS AND**
6 **FUNDS.**

7 (a) RETENTION AND USE OF CERTAIN ARTICLES.—

8 (1) AUTHORITY TO RETAIN, TRANSFER, AND
9 USE.—Any articles procured to carry out this Act
10 shall be retained by, or (upon reimbursement) trans-
11 ferred to and for the use of, such Federal agency as
12 the President deems appropriate in lieu of being dis-
13 posed of to a foreign country or international organi-
14 zation, whenever in the judgment of the President
15 the best interests of the United States will be served
16 thereby.

17 (2) LAWS GOVERNING DISPOSAL OF GOVERN-
18 MENT PROPERTY.—Any articles so retained may be
19 disposed of without regard to provisions of law relat-
20 ing to the disposal of property owned by the United
21 States Government, when necessary to prevent spoil-
22 age or wastage of such articles or to conserve their
23 usefulness.

24 (3) PROCEEDS CREDITED TO APPROPRIA-
25 TIONS.—Funds realized from any disposal or trans-

1 fer of any articles shall revert to the respective ap-
2 propriation, fund, or account used to procure such
3 articles or to the appropriation, fund, or account
4 currently available for the same general purpose,
5 and shall remain available until expended.

6 (b) ARTICLES RECEIVED AS PAYMENT.—Whenever
7 articles are transferred to the United States Government
8 as repayment of assistance under this Act or the Foreign
9 Assistance Act of 1961 (as in effect on the day before the
10 date of the enactment of this Act), such articles may be
11 used in furtherance of the purposes and within the limita-
12 tions of this Act.

13 (c) FAILED TRANSACTIONS.—Funds realized as a re-
14 sult of any failure of a transaction financed under this
15 Act to conform to the requirements of this Act, to applica-
16 ble rules and regulations of the United States Govern-
17 ment, or to the terms of any agreement or contract en-
18 tered into under this Act, shall revert to the respective
19 appropriation, fund, or account used to finance such
20 transaction or to the appropriation, fund, or account cur-
21 rently available for the same general purpose.

22 (d) DISPOSAL OF DEFENSE ARTICLES.—Funds real-
23 ized by the United States Government from the sale,
24 transfer, or disposal of defense articles furnished under
25 chapter 2 of part II of the Foreign Assistance Act of 1961

1 (as in effect on the day before the date of the enactment
2 of this Act), and no longer needed for the purposes for
3 which furnished, shall be credited to the respective appro-
4 priation, fund, or account currently available for the same
5 general purpose.

6 **SEC. 11507. FOREIGN AND DOMESTIC EXCESS PROPERTY.**

7 (a) **POLICY REGARDING USE OF EXCESS AND OTHER**
8 **AVAILABLE PROPERTY.**—In furnishing assistance under
9 this Act—

10 (1) excess personal property, or

11 (2) if a substantial savings would occur, other
12 property already owned by a Federal agency,
13 may be utilized wherever practicable in lieu of or supple-
14 mentary to the procurement of new items for United
15 States-assisted projects and programs.

16 (b) **AUTHORITY TO USE CERTAIN PROPERTY FOR**
17 **ASSISTANCE PURPOSES.**—The President is authorized to
18 use funds made available under this Act to acquire—

19 (1) property classified as domestic or foreign
20 excess pursuant to the Federal Property and Admin-
21 istrative Services Act of 1949 (40 U.S.C. 471 and
22 following),

23 (2) any property available from a Federal agen-
24 cy, or

25 (3) other property,

1 for use of such property as assistance in furtherance of
2 the purposes of this Act. Property acquired pursuant to
3 this section may be furnished pursuant to any provision
4 of this Act for which funds are authorized for the fur-
5 nishing of assistance, and shall be subject to the same con-
6 ditions and restrictions that apply to funds so authorized.

7 (c) SEPARATE ACCOUNT.—

8 (1) IN GENERAL.—The President is authorized
9 for purposes described in subsection (b) to maintain
10 in a separate account funds made available under
11 this Act, free from fiscal year limitations (notwith-
12 standing section 1535(d) of title 31, United States
13 Code) to pay costs (including personnel costs) of ac-
14 quisition and storage (including in advance of known
15 requirements), renovation and rehabilitation, pack-
16 ing, crating, handling, transportation, and related
17 costs of handling and providing such property as as-
18 sistance.

19 (2) REPAYMENT.—The separate account estab-
20 lished pursuant to this section may be repaid from
21 funds made available pursuant to any provision of
22 this Act for which funds are authorized for the fur-
23 nishing of assistance for all costs incurred.

24 (d) CONDITIONS ON USE OF EXCESS PROPERTY.—

1 (1) LIMITATION.—Government-owned excess
2 property may not be made available for use under
3 this Act unless approval is given and a determina-
4 tion is made in accordance with paragraph (2)—

5 (A) before the shipment of such property
6 for use in a specified country; or

7 (B) if the property is already in such coun-
8 try, before the transfer of the property.

9 (2) DETERMINATION.—A shipment or transfer
10 subject to paragraph (1) may take place only after
11 the President approves the shipment or transfer and
12 makes a written determination—

13 (A) that there is a need for such property
14 in the quantity requested and that such prop-
15 erty is suitable for the purpose requested;

16 (B) that the designated end-user has
17 agreed to use and maintain such property effec-
18 tively, and has the ability to do so; and

19 (C) that the residual value, serviceability,
20 and appearance of such property would not re-
21 flect unfavorably on the image of the United
22 States and would justify the costs of packing,
23 crating, handling, transportation, and other ac-
24 cessorial costs, and that the residual value at
25 least equals the total of these costs.

1 (e) NONAPPLICABILITY TO DEPARTMENT OF DE-
2 FENSE.—This section shall not apply—

3 (1) with respect to excess defense articles; and

4 (2) with respect to funds made available for as-
5 sistance under this Act that is administered through
6 the Department of Defense.

7 **SEC. 11508. OCEAN FREIGHT DIFFERENTIAL.**

8 (a) SHIPPING DIFFERENTIAL.—For purposes of fa-
9 cilitating implementation of section 901(b) of the Mer-
10 chant Marine Act, 1936 (46 U.S.C. app. 1241(b)), funds
11 made available for the purposes of this Act may be used
12 to pay for all or any portion of the differential between
13 United States and foreign-flag vessel charter or freight
14 rates.

15 (b) DETERMINATIONS.—The amount of the differen-
16 tial between United States and foreign-flag vessel charter
17 or freight rates shall be determined by the Secretary of
18 Transportation, or in the case of food assistance, by the
19 Secretary of Transportation in consultation with the Sec-
20 retary of Agriculture and the Administrator.

21 (c) USE OF FOREIGN CURRENCIES.—Payments
22 under this section shall be made in United States-owned
23 foreign currencies wherever feasible.

24 (d) CERTAIN LAWS NOT APPLICABLE.—The ocean
25 transportation between foreign countries of commodities

1 purchased with foreign currencies made available or de-
2 rived from funds made available under this Act or the Ag-
3 ricultural Trade Development and Assistance Act of 1954
4 (7 U.S.C. 1691 and following), or any predecessor Acts,
5 and transfers of fresh fruit and fresh fruit products under
6 this Act, shall not be governed by section 901(b) of the
7 Merchant Marine Act, 1936 (46 U.S.C. app. 1241(b)), or
8 any other law relating to the ocean transportation of com-
9 modities on United States flag vessels.

10 **SEC. 11509. USE OF AIRCRAFT FOR ADDITIONAL PURPOSES.**

11 (a) TRANSFER AUTHORITY.—

12 (1) IN GENERAL.—Aircraft procured for nar-
13 cotics control purposes with funds made available
14 under this Act, the Foreign Assistance Act of 1961
15 (as in effect on the day before the date of the enact-
16 ment of this Act), or any Act making appropriations
17 for the Department of State, foreign operations, and
18 related programs, may be used for any other pro-
19 gram, country or region, including for the transpor-
20 tation of Civilian Response Corps personnel and
21 equipment during a deployment.

22 (2) RULE OF CONSTRUCTION.—The authority
23 of paragraph (1) may be exercised notwithstanding
24 section 5207 or any other provision of law pre-

1 including the use of aircraft described in paragraph
2 (1).

3 (b) DETERMINATION REQUIRED.—The authority
4 provided in subsection (a) may be exercised only if the
5 Secretary determines that—

6 (1) the such aircraft is no longer required to
7 meet programmatic purposes in the originally des-
8 ignated program, country, or region, or

9 (2) there is an emergency need for such aircraft
10 in another program, country or region.

11 (c) NOTIFICATION.—The appropriate congressional
12 committees shall be notified—

13 (1) of a determination under subsection (b);
14 and

15 (2) prior to a transfer under subsection (a).

16 (d) AIRCRAFT COORDINATION AND USE.—

17 (1) IN GENERAL.—Aircraft purchased or leased
18 by the Department of State or the United States
19 Agency for International Development under this
20 Act, the Foreign Assistance Act of 1961 (as in effect
21 on the day before the date of the enactment of this
22 Act), or any Act making appropriations for the De-
23 partment of State, foreign operations, and related
24 programs shall be—

1 (A) coordinated by the relevant Chief of
2 Mission;

3 (B) made available for the transportation
4 of personnel supporting the programs and ac-
5 tivities of the Department of State or the
6 United States Agency for International Devel-
7 opment, as the case may be; and

8 (C) made available for official travel for
9 other agencies for other purposes on a reim-
10 bursable basis, or without reimbursement when
11 traveling on a space-available basis.

12 (2) RULE OF CONSTRUCTION.—The authority
13 of paragraph (1) may be exercised notwithstanding
14 section 5207 or any other provision of law pre-
15 cluding the use of aircraft described in paragraph
16 (1).

17 **SEC. 11510. STREAMLINING AND REVIEW OF PROCURE-**
18 **MENT PROCESS.**

19 (a) STREAMLINING PROCEDURES.—To streamline
20 the process for making awards, the Administrator
21 should—

22 (1) create simplified solicitations, structured
23 scopes of work, standardized proposals and assist-
24 ance templates, and joint funding models under

1 which multiple offices and agencies can fund inte-
2 grated programs;

3 (2) consider pre-qualification short-lists to re-
4 duce award time;

5 (3) improve training for contracting and pro-
6 curement personnel;

7 (4) increase transparency on anticipated activi-
8 ties;

9 (5) improve consultation with the public and
10 with private partners; and

11 (6) establish an office to advocate on behalf of
12 small nongovernmental organizations.

13 (b) ACQUISITIONS AND ASSISTANCE.—To ensure the
14 appropriate balance and use of acquisitions and assistance
15 instruments, the Administrator shall—

16 (1) issue a policy and guidelines regarding the
17 use and application of each type of instrument, in-
18 cluding the responsibility of personnel of the Agency
19 with respect to the administration of each type of in-
20 strument;

21 (2) make such guidelines public;

22 (3) ensure that Agency personnel receive ade-
23 quate training on the use and application of each
24 type of instrument; and

1 (4) review and update, as necessary, such policy
2 and guidelines in light of recommendations received
3 by the committee established under subsection (c).

4 (c) OPERATIONAL ISSUES REVIEW COMMITTEE.—

5 The Administrator should convene an Advisory Com-
6 mittee, pursuant to the Federal Advisory Committee Act,
7 to—

8 (1) assist in updating Agency procedures and
9 regulations to improve speed, transparency, and rel-
10 evance;

11 (2) review the procedures, policy and guidelines
12 developed under subsections (a) and (b); and

13 (3) provide advice and guidance on other oper-
14 ational issues, as appropriate.

15 (d) HARMONIZATION OF PROCUREMENT RULES.—

16 The Administrator shall convene a working group, incor-
17 porating representatives of all Federal agencies carrying
18 out activities under title I, to harmonize rules, regulations,
19 policies and practices regarding procurement.

20 (e) RULEMAKING PROCEDURES.—The Administrator

21 shall apply the same rulemaking procedures to policies re-
22 garding assistance instruments as are applied to policies
23 regarding acquisition instruments, and shall ensure that
24 all such procedures are carried out in compliance with sec-
25 tion 533 of title 5, United States Code.

1 **SEC. 11511. OVERSEAS PROCUREMENT FLEXIBILITY.**

2 Section 3 of the State Department Basic Authorities
3 Act of 1956 (22 U.S.C. 2670) is amended by—

4 (1) in subsection (l), by striking “and” at the
5 end;

6 (2) in subsection (m), by striking the period at
7 the end and inserting “; and”; and

8 (3) by adding at the end the following new sub-
9 section:

10 “(n) make and carry out contracts for procurement
11 outside the United States of goods or services needed for
12 the operation of United States diplomatic and consular
13 posts and related facilities outside the United States, pro-
14 vided that—

15 “(1) laws of the United States relating to the
16 negotiation, making, contents or performance of gov-
17 ernment contracts for goods or services, and advance
18 payments and indemnification in relation to such
19 contracts shall apply with respect to such contracts
20 except to the extent that the Secretary determines
21 (other than for purposes of chapter 21 of title 41,
22 United States Code) that the Secretary could not
23 reasonably meet the need of a post or facility for
24 such goods and services by use of authority available
25 to the Secretary under a law under this subsection;

26 “(2) the Secretary shall—

1 “(A) issue guidance addressing use of this
2 authority; and

3 “(B) require written approval to waive spe-
4 cific laws or procurement regulations under this
5 authority by the Procurement Executive (with-
6 out further delegation); and

7 “(3) no individual contract action entered into
8 under this authority shall exceed \$2,000,000 unless
9 approved in writing by the Chief Acquisition Officer
10 of the Department (without further delegation).”.

11 **SEC. 11512. LOCAL GUARD CONTRACTS ABROAD.**

12 Section 136(c)(3) of the Foreign Relations Author-
13 ization Act, Fiscal Years 1990 and 1991 (22 U.S.C.
14 4864(c)(3)) is amended to read as follows:

15 “(3) in evaluating proposals for such contracts,
16 award contracts to technically acceptable firms offer-
17 ing the lowest evaluated price, except that—

18 “(A) the Secretary may grant authoriza-
19 tion to award contracts on the basis of best
20 value as determined by a cost-technical tradeoff
21 analysis; and

22 “(B) proposals received from United
23 States persons and qualified United States joint
24 venture persons (as defined in subsection (d) of

1 this section) shall be evaluated by reducing the
2 bid price by 10 percent.”.

3 **SEC. 11513. AUTHORITY TO PAY TRANSPORTATION COSTS.**

4 (a) IN GENERAL.—In order to further the efficient
5 use of United States voluntary contributions for alle-
6 viating human suffering, the Administrator is authorized
7 to use funds made available for the purposes of title I to
8 pay transportation charges on shipments of humanitarian
9 goods by United States private and voluntary organiza-
10 tions.

11 (b) REIMBURSEMENTS.—Reimbursement under this
12 section may be provided for transportation charges on
13 shipments from United States ports, or in the case of ex-
14 cess or surplus property supplied by the United States
15 from foreign ports, to ports of entry abroad or to points
16 of entry abroad in cases—

17 (1) of landlocked countries;

18 (2) where ports cannot be used effectively be-
19 cause of natural or other disturbances;

20 (3) where carriers to a specified country are un-
21 available; or

22 (4) where a substantial savings in costs or time
23 can be effected by the utilization of points of entry
24 other than ports.

1 (c) DEFRAIVING TRANSPORTATION COSTS.—Where
2 practicable, the President shall make arrangements with
3 the receiving country for free entry of such shipments and
4 for the making available by the country of local currencies
5 for the purpose of defraying the transportation costs of
6 such shipments from the port or point of entry of the re-
7 ceiving country to the designated shipping point of the
8 consignee.

9 **CHAPTER 4—USE OF FOREIGN**
10 **CURRENCIES**

11 **SEC. 11601. SEPARATE ACCOUNTS FOR LOCAL CUR-**
12 **RENCIES.**

13 (a) IN GENERAL.—The Administrator shall require
14 that any local currencies generated as a result of agree-
15 ments with a foreign government regarding the use of eco-
16 nomic assistance or development assistance are deposited
17 in a separate account established by that government.

18 (b) AGREEMENTS.—A separate account under sub-
19 section (a) shall be established pursuant to an agreement
20 between the United States Agency for International Devel-
21 opment and the foreign government which sets forth—

22 (1) the amount of the local currencies to be
23 generated;

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

4 (3) the responsibilities of the Agency and the
5 foreign government to monitor and account for de-
6 posits into and disbursements from the separate ac-
7 count.

8 (c) USES OF LOCAL CURRENCIES.—Local currencies
9 deposited in a separate account pursuant to subsection
10 (a), or an equivalent amount of local currencies, shall be
11 used only—

12 (1) to further the goals and objectives of title
13 I; or

14 (2) for the administrative requirements of the
15 United States Government.

16 (d) TERMINATION OF ASSISTANCE PROGRAMS.—
17 Upon termination of economic assistance to a country, any
18 unencumbered balances of funds which remain in a sepa-
19 rate account established pursuant to subsection (a) shall
20 be disposed of for such purposes as may be agreed to by
21 the government of that country and the United States
22 Government.

23 (e) REPORTING REQUIREMENT.—The Administrator
24 shall include in the annual congressional budget justifica-
25 tion documents submitted pursuant to section 9302 a re-

1 port on the amounts and uses of local currency (and
2 United States dollar equivalent) in each applicable coun-
3 try.

4 **SEC. 11602. USE OF CERTAIN FOREIGN CURRENCIES.**

5 (a) AUTHORITY TO USE FOREIGN CURRENCIES FOR
6 ASSISTANCE PROGRAMS.—Except as otherwise provided
7 in this Act or other provisions of law, foreign currencies
8 described in subsection (b) that are owned by the United
9 States Government are authorized to be appropriated for
10 use in providing assistance under this Act.

11 (b) FOREIGN CURRENCIES THAT MAY BE USED FOR
12 ASSISTANCE.—The foreign currencies that may be used
13 under subsection (a) are any foreign currencies received
14 as a result of the furnishing of assistance under this Act
15 (or any predecessor Acts authorizing non-military assist-
16 ance), other than assistance administered through the De-
17 partment of Defense, that are in excess of—

18 (1) the amounts reserved under authority of
19 section 105(d) of the Mutual Educational and Cul-
20 tural Exchange Act of 1961 or any other Act relat-
21 ing to educational and cultural exchanges; and

22 (2) the amounts required for payment by the
23 agencies of the United States Government of their
24 obligations outside the United States, as such re-

1 requirements may be established from time to time by
2 the President.

3 (c) PAYMENT OF OBLIGATIONS OF GOVERNMENT
4 AGENCIES.—Foreign currencies described in subsection
5 (b) that are in excess of the amounts described in para-
6 graph (1) of that subsection may be sold by the Secretary
7 of the Treasury to agencies of the United States Govern-
8 ment for payment of their obligations outside the United
9 States.

10 (d) USE OF FOREIGN CURRENCIES NOT OWNED BY
11 THE UNITED STATES GOVERNMENT.—With the concur-
12 rence of the relevant inspector general, the use of foreign
13 currencies that accrue or are otherwise available as a re-
14 sult of assistance provided under this Act (including pred-
15 ecessor Acts) that are not owned by the United States
16 Government, shall be the responsibility of the government
17 owning such currencies to audit.

18 **SEC. 11603. ACCOUNTING AND VALUATION OF FOREIGN**
19 **CURRENCIES.**

20 (a) RESPONSIBILITY OF SECRETARY OF THE TREAS-
21 URY.—Under the direction of the President, the Secretary
22 of the Treasury shall have responsibility for valuation and
23 central accounting with respect to foreign credits (includ-
24 ing currencies) owed to or owned by the United States.
25 In order to carry out such responsibility, the Secretary

1 shall issue regulations binding upon all agencies of the
2 United States Government.

3 (b) SOLE AUTHORITY.—The Secretary of the Treas-
4 ury shall have sole authority to establish for all foreign
5 currencies or credits the exchange rates at which such cur-
6 rencies are to be reported by all agencies of the Govern-
7 ment.

8 **Subtitle C—Human Resources**

9 **CHAPTER 1—PERSONNEL AND BENEFITS**

10 **SEC. 11701. EMPLOYMENT OF PERSONNEL.**

11 (a) AUTHORITY.—Any Federal agency or Federal of-
12 ficer carrying out functions under this Act is authorized
13 to employ such Federal personnel as the President deems
14 necessary to carry out the provisions and purposes of this
15 Act.

16 (b) ASSISTANCE FUNCTIONS IN THE UNITED
17 STATES.—

18 (1) APPOINTMENTS AND REMOVAL WITHOUT
19 REGARD TO CERTAIN CIVIL SERVICE LAWS.—Not
20 more than 110 employees of the United States
21 Agency for International Development in the United
22 States may be appointed or removed without regard
23 to the provisions of title 5, United States Code, gov-
24 erning appointments in the competitive service, and
25 may be compensated without regard to the provi-

1 sions of chapter 51 or subchapter III of chapter 53
2 of such title, subject to paragraph (2) of this sub-
3 section.

4 (2) COMPENSATION.—Of the employees ap-
5 pointed under paragraph (1), 51 may be com-
6 pensated at rates higher than those payable for GS-
7 15 of the General Schedule under section 5332 of
8 title 5, United States Code, but not in excess of the
9 highest rate payable under section 5376 of such
10 title.

11 (3) REINSTATEMENT RIGHTS.—Under such
12 regulations as the President may prescribe, any indi-
13 vidual employed under paragraph (1) may be enti-
14 tled, upon removal (except for cause) from the posi-
15 tion to which the appointment was made, to rein-
16 statement to the position occupied by that individual
17 at the time of appointment or to a position of com-
18 parable grade and pay.

19 (c) DEPARTMENT OF DEFENSE FUNCTIONS IN THE
20 UNITED STATES.—Of the personnel employed in the
21 United States by the Department of Defense to carry out
22 this Act not to exceed 8 may be compensated at rates
23 higher than those payable for GS-15 of the General
24 Schedule under section 5332 of title 5, United States
25 Code, but not in excess of the highest rate payable under

1 section 5376 of such title. Such positions shall be in addi-
2 tion to those authorized by law to be filled by Presidential
3 appointment, and in addition to the number authorized
4 by section 5108 of title 5, United States Code.

5 (d) PERFORMANCE OF FUNCTIONS OUTSIDE THE
6 UNITED STATES.—

7 (1) AUTHORITY TO EMPLOY OR ASSIGN.—For
8 the purpose of performing functions under this Act
9 outside the United States, the President may—

10 (A) employ or assign individuals; or

11 (B) authorize the employment or assign-
12 ment of Federal employees that are not author-
13 ized to utilize the Foreign Service personnel
14 system.

15 (2) COMPENSATION.—Individuals employed or
16 assigned under paragraph (1) shall receive com-
17 pensation at any of the rates provided for under sec-
18 tion 402 or section 403 of the Foreign Service Act
19 of 1980, or under chapter 53 of title 5, United
20 States Code, or at any other rate authorized by law,
21 together with allowances and benefits under the For-
22 eign Service Act of 1980.

23 (3) REEMPLOYMENT RIGHTS.—Individuals so
24 employed or assigned shall be entitled to the same
25 benefits as are provided by section 310 of the For-

1 eign Service Act of 1980 for individuals appointed to
2 the Foreign Service, except to the extent that the
3 President may specify otherwise in cases in which
4 the period of employment or assignment exceeds 30
5 months.

6 **SEC. 11702. EXPERTS AND CONSULTANTS.**

7 (a) **AUTHORITY TO EMPLOY.**—Experts and consult-
8 ants or organizations thereof may, in accordance with sec-
9 tion 3109 of title 5, United States Code, be employed for
10 the performance of functions under this Act.

11 (b) **RATES OF COMPENSATION.**—Individuals em-
12 ployed under the authority of subsection (a) may be com-
13 pensated at rates not in excess of the daily equivalent of
14 the highest rate payable under section 5332 of title 5,
15 United States Code, and while away from their homes or
16 regular places of business, they may be paid actual travel
17 expenses and per diem in lieu of subsistence at rates not
18 in excess of those prescribed by the standardized Govern-
19 ment travel regulations.

20 (c) **MANDATORY RETIREMENT AGE NOT APPLICA-**
21 **BLE.**—The service of an individual as an expert or consult-
22 ant under subsection (a) shall not be considered to be em-
23 ployment or holding of office or position for purposes of
24 applying the provisions of section 3323(a) of title 5,
25 United States Code, to the individual.

1 (d) EMPLOYMENT OF CERTAIN PERSONS WITHOUT
2 COMPENSATION.—Persons of outstanding experience and
3 ability may be employed without compensation by any
4 Federal agency for the performance of functions under
5 this Act in accordance with the provisions of section
6 710(b) of the Defense Production Act of 1950 (50 U.S.C.
7 App. 2160(b)), and regulations issued thereunder.

8 **SEC. 11703. PROHIBITION OF DISCRIMINATION AGAINST**
9 **FEDERAL PERSONNEL.**

10 (a) ASSIGNMENT OF PERSONNEL.—

11 (1) IN GENERAL.—The President shall not take
12 into account, in assigning Federal personnel to carry
13 out the provisions of this Act, the individual's race,
14 sex, religion, national origin, sexual orientation, or
15 gender identity. Such assignments shall be made
16 solely on the basis of ability and relevant experience.

17 (2) PROHIBITION ON CONSIDERATION OF EX-
18 CLUSIONARY POLICIES OR PRACTICES.—No agency
19 performing functions under this Act shall, in em-
20 ploying or assigning Federal personnel to participate
21 in the performance of any such function, whether in
22 the United States or abroad, take into account the
23 exclusionary policies or practices of any foreign gov-
24 ernment where such policies or practices are based

1 upon race, sex, religion, national origin, sexual ori-
2 entation or gender identity.

3 (3) CONTRACTS.—Each contract entered into
4 by any such agency for the performance of any func-
5 tion under this Act shall contain a provision to the
6 effect that no person, partnership, corporation, or
7 other entity performing functions pursuant to such
8 contract, shall, in employing or assigning personnel
9 to participate in the performance of any such func-
10 tion, whether in the United States or abroad, take
11 into account the exclusionary policies or practices of
12 any foreign government where such policies or prac-
13 tices are based upon race, sex, religion, national ori-
14 gin, sexual orientation, or gender identity.

15 (b) EXCLUSION BY FOREIGN COUNTRIES.—Except
16 as provided in subsection (c), no assistance may be pro-
17 vided under this Act to any government or organization
18 that excludes, as a matter of law, regulation, policy or
19 practice, any United States person (as defined in section
20 7701(a)(30) of the Internal Revenue Code of 1986) from
21 participating in the furnishing of assistance under this Act
22 on the basis of sex, race, religion, national origin, sexual
23 orientation or gender identity.

1 (c) EXCEPTION.—The President may provide assist-
2 ance notwithstanding the prohibition in subsection (b) if
3 the President—

4 (1) determines that, notwithstanding such ex-
5 clusion,—

6 (A) extraordinary circumstances exist
7 which necessitate the provision of such assist-
8 ance; and

9 (B) it is in the national interest of the
10 United States to provide such assistance; and

11 (2) transmits to the appropriate congressional
12 committees, prior to providing such assistance, a re-
13 port detailing—

14 (A) the facts and circumstances of such ex-
15 clusion;

16 (B) the response thereto on the part of the
17 United States Government or any agency or
18 personnel thereof;

19 (C) the result of such response, if any;

20 (D) the extraordinary circumstances which
21 necessitate the provision of such assistance; and

22 (E) the nature and amount of the assist-
23 ance to be provided notwithstanding such exclu-
24 sion.

1 **SEC. 11704. FOREIGN SERVICE LIMITED APPOINTMENTS.**

2 (a) **AUTHORITY TO HIRE AND EMPLOY.**—The Ad-
3 ministrator is authorized to hire and employ up to 200
4 individuals in the United States and overseas on a limited
5 appointment basis pursuant to the authority of sections
6 308 and 309 of the Foreign Service Act of 1980.

7 (b) **CONDITIONS.**—The authority of subsection (a)
8 may only be used to the extent that an equivalent number
9 of positions that are filled by personal services contractors
10 or other nondirect hire personnel of the United States
11 Agency for International Development are eliminated.

12 (c) **PRIORITY SECTORS.**—In exercising the authority
13 of this section, primary emphasis shall be placed on ena-
14 bling the United States Agency for International Develop-
15 ment to meet personnel needs in technical skill areas cur-
16 rently encumbered by personal services contractors or
17 other non-direct hire personnel.

18 (d) **EXTENSIONS.**—Individuals hired and employed
19 by the United States Agency for International Develop-
20 ment pursuant to the authority of section 309 of the For-
21 eign Service Act of 1980 may be extended for a period
22 of up to 4 years notwithstanding the limitation set forth
23 in such section.

24 **SEC. 11705. TECHNICAL ADVISORS.**

25 The Administrator is authorized to use funds made
26 available to carry out title I to reimburse Federal agencies,

1 agencies of State governments, institutions of higher edu-
2 cation, and private and voluntary organizations for the full
3 cost of individuals (including for the personal services of
4 such individuals) detailed or assigned to, or contracted by,
5 as the case may be, the United States Agency for Inter-
6 national Development for the purpose of carrying out this
7 Act.

8 **SEC. 11706. PERSONAL SERVICES CONTRACTORS FOR**
9 **USAID.**

10 (a) EMPLOYMENT OUTSIDE THE UNITED STATES.—
11 The Administrator is authorized to employ personal serv-
12 ices contractors outside the United States to carry out the
13 purposes of this Act.

14 (b) EMPLOYMENT IN THE UNITED STATES.—The
15 Administrator is authorized to employ up to 40 personal
16 services contractors in the United States, notwithstanding
17 any other provision of law, for the purpose of providing
18 direct, interim support for new or expanded overseas pro-
19 grams and activities managed by the United States Agen-
20 cy for International Development until permanent direct
21 hire personnel are hired and trained.

22 (c) CONSIDERED AS OPERATING EXPENSES.—The
23 salaries and expenses of individuals hired under the au-
24 thority of subsection (b) shall be considered as operating
25 expenses of the United States Agency for International

1 Development and subject to the limitations of section
2 11301, except that the Administrator may use funds made
3 available to carry out title II of the Agricultural Trade
4 Development and Assistance Act of 1954 for personal
5 services contractors assigned to the Office of Food for
6 Peace.

7 (d) NOT REGARDED AS FEDERAL EMPLOYEES.—In-
8 dividuals hired under the authority of this section shall
9 not be regarded as Federal employees for the purpose of
10 any law administered by the Office of Personnel Manage-
11 ment.

12 **SEC. 11707. PERSONAL SERVICES CONTRACTORS FOR THE**
13 **DEPARTMENT OF STATE.**

14 (a) IN GENERAL.—In addition to other authorities
15 that may be available, the Secretary of State may establish
16 a pilot program (in this section referred to as the “pro-
17 gram”) for the purpose of hiring United States citizens
18 or aliens as personal services contractors, for service in
19 the United States, or for service both in the United States
20 and abroad, to respond to new or emerging needs or to
21 augment current services.

22 (b) CONDITIONS.—The Secretary is authorized to use
23 the authority of subsection (a), subject to the following
24 conditions:

1 (1) The Secretary determines that existing per-
2 sonnel resources are insufficient.

3 (2) The contract length, including options, may
4 not exceed 2 years, unless the Secretary makes a
5 finding that exceptional circumstances justify an ex-
6 tension of up to one additional year.

7 (3) Not more than a total of 200 United States
8 citizens or aliens are employed at any one time as
9 personal services contractors under this section.

10 (4) This authority may only be used to obtain
11 specialized skills or experience or to respond to ur-
12 gent needs.

13 (c) STATUS OF PERSONAL SERVICE CONTRAC-
14 TORS.—

15 (1) IN GENERAL.—An individual hired as a per-
16 sonal service contractor pursuant to this section
17 shall not, by virtue of such hiring, be considered to
18 be an employee of the United States Government for
19 purposes of any law administered by the Office of
20 Personnel Management.

21 (2) APPLICABLE LAWS.—An individual hired as
22 a personal service contractor pursuant to this section
23 shall be covered, in the same manner as a similarly
24 situated employee, by—

25 (A) the Ethics in Government Act of 1978;

1 (B) chapter 21 of title 41, United States
2 Code; and

3 (C) chapter 73 of title 5, sections 201,
4 203, 205, 207, 208, and 209 of title 18, and
5 section 1346 and chapter 171 of title 28,
6 United States Code.

7 (3) EXCEPTION.—This subsection shall not af-
8 fect the determination as to whether an individual
9 hired as a personal service contractor pursuant to
10 this section is an employee of the United States Gov-
11 ernment for purposes of any Federal law not speci-
12 fied in paragraphs (1) and (2).

13 (d) TERMINATION OF AUTHORITY.—The authority to
14 award personal services contracts under the program au-
15 thorized by this section shall terminate on September 30,
16 2014. A contract entered into prior to the termination
17 date under this subsection may remain in effect until expi-
18 ration.

19 **SEC. 11708. HIRING AUTHORITY OF INSPECTOR GENERAL**
20 **OF THE UNITED STATES AGENCY FOR INTER-**
21 **NATIONAL DEVELOPMENT.**

22 (a) IN GENERAL.—Subject to the requirements and
23 limitations of this section, the Inspector General of the
24 United States Agency for International Development is

1 authorized to employ personal services contractors outside
2 the United States.

3 (b) NUMBER.—The number of contractors hired
4 under the authority of subsection (a) may not exceed 5
5 percent of the total authorized workforce of the Office of
6 the Inspector General.

7 (c) CONTRACT LENGTH.—A contractor hired under
8 the authority of subsection (a) shall have a contract period
9 of not longer than 2 years, unless the Inspector General
10 determines, on a case-by-case basis, that exceptional cir-
11 cumstances justify the extension of a contract for up to
12 1 additional year.

13 (d) CERTIFICATION.—The authority provided in sub-
14 section (a) may be exercised only if the Inspector General
15 determines that it is impractical to recruit a sufficient
16 number of direct-hire employees to perform necessary
17 overseas work, and reports such determination to the ap-
18 propriate congressional committees, along with the rea-
19 sons such recruitment is impractical.

20 (e) STATUS OF EMPLOYMENT.—Individuals employed
21 under the authority of this section shall not be considered
22 Federal employees for purposes of the Foreign Service Act
23 of 1980 or any law administered by the Office of Per-
24 sonnel Management.

1 **SEC. 11709. PUBLIC AVAILABILITY OF CONSULTING CON-**
2 **TRACTS.**

3 Any contract for consulting services issued with funds
4 made available under this Act shall be a matter of public
5 record and subject to public inspection, unless otherwise
6 specifically provided under law.

7 **SEC. 11710. SENIOR FOREIGN SERVICE REQUIREMENT.**

8 Section 305 of the Foreign Service Act of 1980 (22
9 U.S.C. 3945) is amended by adding at the end the fol-
10 lowing:

11 “(e) REQUIREMENT.—Beginning 3 years from the
12 date of enactment of this subsection, a Foreign Service
13 Officer may not be promoted into the Senior Foreign Serv-
14 ice of the Department of State or the United States Agen-
15 cy for International Development without having served
16 at least one domestic rotation in a bureau or office that
17 does not have a regional jurisdiction.”.

18 **SEC. 11711. PAY PARITY FOR CRIMINAL INVESTIGATORS.**

19 Section 5541(2)(C)(xiv) of title 5, United State Code,
20 is amended to read as follows:

21 “(xiv) a Foreign Service officer, ex-
22 cept that a Foreign Service officer serving
23 as a criminal investigator in the Office of
24 the Inspector General of the United States
25 Agency for International Development
26 shall be eligible for and receive availability

1 pay on the same terms as a criminal inves-
2 tigator under section 5545a.”.

3 **CHAPTER 2—DETAILS, FELLOWSHIPS,**
4 **AND EXCHANGES**

5 **SEC. 11801. DETAILS TO FOREIGN GOVERNMENTS AND**
6 **INTERNATIONAL ORGANIZATIONS.**

7 (a) DETAILS TO FOREIGN GOVERNMENTS.—When
8 consistent with and in furtherance of the purposes of this
9 Act, the head of any Federal agency is authorized to detail
10 any Federal employee of that agency to any office or posi-
11 tion with any foreign government or foreign government
12 agency, where acceptance of such office or position does
13 not involve the taking of an oath of allegiance to another
14 government or acceptance of compensation or other bene-
15 fits from any foreign country by such employee.

16 (b) DETAILS TO INTERNATIONAL ORGANIZATIONS.—
17 When consistent with and in furtherance of the purposes
18 of this Act, the head of any Federal agency is authorized
19 to detail to any international organization or arrangement,
20 any Federal employee of that agency to serve with, or as
21 a member of, the international staff of such organization,
22 or to render any technical, scientific, or professional advice
23 or service to, or in cooperation with, such organization.

24 (c) STATUS OF FEDERAL EMPLOYEES DETAILED.—

1 (1) RETENTION OF BENEFITS.—Any Federal
2 employee, while detailed under this section—

3 (A) shall be considered a Federal employee
4 and of the Federal agency from which detailed
5 for the purpose of preserving his or her allow-
6 ances, privileges, rights, seniority, and other
7 benefits as such; and

8 (B) shall continue to receive compensation,
9 allowances, and benefits from funds appro-
10 priated to that agency or made available to that
11 agency under this Act, or may be detailed on a
12 leave without pay status.

13 (2) ALLOWANCES.—Any Federal employee as-
14 signed, detailed, or appointed under this section, sec-
15 tion 11203(b), section 11204 or section 11702, may
16 receive (under such regulations as the President may
17 prescribe) representation allowances similar to those
18 allowed under section 905 of the Foreign Service Act
19 of 1980. The authorization of such allowances and
20 other benefits and the payment thereof out of any
21 appropriations available therefor shall be considered
22 as meeting all the requirements of section 5536 of
23 title 5, United States Code.

1 (d) TERMS OF DETAIL.—Details may be made under
2 this section or section 408 of the Mutual Security Act of
3 1954 in accordance with any of the following:

4 (1) Without reimbursement to the United
5 States Government by the foreign government or
6 international organization.

7 (2) Upon agreement by the foreign government
8 or international organization to reimburse the
9 United States Government for compensation, travel
10 expenses, benefits, and allowances, or any part
11 thereof, payable to the Federal employee concerned
12 during the period of detail. Such reimbursements
13 (including foreign currencies) shall be credited to the
14 appropriation, fund, or account utilized for paying
15 such compensation, travel expenses, benefits, or al-
16 lowances, or to the appropriation, fund, or account
17 currently available for such purposes.

18 (3) Upon an advance of funds, property, or
19 services by the foreign government or international
20 organization to the United States Government ac-
21 cepted with the approval of the President for speci-
22 fied uses in furtherance of the purposes of this Act.
23 Funds so advanced may be established as a separate
24 fund in the Treasury of the United States Govern-
25 ment, to be available for the specified uses, and to

1 be used for reimbursement of appropriations or di-
2 rect expenditure subject to the provisions of this
3 Act. Any unexpended balance of such account shall
4 be returned to the foreign government or inter-
5 national organization.

6 (4) Subject to the receipt by the United States
7 Government of a credit to be applied against the
8 payment by the United States Government of its
9 share of the expenses of the international organiza-
10 tion to which the Federal employee is detailed, such
11 credit to be based upon the compensation, travel ex-
12 penses, benefits and allowances, or any part thereof,
13 payable to such employee during the period of detail
14 in accordance with subsection (c).

15 **SEC. 11802. DETAILS TO UNITED STATES GOVERNMENT**
16 **AGENCIES.**

17 (a) **AUTHORITY TO DETAIL.**—The head of any Fed-
18 eral agency is authorized to detail Federal employees of
19 that agency (hereinafter known as the “detailing agency”)
20 to any office or position in any other Federal agency (here-
21 inafter known as the “receiving agency”), for the purposes
22 set out in subsection (b).

23 (b) **PURPOSES OF DETAIL.**—A detail under sub-
24 section (a) is authorized for the purposes of—

1 (1) improving cooperation and collaboration be-
2 tween the detailing agency and receiving agency,

3 (2) rendering any technical, scientific, or pro-
4 fessional advice or service to the receiving agency, or

5 (3) providing training and professional develop-
6 ment to employees of the detailing agency,

7 when such detail is consistent with and in furtherance of
8 the purposes of this Act.

9 (c) CONGRESSIONAL DETAIL.—The Secretary and
10 the Administrator are each authorized to detail up to 5
11 employees of the Department of State and the United
12 States Agency for International Development, respectively,
13 each fiscal year to individual members and committees of
14 Congress, notwithstanding the requirement for reimburse-
15 ment in subsection (d). Such detailees shall be known as
16 “Congressional Fellows”.

17 (d) REQUIREMENT FOR REIMBURSEMENT.—The re-
18 ceiving agency shall reimburse the detailing agency for the
19 salary and allowances of each Federal employee for the
20 period of the detail, unless—

21 (1) the detail is for a period of less than two
22 years;

23 (2) a substantially equivalent number of Fed-
24 eral employees are detailed to and from each agency
25 in a fiscal year; or

1 (3) not more than 15 Federal employees are de-
2 tailed from a single agency in a fiscal year.

3 (e) PERSONNEL LIMITATIONS.—Personnel detailed
4 under this section shall not be counted for purposes of
5 any limitation established by the Office of Management
6 and Budget on the maximum number of personnel allow-
7 able for the detailing agency.

8 (f) WAIVER.—The Secretary and the Administrator
9 are authorized to waive the requirement for reimburse-
10 ment in subsection (d) for the detail of an employee of
11 the Department of State or the Agency, respectively, for
12 a period of up to 5 years if the receiving agency is the
13 National Security Council.

14 (g) DETAIL DEFINED.—In this section, the term “de-
15 tail” means to detail, assign, or otherwise make available
16 an employee to another agency, office, or organization.

17 **SEC. 11803. SCIENCE AND TECHNOLOGY FELLOWSHIP PRO-**
18 **GRAMS.**

19 Section 504 of the Foreign Relations Authorization
20 Act, Fiscal Year 1979 (22 U.S.C. 2656d) is amended by
21 adding at the end the following:

22 “(e)(1) The Secretary is authorized to make grants
23 or enter into cooperative agreements related to Depart-
24 ment of State science and technology fellowship programs,
25 including for assistance in recruiting fellows and the pay-

1 ment of stipends, travel, and other appropriate expenses
2 to fellows.

3 “(2) Payment of stipends under the authority of
4 paragraph (1) shall not be considered to be compensation
5 for purposes of section 209 of title 18, United States
6 Code.

7 “(3) The total amount of grants made under the au-
8 thority of paragraph (1) may not exceed \$1,000,000 in
9 any fiscal year.”.

10 **SEC. 11804. FOREIGN RELATIONS EXCHANGE PROGRAMS.**

11 (a) IN GENERAL.—The Secretary may establish ex-
12 change programs under which employees of the Depart-
13 ment of State, including individuals appointed under title
14 5, United States Code, and members of the Foreign Serv-
15 ice, may be assigned, for a period not to exceed 1 year,
16 to a position with any foreign government or international
17 entity that permits an employee of the foreign government
18 or international entity, as the case may be, to be assigned
19 to a position with the Department of State.

20 (b) DEPARTMENT OF STATE EMPLOYEES.—During
21 a period in which an employee of the Department of State
22 is participating in an exchange program authorized under
23 subsection (a), such employee shall, for the purposes of
24 receiving salary and benefits, be treated as an employee
25 detailed under section 11801.

1 (c) FOREIGN EMPLOYEES.—The salary and benefits
2 of an employee of a foreign government or international
3 entity participating in a program established under this
4 section shall be paid by such government or entity during
5 the period in which such employee is participating in the
6 program, and shall not be reimbursed by the Department
7 of State.

8 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
9 tion shall be construed to authorize the appointment as
10 a Federal employee of—

11 (1) an individual whose allegiance is to any
12 country, government, or foreign or international en-
13 tity other than the United States; or

14 (2) an individual who has not met the require-
15 ments of sections 3331, 3332, 3333, and 7311 of
16 title 5, United States Code, or any other provision
17 of law concerning eligibility for appointment, and
18 continuation of employment, as a Federal employee.

19 **SEC. 11805. GUIDELINES FOR ROTATIONAL ASSIGNMENTS.**

20 (a) CAREER GUIDELINES.—The Administrator shall
21 establish career guidelines for Foreign Service officers and
22 civil service officers that incorporate interagency, intergov-
23 ernmental, or international organization rotational assign-
24 ments. The guidelines established under this subsection
25 shall include—

- 1 (1) selection;
- 2 (2) professional education and training;
- 3 (3) types of relevant interagency, intergovern-
- 4 mental, and international organization assignments;
- 5 and
- 6 (4) such other matters as the Administrator
- 7 considers appropriate.

8 (b) PROMOTIONS TO SENIOR RANKS.—Not later than
9 2 years after the date of the enactment of this Act, the
10 Administrator shall establish additional guidelines that
11 consider participation by relevant employees in at least 1
12 interagency, intergovernmental, or international organiza-
13 tional rotational assignment of at least 6 months as a fac-
14 tor for promotion into the ranks of the Senior Foreign
15 Service or Senior Executive Service.

16 (c) PROMOTION PRECEPTS.—The Administrator
17 shall ensure that promotion precepts and promotion pan-
18 els do not penalize employees who have been assigned to
19 interagency, intergovernmental, or international organiza-
20 tions.

21 **CHAPTER 3—TRAINING AND**

22 **PROFESSIONAL DEVELOPMENT**

23 **SEC. 11901. TRAINING OF FEDERAL PERSONNEL.**

24 (a) AUTHORITY TO CONDUCT TRAINING.—The head
25 of each Federal agency carrying out activities under this

1 Act is authorized to use funds made available under this
2 Act to pay the costs, in accordance with subsection (b),
3 of providing training for Federal personnel, through inter-
4 change or otherwise, at any State or local unit of govern-
5 ment, public or private nonprofit institution, trade, labor,
6 agricultural, or scientific association or organization, or
7 commercial firm.

8 (b) PAYMENT OF COSTS.—Training costs shall be
9 paid—

10 (1) from funds made available to the employing
11 agency;

12 (2) for individuals performing functions within
13 the United States, from funds available for adminis-
14 trative expenses; and

15 (3) for individuals performing functions outside
16 the United States, from funds available for the pro-
17 gram, project, or activity being carried out by such
18 individual.

19 (c) LIMITATION ON DUAL EMPLOYMENT.—Training
20 under this section shall not be considered employment or
21 holding of office under section 5533 of title 5, United
22 States Code.

23 (d) ACCEPTANCE OF CERTAIN PAYMENTS.—Any
24 payments or contributions in connection with training
25 under this section may, as deemed appropriate by the head

1 of the Federal agency authorizing such training, be made
2 by private or public sources and be accepted by any train-
3 ee, or may be accepted by and credited to the current ap-
4 plicable appropriation of such agency. Any such payments
5 or contributions shall be in lieu, or in reduction, of com-
6 pensation received from the United States Government.

7 **SEC. 11902. CAREER DEVELOPMENT.**

8 (a) COMPREHENSIVE PROGRAM.—The Secretary and
9 the Administrator shall implement and maintain a com-
10 prehensive career-long program of professional training
11 for the personnel of the Department of State and the
12 United States Agency for International Development, re-
13 spectively.

14 (b) PARTICIPATION LEVELS.—The Secretary and the
15 Administrator shall ensure that in each fiscal year not less
16 than 10 percent of personnel of the Department of State
17 and the United States Agency for International Develop-
18 ment receive professional training or participate in details,
19 exchanges, fellowships, scholarships or other opportunities
20 for professional development.

21 (c) INSTITUTION FOR TRAINING.—Section 701(b) of
22 the Foreign Service Act of 1980 (22 U.S.C. 4021(b)) is
23 amended to read as follows:

24 “(b)(1) The Secretary of State shall ensure that
25 training offered by the institution—

1 “(A) meets the training needs of all foreign af-
2 fairs agencies;

3 “(B) is made available on an equal basis to per-
4 sonnel of all foreign affairs agencies, including ac-
5 cess to child care facilities, travel, per diem, and re-
6 imbursements;

7 “(C) is responsive to requests by the heads of
8 other agencies for the development and implementa-
9 tion of specialized training courses; and

10 “(D) is evaluated regularly for cost-effective-
11 ness and for results.

12 “(2) Other agencies shall avoid duplicating the facili-
13 ties and training provided by the Secretary of State
14 through the institution and otherwise.”.

15 (d) TRAINING SUPPORT SERVICES.—Section
16 704(a)(4)(B) of the Foreign Service Act of 1980 (22
17 U.S.C. 4024(a)(4)(B)) is amended by striking “language
18 instructors, linguists, and other academic and training
19 specialists” and inserting “education and training special-
20 ists, including language instructors and linguists, and
21 other specialists who perform work directly relating to the
22 design, delivery, oversight, or coordination of training de-
23 livered by the institution”.

24 (e) REQUIREMENTS FOR PROMOTION.—The Sec-
25 retary and the Administrator shall each establish a set of

1 mandatory training requirements for promotion into the
2 Senior Foreign Service.

3 (f) EVALUATION OF EFFECTIVENESS.—The Sec-
4 retary and the Administrator shall evaluate the effective-
5 ness of all training and professional development pro-
6 grams for the personnel of the Department of State and
7 the United States Agency for International Development,
8 respectively, not later than 2 years after the date of the
9 enactment of this Act, and not less than once every 5 years
10 after thereafter. The results of such evaluations shall be
11 made publicly available on the Internet.

12 **SEC. 11903. LANGUAGE SKILLS DEVELOPMENT.**

13 (a) DEVELOPMENT OF SYSTEM.—The Secretary and
14 the Administrator shall develop a system for increasing
15 the number and percentage of Foreign Service Officers at
16 the Department of State and the United States Agency
17 for International Development, respectively, who are pro-
18 ficient in the official language of the country of assign-
19 ment.

20 (b) ELEMENTS OF SYSTEM.—Such system shall in-
21 clude—

22 (1) methods for identifying emerging areas of
23 foreign language shortfalls and projected language
24 needs;

1 (2) designation of Foreign Service positions for
2 which a minimum level of certified language pro-
3 ficiency is required, to be known as “language des-
4 ignated positions”;

5 (3) designation of languages for which there is
6 a critical unmet need, to be known as “critical lan-
7 guages”;

8 (4) development of policies and procedures re-
9 lating to assignments, length of rotations, recruit-
10 ment, retention, training, and promotion to—

11 (A) ensure that there are a sufficient num-
12 ber of Foreign Service officers able and avail-
13 able to fill language designated positions; and

14 (B) remedy shortfalls in critical languages;

15 (5) establishment of clear and measurable per-
16 formance goals and objectives; and

17 (6) requirements for monitoring and evaluation
18 of progress.

19 (c) TRANSMISSION TO CONGRESS.—The Secretary
20 and the Administrator shall transmit to the appropriate
21 congressional committees, not later than 1 year after the
22 date of the enactment of this Act, a report on the system
23 developed under subsection (a) and a plan for its imple-
24 mentation, including any budgetary implications.

1 (d) IMPLEMENTATION REPORTS.—One year after the
 2 date on which the report is transmitted pursuant to sub-
 3 section (c), and each of the next 2 years thereafter, the
 4 Secretary and the Administrator shall transmit to the ap-
 5 propriate congressional committees a report on the status
 6 of implementation of the system developed under sub-
 7 section (a).

8 (e) REPEAL OF DUPLICATIVE REPORT.—Section 702
 9 of the Foreign Service Act of 1980 (22 U.S.C. 4022) is
 10 amended by striking subsection (c).

11 (f) AVAILABILITY OF FUNDS.—Notwithstanding sec-
 12 tion 11302, amounts made available to the Agency to
 13 carry out this section shall not be considered to be oper-
 14 ating expenses.

15 **TITLE XII—AMENDMENTS AND**

16 **REPEALS**

17 **Subtitle A—Amendments**

18 **SEC. 12101. AMENDMENTS RELATING TO ASSISTANCE TO**

19 **COMBAT HIV/AIDS, TUBERCULOSIS, AND MA-**

20 **LARIA.**

21 (a) ASSISTANCE TO COMBAT HIV/AIDS.—Subtitle A
 22 of title III of the United States Leadership Against HIV/
 23 AIDS, Tuberculosis and Malaria Act of 2003 (22 U.S.C.
 24 7631 et seq.) is amended—

1 (1) by redesignating section 301 as section
2 301A;

3 (2) in the heading of section 301A (as redesign-
4 nated), by inserting “**OTHER PROVISIONS RELAT-**
5 **ING TO**” before “**ASSISTANCE**”; and

6 (3) by inserting before section 301A (as redes-
7 ignated) the following new section:

8 “**SEC. 301. ASSISTANCE TO COMBAT HIV/AIDS.**

9 “(a) **FINDING.**—Congress recognizes that the alarm-
10 ing spread of HIV/AIDS in countries in sub-Saharan Afri-
11 ca, the Caribbean, Central Asia, Eastern Europe, Latin
12 America and other developing countries is a major global
13 health, national security, development, and humanitarian
14 crisis.

15 “(b) **POLICY.**—

16 “(1) **OBJECTIVES.**—It is a major objective of
17 the foreign assistance program of the United States
18 to provide assistance for the prevention and treat-
19 ment of HIV/AIDS and the care of those affected by
20 the disease. It is the policy objective of the United
21 States, by 2013, to—

22 “(A) assist partner countries to—

23 “(i) prevent 12,000,000 new HIV in-
24 fections worldwide;

25 “(ii) support—

1 “(I) the increase in the number
2 of individuals with HIV/AIDS receiv-
3 ing antiretroviral treatment above the
4 goal established under section
5 402(a)(3) and increased pursuant to
6 paragraphs (1) through (3) of section
7 403(d); and

8 “(II) additional treatment
9 through coordinated multilateral ef-
10 forts;

11 “(iii) support care for 12,000,000 in-
12 dividuals infected with or affected by HIV/
13 AIDS, including 5,000,000 orphans and
14 vulnerable children affected by HIV/AIDS,
15 with an emphasis on promoting a com-
16 prehensive, coordinated system of services
17 to be integrated throughout the continuum
18 of care;

19 “(iv) provide at least 80 percent of
20 the target population with access to coun-
21 seling, testing, and treatment to prevent
22 the transmission of HIV from mother-to-
23 child;

24 “(v) provide care and treatment serv-
25 ices to children with HIV in proportion to

1 their percentage within the HIV-infected
2 population of a given partner country; and

3 “(vi) train and support retention of
4 health care professionals, paraprofes-
5 sionals, and community health workers in
6 HIV/AIDS prevention, treatment, and
7 care, with the target of providing such
8 training to at least 140,000 new health
9 care professionals and paraprofessionals
10 with an emphasis on training and in coun-
11 try deployment of critically needed doctors
12 and nurses;

13 “(B) strengthen the capacity to deliver pri-
14 mary health care in developing countries, espe-
15 cially in sub-Saharan Africa;

16 “(C) support and help countries in their
17 efforts to achieve staffing levels of at least 2.3
18 doctors, nurses, and midwives per 1,000 popu-
19 lation, as called for by the World Health Orga-
20 nization; and

21 “(D) help partner countries to develop
22 independent, sustainable HIV/AIDS programs.

23 “(2) COORDINATED GLOBAL STRATEGY.—The
24 United States and other countries with the sufficient
25 capacity should provide assistance to countries in

1 sub-Saharan Africa, the Caribbean, Central Asia,
2 Eastern Europe, and Latin America, and other
3 countries and regions confronting HIV/AIDS
4 epidemics in a coordinated global strategy to help
5 address generalized and concentrated epidemics
6 through HIV/AIDS prevention, treatment, care,
7 monitoring and evaluation, and related activities.

8 “(3) PRIORITIES.—The United States Govern-
9 ment’s response to the global HIV/AIDS pandemic
10 and the Government’s efforts to help countries as-
11 sume leadership of sustainable campaigns to combat
12 their local epidemics should place high priority on—

13 “(A) the prevention of the transmission of

14 HIV;

15 “(B) moving toward universal access to

16 HIV/AIDS prevention counseling and services;

17 “(C) meaningful cost-sharing assurances

18 by the partner country; and

19 “(D) the inclusion of transition strategies

20 to ensure sustainability of such programs and

21 activities, including health care systems, under

22 other international donor support, or budget

23 support by respective foreign governments.

24 “(c) AUTHORIZATION.—

1 “(1) IN GENERAL.—Consistent with section
2 1321 of the Global Partnerships Act of 2012, the
3 President is authorized to furnish assistance, on
4 such terms and conditions as the President may de-
5 termine, for HIV/AIDS, including to prevent, treat,
6 and monitor HIV/AIDS, and carry out related ac-
7 tivities, in countries in sub-Saharan Africa, the Car-
8 ibbean, Central Asia, Eastern Europe, Latin Amer-
9 ica, and other countries and areas, particularly with
10 respect to refugee populations or those in
11 postconflict settings in such countries and areas with
12 significant or increasing HIV incidence rates.

13 “(2) ROLE OF NGOS.—It is the sense of Con-
14 gress that the President should provide an appro-
15 priate level of assistance under paragraph (1)
16 through nongovernmental organizations (including
17 faith-based and community-based organizations) in
18 countries in sub-Saharan Africa, the Caribbean,
19 Central Asia, Eastern Europe, Latin America, and
20 other countries and areas affected by the HIV/AIDS
21 pandemic, particularly with respect to refugee popu-
22 lations or those in post-conflict settings in such
23 countries and areas with significant or increasing
24 HIV incidence rates.

1 “(3) COORDINATION OF ASSISTANCE EF-
2 FORTS.—The President shall coordinate the provi-
3 sion of assistance under paragraph (1) with the pro-
4 vision of related assistance by the Joint United Na-
5 tions Programme on HIV/AIDS (UNAIDS), the
6 United Nations Children’s Fund (UNICEF), the
7 World Health Organization (WHO), the United Na-
8 tions Development Programme (UNDP), the Global
9 Fund to Fight AIDS, Tuberculosis and Malaria and
10 other appropriate international organizations (such
11 as the International Bank for Reconstruction and
12 Development), relevant regional multilateral develop-
13 ment institutions, national, state, and local govern-
14 ments of partner countries, other international ac-
15 tors, appropriate governmental and nongovernmental
16 organizations, and relevant executive branch agen-
17 cies within the framework of the principles of the
18 Three Ones.

19 “(d) ACTIVITIES SUPPORTED.—Assistance provided
20 under subsection (c) shall, to the maximum extent prac-
21 ticable, be used to carry out the following activities:

22 “(1) PREVENTION.—Prevention of HIV/AIDS
23 through activities including—

24 “(A) programs and efforts that are de-
25 signed or intended to impart knowledge with

1 the exclusive purpose of helping individuals
2 avoid behaviors that place them at risk of HIV
3 infection, including integration of such pro-
4 grams into health programs and the inclusion
5 in counseling programs of information on meth-
6 ods of avoiding infection of HIV, including de-
7 laying sexual debut, abstinence, fidelity and mo-
8 nogamy, reduction of casual sexual partnering
9 and multiple concurrent sexual partnering, re-
10 ducing sexual violence and coercion, including
11 child marriage, widow inheritance, and polyg-
12 amy, and where appropriate, use of male and
13 female condoms;

14 “(B) assistance to establish and implement
15 culturally appropriate HIV/AIDS education and
16 prevention programs that are designed with
17 local input and focus on helping individuals
18 avoid infection of HIV/AIDS, implemented
19 through nongovernmental organizations, includ-
20 ing faith-based and community-based organiza-
21 tions, particularly those locally based organiza-
22 tions that utilize both professionals and volun-
23 teers with appropriate skills, experience, and
24 community presence;

1 “(C) assistance for the purpose of encour-
2 aging men to be responsible in their sexual be-
3 havior, child rearing, and to respect women;

4 “(D) assistance for the purpose of pro-
5 viding voluntary testing and counseling (includ-
6 ing the incorporation of confidentiality protec-
7 tions with respect to such testing and coun-
8 seling) and promoting the use of provider-initi-
9 ated or ‘opt-out’ voluntary testing in accordance
10 with World Health Organization guidelines;

11 “(E) assistance for the purpose of pre-
12 venting mother-to-child transmission of the
13 HIV infection, including medications to prevent
14 such transmission and access to infant formula
15 and other alternatives for infant feeding;

16 “(F) assistance to—

17 “(i) achieve the goal of reaching 80
18 percent of pregnant women for prevention
19 and treatment of mother-to-child trans-
20 mission of HIV in countries in which the
21 United States is implementing HIV/AIDS
22 programs by 2013; and

23 “(ii) promote infant feeding options
24 and treatment protocols that meet the

1 most recent criteria established by the
2 World Health Organization;

3 “(G) medical male circumcision programs
4 as part of national strategies to combat the
5 transmission of HIV/AIDS;

6 “(H) assistance to ensure a safe blood sup-
7 ply and sterile medical equipment;

8 “(I) assistance to help avoid substance
9 abuse and intravenous drug use that can lead
10 to HIV infection;

11 “(J) assistance for the purpose of increas-
12 ing women’s access to employment opportuni-
13 ties, income, productive resources, and micro-
14 finance programs, where appropriate; and

15 “(K) assistance for counseling, testing,
16 treatment, care, and support programs, includ-
17 ing—

18 “(i) counseling and other services for
19 the prevention of reinfection of individuals
20 with HIV/AIDS;

21 “(ii) counseling to prevent sexual
22 transmission of HIV, including—

23 “(I) life skills development for
24 practicing abstinence and faithfulness;

1 “(II) reducing the number of sex-
2 ual partners;

3 “(III) delaying sexual debut; and

4 “(IV) ensuring correct and con-
5 sistent use of condoms;

6 “(iii) assistance to engage underlying
7 vulnerabilities to HIV/AIDS, especially
8 those of women and girls;

9 “(iv) assistance for appropriate HIV/
10 AIDS education programs and training
11 targeted to prevent the transmission of
12 HIV among men who have sex with men;

13 “(v) assistance to provide male and
14 female condoms;

15 “(vi) diagnosis and treatment of other
16 sexually transmitted infections;

17 “(vii) strategies to address the stigma
18 and discrimination that impede HIV/AIDS
19 prevention efforts; and

20 “(viii) assistance to facilitate wide-
21 spread access to microbicides for HIV pre-
22 vention, if safe and effective products be-
23 come available, including financial and
24 technical support for culturally appropriate
25 introductory programs, procurement, dis-

1 tribution, logistics management, program
2 delivery, acceptability studies, provider
3 training, demand generation, and
4 postintroduction monitoring.

5 “(2) TREATMENT.—The treatment and care of
6 individuals with HIV/AIDS, including—

7 “(A) assistance to establish and implement
8 programs to strengthen and broaden indigenous
9 health care delivery systems and the capacity of
10 such systems to deliver HIV/AIDS pharma-
11 ceuticals and otherwise provide for the treat-
12 ment of individuals with HIV/AIDS, including
13 clinical training for indigenous organizations
14 and health care providers;

15 “(B) assistance to strengthen and expand
16 hospice and palliative care programs to assist
17 patients debilitated by HIV/AIDS, their fami-
18 lies, and the primary caregivers of such pa-
19 tients, including programs that utilize faith-
20 based and community-based organizations;

21 “(C) assistance for the purpose of the care
22 and treatment of individuals with HIV/AIDS
23 through the provision of pharmaceuticals, in-
24 cluding antiretrovirals and other pharma-
25 ceuticals and therapies for the treatment of op-

1 portunistic infections, pain management, nutri-
2 tional support, and other treatment modalities;

3 “(D) as part of care and treatment of
4 HIV/AIDS, assistance (including prophylaxis
5 and treatment) for common HIV/AIDS-related
6 opportunistic infections for free or at a rate at
7 which it is easily affordable to the individuals
8 and populations being served; and

9 “(E) as part of care and treatment of
10 HIV/AIDS, assistance or referral to available
11 and adequately resourced service providers for
12 nutritional support, including counseling and
13 where necessary the provision of commodities,
14 for persons meeting malnourishment criteria
15 and their families.

16 “(3) PREVENTATIVE INTERVENTION EDU-
17 CATION AND TECHNOLOGIES.—(A) With particular
18 emphasis on specific populations that represent a
19 particularly high risk of contracting or spreading
20 HIV/AIDS, including those exploited through the
21 sex trade, victims of rape and sexual assault, indi-
22 viduals already infected with HIV/AIDS, and in
23 cases of occupational exposure of health care work-
24 ers, assistance with efforts to reduce the risk of
25 HIV/AIDS infection including post-exposure phar-

1 maceutical prophylaxis, and necessary pharma-
2 ceuticals and commodities, including test kits,
3 condoms, and, when proven effective, microbicides.

4 “(B) Bulk purchases of available test kits,
5 condoms, and, when proven effective, microbicides
6 that are intended to reduce the risk of HIV/AIDS
7 transmission and for appropriate program support
8 for the introduction and distribution of these com-
9 modities, as well as education and training on the
10 use of the technologies.

11 “(4) MONITORING.—The monitoring of pro-
12 grams, projects, and activities carried out pursuant
13 to paragraphs (1) through (3), including—

14 “(A) monitoring to ensure that adequate
15 controls are established and implemented to
16 provide HIV/AIDS pharmaceuticals and other
17 appropriate medicines to poor individuals with
18 HIV/AIDS;

19 “(B) appropriate evaluation and surveil-
20 lance activities;

21 “(C) monitoring to ensure that appropriate
22 measures are being taken to maintain the sus-
23 tainability of HIV/AIDS pharmaceuticals (espe-
24 cially antiretrovirals) and ensure that drug re-

1 sistance is not compromising the benefits of
2 such pharmaceuticals;

3 “(D) monitoring to ensure appropriate law
4 enforcement officials are working to ensure that
5 HIV/AIDS pharmaceuticals are not diminished
6 through illegal counterfeiting or black market
7 sales of such pharmaceuticals;

8 “(E) carrying out and expanding program
9 monitoring, impact evaluation research and
10 analysis, and operations research and dissemi-
11 nating data and findings through mechanisms
12 to be developed by the Coordinator of United
13 States Government Activities to Combat HIV/
14 AIDS Globally, in coordination with the Direc-
15 tor of the Centers for Disease Control, in order
16 to—

17 “(i) improve accountability, increase
18 transparency, and ensure the delivery of
19 evidence-based services through the collec-
20 tion, evaluation, and analysis of data re-
21 garding gender-responsive interventions,
22 disaggregated by age and sex;

23 “(ii) identify and replicate effective
24 models; and

1 “(iii) develop gender indicators to
2 measure outcomes and the impacts of
3 interventions; and

4 “(F) establishing appropriate systems to—

5 “(i) gather epidemiological and social
6 science data on HIV; and

7 “(ii) evaluate the effectiveness of pre-
8 vention efforts among men who have sex
9 with men, with due consideration to stigma
10 and risks associated with disclosure.

11 “(5) PHARMACEUTICALS.—

12 “(A) PROCUREMENT.—The procurement of
13 HIV/AIDS pharmaceuticals, antiviral therapies,
14 and other appropriate medicines, including
15 medicines to treat opportunistic infections.

16 “(B) MECHANISMS FOR QUALITY CONTROL
17 AND SUSTAINABLE SUPPLY.—Mechanisms to
18 ensure that such HIV/AIDS pharmaceuticals,
19 antiretroviral therapies, and other appropriate
20 medicines are quality-controlled and sustainably
21 supplied.

22 “(C) MECHANISM TO ENSURE COST-EF-
23 FECTIVE DRUG PURCHASING.—Subject to sub-
24 paragraph (B), mechanisms to ensure that safe
25 and effective pharmaceuticals, including

1 antiretrovirals and medicines to treat opportun-
2 istic infections, are purchased at the lowest pos-
3 sible price at which such pharmaceuticals may
4 be obtained in sufficient quantity on the world
5 market, provided that such pharmaceuticals are
6 approved, tentatively approved, or otherwise au-
7 thorized for use by—

8 “(i) the Food and Drug Administra-
9 tion;

10 “(ii) a stringent regulatory agency ac-
11 ceptable to the Secretary of Health and
12 Human Services; or

13 “(iii) a quality assurance mechanism
14 acceptable to the Secretary of Health and
15 Human Services.

16 “(D) DISTRIBUTION.—The distribution of
17 such HIV/AIDS pharmaceuticals, antiviral
18 therapies, and other appropriate medicines (in-
19 cluding medicines to treat opportunistic infec-
20 tions) to qualified national, regional, or local or-
21 ganizations for the treatment of individuals
22 with HIV/AIDS in accordance with appropriate
23 HIV/AIDS testing and monitoring requirements
24 and treatment protocols and for the prevention

1 of mother-to-child transmission of the HIV in-
2 fection.

3 “(6) RELATED AND COORDINATED ACTIVI-
4 TIES.—The conduct of related activities, including—

5 “(A) the care and support of children who
6 are orphaned by the HIV/AIDS pandemic, in-
7 cluding services designed to care for orphaned
8 children in a family environment which rely on
9 extended family members;

10 “(B) improved infrastructure and institu-
11 tional capacity to develop and manage edu-
12 cation, prevention, and treatment programs, in-
13 cluding training and the resources to collect
14 and maintain accurate HIV surveillance data to
15 target programs and measure the effectiveness
16 of interventions;

17 “(C) vaccine research and development
18 partnership programs with specific plans of ac-
19 tion to develop a safe, effective, accessible, pre-
20 ventive HIV vaccine for use throughout the
21 world;

22 “(D) coordinated or referred activities to—
23 “(i) enhance the clinical impact of
24 HIV/AIDS care and treatment; and

1 “(ii) ameliorate the adverse social and
2 economic costs often affecting AIDS-im-
3 pacted families and communities through
4 the direct provision, as necessary, or
5 through the referral, if possible, of support
6 services, including—

7 “(I) nutritional and food support;

8 “(II) safe drinking water and
9 adequate sanitation;

10 “(III) nutritional counseling;

11 “(IV) income-generating activi-
12 ties and livelihood initiatives;

13 “(V) maternal and child health
14 care;

15 “(VI) primary health care;

16 “(VII) the diagnosis and treat-
17 ment of other infectious or sexually
18 transmitted diseases;

19 “(VIII) substance abuse and
20 treatment services; and

21 “(IX) legal services;

22 “(E) coordinated or referred activities to
23 link programs addressing HIV/AIDS with pro-
24 grams addressing gender-based violence in
25 areas of significant HIV prevalence to assist

1 countries in the development and enforcement
2 of women’s health, children’s health, and HIV/
3 AIDS laws and policies that—

4 “(i) prevent and respond to violence
5 against women and girls;

6 “(ii) promote the integration of
7 screening and assessment for gender-based
8 violence into HIV/AIDS programming;

9 “(iii) promote appropriate HIV/AIDS
10 counseling, testing, and treatment into
11 gender-based violence programs; and

12 “(iv) assist governments to develop
13 partnerships with civil society organiza-
14 tions to create networks for psychosocial,
15 legal, economic, or other support services;

16 “(F) coordinated or referred activities to—

17 “(i) address the frequent coinfection
18 of HIV and tuberculosis, in accordance
19 with World Health Organization guide-
20 lines;

21 “(ii) promote provider-initiated or
22 ‘opt-out’ HIV/AIDS counseling and testing
23 and appropriate referral for treatment and
24 care to individuals with tuberculosis or its

1 symptoms, particularly in areas with sig-
2 nificant HIV prevalence; and

3 “(iii) strengthen programs to ensure
4 that individuals testing positive for HIV
5 receive tuberculosis screening and to im-
6 prove laboratory capacities, infection con-
7 trol, and adherence; and

8 “(G) activities to—

9 “(i) improve the effectiveness of na-
10 tional responses to HIV/AIDS;

11 “(ii) strengthen overall health systems
12 in high-prevalence countries, including sup-
13 port for workforce training, retention, and
14 effective deployment, capacity building,
15 laboratory development, equipment mainte-
16 nance and repair, and public health and
17 related public financial management sys-
18 tems and operations;

19 “(iii) encourage fair and transparent
20 procurement practices among partner
21 countries; and

22 “(iv) promote in-country or intra-re-
23 gional pediatric training for physicians and
24 other health professionals, preferably
25 through public-private partnerships involv-

1 ing colleges and universities, with the goal
2 of increasing pediatric HIV workforce ca-
3 pacity.

4 “(7) COMPREHENSIVE HIV/AIDS PUBLIC-PRI-
5 VATE PARTNERSHIPS.—The establishment and oper-
6 ation of public-private partnership entities within
7 countries in sub-Saharan Africa, the Caribbean, and
8 other countries affected by the HIV/AIDS pandemic
9 that are dedicated to supporting the national strat-
10 egy of such countries regarding the prevention,
11 treatment, and monitoring of HIV/AIDS. Each such
12 public-private partnership should—

13 “(A) support the development, implementa-
14 tion, and management of comprehensive HIV/
15 AIDS plans in support of the national HIV/
16 AIDS strategy;

17 “(B) operate at all times in a manner that
18 emphasizes efficiency, accountability, and re-
19 sults-driven programs;

20 “(C) engage both local and foreign devel-
21 opment partners and donors, including busi-
22 nesses, government agencies, academic institu-
23 tions, nongovernmental organizations, founda-
24 tions, multilateral development agencies, and
25 faith-based organizations, to assist the country

1 in coordinating and implementing HIV/AIDS
2 prevention, treatment, and monitoring pro-
3 grams in accordance with its national HIV/
4 AIDS strategy;

5 “(D) provide technical assistance, consult-
6 ant services, financial planning, monitoring and
7 evaluation, and research in support of the na-
8 tional HIV/AIDS strategy; and

9 “(E) establish local human resource capac-
10 ities for the national HIV/AIDS strategy
11 through the transfer of medical, managerial,
12 leadership, and technical skills.

13 “(8) COMPACTS AND FRAMEWORK AGREE-
14 MENTS.—The development of compacts or frame-
15 work agreements, tailored to local circumstances,
16 with national governments or regional partnerships
17 in countries with significant HIV/AIDS burdens to
18 promote host government commitment to deeper in-
19 tegration of HIV/AIDS services into health systems,
20 contribute to health systems overall, and enhance
21 sustainability, including—

22 “(A) meaningful cost-sharing assurances
23 by the partner country; and

24 “(B) transition strategies to ensure sus-
25 tainability of such programs and activities, in-

1 including health care systems, under other inter-
2 national donor support, or budget support by
3 respective foreign governments.

4 “(e) COMPACTS AND FRAMEWORK AGREEMENTS.—

5 “(1) FINDINGS.—Congress makes the following
6 findings:

7 “(A) The congressionally mandated Insti-
8 tute of Medicine report entitled ‘PEPFAR Im-
9 plementation: Progress and Promise’ states:
10 ‘The next strategy [of the U.S. Global AIDS
11 Initiative] should squarely address the needs
12 and challenges involved in supporting sustain-
13 able country HIV/AIDS programs, thereby
14 transitioning from a focus on emergency relief.’.

15 “(B) One mechanism to promote the tran-
16 sition from an emergency to a public health and
17 development approach to HIV/AIDS is through
18 compacts or framework agreements between the
19 United States Government and each partici-
20 pating nation.

21 “(2) ELEMENTS.—Compacts on HIV/AIDS au-
22 thorized under subsection (d)(8) shall include the
23 following elements:

1 “(A) Compacts whose primary purpose is
2 to provide direct services to combat HIV/AIDS
3 are to be made between—

4 “(i) the United States Government;
5 and

6 “(ii)(I) national or regional entities
7 representing low-income countries served
8 by an existing United States Agency for
9 International Development or Department
10 of Health and Human Services presence or
11 regional platform; or

12 “(II) countries or regions—

13 “(aa) experiencing significantly
14 high HIV prevalence or risk of signifi-
15 cantly increasing incidence within the
16 general population;

17 “(bb) served by an existing
18 United States Agency for Inter-
19 national Development or Department
20 of Health and Human Services pres-
21 ence or regional platform; and

22 “(cc) that have inadequate finan-
23 cial means within such country or re-
24 gion.

1 “(B) Compacts whose primary purpose is
2 to provide limited technical assistance to a
3 country or region connected to services provided
4 within the country or region—

5 “(i) may be made with other countries
6 or regional entities served by an existing
7 United States Agency for International
8 Development or Department of Health and
9 Human Services presence or regional plat-
10 form;

11 “(ii) shall require significant invest-
12 ments in HIV prevention, care, and treat-
13 ment services by the host country;

14 “(iii) shall be time-limited in terms of
15 United States contributions; and

16 “(iv) shall be made only upon prior
17 notification to Congress—

18 “(I) justifying the need for such
19 compacts;

20 “(II) describing the expected in-
21 vestment by the country or regional
22 entity; and

23 “(III) describing the scope, na-
24 ture, expected total United States in-
25 vestment, and time frame of the lim-

1 ited technical assistance under the
2 compact and its intended impact.

3 “(C) Compacts shall include provisions
4 to—

5 “(i) promote local and national efforts
6 to reduce stigma associated with HIV/
7 AIDS; and

8 “(ii) work with and promote the role
9 of civil society in combating HIV/AIDS.

10 “(D) Compacts shall take into account the
11 overall national health and development and na-
12 tional HIV/AIDS and public health strategies of
13 each country.

14 “(E) Compacts shall contain—

15 “(i) consideration of the specific ob-
16 jectives that the country and the United
17 States expect to achieve during the term of
18 a compact;

19 “(ii) consideration of the respective
20 responsibilities of the country and the
21 United States in the achievement of such
22 objectives;

23 “(iii) consideration of regular bench-
24 marks to measure progress toward achiev-
25 ing such objectives;

1 “(iv) an identification of the intended
2 beneficiaries, disaggregated by gender and
3 age, and including information on orphans
4 and vulnerable children, to the maximum
5 extent practicable;

6 “(v) consideration of the methods by
7 which the compact is intended to—

8 “(I) address the factors that put
9 women and girls at greater risk of
10 HIV/AIDS; and

11 “(II) strengthen elements such as
12 the economic, educational, and social
13 status of women, girls, orphans, and
14 vulnerable children and the inherit-
15 ance rights and safety of such individ-
16 uals;

17 “(vi) consideration of the methods by
18 which the compact will—

19 “(I) strengthen the health care
20 capacity, including factors such as the
21 training, retention, deployment, re-
22 cruitment, and utilization of health
23 care workers;

24 “(II) improve supply chain man-
25 agement; and

1 “(III) improve the health systems
2 and infrastructure of the partner
3 country, including the ability of com-
4 pact participants to maintain and op-
5 erate equipment transferred or pur-
6 chased as part of the compact;

7 “(vii) consideration of proposed mech-
8 anisms to provide oversight;

9 “(viii) consideration of the role of civil
10 society in the development of a compact
11 and the achievement of its objectives;

12 “(ix) a description of the current and
13 potential participation of other donors in
14 the achievement of such objectives, as ap-
15 propriate; and

16 “(x) consideration of a plan to ensure
17 appropriate fiscal accountability for the
18 use of assistance.

19 “(F) For regional compacts, priority shall
20 be given to countries that are included in re-
21 gional funds and programs in existence as of
22 the date of the enactment of the Tom Lantos
23 and Henry J. Hyde United States Global Lead-
24 ership Against HIV/AIDS, Tuberculosis, and
25 Malaria Reauthorization Act of 2008.

1 “(G) Amounts made available for compacts
2 described in subparagraphs (A) and (B) shall
3 be subject to the inclusion of—

4 “(i) meaningful cost-sharing assur-
5 ances by the partner country; and

6 “(ii) transition strategies to ensure
7 sustainability of such programs and activi-
8 ties, including health care systems, under
9 other international donor support, and
10 budget support by respective foreign gov-
11 ernments.

12 “(3) LOCAL INPUT.—In entering into a com-
13 pact on HIV/AIDS authorized under subsection
14 (d)(8), the Coordinator of United States Govern-
15 ment Activities to Combat HIV/AIDS Globally shall
16 seek to ensure that the government of a country—

17 “(A) takes into account the local perspec-
18 tives of the rural and urban poor, including
19 women, in each country; and

20 “(B) consults with private and voluntary
21 organizations, including faith-based organiza-
22 tions, the business community, and other do-
23 nors in the country.

24 “(4) CONGRESSIONAL AND PUBLIC NOTIFICA-
25 TION AFTER ENTERING INTO A COMPACT.—Not later

1 than 10 days after entering into a compact author-
2 ized under subsection (d)(8), the Global AIDS Coord-
3 inator shall—

4 “(A) submit a report containing a detailed
5 summary of the compact and a copy of the text
6 of the compact to—

7 “(i) the Committee on Foreign Rela-
8 tions of the Senate;

9 “(ii) the Committee on Appropriations
10 of the Senate;

11 “(iii) the Committee on Foreign Af-
12 fairs of the House of Representatives; and

13 “(iv) the Committee on Appropria-
14 tions of the House of Representatives; and

15 “(B) publish such information in the Fed-
16 eral Register and on the Internet website of the
17 Office of the Global AIDS Coordinator.

18 “(f) ANNUAL REPORT.—

19 “(1) IN GENERAL.—Not later than January 31
20 of each year, the President shall submit to the Com-
21 mittee on Foreign Relations of the Senate and the
22 Committee on Foreign Affairs of the House of Rep-
23 resentatives a report on the implementation of this
24 section for the prior fiscal year.

1 “(2) REPORT ELEMENTS.—Each report shall
2 include—

3 “(A) a description of efforts made by each
4 relevant executive branch agency to implement
5 the policies set forth in this section, section
6 302, and section 303;

7 “(B) a description of the programs estab-
8 lished pursuant to such sections;

9 “(C) a detailed breakdown of funding allo-
10 cations, by program and by country, for preven-
11 tion activities; and

12 “(D) a detailed assessment of the impact
13 of programs established pursuant to such sec-
14 tions, including—

15 “(i)(I) the effectiveness of such pro-
16 grams in reducing—

17 “(aa) the transmission of
18 HIV, particularly in women and
19 girls;

20 “(bb) mother-to-child trans-
21 mission of HIV, including
22 through drug treatment and
23 therapies, either directly or by re-
24 ferral; and

1 “(cc) mortality rates from
2 HIV/AIDS;

3 “(II) the number of patients receiving
4 treatment for AIDS in each country that
5 receives assistance under this Act;

6 “(III) an assessment of progress to-
7 wards the achievement of annual goals set
8 forth in the timetable required under the
9 5-year strategy established under section
10 101 and, if annual goals are not being
11 met, the reasons for such failure; and

12 “(IV) retention and attrition data for
13 programs receiving United States assist-
14 ance, including mortality and loss to fol-
15 low-up rates, organized overall and by
16 country;

17 “(ii) the progress made toward—

18 “(I) improving health care deliv-
19 ery systems (including the training of
20 health care workers, including doctors,
21 nurses, midwives, pharmacists, labora-
22 tory technicians, and compensated
23 community health workers, and the
24 use of codes of conduct for ethical re-

1 cruiting practices for health care
2 workers);

3 “(II) advancing safe working
4 conditions for health care workers;
5 and

6 “(III) improving infrastructure
7 to promote progress toward universal
8 access to HIV/AIDS prevention, treat-
9 ment, and care by 2013;

10 “(iii) a description of coordination ef-
11 forts with relevant executive branch agen-
12 cies to link HIV/AIDS clinical and social
13 services with non-HIV/AIDS services as
14 part of the United States health and devel-
15 opment agenda;

16 “(iv) a detailed description of inte-
17 grated HIV/AIDS and food and nutrition
18 programs and services, including—

19 “(I) the amount spent on food
20 and nutrition support;

21 “(II) the types of activities sup-
22 ported; and

23 “(III) an assessment of the effec-
24 tiveness of interventions carried out to
25 improve the health status of persons

1 with HIV/AIDS receiving food or nu-
2 tritional support;

3 “(v) a description of efforts to im-
4 prove harmonization, in terms of relevant
5 executive branch agencies, coordination
6 with other public and private entities, and
7 coordination with partner countries’ na-
8 tional strategic plans as called for in the
9 ‘Three Ones’;

10 “(vi) a description of—

11 “(I) the efforts of partner coun-
12 tries that were signatories to the
13 Abuja Declaration on HIV/AIDS, Tu-
14 berculosis, and Other Related Infec-
15 tious Diseases to adhere to the goals
16 of such Declaration in terms of invest-
17 ments in public health, including HIV/
18 AIDS; and

19 “(II) a description of the HIV/
20 AIDS investments of partner coun-
21 tries that were not signatories to such
22 Declaration;

23 “(vii) a detailed description of any
24 compacts or framework agreements
25 reached or negotiated between the United

1 States and any partner countries, including
2 a description of the elements of compacts
3 described in subsection (e);

4 “(viii) a description of programs serv-
5 ing women and girls, including—

6 “(I) HIV/AIDS prevention pro-
7 grams that address the vulnerabilities
8 of girls and women to HIV/AIDS;

9 “(II) information on the number
10 of individuals served by programs
11 aimed at reducing the vulnerabilities
12 of women and girls to HIV/AIDS and
13 data on the types, objectives, and du-
14 ration of programs to address these
15 issues;

16 “(III) information on programs
17 to address the particular needs of ad-
18 olescent girls and young women; and

19 “(IV) programs to prevent gen-
20 der-based violence or to assist victims
21 of gender based violence as part of, or
22 in coordination with, HIV/AIDS pro-
23 grams;

24 “(ix) a description of strategies, goals,
25 programs, and interventions to—

1 “(I) address the needs and
2 vulnerabilities of youth populations;

3 “(II) expand access among young
4 men and women to evidence-based
5 HIV/AIDS health care services and
6 HIV prevention programs, including
7 abstinence education programs; and

8 “(III) expand community-based
9 services to meet the needs of orphans
10 and of children and adolescents af-
11 fected by or vulnerable to HIV/AIDS
12 without increasing stigmatization;

13 “(x) a description of—

14 “(I) the specific strategies funded
15 to ensure the reduction of HIV infec-
16 tion among injection drug users;

17 “(II) the number of injection
18 drug users, by country, reached by
19 such strategies; and

20 “(III) medication-assisted drug
21 treatment for individuals with HIV or
22 at risk of HIV;

23 “(xi) a detailed description of pro-
24 gram monitoring, operations research, and
25 impact evaluation research, including—

1 “(I) the amount of funding pro-
2 vided for each research type;

3 “(II) an analysis of cost-effective-
4 ness models; and

5 “(III) conclusions regarding the
6 efficiency, effectiveness, and quality of
7 services as derived from previous or
8 ongoing research and monitoring ef-
9 forts;

10 “(xii) building capacity to identify, in-
11 vestigate, and stop nosocomial trans-
12 mission of infectious diseases, including
13 HIV and tuberculosis; and

14 “(xiii) a description of staffing levels
15 of United States Government HIV/AIDS
16 teams in countries with significant HIV/
17 AIDS programs, including whether or not
18 a full-time coordinator was on staff for the
19 year.

20 “(g) FUNDING LIMITATION.—Of the funds made
21 available to carry out this section in any fiscal year, not
22 more than 7 percent may be used for the administrative
23 expenses of the United States Agency for International
24 Development in support of activities described in this sec-
25 tion, section 302, and section 303. Such amount shall be

1 in addition to other amounts otherwise available for such
2 purposes.

3 “(h) DEFINITIONS.—In this section:

4 “(1) AIDS.—The term ‘AIDS’ means acquired
5 immune deficiency syndrome.

6 “(2) HIV.—The term ‘HIV’ means the human
7 immunodeficiency virus, the pathogen that causes
8 AIDS.

9 “(3) HIV/AIDS.—The term ‘HIV/AIDS’
10 means, with respect to an individual, an individual
11 who is infected with HIV or living with AIDS.

12 “(4) RELEVANT EXECUTIVE BRANCH AGEN-
13 CIES.—The term ‘relevant executive branch agencies’
14 means the Department of State, the United States
15 Agency for International Development, the Depart-
16 ment of Health and Human Services (including its
17 agencies and offices), and any other department or
18 agency of the United States that participates in
19 international HIV/AIDS activities pursuant to the
20 authorities of such department or agency or this
21 Act.”.

22 (b) ASSISTANCE TO COMBAT TUBERCULOSIS.—Sub-
23 title A of title III of the United States Leadership Against
24 HIV/AIDS, Tuberculosis and Malaria Act of 2003 (22
25 U.S.C. 7631 et seq.) is amended—

1 (1) by redesignating section 302 as section
2 302A;

3 (2) in the heading of section 302A (as redesign-
4 nated), by inserting “**OTHER PROVISIONS RELAT-**
5 **ING TO**” before “**ASSISTANCE**”; and

6 (3) by inserting before section 302A (as redes-
7 igned) the following new section:

8 “**SEC. 302. ASSISTANCE TO COMBAT TUBERCULOSIS.**

9 “(a) FINDINGS.—Congress makes the following find-
10 ings:

11 “(1) Congress recognizes the growing inter-
12 national problem of tuberculosis and the impact its
13 continued existence has on those countries that had
14 previously largely controlled the disease.

15 “(2) Congress further recognizes that the
16 means exist to control and treat tuberculosis
17 through expanded use of the DOTS (Directly Ob-
18 served Treatment Short-course) treatment strategy,
19 including DOTS–Plus to address multi-drug resist-
20 ant tuberculosis, and adequate investment in newly
21 created mechanisms to increase access to treatment,
22 including the Global Tuberculosis Drug Facility es-
23 tablished in 2001 pursuant to the Amsterdam Dec-
24 laration to Stop TB and the Global Alliance for TB
25 Drug Development.

1 “(b) POLICY.—It is a major objective of the foreign
2 assistance program of the United States to control tuber-
3 culosis. In all countries in which the Government of the
4 United States has established development programs, par-
5 ticularly in countries with the highest burden of tuber-
6 culosis and other countries with high rates of tuberculosis,
7 the United States should support the objectives of the
8 Global Plan to Stop TB, including through achievement
9 of the following goals:

10 “(1) Reduce by half the tuberculosis death and
11 disease burden from the 1990 baseline.

12 “(2) Sustain or exceed the detection of at least
13 70 percent of sputum smear-positive cases of tuber-
14 culosis and the successful treatment of at least 85
15 percent of the cases detected in countries with estab-
16 lished United States Agency for International Devel-
17 opment tuberculosis programs.

18 “(3) In support of the Global Plan to Stop TB,
19 the President shall establish a comprehensive, 5-year
20 United States strategy to expand and improve
21 United States efforts to combat tuberculosis glob-
22 ally, including a plan to support—

23 “(A) the successful treatment of 4,500,000
24 new sputum smear tuberculosis patients under
25 DOTS programs by 2013, primarily through di-

1 rect support for needed services, commodities,
2 health workers, and training, and additional
3 treatment through coordinated multilateral ef-
4 forts; and

5 “(B) the diagnosis and treatment of
6 90,000 new multiple drug resistant tuberculosis
7 cases by 2013, and additional treatment
8 through coordinated multilateral efforts.

9 “(c) AUTHORIZATION.—To carry out this section and
10 consistent with section 1321 of the Global Partnerships
11 Act of 2012, the President is authorized to furnish assist-
12 ance, on such terms and conditions as the President may
13 determine, for the prevention, treatment, control, and
14 elimination of tuberculosis.

15 “(d) COORDINATION.—In carrying out this section,
16 the President shall coordinate with the World Health Or-
17 ganization, the Global Fund to Fight AIDS, Tuberculosis,
18 and Malaria, and other organizations with respect to the
19 development and implementation of a comprehensive tu-
20 berculosis control program.

21 “(e) PRIORITY TO STOP TB STRATEGY.—In fur-
22 nishing assistance under subsection (c), the President
23 shall give priority to—

24 “(1) direct services described in the Stop TB
25 Strategy, including expansion and enhancement of

1 Directly Observed Treatment Short-course (DOTS)
2 coverage, rapid testing, treatment for individuals in-
3 fected with both tuberculosis and HIV, and treat-
4 ment for individuals with multi-drug resistant tuber-
5 culosis (MDR-TB), strengthening of health systems,
6 use of the International Standards for Tuberculosis
7 Care by all providers, empowering individuals with
8 tuberculosis, and enabling and promoting research to
9 develop new diagnostics, drugs, and vaccines, and
10 program-based operational research relating to tu-
11 berculosis; and

12 “(2) funding for the Global Tuberculosis Drug
13 Facility, the Stop Tuberculosis Partnership, and the
14 Global Alliance for TB Drug Development.

15 “(f) ASSISTANCE FOR THE WORLD HEALTH ORGANI-
16 ZATION AND THE STOP TUBERCULOSIS PARTNERSHIP.—
17 In carrying out this section, the President, acting through
18 the Administrator of the United States Agency for Inter-
19 national Development, is authorized to provide increased
20 resources to the World Health Organization and the Stop
21 Tuberculosis Partnership to improve the capacity of coun-
22 tries with high rates of tuberculosis and other affected
23 countries to implement the Stop TB Strategy and specific
24 strategies related to addressing multiple drug resistant tu-

1 berculosis (MDR–TB) and extensively drug resistant tu-
2 berculosis (XDR–TB).

3 “(g) ANNUAL REPORT.—The President shall submit
4 an annual report to Congress that describes the impact
5 of United States foreign assistance on efforts to control
6 tuberculosis, including—

7 “(1) the number of tuberculosis cases diagnosed
8 and the number of cases cured in countries receiving
9 United States bilateral foreign assistance for tuber-
10 culosis control purposes;

11 “(2) a description of activities supported with
12 United States tuberculosis resources in each coun-
13 try, including a description of how those activities
14 specifically contribute to increasing the number of
15 people diagnosed and treated for tuberculosis;

16 “(3) in each country receiving bilateral United
17 States foreign assistance for tuberculosis control
18 purposes, the percentage provided for direct tuber-
19 culosis services in countries receiving United States
20 bilateral foreign assistance for tuberculosis control
21 purposes;

22 “(4) a description of research efforts and clin-
23 ical trials to develop new tools to combat tuber-
24 culosis, including diagnostics, drugs, and vaccines
25 supported by United States bilateral assistance;

1 “(5) the number of persons who have been di-
2 agnosed and started treatment for multidrug-resist-
3 ant tuberculosis in countries receiving United States
4 bilateral foreign assistance for tuberculosis control
5 programs;

6 “(6) a description of the collaboration and co-
7 ordination of United States anti-tuberculosis efforts
8 with the World Health Organization, the Global
9 Fund, and other major public and private entities
10 within the Stop TB Strategy;

11 “(7) the constraints on implementation of pro-
12 grams posed by health workforce shortages and ca-
13 pacities;

14 “(8) the number of people trained in tuber-
15 culosis control; and

16 “(9) a breakdown of expenditures for direct pa-
17 tient tuberculosis services, drugs and other commod-
18 ities, drug management, training in diagnosis and
19 treatment, health systems strengthening, research,
20 and support costs.

21 “(h) DEFINITIONS.—In this section:

22 “(1) DOTS.—The term ‘DOTS’ or ‘Directly
23 Observed Treatment Short-course’ means the World
24 Health Organization-recommended strategy for
25 treating tuberculosis, including—

1 “(A) low-cost and effective diagnosis,
2 treatment, and monitoring of tuberculosis;

3 “(B) a reliable drug supply;

4 “(C) a management strategy for public
5 health systems;

6 “(D) health system strengthening;

7 “(E) promotion of the use of the Inter-
8 national Standards for Tuberculosis Care by all
9 care providers;

10 “(F) bacteriology under an external quality
11 assessment framework;

12 “(G) short-course chemotherapy; and

13 “(H) sound reporting and recording sys-
14 tems.

15 “(2) DOTS-PLUS.—The term ‘DOTS-Plus’
16 means a comprehensive tuberculosis management
17 strategy that is built upon and works as a supple-
18 ment to the standard DOTS strategy, and which
19 takes into account specific issues (such as use of sec-
20 ond line anti-tuberculosis drugs) that need to be ad-
21 dressed in areas where there is high prevalence of
22 multidrug resistant tuberculosis.

23 “(3) GLOBAL ALLIANCE FOR TUBERCULOSIS
24 DRUG DEVELOPMENT.—The term ‘Global Alliance
25 for Tuberculosis Drug Development’ means the pub-

1 lic-private partnership that brings together leaders
2 in health, science, philanthropy, and private industry
3 to devise new approaches to tuberculosis and to en-
4 sure that new medications are available and afford-
5 able in high tuberculosis burden countries and other
6 affected countries.

7 “(5) STOP TB STRATEGY.—The term ‘Stop TB
8 Strategy’ means the 6-point strategy to reduce tu-
9 berculosis developed by the World Health Organiza-
10 tion, which is described in the Global Plan to Stop
11 TB 2006–2015: Actions for Life, a comprehensive
12 plan developed by the Stop TB Partnership that sets
13 out the actions necessary to achieve the millennium
14 development goal of cutting tuberculosis deaths and
15 disease burden in half by 2015.

16 “(6) STOP TUBERCULOSIS PARTNERSHIP.—The
17 term ‘Stop Tuberculosis Partnership’ means the
18 partnership of the World Health Organization, do-
19 nors including the United States, high tuberculosis
20 burden countries, multilateral agencies, and non-
21 governmental and technical agencies committed to
22 short- and long-term measures required to control
23 and eventually eliminate tuberculosis as a public
24 health problem in the world.”.

1 (c) ASSISTANCE TO COMBAT MALARIA.—Subtitle A
2 of title III of the United States Leadership Against HIV/
3 AIDS, Tuberculosis and Malaria Act of 2003 (22 U.S.C.
4 7631 et seq.) is amended—

5 (1) by redesignating section 303 as section
6 303A;

7 (2) in the heading of section 303A (as redesign-
8 nated), by inserting “**OTHER PROVISIONS RELAT-**
9 **ING TO**” before “**ASSISTANCE**”; and

10 (3) by inserting before section 303A (as redesign-
11 ignated) the following new section:

12 **“SEC. 303. ASSISTANCE TO COMBAT MALARIA.**

13 “(a) FINDING.—Congress finds that malaria kills
14 more people annually than any other communicable dis-
15 ease except tuberculosis, that more than 90 percent of all
16 malaria cases are in sub-Saharan Africa, and that children
17 and women are particularly at risk. Congress recognizes
18 that there are cost-effective tools to decrease the spread
19 of malaria and that malaria is a curable disease if prompt-
20 ly diagnosed and adequately treated.

21 “(b) POLICY.—It is a major objective of the foreign
22 assistance program of the United States to provide assist-
23 ance for the prevention, control, treatment, and cure of
24 malaria.

1 “(c) AUTHORIZATION.—To carry out this section and
2 consistent with section 1321 of the Global Partnerships
3 Act of 2012, the President is authorized to furnish assist-
4 ance, on such terms and conditions as the President may
5 determine, for the prevention, treatment, control, and
6 elimination of malaria.

7 “(d) COORDINATION.—In carrying out this section,
8 the President shall coordinate with the World Health Or-
9 ganization, the Global Fund to Fight AIDS, Tuberculosis,
10 and Malaria, the Department of Health and Human Serv-
11 ices (the Centers for Disease Control and Prevention and
12 the National Institutes of Health), and other organiza-
13 tions with respect to the development and implementation
14 of a comprehensive malaria control program.”.

15 (d) TECHNICAL AND CONFORMING AMENDMENTS.—
16 The United States Leadership Against HIV/AIDS, Tuber-
17 culosis and Malaria Act of 2003 (22 U.S.C. 7601 et seq.)
18 is amended—

19 (1) in section 3(12), by striking “Foreign As-
20 sistance Act of 1961” and inserting “Global Part-
21 nerships Act of 2012”;

22 (2) in section 101(f)(1)(A), by inserting at the
23 end before the period the following: “(as such sec-
24 tions were in effect on the day before the date of the
25 enactment of the Global Partnerships Act of 2012)”;

1 (3) in section 202(d)(4)(B)—

2 (A) in clause (iii), by striking “section
3 104A of the Foreign Assistance Act of 1961 (as
4 added by section 301 of this Act)” and insert-
5 ing “section 301 of this Act”; and

6 (B) in clause (iv), by striking “sections
7 104A, 104B, and 104C of the Foreign Assist-
8 ance Act of 1961 (as added by title III of this
9 Act)” and inserting “sections 301, 302, and
10 303 of this Act”;

11 (4) in section 204(b)(1), by striking “section
12 129 of the Foreign Assistance Act of 1961 (22
13 U.S.C. 2152)” and inserting “section 1132 of the
14 Global Partnerships Act of 2012”;

15 (5) in section 301A (as redesignated)—

16 (A) in subsection (b)—

17 (i) in paragraph (1)—

18 (I) by striking “section 104(c) of
19 the Foreign Assistance Act of 1961
20 (22 U.S.C. 2151b(c))” and inserting
21 “section 1304 of the Global Partner-
22 ships Act of 2012”; and

23 (II) by striking “section 104A of
24 the Foreign Assistance Act of 1961,

1 as added by subsection (a)” and in-
2 serting “section 301”; and

3 (ii) in paragraph (3), by striking “sec-
4 tion 104A(d)(4) of the Foreign Assistance
5 Act of 1961 (as added by subsection (a))”
6 and inserting “section 301(d)(5)”; and

7 (B) in subsection (d), by striking “under
8 section 104A of the Foreign Assistance Act of
9 1961” and inserting “under section 1304 of the
10 Global Partnerships Act of 2012”;

11 (6) in section 302A(b)(1) (as redesignated)—

12 (A) by striking “section 104(c) of the For-
13 eign Assistance Act of 1961 (22 U.S.C.
14 2151b(c))” and inserting “section 1304 of the
15 Global Partnerships Act of 2012”; and

16 (B) by striking “section 104B of the For-
17 eign Assistance Act of 1961, as added by sub-
18 section (a)” and inserting “section 302”; and

19 (7) in section 303A(b)(1) (as redesignated)—

20 (A) by striking “section 104(c) of the For-
21 eign Assistance Act of 1961 (22 U.S.C.
22 2151b(c))” and inserting “section 1304 of the
23 Global Partnerships Act of 2012”; and

1 (B) by striking “section 104C of the For-
2 eign Assistance Act of 1961, as added by sub-
3 section (a)” and inserting “section 303”;
4 (8) in section 304A (as redesignated)—

5 (A) in subsection (e), by striking “section
6 104C of the Foreign Assistance Act of 1961
7 (22 U.S.C. 2151b–4)” and inserting “section
8 303”; and

9 (B) in subsection (f), by striking “section
10 104C”;

11 (9) in section 312(c)(4)(C)(ii), by striking
12 “104A(f) of the Foreign Assistance Act of 1961”
13 and inserting “section 301(f)”; and

14 (10) in section 403—

15 (A) in subsection (a)(4), by striking “sec-
16 tion 104A(e) of the Foreign Assistance Act of
17 1961 (22 U.S.C. 2151b–2(e))” and inserting
18 “section 301(e) of this Act”; and

19 (B) in subsection (d)(4), by striking “sec-
20 tion 104A(b)(1)(A) of the Foreign Assistance
21 Act of 1961 (22 U.S.C. 2151b–2(b)(1)(A))”
22 and inserting “section 301(b)(1)(A) of this
23 Act”.

24 (e) CLERICAL AMENDMENT.—The table of contents
25 in section 1(b) of the United States Leadership Against

1 HIV/AIDS, Tuberculosis and Malaria Act of 2003 (22
 2 U.S.C. 7601 note) is amended by striking the items relat-
 3 ing to sections 301 through 303 and inserting the fol-
 4 lowing new items:

“Sec. 301. Assistance to combat HIV/AIDS.

“Sec. 301A. Other provisions relating to assistance to combat HIV/AIDS.

“Sec. 302. Assistance to combat tuberculosis.

“Sec. 302A. Other provisions relating to assistance to combat tuberculosis.

“Sec. 303. Assistance to combat malaria.

“Sec. 303A. Other provisions relating to assistance to combat malaria.”.

5 (f) TRANSFER OF PRIOR YEAR FUNDS.—Unobli-
 6 gated balances of funds made available under sections
 7 104A, 104B and 104C of the Foreign Assistance Act of
 8 1961 (as in effect on the day before the date of the enact-
 9 ment of this Act) shall be transferred to, merged with,
 10 and made available for the same purposes as funds made
 11 available under sections 301, 302 and 303, respectively,
 12 of the United States Leadership Against HIV/AIDS, Tu-
 13 berculosis and Malaria Act of 2003 (as added by this sec-
 14 tion).

15 **SEC. 12102. AMENDMENTS TO THE MILLENNIUM CHAL-**
 16 **LENCE ACT OF 2003.**

17 (a) EXTENSION OF COMPACTS.—Section 609(j) of
 18 the Millennium Challenge Act of 2003 (22 U.S.C. 7708(j))
 19 is amended to read as follows:

20 “(j) EXTENSION OF COMPACT.—

1 “(1) IN GENERAL.—Except as provided under
2 paragraph (2), the duration of a Compact shall not
3 exceed 5 years.

4 “(2) EXCEPTION.—The duration of a Compact
5 may be extended beyond 5 years if—

6 “(A) the Compact was signed prior to the
7 date of enactment of the Global Partnerships
8 Act of 2012;

9 “(B) the Board determines that a project
10 included in the Compact cannot be completed in
11 5 years or less;

12 “(C) the Board approves an extension of
13 the Compact that does not extend the total du-
14 ration of the Compact beyond 7 years; and

15 “(D) the appropriate congressional com-
16 mittees are notified in accordance with sub-
17 section (i).”.

18 (b) CONCURRENT AND SUBSEQUENT COMPACTS.—

19 (1) IN GENERAL.—Section 609(k) of the Mil-
20 lennium Challenge Act of 2003 (22 U.S.C. 7708(k))
21 is amended to read as follows:

22 “(k) CONCURRENT AND SUBSEQUENT COMPACTS.—

23 “(1) IN GENERAL.—Subject to paragraph (2),
24 and in accordance with the requirements of this
25 title, an eligible country and the United States—

1 “(A) may enter into and have in effect
2 more than one Compact at any given time; and

3 “(B) may enter into subsequent Compacts
4 after the expiration of existing Compacts.

5 “(2) REQUIREMENTS.—An eligible country and
6 the United States may enter into concurrent or sub-
7 sequent Compacts if the Board determines that such
8 country—

9 “(A) is making or has made significant,
10 consistent progress in implementing the terms
11 of any existing or prior Compact; and

12 “(B) will contribute, in the case of a can-
13 didate country as defined in section 606(a), not
14 less than 7.5 percent of the total amount
15 agreed upon for a subsequent Compact, or in
16 the case of a candidate country as defined in
17 section 606(b), not less than 15 percent of the
18 total amount agreed upon for a subsequent
19 Compact.

20 “(3) FUNDING.—The Corporation shall commit
21 any funding for a concurrent Compact at the time
22 it funds the Compact.

23 “(4) TIMING.—A concurrent Compact shall be
24 signed not later than 2 years after the signing of the
25 earlier Compact.

1 “(5) LIMITATION.—The Corporation may pro-
2 vide not more than 15 years of Compact funding to
3 any country.”.

4 (2) EFFECTIVE DATE.—The amendment made
5 by paragraph (1) applies with respect to Compacts
6 entered into between the United States and an eligi-
7 ble country under the Millennium Challenge Act of
8 2003 (22 U.S.C. 7701 et seq.) before, on, or after
9 the date of the enactment of this Act.

10 (c) MAINTAINING CANDIDATE STATUS FOR PUR-
11 POSES OF INCOME CATEGORY.—Section 606 of the Mil-
12 lennium Challenge Act of 2003 (22 U.S.C. 7705) is
13 amended—

14 (1) in subsection (a)—

15 (A) in paragraph (1)—

16 (i) in the heading, by striking “FIS-
17 CAL YEAR 2004” and inserting “IN GEN-
18 ERAL”;

19 (ii) in the matter preceding subpara-
20 graph (A), by striking “for fiscal year
21 2004” and inserting “for a fiscal year”;

22 (iii) in subparagraph (A) to read as
23 follows:

24 “(A) the country—

1 “(i) has a per capita income that is
2 not greater than the World Bank’s lower
3 middle income country threshold for such
4 fiscal year; and

5 “(ii) is among the 75 lowest per cap-
6 ita income countries, as identified by the
7 World Bank; and”; and

8 (iv) in subparagraph (B), by striking
9 “subject to paragraph (3)” and inserting
10 “subject to paragraph (2)”;
11 (B) by striking paragraph (2); and

12 (C) by redesignating paragraph (3) as
13 paragraph (2);

14 (2) in subsection (b)—

15 (A) in paragraph (1)—

16 (i) in the matter preceding subpara-
17 graph (A), by striking “for fiscal year
18 2006 or a subsequent fiscal year” and in-
19 serting “for a fiscal year”; and

20 (ii) by striking subparagraphs (A) and
21 (B) and inserting the following:

22 “(A) has a per capita income that is not
23 greater than the World Bank’s lower middle in-
24 come country threshold for such fiscal year;

1 “(B) is not among the 75 lowest per capita
2 income countries as identified by the World
3 Bank; and

4 “(C) meets the requirements under sub-
5 section (a)(1)(B).”; and

6 (B) in paragraph (2)—

7 (i) by striking “for fiscal year 2006 or
8 any subsequent fiscal year” and inserting
9 “for a fiscal year”; and

10 (ii) by striking “for fiscal year 2006
11 or the subsequent fiscal year, as the case
12 may be” and inserting “for such fiscal
13 year”;

14 (3) by redesignating existing subsection (c) as
15 subsection (d); and

16 (4) by inserting after subsection (b) the fol-
17 lowing:

18 “(c) MAINTAINING CANDIDATE STATUS.—Any can-
19 didate country whose per capita income changes in a given
20 fiscal year such that the country’s income classification
21 as ‘low income’ or ‘lower middle income’ changes, shall
22 retain its candidacy at the former income category for the
23 year of such transition and for the two subsequent fiscal
24 years.”.

1 (d) CONFORMING AMENDMENTS.—The Millennium
2 Challenge Act of 2003 is amended—

3 (1) in section 603(1)(A) (22 U.S.C.
4 7702(1)(A)), by striking “International Relations”
5 and inserting “Foreign Affairs”;

6 (2) in section 605(e)(4) (22 U.S.C.
7 7704(e)(4))—

8 (A) by striking “The prohibitions on use of
9 funds contained in paragraphs (1) through (3)
10 of section 104(f) of the Foreign Assistance Act
11 of 1961 (22 U.S.C. 2151b(f)(1)–(3))” and in-
12 serting “The principles and restrictions on use
13 of funds contained in section 1305 of the Global
14 Partnerships Act of 2012”; and

15 (B) by striking “part I” and inserting
16 “title I”;

17 (3) in section 606(a)(1)(B) (22 U.S.C.
18 7705(a)(1)(B))—

19 (A) by striking “part I of the Foreign As-
20 sistance Act of 1961” and inserting “title I of
21 the Global Partnerships Act of 2012”; and

22 (B) by striking “any provision of the For-
23 eign Assistance Act of 1961” and inserting
24 “any provision of the Global Partnerships Act
25 of 2012”; and

1 (4) in section 614(d) (22 U.S.C. 7713(d)), by
2 striking “Foreign Assistance Act of 1961 (22 U.S.C.
3 2151 et seq.)” and inserting “Global Partnerships
4 Act of 2012”.

5 **SEC. 12103. AMENDMENTS TO THE MIGRATION AND REF-**
6 **UGEE ASSISTANCE ACT OF 1962.**

7 Section 2(c) of the Migration and Refugee Assistance
8 Act of 1962 (22 U.S.C. 2601(c)) is amended—

9 (1) in paragraph (1), by striking “President”
10 and inserting “Secretary of State”; and

11 (2) in paragraph (2), by striking
12 “\$100,000,000” and inserting “\$200,000,000”.

13 **SEC. 12104. AMENDMENTS TO THE FULBRIGHT-HAYS ACT.**

14 The Mutual Educational and Cultural Exchange Act
15 of 1961 (commonly known as the “Fulbright-Hays Act”)
16 is amended—

17 (1) in section 102(b)(3) (22 U.S.C.
18 2452(b)(3)), by inserting “, hospital centers for
19 medical education and research, and other” after
20 “operation of schools”; and

21 (2) in section 112(a)(5) (22 U.S.C. 2460(a)(5))
22 to read as follows:

23 “(5) the American Schools and Hospitals
24 Abroad Program which provides financial assistance
25 to the operations of American-sponsored schools,

1 hospital centers for medical education and research,
2 and other institutions of learning abroad;”.

3 **Subtitle B—Repeals**

4 **SEC. 12201. REPEAL OF LAWS INCORPORATED IN THIS ACT.**

5 The following provisions of law are hereby repealed:

6 (1) The Foreign Assistance Act of 1961 (Public
7 Law 87–195).

8 (2) The Arms Export Control Act (Public Law
9 90–629).

10 (3) Sections 664 and 665 of the Foreign Rela-
11 tions Authorization Act, Fiscal Year 2003 (Public
12 Law 107–228).

13 (4) Sections 2121 and 2122 of the ADVANCE
14 Democracy Act of 2007 (title XXI of Public Law
15 110–53).

16 (5) Section 7307 of title 10, United States
17 Code.

18 (6) Section 12001 of the Department of De-
19 fense Appropriations Act, 2005 (Public Law 108–
20 287).

21 **SEC. 12202. REPEAL OF LAWS INCONSISTENT WITH THIS** 22 **ACT.**

23 Sections 1511, 1522, and 1523(d) of the Foreign Af-
24 fairs Reform and Restructuring Act of 1998 (division G
25 of Public Law 105–277) are hereby repealed.

1 **SEC. 12203. REPEAL OF OBSOLETE PROVISIONS OF LAW.**

2 The following provisions of law are hereby repealed:

3 (1) The Trafficking Victims Protection Reau-
4 thorization Act of 2003 (Public Law 108–193).

5 (2) The Torture Victims Relief Reauthorization
6 Act of 2003 (Public Law 108–179).

7 (3) The HELP Commission Act (section 637 of
8 division B of Public Law 108–99).

9 (4) The International Anti-Corruption and
10 Good Governance Act of 2000 (Public Law 106–
11 309).

12 (5) The Iraq Liberation Act of 1998 (Public
13 Law 105–338).

14 (6) The Agriculture Export Relief Act of 1998
15 (Public Law 105–194).

16 (7) Title I of the International Narcotics Con-
17 trol Corrections Act of 1994 (Public Law 103–447).

18 (8) The South African Democratic Transition
19 Support Act of 1993 (Public Law 103–149).

20 (9) Public Law 102–270 (relating to the peace
21 process in Liberia).

22 (10) Title III of the Conventional Forces in Eu-
23 rope Treaty Implementation Act of 1991.

24 (11) The Emergency Supplemental Persian
25 Gulf Refugee Assistance Act of 1991 (Public Law
26 102–45).

1 (12) The Emergency Supplemental Assistance
2 for Israel Act of 1991 (Public Law 102–21).

3 (13) The Urgent Assistance for Democracy in
4 Panama Act of 1990 (Public Law 101–243).

5 (14) The Survival Assistance to Victims of Civil
6 Strife in Central America (Public Law 101–215).

7 (15) The Bangladesh Disaster Assistance Act
8 of 1988 (Public Law 100–576).

9 (16) The International Cooperation to Protect
10 Biological Diversity (Public Law 100–530).

11 (17) The Overseas Private Investment Corpora-
12 tion Amendments Act of 1988 (Public Law 100–
13 461).

14 (18) The American Aid to Poland Act of 1988
15 (Part II of Public Law 100–418).

16 (19) Public Law 100–276 (relating to peace,
17 democracy and reconciliation in Central America).

18 (20) The Special Foreign Assistance Act of
19 1986 (Public Law 99–529).

20 (21) The Jordan Supplemental Economic As-
21 sistance Authorization Act of 1985 (Public Law 99–
22 88).

23 (22) The African Famine Relief and Recovery
24 Act of 1985 (Public Law 99–8).

1 (23) The International Security and Develop-
2 ment Assistance Authorizations Act of 1983 (Public
3 Law 98–151).

4 (24) The Lebanon Emergency Assistance Act of
5 1983 (Public Law 98–43).

6 (25) The International Security and Develop-
7 ment Cooperation Act of 1981 (Public Law 97–
8 113).

9 (26) The International Security and Develop-
10 ment Cooperation Act of 1980 (Public Law 96–
11 533), other than section 110 and title V of such Act.

12 (27) The International Development Coopera-
13 tion Act of 1979 (Public Law 96–92).

14 (28) The International Security Assistance Act
15 of 1979 (Public Law 96–53).

16 (29) The Special International Security Assist-
17 ance Act of 1979 (Public Law 96–35).

18 (30) The International Development and Food
19 Assistance Act of 1978 (Public Law 95–424).

20 (31) The International Security Assistance Act
21 of 1978 (Public Law 95–384).

22 (32) The International Security Assistance Act
23 of 1977 (Public Law 95–92).

1 (33) The International Development and Food
2 Assistance Act of 1977 (Public Law 95–88), other
3 than sections 1, 132, and 133 of such Act.

4 (34) The International Security Assistance and
5 Arms Export Control Act of 1976 (Public Law 94–
6 329), except for section 601.

7 (35) The International Development and Food
8 Assistance Act of 1975 (Public Law 94–161).

9 (36) The Foreign Assistance Act of 1974 (Pub-
10 lic Law 93–559).

11 (37) The Emergency Security Assistance Act of
12 1973 (Public Law 93–199).

13 (38) The Foreign Assistance Act of 1973 (Pub-
14 lic Law 93–189).

15 (39) The Foreign Assistance Act of 1971 (Pub-
16 lic Law 92–226).

17 (40) The Act entitled, “An Act to Amend the
18 Foreign Military Sales Act, and for other purposes,”
19 approved January 12, 1971 (Public Law 91–672).

20 (41) The Special Foreign Assistance Act of
21 1971 (Public Law 91–652).

22 (42) The Foreign Assistance Act of 1968 (Pub-
23 lic Law 90–554).

24 (43) The Foreign Assistance Act of 1964 (Pub-
25 lic Law 88–633).

1 (44) The Latin American Development Act
2 (Public Law 86–735).

3 **SEC. 12204. REPEAL OF UNNECESSARY REPORTING RE-**
4 **QUIREMENTS.**

5 The following provisions of law are repealed:

6 (1) Section 560(g) of Public Law 103–87.

7 (2) Section 104 of Public Law 102–511.

8 (3) Section 1012(c) of Public Law 103–337.

9 (4) Subsections (c)(4) and (c)(5) of section 601
10 of Public Law 96–465.

11 (5) Section 585 of division A of Public Law
12 104–208.

13 (6) Section 8 of Public Law 107–245.

14 (7) Section 807 of Public Law 98–164.

15 **Subtitle C—Savings Provisions**

16 **SEC. 12301. REFERENCES TO FORMER AUTHORITIES.**

17 (a) IN GENERAL.—Effective beginning on the date
18 of the enactment of this Act—

19 (1) any reference to part I of the Foreign As-
20 sistance Act of 1961 shall be deemed to be a ref-
21 erence to title I of this Act;

22 (2) any reference to section 104(f) of the For-
23 eign Assistance Act of 1961 shall be deemed to be
24 a reference to section 1305 of this Act;

1 (3) any reference to section 104A, 104B, or
2 104C of the Foreign Assistance Act of 1961 shall be
3 deemed to be a reference to section 301, 302, or
4 303, respectively, of the United States Leadership
5 Against HIV/AIDS, Tuberculosis and Malaria Act of
6 2003 (as added by this Act);

7 (4) any reference to section 109 or 610 of the
8 Foreign Assistance Act of 1961 shall be deemed to
9 be a reference to section 10602 of this Act;

10 (5) any reference to section 116(a) or 502B of
11 the Foreign Assistance Act of 1961 shall be deemed
12 to be a reference to section 10101 of this Act;

13 (6) any reference to section 116(d) of the For-
14 eign Assistance Act of 1961 shall be deemed to be
15 a reference to section 3102 of this Act;

16 (7) any reference to section 451 of the Foreign
17 Assistance Act of 1961 shall be deemed to be a ref-
18 erence to section 10601 of this Act;

19 (8) any reference to chapter 4 of part II of the
20 Foreign Assistance Act of 1961 shall be deemed to
21 be a reference to subtitle A of title IV of this Act;

22 (9) any reference to section 614 of the Foreign
23 Assistance Act of 1961 shall be deemed to be a ref-
24 erence to section 10603 of this Act;

1 (10) any reference to section 620A of the For-
2 eign Assistance Act of 1961 shall be deemed to be
3 a reference to section 10401 of this Act;

4 (11) any reference to section 620H of the For-
5 eign Assistance Act of 1961 shall be deemed to be
6 a reference to section 10402 of this Act;

7 (12) any reference to section 620M of the For-
8 eign Assistance Act of 1961 shall be deemed to be
9 a reference to section 10102 of this Act;

10 (13) any reference to section 632 of the For-
11 eign Assistance Act of 1961 shall be deemed to be
12 a reference to section 11504 of this Act;

13 (14) any reference to section 634 of the For-
14 eign Assistance Act of 1961 shall be deemed to be
15 a reference to section 9302 of this Act;

16 (15) any reference to section 634A of the For-
17 eign Assistance Act of 1961 shall be deemed to be
18 a reference to section 9401 of this Act; and

19 (16) any reference to section 653 of the For-
20 eign Assistance Act of 1961 shall be deemed to be
21 a reference to section 9303 of this Act.

22 (b) UNITED STATES AGENCY FOR INTERNATIONAL
23 DEVELOPMENT.—References in any provision of law to
24 the “Agency for International Development” shall be

1 deemed to be a reference to the “United States Agency
2 for International Development”.

3 **SEC. 12302. REPEAL OF PROVISIONS AMENDING OTHER**
4 **LAWS.**

5 Except as otherwise provided in this Act, the repeal
6 by this Act of any provision of law that amended or re-
7 pealed another provision of law does not affect in any way
8 that amendment or repeal.

9 **SEC. 12303. SAVINGS PROVISIONS.**

10 (a) IN GENERAL.—Except as may be expressly pro-
11 vided to the contrary in this Act, all determinations, au-
12 thorizations, regulations, orders, contracts, agreements,
13 and other actions issued, undertaken, or entered into
14 under authority of any provision of law repealed by this
15 Act shall continue in full force and effect until modified
16 by appropriate authority.

17 (b) CONDITIONS.—Wherever provisions of this Act
18 establish conditions which must be complied with before
19 use may be made of authority contained in, or funds made
20 available to carry out the provisions of, this Act, compli-
21 ance with, or satisfaction of, substantially similar condi-
22 tions under provisions repealed by this Act shall be
23 deemed to constitute compliance with the conditions estab-
24 lished by this Act.

1 (c) AVAILABILITY OF FUNDS.—Funds made available
2 pursuant to provisions of law repealed by this Act shall,
3 unless otherwise authorized or provided by law, remain
4 available for their original purposes in accordance with the
5 provisions of law originally applicable thereto, or in ac-
6 cordance with the provisions of law currently applicable
7 to those purposes.

8 (d) REFERENCES.—References in law to provisions
9 repealed by this Act may hereafter be deemed to be ref-
10 erences to corresponding provisions of this Act, on a case-
11 by-case basis as may be appropriate.

12 (e) CERTAIN PRESIDENTIAL APPOINTEES.—The re-
13 peal by this Act of any provision of the Foreign Assistance
14 Act of 1961 providing for the appointment of an individual
15 to a position by the President, by and with the advice and
16 consent of the Senate, and the reenactment by this Act
17 of that provision in substantively identical form does not
18 require the reappointment of the individual holding that
19 position on the effective date of this Act.

20 (f) GUARANTEES AND LOANS UNDER FORMER AU-
21 THORITY.—Guarantees committed or outstanding under
22 the former authorities of sections 108, 222, and 222A of
23 the Foreign Assistance Act of 1961, as in effect on the
24 day before the date of the enactment of this Act, loans
25 obligated under section 108 on or before such date, the

1 fees and interest collected in connection with such guaran-
2 tees and loans, and income on claims receivable with re-
3 spect to such guarantees and loans, shall continue to be
4 subject to provisions of such Act originally applicable to
5 those guarantees and loans and the Federal Credit Reform
6 Act of 1990.

7 (g) SEVERABILITY.—If any provision of this Act, or
8 the application of such provision to any person or cir-
9 cumstance, shall be held invalid, the validity of the remain-
10 der of this Act, and of the applicability of such provision
11 to other persons or circumstances, shall not be affected
12 thereby.

13 **SEC. 12304. EFFECTIVE DATE.**

14 This Act and the amendments made by this Act shall
15 take effect on the date of the enactment of this Act.

