

FOREIGN OPERATIONS, EXPORT FINANCING, AND
RELATED PROGRAMS APPROPRIATIONS BILL, 2007

JUNE 5, 2006.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. KOLBE, from the Committee on Appropriations,
submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 5522]

The Committee on Appropriations submits the following report in
explanation of the accompanying bill making appropriations for
Foreign Operations, Export Financing, and Related Programs, and
for sundry independent agencies and corporations for the fiscal
year ending September 30, 2007, and for other purposes.

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OVERVIEW

The fiscal year 2007 budget request for the activities under the jurisdiction of the Subcommittee on Foreign Operations, Export Financing, and Related Programs is \$23,687,369,000 in new discretionary budget authority. The Committee recommends a total of \$21,299,260,000 in new discretionary budget authority, a decrease of \$2,388,109,000 from the President's request and an increase of \$468,057,000 over the fiscal year 2006 enacted level, including enacted supplemental appropriations.

The Committee's recommendation, provided in this bill and detailed in the accompanying report, reflects the four priorities of the Committee:

1. Oversight of the foreign assistance programs

2. Supporting our allies in the Global War on Terror
3. Responding to the global HIV/AIDS pandemic
4. Supporting innovative approaches to foreign assistance through the Millennium Challenge Corporation

SUPPORT TO OUR ALLIES IN THE GLOBAL WAR ON TERROR

The Committee's fiscal year 2007 recommendation includes a total of \$2,650,740,000 for Economic Support Fund (ESF) programs and \$4,454,900,000 for Foreign Military Financing (FMF) programs.

The vast majority of the ESF and FMF programs support ongoing and new assistance for our allies in the War on Terror. These funds support traditional methods of providing United States taxpayer assistance in the form of programs, projects, and activities to improve quality of life, support of existing military systems such as radios and spare parts for aircraft and trucks, as well as the purchase of new systems such as aircraft and radar systems.

EMERGENCY PLAN FOR AIDS RELIEF

The Committee recommends a total of \$3,431,472,000 in this Act for Global HIV/AIDS and Tuberculosis, which is \$751,642,000 above the enacted level and the same as the request. Within the total, \$2,772,500,000 is funded under the Global HIV/AIDS Initiative account, which is \$797,450,000 above the enacted level and \$121,500,000 below the request. Of the remaining funds, \$626,621,000 is provided within the Child Survival and Health Programs Fund account, and \$32,351,000 is provided from other accounts, such as the Economic Support Fund, and regional accounts for Eastern Europe and the former Soviet Union.

Within the total, the recommendation includes \$444,500,000 for a United States contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), which is the same as the enacted level and \$244,500,000 above the request. Within that amount, \$200,000,000 is to be derived from the Child Survival and Health Programs Fund and \$244,500,000 from the Global HIV/AIDS Initiative account. Contributions to the Global Fund continue to be subject to the provisions in Public Law 108-25, including the "matching funding" provision, and to additional provisions carried in prior years and contained in this Act.

MILLENNIUM CHALLENGE CORPORATION

The President's budget request includes \$3,000,000,000 for the fourth year of funding for the Millennium Challenge Corporation (MCC). The Committee continues its strong support for the innovative approach of the MCC, and recognizes the improvements in management and performance that have taken place over the last fiscal year. The constraints of the 302(b) allocation do not provide the Committee with the flexibility to fully fund the President's request for this important initiative. The Committee recommendation includes \$2,000,000,000 for the MCC, an increase of \$248,000,000 from fiscal year 2006. The Committee provides this substantial increase in an effort to respond positively to the President's proposal and to encourage the MCC's continued development.

LATIN AMERICA: OVERVIEW

The Committee is disappointed that USAID has not implemented prior year Congressional direction urging that greater emphasis be provided for programs in Latin America. The Committee is concerned that the United States influence and interests in the region will suffer should resources decline. The Committee does not believe that this reflects the priorities of United States economic, trade, humanitarian and immigration policies with these neighboring countries. Therefore, the Committee has included a provision in title V of this Act directing assistance to Latin American nations from funds appropriated in title II of this Act at not less than that provided in fiscal year 2006. As part of this directive, the Committee has included report language under the heading "Development Assistance" directing USAID to provide for this region from that account, and from the Trade Capacity Enhancement Fund, no less than the amount provided from the fiscal year 2006 Development Assistance account. The allocation of all resources should be shaped by the following high priorities: improved labor rights and environmental capacity, basic education, child and maternal health, rural development, empowerment of the poor through private property rights, and opportunities for farmers to participate in the formal economy. Foreign assistance can facilitate the efforts of these countries to integrate into the global economy and leverage trade for development. Furthermore, such assistance can encourage Latin American countries to undertake the changes necessary to become eligible for a compact in subsequent years if such countries meet the eligibility requirements of the Millennium Challenge Corporation.

MICROENTERPRISE

Microfinance is one of the great success stories of United States foreign assistance. It is a prime example of how our foreign aid can work cost-effectively to give those in need a chance to work their way out of poverty. In most developing countries, small, informally organized businesses—microenterprises—constitute the vast majority of business enterprises. Microenterprises are the source of employment and income for hundreds of millions of people in developing countries. To flourish, microenterprises need a supportive policy environment and growing markets, as well as capital and technical assistance. The Committee expects USAID's programs to reach the largest possible number of microenterprises, whether through grants to private, nongovernmental organizations that on-lend to microenterprises or by sponsoring economic policy reforms that directly stimulate such enterprises. The Committee directs the Director of Foreign Assistance, in consultation with the Director of Trade Capacity Enhancement, to allocate from the funds provided in title II of this Act not less than \$225,000,000 for microenterprise programs.

TITLE I—EXPORT AND INVESTMENT ASSISTANCE
EXPORT-IMPORT BANK OF THE UNITED STATES
INSPECTOR GENERAL

| | |
|--------------------------------------|-----------|
| Fiscal year 2006 enacted level | \$990,000 |
| Fiscal year 2007 request | 988,000 |
| Committee recommendation | 988,000 |
| Change from request | 0 |
| Change from enacted level | -2,000 |

The Committee recommends \$988,000 for the Inspector General of the Export-Import Bank of the United States, the same as the request and a decrease of \$2,000 from the 2006 enacted level.

SUBSIDY APPROPRIATION

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$74,000,000 |
| Fiscal year 2007 request | 26,382,000 |
| Committee recommendation | 26,382,000 |
| Change from request | 0 |
| Change from enacted level | -47,618,000 |

The Committee recommends \$26,382,000 for the Subsidy Appropriation of the Export-Import Bank of the United States, the same as the budget request and a decrease of \$47,618,000 from the 2006 enacted level.

ADMINISTRATIVE EXPENSES

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$72,468,000 |
| Fiscal year 2007 request | 75,234,000 |
| Committee recommendation | 75,234,000 |
| Change from request | 0 |
| Change from enacted level | +2,766,000 |

The Committee recommends \$75,234,000 for the administrative expenses appropriation of the Export-Import Bank of the United States, the same as the request and an increase of \$2,766,000 over the fiscal year 2006 enacted level.

The Committee directs the President of the Export-Import Bank to report quarterly to the Committee on the level of authorizations, subsidy used, and subsidy balances from current and prior years.

OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCREDIT ACCOUNT

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$41,851,000 |
| Fiscal year 2007 request | 45,453,000 |
| Committee recommendation | 45,453,000 |
| Change from request | 0 |
| Change from enacted level | +3,602,000 |

The Committee recommends \$45,453,000 for the Noncredit Account of the Overseas Private Investment Corporation (OPIC) for administrative expenses, the same as the request and an increase of \$3,602,000 over the 2006 enacted level.

COORDINATION WITH OTHER UNITED STATES AGENCIES THAT OPERATE
OVERSEAS

The Committee commends OPIC for initiating coordination with other United States Government agencies that operate overseas.

The Committee urges OPIC to continue this outreach program and to closely coordinate with the Director of Foreign Assistance, the United States Agency for International Development, the Millennium Challenge Corporation, the Treasury Department and other agencies of the United States Government to ensure no duplication of effort with providing assistance.

PROGRAM ACCOUNT

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$20,073,000 |
| Fiscal year 2007 request | 20,035,000 |
| Committee recommendation | 20,035,000 |
| Change from request | 0 |
| Change from enacted level | -38,000 |

The Committee recommends \$20,035,000 for the subsidy appropriation for OPIC's direct and guaranteed loan credit programs, the same as the request and a decrease of \$38,000 from the fiscal year 2006 enacted level.

The Committee continues prior year language required by the Federal Credit Reform Act and addressing representation expenses and availability of funds.

TRADE AND DEVELOPMENT AGENCY

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$50,391,000 |
| Fiscal year 2007 request | 50,300,000 |
| Committee recommendation | 50,300,000 |
| Change from request | 0 |
| Change from enacted level | -91,000 |

The Committee recommends \$50,300,000 for the Trade and Development Agency (TDA), the same as the request and a decrease of \$91,000 from the 2006 enacted level.

PILOT PROJECT TO IMPROVE PORT SECURITY

The Committee encourages the TDA to consider a proposal for a port security demonstration in Vietnam.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

Funds Appropriated to the President

United States Agency for International Development

STRUCTURE OF DEVELOPMENT ASSISTANCE ACCOUNTS

The Committee appropriates funding for longer-term development assistance programs managed by the United States Agency for International Development (USAID) in two accounts. As in previous fiscal years, the Act includes an account for child survival and health programs. It also includes a separate development assistance account for other program sectors, including economic growth, education, environment, and governance. Other accounts, such as the "Global HIV/AIDS Initiative", are largely implemented by USAID.

Three existing regional accounts jointly managed by the Department of State and USAID are included elsewhere in title II. The Committee utilizes the regional accounts to fund most economic and political cooperation with Russia, the independent states of the

former Soviet Union, Central and Eastern European States, and several Andean countries.

Beginning in fiscal year 2007, the Committee has included a new appropriation account entitled, "Trade Capacity Enhancement Fund." This appropriation will be managed by a new Director of Trade Capacity Enhancement at USAID in support of trade capacity enhancement strategic goals. Previously, funding for trade capacity enhancement had been distributed throughout a variety of accounts in title II.

Finally, authority is provided for the United States to make contributions from the Child Survival and Health Programs Fund to two international health funds: the Global Fund to Fight AIDS, Tuberculosis and Malaria (the "Global Fund") and The Global Alliance for Vaccines and Immunizations Fund (formerly the Vaccine Fund).

CHILD SURVIVAL AND HEALTH PROGRAMS FUND

(Including transfer of funds)

| | |
|--|-----------------|
| Fiscal year 2006 enacted level | \$1,569,150,000 |
| Fiscal year 2006 emergency appropriation, P.L. 109-148 | 75,200,000 |
| Fiscal year 2006 emergency supplemental (House) | 5,300,000 |
| Fiscal year 2007 request | 1,433,000,000 |
| Committee recommendation | 1,565,613,000 |
| Change from request | +132,613,000 |
| Change from enacted level | -3,537,000 |

The Committee recommends \$1,565,613,000 for the "Child Survival and Health Programs Fund", an amount that is \$132,613,000 above the request and \$3,537,000 below the amount enacted for fiscal year 2006.

The Committee has made available a total of \$3,431,472,000 in this Act for HIV/AIDS, and Tuberculosis (TB), of which \$626,621,000 is funded through the Child Survival and Health (CSH) Programs Fund, \$2,772,500,000 is funded under the "Global HIV/AIDS Initiative" account, and \$32,351,000 is provided from other accounts, such as the Economic Support Fund, International Disaster Assistance, and regional accounts for Eastern Europe and the former Soviet Union.

Allocation of Child Survival and Health Programs Fund

Unless modifications are subsequently notified and agreed to by the Committees on Appropriations, fiscal year 2007 appropriations for the Child Survival and Health Programs Fund are deemed to be allocated as follows:

GLOBAL HEALTH FUNDING

| <i>Category</i> | <i>Allocation</i> |
|--|-------------------|
| Child Survival and Health Programs Fund: | |
| Child Survival and Maternal Health | \$356,400,000 |
| Vulnerable Children | 25,000,000 |
| HIV/AIDS (bilateral) | 346,621,000 |
| Global Fund to Fight AIDS, TB, and Malaria | 200,000,000 |
| Reproductive Health/Voluntary Family Planning | 350,000,000 |
| Other Infectious Diseases (including TB and Malaria) | 287,592,000 |
| Subtotal, Child Survival and Health Programs Fund | 1,565,613,000 |
| Other Global Health: | |
| Global HIV/AIDS Initiative | 2,772,500,000 |
| Economic Support Fund | 139,300,000 |

| <i>Category</i> | <i>Allocation</i> |
|------------------------------------|-------------------|
| Regional Accounts | 60,600,000 |
| Total, Global Health Funding | 4,538,013,000 |

A definition of program categories and their components can be found on pages 9 through 11 of House Report 107–142 and under the heading “Family Planning/Reproductive Health” on page 12 of Senate Report 107–58. The United States Agency for International Development has also issued guidance on this matter.

The Committee is again including language that prohibits the use of certain funds in this account for non-project assistance, or cash grants, to governments. The provision of cash grants as general budget support for governments is no longer an appropriate development tool, given current funding constraints. To the extent that cash grants are necessary for countries in transition or for specific foreign policy goals, funds are available through the “Economic Support Fund”.

Child Survival and Maternal Health

The Committee directs USAID to allocate \$356,400,000 for child survival and maternal health in fiscal year 2007, \$33,400,000 more than requested and the same as the enacted level.

Micronutrients

The Committee continues to support USAID efforts to reduce Vitamin A deficiency, a condition that is the cause of death for more than 2.8 million children annually. The Committee recommends not less than \$29,700,000 from all accounts for USAID’s overall micronutrient program, including at least \$19,800,000 for activities related to Vitamin A deficiency.

The Committee understands that iodine deficiency disorder (IDD) is the leading preventable cause of mental retardation in children. The Committee recommends that USAID maintain support of at least \$2,000,000 for the Kiwanis/UNICEF IDD partnership from the “Child Survival and Health Programs Fund” and at least \$500,000 from Europe and Eurasia regional accounts.

Polio eradication

Since 1988, the number of polio cases has fallen from an estimated 350,000 to less than 2,000 in 2005. Polio has been eradicated in more than 200 countries. Yet, it still remains endemic in four countries and another five countries have reported “imported” cases in 2006. The global partnership to eradicate polio has had much success, but some of the most difficult work remains. Millions of young people are still at risk from this disease. The Committee urges USAID to continue to support the global polio eradication program at not less than the fiscal year 2006 level.

Vaccines and immunization

The Committee continues its support of the Global Alliance for Vaccines and Immunization (GAVI). Since its initiation five years ago, more than \$1,400,000,000 has been committed to 71 countries to improve and expand their immunization programs for children. As a result, it is estimated that over one million premature childhood deaths were averted. The Committee recommends not less than \$69,300,000 for the GAVI Fund (formerly, The Vaccine Fund)

in fiscal year 2007, which is the same as fiscal year 2006 and \$34,182,000 above the request.

Other activities

The Committee is aware of a proposal from Gift of Life International to expand its programs to assist Iraqi children as well as from Operation Smile for a Global Standard of Care Initiative and encourages USAID to consider support for these efforts.

The Committee also encourages USAID to support the effort of Medical Missions for Children to expand its Global Telemedicine and Teaching Network to include treatment sites in the Middle East, South Asia, and Africa.

Vulnerable Children

The Committee directs USAID to allocate \$25,000,000 for displaced children and orphans and blind children in fiscal year 2007, \$16,000,000 more than requested and \$4,701,000 below the enacted level. As in previous years, the Committee addresses assistance for children affected by HIV/AIDS elsewhere in the bill.

Childhood blindness

The Committee remains concerned that one and a half million children are currently blind, and another seven million suffer from poor vision. The Committee is aware of the work done by Helen Keller International and other organizations such as CBMI to assist these children, who can often be helped through simple and inexpensive methods of prevention and low cost care. The Committee recommends not less than \$1,800,000 for USAID's childhood blindness program in fiscal year 2007.

Other activities

The Committee encourages USAID to continue and expand support for programs that provide children without parents the support and structure they need, such as through adoption or long-term mentoring. The Committee encourages USAID to consider an initiative of Kidsave International in Colombia to help children without parents develop such relationships.

The Committee is aware of a proposal from the International Center to Heal Our Children (ICHOC) to expand its international training and observer program in Iraq, Afghanistan and The Gambia. The goal of the program is to foster, promote, and maintain the emotional health of children traumatized psychologically by acts of terrorism, violence and disasters. The Committee encourages USAID to give consideration to supporting this public/private partnership.

HIV/AIDS

The Committee directs USAID to allocate \$346,621,000 for HIV/AIDS from this account in fiscal year 2007. This is \$21,621,000 above the request and \$121,000 above the enacted level. Additional language addressing United States bilateral HIV/AIDS funding is found under the "Global HIV/AIDS Initiative" heading.

As in fiscal years 2005 and 2006, no funding for the "focus" countries is included in "Child Survival and Health Programs Fund" and funding for the United Nations Joint Programme on HIV/AIDS

(UNAIDS) is included in the Global HIV/AIDS Initiative account. The Committee has included \$50,000,000 for the “non-focus” countries in the recommendation for the Global HIV/AIDS Initiative account and recognizes the formal process by which these funds are allocated to agencies to ensure that USAID funds are integrated within the overall policy and strategic direction of the President’s Emergency Plan for AIDS Relief (PEPFAR).

Media

The Committee understands that local and national media can provide an effective tool for combating HIV/AIDS. The Committee supports the USAID media programs in Kenya, Nigeria, Ethiopia and India. The Committee recommends that USAID, in collaboration with the Office of the Global HIV/AIDS Coordinator, at a minimum sustain its current media programs and consider expanding activities in India and to other countries in Africa.

Regional programs

The Committee acknowledges the work of the AIDS Responsibility Project in Latin America. The aim of the Project is to prevent the spread of HIV/AIDS by ending stigma and discrimination. Projects engage the business sector to establish business councils that commit to promoting HIV/AIDS education and prevention strategies in the workplace and to adopt policies that prohibit discrimination against those with HIV. The Committee urges USAID to expand the program to other countries in Latin America, such as Peru, Argentina, Bolivia, Ecuador, Guatemala, Honduras, and El Salvador.

The Committee understands the difficulty of establishing regional solutions to challenges involving the delivery of safe and effective HIV/AIDS prevention and treatment services. The Committee urges the Office of the Global HIV/AIDS Coordinator and USAID to expand support for such regional solutions, including a proposal from TREAT Asia, a regional collaborative research, education, and training network in the Asia and Pacific region. TREAT Asia currently serves as the Secretariat for a number of USAID-supported HIV prevention projects in the Mekong Delta.

The Committee is aware of the interest of the Progressive United Action Association (PUAA) and the Khmer HIV/AIDS NGO Alliance (KHANA) in expanding their work addressing the needs of orphans and other vulnerable children affected by HIV/AIDS in Cambodia and encourages USAID to support their proposal.

The Committee recognizes the rise in HIV infection in Central Asia and Eastern Europe from 30,000 to 1,600,000, and notes a link between an increase in production and traffic in heroin and a rise in HIV among injecting drug users in these regions. The Committee encourages the Coordinator, in collaboration with other donors, to maximize participation of injecting drug users in HIV prevention programs and to scale up and replicate successful HIV prevention interventions in Asia and Eastern Europe.

Voluntary Contribution to the Global Fund To Fight AIDS, Tuberculosis and Malaria

The President requested \$200,000,000 for the Global Fund in this Act and an additional \$100,000,000 for the Global Fund from

the Act providing appropriations for the Department of Health and Human Services. The Committee recommendation includes not less than \$444,500,000 from this Act, including \$200,000,000 from this account to support the Global Fund. Further information about the Committee's recommendation is found under the heading "Global HIV/AIDS Initiative".

The Committee notes with appreciation that USAID continues to be a key contributor of technical assistance to the Global Fund and has helped to establish and sustain Country Coordinating Mechanisms, monitor grants, and otherwise improve the functioning of the Global Fund. The Committee requests that USAID, in collaboration with the Global HIV/AIDS Coordinator, prepare and submit a report describing the support USAID has provided for the Global Fund in fiscal year 2006, the estimate for fiscal year 2007, and how such support is coordinated with the Global Fund and with other bilateral initiatives.

The Committee notes that for fiscal year 2007 the bill language providing the technical assistance authority has been shifted from the Child Survival and Health Programs Fund account to the Global HIV/AIDS Initiative account.

Other infectious diseases, including TB and malaria

The Committee directs USAID to allocate \$287,592,000 for other infectious diseases, including tuberculosis (TB) and malaria, \$69,792,000 more than fiscal year 2006 and \$94,408,000 below the request.

Malaria

The Committee's recommendation includes \$177,592,000 for malaria from this account. The Committee supports the allocation of an additional \$1,450,000 from the Economic Support Fund as requested in the budget, and estimates that \$63,830,000 of the recommended contribution to the Global Fund would benefit malaria programs. Overall, the Committee recommendation includes an estimated \$242,872,000 from all accounts for malaria programs.

Tuberculosis (TB)

Each year, more than eight million people develop active TB, and at least two million die of the disease. The Committee's recommendation includes \$80,000,000 for the global prevention and control of TB from this account. The Committee supports the allocation of an additional \$11,553,000 from other accounts, including regional accounts, as requested in the budget and estimates that an additional \$89,389,000 of the recommended contribution to the Global Fund would benefit TB programs. Overall, the Committee recommendation includes an estimated \$180,942,000 from all accounts for TB programs.

The Global TB Drug Facility (GDF) supports expanded access to, and availability of, high-quality TB drugs to facilitate expanded treatment against the disease. The Committee encourages the increased cooperation between GDF and the Global Fund to Fight AIDS, TB and Malaria, and urges USAID to provide support to the GDF of not less than the level provided in fiscal year 2006.

Neglected diseases

In fiscal year 2006, the Committee provided \$14,800,000 to support an initiative to test an integrated approach to the control of neglected diseases that affect millions of children in the developing world. The Committee has provided sufficient funds to continue this initiative at no less than the fiscal year 2006 level.

Reproductive Health/Voluntary Family Planning

The Committee recommends a total of \$432,000,000 for reproductive health/voluntary family planning, \$3,000,000 less than the fiscal year 2006 level. The Committee directs that not less than \$350,000,000 of this total be derived from the Child Survival and Health Programs Fund.

Reproductive health/voluntary family planning restrictions

The Committee has continued prior year language that requires that none of the funds appropriated in this Act, or any unobligated balances, be made available to any organization or program which, as determined by the President, supports and participates in the management of a program of coercive abortion or involuntary sterilization. The language also states that funds cannot be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortion. Further, the language indicates that in order to reduce reliance on abortions in developing countries, population funds shall be available only to voluntary family planning projects that offer, either directly or through referral, information about access to a broad range of family planning methods and services. An additional provision requires that in awarding grants for natural family planning under section 104 of the Foreign Assistance Act, no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning.

The Committee also has continued prior year language that states that nothing in the Act is to alter any existing statutory prohibitions against abortion that are included under section 104 of the Foreign Assistance Act. Further, the Committee has continued prior year language which states that project service providers or referral agents cannot implement or be subject to quotas or other numerical targets of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning. The Committee has continued prior year language requiring that information on condom use provided by programs supported by funds made available by this Act shall be medically accurate and shall include the public health benefits and failure rates of such use.

Tiaht Amendment violation

The Committee notes that on May 2, 2006, the Committee was notified that the "Tiaht Amendment" requirements (1) and (2)(B) were violated by one of the Agency's family planning implementing partners. Furthermore, because of the seriousness of the violation the Agency requested the Regional Inspector General for Latin America and the Caribbean to investigate the violation in conjunction with the regularly-scheduled audit of the USAID/Guatemala family planning program. The Committee understands that when

the violation was discovered in June of 2005, the Agency immediately instructed the grantee to terminate the system of targets and bonuses that were the basis of the violation that began in 2002 and that as of July 2005, the Agency confirmed that the contracts had established fixed monthly salaries and eliminated targets and bonuses. The Committee appreciates the diligence of the USAID Mission in Guatemala in seeking a rapid remedy from the grantee in question. However, the Committee notes that although USAID is required to report to Congress within 60 days after it determines a violation has occurred, it took the Mission nine months to notify USAID/Washington of the violation and another two months for USAID to notify the Committee. This, in the Committee's view, is not acceptable. The Committee directs USAID and its missions to both investigate and remedy violations with dispatch and to ensure that all violations are reported in a timely fashion. The Committee also requests that upon completion of the Inspector General's investigation that USAID report to the Committee on the findings and any further actions taken to ensure that requirements related to family planning are explicitly communicated to all implementing partners and that violations are quickly investigated, remedied and communicated to both Agency officials and the Congress.

Research and Development

Research and development (R&D) of products, including vaccines and therapies, is increasingly important for achieving critical health and development objectives. The Committee commends USAID for its recent report entitled "Health-Related Research and Development Activities at USAID," which sets forth USAID's strategy for using research funds and the plan for stimulating the development and introduction of key products to address diseases affecting the developing world and countries in transition. The report covers \$119,374,000 in USAID supported research activities projected for fiscal year 2006. The balance, roughly \$29,000,000, of fiscal year 2006 R&D funding is mainly research funded by USAID field missions that addresses local questions and needs.

The Committee notes with appreciation the quality of the research plan. The Committee requests USAID, after consultation with the Office of the United States Global HIV/AIDS Coordinator, and other partners, to include abbreviated research plan information in its Congressional budget justification for fiscal year 2008, including the spending table found on page 57 of the May 2006 Report. The table should include funding by health issue and product for fiscal years 2006, 2007 and estimates for 2008.

Malaria

The Committee is concerned that malaria kills 2.7 million people every year. Seventy-five percent of these deaths are children in Africa under the age of five. The Committee encourages the development of a malaria program that addresses all aspects of the prevention and treatment of this disease. The Committee supports efforts initiated in fiscal year 2004 by USAID to increase its commitment to assist in the development of a malaria vaccine for Africa and other regions. During the past year malaria vaccine trials in Africa have proven to be effective first steps in this process. The

Committee recommends that for fiscal year 2007 USAID provide at least \$5,000,000 to the Malaria Vaccine Initiative.

The Committee also is aware of USAID's ongoing work with the Medicines for Malaria Venture, a non-profit, public-private partnership created to replenish and then sustain the global pipeline of anti-malarial drugs, and recommends continued support at not less than the fiscal year 2006 enacted level.

Microbicides

The Committee recognizes the disproportional impact of HIV/AIDS on women and supports methods of prevention that women can control. Recognizing that effective microbicides could be developed in five to seven years, the Committee supports continued USAID investment in microbicide development and clinical trial capacity. The Committee directs that not less than \$45,000,000 should be made available to support research and development of microbicides as a means of combating HIV/AIDS, of which \$5,000,000 should be made available to the International Partnership for Microbicides. The Committee further recommends that USAID and the Office of the Global AIDS Coordinator have a plan to support product introduction, distribution and use once a safe and effective microbicide has been developed.

HIV/AIDS vaccine

Since 2001, USAID, partnering with other United States Government agencies, has supported applied research into all phases of HIV vaccine development. Funding has risen from \$6,000,000 in fiscal year 2001 to \$28,710,000 in fiscal year 2006. The International AIDS Vaccine Initiative (IAVI), a non-profit research organization dedicated to accelerating the development of a safe and effective HIV vaccine that will be accessible to the developing world, has been a key USAID partner in this endeavor. The Committee recommends that USAID continue the partnership with IAVI at not less than the fiscal year 2006 level.

Health Care in Africa

Obstetric fistula

The Committee continues to be concerned about the debilitation and ostracism caused by obstetric fistula, which affects an estimated 3 million women in the developing world. This condition can often be prevented altogether by trained birth attendants and improved medical care. The Committee notes that USAID has rapidly increased its funding for fistula programs from their inception in fiscal year 2004. The Committee provides \$7,000,000 for obstetric fistula and instructs USAID to consult with the Committee not later than 60 days following enactment of this Act on how these funds will be programmed.

Ethiopia

The Committee encourages USAID to give consideration to supporting proposals from the Ethiopian North American Health Professionals Association for the Safe Motherhood project in Awassa, Ethiopia and from the Fistula Foundation for the Addis Ababa Fistula Hospital.

Other

The Committee recognizes the important work of the AMEC Health and Education Foundation in increasing access to health care in Zambia, the Democratic Republic of Congo, Rwanda, Burundi, and Republic of Congo—Brazzaville, and urges USAID to consider proposals for support of this work.

The Committee understands the James Jordan Foundation has launched a public/private partnership to establish a women’s and children’s hospital in Nairobi, Kenya and encourages USAID to consider supporting this collaborative venture.

DEVELOPMENT ASSISTANCE

[Including transfers of funds]

| | |
|--------------------------------------|-----------------|
| Fiscal year 2006 enacted level | \$1,508,760,000 |
| Fiscal year 2007 request | 1,282,000,000 |
| Committee recommendation | 1,294,000,000 |
| Change from request | +12,000,000 |
| Change from enacted level | -214,760,000 |

The Committee recommends a total of \$1,294,000,000 for development assistance for economic growth, trade and environment, a \$12,000,000 increase to the request and a \$214,760,000 decrease to the enacted level. Funding in this account includes worldwide activities for agriculture, rural development, literacy and basic education for children and adults, environment, energy, science and technology and other programs related to longer-term development.

TRADE CAPACITY BUILDING

In order to better encourage and manage the resources devoted to trade capacity building, the Committee has created a new appropriation account and a new position, Director of Trade Capacity Enhancement. In creating the new Trade Capacity Enhancement Fund account, the Committee moved funds from a number of accounts, including \$214,000,000 from the Development Assistance account. This amount is equal to the amount the Agency estimates it will spend in fiscal year 2006. The movement of trade capacity building funds to the new account explains for the majority of the decrease from the President’s request in this account. Adjusting for trade capacity funds in the fiscal year 2006 appropriation results in a comparable Development Assistance account of \$1,294,760,000. Therefore, the Committee’s recommendation is only \$760,000 below the “adjusted” fiscal year 2006 level.

DEVELOPMENT ASSISTANCE FUNDING

With the creation of the new account and the movement of Development Assistance funds to that account, the funding assumptions included in the Committee’s recommendation for the remaining funds in this account are as follows:

| | |
|---|-----------------|
| Economic Growth and Agriculture | \$1,055,112,000 |
| Agriculture and Natural Resources | 530,195,000 |
| Economic Growth | 114,184,000 |
| Education and training | 410,733,000 |
| Basic education | [365,000,000] |
| Higher Education | [45,733,000] |
| Democracy and Conflict Management | 238,888,000 |

HUMAN CAPACITY BUILDING: BASIC EDUCATION

Education is the foundation for sustained economic growth and the creation of democratic institutions in developing countries. For that reason, the Committee has been extremely supportive of increased funding for basic education, increasing it from \$126,000,000 in fiscal year 2001 to \$465,000,000 in fiscal year 2006. This year, the Committee directs \$365,000,000 for basic education in the Development Assistance account. The General Provisions section of the Bill directs a total of \$550,000,000 from Title II of this bill for basic education.

The Committee notes that, in response to a directive in Conference Report 109-265, USAID has provided \$50,650,000 of the \$65,000,000 in increases over the fiscal year 2005 level for basic education to support Fast Track Initiative-related programming in Ghana, Senegal, Zambia, and Honduras. The Committee supports the continuation of these efforts in fiscal year 2007, and directs USAID to provide \$65,000,000 for these efforts after consultation with the Committees on Appropriations.

The Committee again provides \$15,000,000 to continue a pilot program aimed at increasing access to quality basic education in Africa through the reduction or elimination of school fees. The Committee notes that USAID has received a total of \$30,000,000 in fiscal years 2005 and 2006 for such an effort in Malawi and the Democratic Republic of the Congo, and directs USAID to program fiscal year 2007 funds for this purpose only after consultation with the Committees on Appropriations.

The Committee supports the work of Alfalit International, an educational nongovernmental organization dedicated to promotion of literacy, basic education, preschool, health, nutrition and community development in Africa and Latin America. Alfalit's proven record during the past four decades has helped significantly reduce child and adult illiteracy in the countries where it operates. Since 2002, Alfalit and USAID have worked together successfully in a number of nations. The Committee understands that funding for current Alfalit programs will end at the end of fiscal year 2007 and encourages USAID to continue this program.

The Committee directs the Agency to resume school feeding programs in Haiti.

The Committee understands that the Caribbean American Mission for Education Research and Action has submitted a proposal to develop and implement a model of educational reform in Jamaica and urges USAID to consider the proposal.

HUMAN CAPACITY BUILDING: WOMEN'S LEADERSHIP TRAINING

The Committee continues to believe a Women in Development (WID) office empowered to monitor, assess, and make recommendations regarding the quality of gender integration at USAID could be of great benefit to the agency. The Committee strongly recommends that the Office be funded at \$15,000,000 in fiscal year 2007. In addition, the Committee has included, again this year, bill language to mandate \$15,000,000 for women's leadership training and directs the Agency to report on the amounts it is spending for such purposes and precise projects under management.

GLOBAL ISSUES: HYDROPOWER

The Committee continues to recommend a renewed emphasis on hydropower and directs the Agency to continue a grant program of not less than \$3,000,000 to promote the development of overseas markets for environmentally-friendly hydropower technology manufactured in the United States. The Committee recommends consideration of funding for a specialized non-governmental organization representing the United States hydropower industry to provide project development and implementation services. The Committee directs USAID to consult with the Committee on its plans for the allocation of these funds. As with other power and energy sectors, USAID has a key role in assisting foreign governments, international financial institutions, and the local private sector to establish necessary energy and investment framework and governance practices in emerging markets.

GLOBAL ISSUES: ACCESS TO CLEAN WATER AND WATER MANAGEMENT

Competition for scarce fresh water is predicted to be a major source of international conflict during the twenty-first century, as it is now within the Middle East. In Africa, especially in communities severely impacted by HIV/AIDS, ready access to clean water is lacking, resulting in increasing rates of water-borne diseases and higher infant mortality rates.

The Committee urges the President to direct not less than \$50,000,000 from this Act to build wells in rural areas, and secure water delivery systems in urban areas, of African communities that lack access to fresh water. Within this level, the Committee directs in law \$20,000,000 for programs in east Africa.

The Committee also directs \$5,000,000 for water infrastructure and clean water projects in the south of Lebanon. Funding should help support a variety of projects, including: development of modern irrigation schemes, domestic wastewater treatment plants, and sustainable fertilization programs to improve water quality deterioration for the south of Lebanon.

GLOBAL ISSUES: BIODIVERSITY

The Committee applauds the accomplishments of USAID in integrating biodiversity and forest management in its economic and social development programs. The Committee directs USAID to provide not less than the requested level of \$140,600,000 in fiscal year 2007 for its biodiversity and related environment programs. Within that amount, the Committee urges USAID to support biodiversity efforts in biologically important regions in Ecuador, especially the Galapagos Marine Reserve.

The Committee recommends \$200,000 for projects in southern Africa that help protect the population of wild cheetah. Harvesting otherwise undesirable species of brush and processing them into fuel can prevent the ruinous encroachment of the brush into woodland savannah where cheetahs hunt for food.

The Committee supports the USAID Parks in Peril program, a partnership with the Nature Conservancy, which has leveraged hundreds of millions of dollars in non-United States Government funds for conservation of imperiled ecosystems throughout Latin America. This successful program, first begun in 1990, has worked

in 17 Latin American countries and on more than 40 million acres, to protect areas and foster a network of local conservation organizations. The Committee understands that USAID has begun to identify a successor program and encourages the Agency to complete that process with all due speed. In the interim, the Committee directs USAID to provide \$7,000,000 in fiscal year 2007 to continue the Parks in Peril program while it completes the process to continue this important program. As this process is ongoing, the Committee urges USAID to craft a competitive program in which the implementing organization minimizes the percentage of indirect costs.

The Peregrine Fund continues to build a record of protecting birds of prey worldwide. The Committee recommends \$500,000 for The Peregrine Fund's work through the International Raptor Program, which will be matched by private contributions.

The Committee remains concerned about environmental degradation along the United States/Mexico border. The Committee requests USAID to consider programs in Mexico that will help ameliorate border region pollution.

GLOBAL ISSUES: PROPERTY RIGHTS

Property rights, sound regulation of commercial activity and other components of the rule of law are adversely affected by inefficient, lengthy and often corrupt systems of registering small business and land titles. The Committee endorses programs that promote property rights and create private real estate markets in selected countries where USAID is active in Latin America and the former Soviet bloc. The Committee directs USAID to continue to fully fund its cooperative agreement with the Institute for Liberty and Democracy and to expand the International Real Property Foundation Program into a world wide effort.

ECONOMIC GROWTH: COLLABORATIVE RESEARCH SUPPORT PROGRAMS

The Committee recognizes the important contributions the Collaborative Research Support Programs (CRSPs) have made in the area of agricultural development and human capacity building. The Committee believes CRSPs are excellent investments and urges USAID to support efforts by CRSPs to expand their activities in Africa and South Asia. The Committee recommends USAID support the creation of a new CRSP to focus on water issues and expand its current horticulture assessment into a CRSP. The Committee strongly recommends USAID fund CRSPs in fiscal year 2007 at \$31,000,000.

ECONOMIC GROWTH: CREDIT UNIONS, COOPERATIVES AND PARTNERSHIPS

The Committee recognizes the important role that cooperatives and credit unions play in overseas programs. The Committee recommends that priority be given to funding overseas cooperatives working in the areas of agriculture, financial systems, rural electric and telecommunications infrastructure, housing and health. Bill language is included to mandate \$10,000,000 of Development Assistance funds for cooperative development programs within the Office of Private and Voluntary Cooperation.

LATIN AMERICA

The Committee has continually supported higher funding levels for Latin American and the Caribbean. The importance of this region and our relationship with its citizens, our neighbors, can not be understated. Funding levels allocated to Latin America and the Caribbean must reflect the region's significance in terms of United States priorities for economic, trade, humanitarian and immigration policies with these neighboring countries. In fiscal year 2006, this region received 17 percent of the Development Assistance account. The Committee expects the Agency to provide for this region from both "Development Assistance" and "Trade Capacity Enhancement Fund" a combined total no less than the amount provided from the fiscal year 2006 Development Assistance account.

The Committee urges USAID¹ to engage with the World Council of Credit Unions to alleviate the usurious financial transactions related to the repatriation of earnings from immigrant workers, especially of Latin American origin. The Agency should suggest demonstration programs it could develop and implement to address this issue.

The Committee urges USAID to consider support for the Target Mexico Program sponsored by the City of Kansas City. In particular the Committee is interested in the beneficial trade relationships developed with small and medium-sized companies.

LATIN AMERICA AND THE CARIBBEAN: SCHOLARSHIP PROGRAM

The Committee strongly supports the work of the Cooperative Association of States for Scholarships (CASS) for its effective approaches to providing individuals with the skills that enable them to contribute effectively to the economic growth of their communities and nations. The Committee notes that the CASS program has offered technical education, job training, and leadership skills to young adults and leaders from communities of Central America and the Caribbean in fields such as agriculture, education, business, construction, environmental science, health care and technology training. The Committee also notes that the CASS program is undertaking new activities in Mexico in support of the Administration's efforts to strengthen the United States-Mexico relationship, and believes the program's long history in Haiti could contribute significantly to USAID efforts in that nation, particularly in the field of health care training. Recognizing the CASS program's record of sustained success and the challenges facing a number of states in the region, the Committee strongly encourages USAID to enter into a new five-year cooperative agreement to maintain CASS operations at no less than the current level of funding. The Committee is aware of the interest in replicating the CASS program in other countries.

SONORAN DESERT BORDERLAND WATERSHEDS

Recent impacts from prolonged drought, unsustainable groundwater pumping, waste discharge and conversion of the desert ecosystem have contributed to general riparian stress and watershed deterioration on both sides of the Arizona-Sonora border. The Committee acknowledges the important environmental work of the USAID Mexico Mission, and recommends funding from within Mis-

sion resources to expand the Mission's watershed management strategic element to target the Sonoran Desert borderlands region.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

The Committee provides up to \$20,000,000 for the American Schools and Hospitals Abroad (ASHA) program in fiscal year 2007. The Committee further expects that support will be continued, as new resources are needed, for traditional recipients in the Middle East. The Committee expects USAID to keep it well informed regarding institutions which have received ASHA funding in previous years, but which continue to have significant unexpended balances. Within the amount provided, the Committee urges USAID to consider a proposal from the George Washington Academy in Casablanca, Morocco. In addition, funds should be made available for other deserving institutions in all geographical regions, especially in sub-Saharan Africa.

The Committee notes that innovative medical technology such as haptic medical simulation can help train medical personnel in medically underserved developing countries. Such technology can provide a safe alternative to practicing on human subjects for a variety of procedures, such as intravenous therapy and endoscopy, and should be considered for use where appropriate.

DAIRY DEVELOPMENT

The Committee continues its strong support for dairy industry development as an effective economic development tool. The Committee urges USAID to obligate new funding for dairy industry development project activities at a minimum of \$10,000,000 in fiscal year 2007 to strengthen the agency's economic growth, rural development and trade initiatives. The Committee particularly urges USAID to use no less than \$5,000,000 of this amount to fund new activities in countries not previously engaged in dairy development. The program has assisted producers, cooperatives, processors and industry associations in recipient countries to increase incomes, create jobs and improve the nutritional status of the population. While the Committee encourages the use of creative program mechanisms, it is important that dairy programs under this provision address both United States dairy industry needs as well as developmental goals.

TORTURE TREATMENT CENTERS

The Torture Victims Relief Act of 1998 states that assistance to foreign treatment centers "shall be provided in the form of grants to treatment centers and programs in foreign countries that are carrying out projects or activities specifically designed to treat victims of torture for the physical and psychological effects of the torture." The Committee urges USAID to ensure that this program complies with the congressional authorization. By so doing, USAID will be helping to ensure the growth of indigenous institutions providing culturally appropriate care to their torture victims and seeking to prevent and eventually eliminate the practice of torture in their country. The Committee recommends that USAID devote \$12,000,000 for this program in fiscal year 2007. The Committee

requests that USAID report on implementation of these recommendations not later than 60 days of enactment of this Act.

LIBERIA

The Committee recommendation includes \$29,499,000 for Liberia, the same as the request.

COLLABORATION WITH COMMUNITY AND TECHNICAL COLLEGES

The Committee is aware of the urgent need for education throughout the continent of Africa, and that this need can be addressed through the incentives created with foreign investment. Specifically, the Committee is aware of the potential for business groups and community and technical colleges to collaborate and provide training and skills to African entrepreneurs in concert with established business relationships. The Louisville, Kentucky collaboration in the nation of Ghana, known as EconVillage, is a good example. The Committee encourages USAID to look at more comprehensive collaborations between the business community and technical assistance providers, such as community and technical colleges, to encourage other African nations to broaden educational opportunities as well as basic economic development.

UNITED STATES UNIVERSITY SUPPORT FOR DEVELOPING COUNTRIES

The Committee continues to receive numerous requests to fund specific activities at or through American institutions of higher education. The Committee strongly supports activities that advance international development and United States foreign policy goals. The Committee has reviewed the concepts proposed for funding, and recommends that USAID and/or the Department of State (as appropriate for the proposed project) actively consider proposals submitted by the organizations listed below.

Unless a proposal demonstrates a unique, innovative, or proprietary capability, or demonstrates special considerations that justify limited or non-competitive treatment, the Committee expects that competitive procedures will be applied with regard to the proposals on the list that follows. The Committee also expects USAID to give priority to proposals that have technical merit, realistic budgets, and achievable objectives.

No later than March 1, 2007, the Administrator of USAID shall submit a report to the Committee on the status of each activity identified below. Such report shall include: (1) the status of a funding proposal by the organization associated with each activity; (2) the degree to which the proposal is consistent with United States development assistance and foreign policy goals for the country or region in which the activity would take place; (3) the degree to which matching or other funds would be provided by the organization to complement the Federal contribution; (4) to the extent known at the time, any decision by USAID or the Department of State on funding the activity, including the proposed funding level; and (5) any other relevant information deemed important by USAID or the Department of State. The Committee also expects to receive a second report on the status of these proposals no later than September 1, 2007. In addition, the Committee requests that USAID identify an office or organization within the agency, or

within the Department of State if appropriate, to which inquiries can be directed on the status of these proposals.

With the foregoing in mind, the Committee recommends the following proposals for USAID's active consideration:

A proposal by Alabama A&M University to develop textbooks and teaching materials in Ethiopia;

A proposal by the University of Alabama to conduct a feasibility study to establish a Central American Food Export Trade Association at the University;

A proposal by the University of Alaska-Fairbanks to conduct activities related to the International Polar Year, including workshops, public education and research in polar science;

A proposal by the University of Alaska-Fairbanks to continue efforts in business development and examine missions to health and public works efforts in the Russian Far East;

A project from the University of Arizona and Mexico's Consejo Nacional de Ciencia Y Tecnologia to support a United States-Mexico binational optics program with the purpose of establishing a program to improve Mexico's competitiveness;

A proposal by the Associated Colleges of the South to teach critical languages and cultures, including: Chinese, Arabic, Farsi, Persian, Turkish and Urdu;

A proposal by California State University Consortium for International Development (CSUCID) to, among other objectives, enhance training modules for agricultural systems for training overseas;

Proposals by Loma Linda University, California, to expand its medical education and health care programs in developing countries, including the refurbishment of the Wazir Akbar Khan Hospital in Kabul, Afghanistan;

A proposal by the University of California at San Diego's Scripps Institute of Oceanography to assess the impact of air pollution and persistent brown haze in Asia;

A proposal by the University of Miami for a Child Health Care Initiative in the Ukraine;

A proposal by Spelman College, Institute for the Critical Study of Global Language, designed to increase the number of students who develop advanced proficiency in languages and knowledge about regions critical to U.S. national security, diplomacy, intelligence and business competitiveness;

A proposal by Morehouse College, the Building Bridges Between African American and South African Emerging Global Leaders Program, to provide student/faculty exchanges with leading South African institutions of higher education and research;

A proposal by Georgia State University, the University Business Education Partnership, to establish business education programs to serve the Ukraine and Georgia;

A proposal by the University of Iowa for the Center for Digital Communication in Development and Education, to improve international educational opportunities through use of the University's eGranary Digital Library;

A proposal by Bowling Green State University, the International Democratic Education Institute, to develop distance learning curricula and exchanges in both civics and ethics;

A proposal by Bemidji State University to create a Central Asian Institute to facilitate cross-cultural understanding and enhance the education of citizens in Central Asia;

A proposal by the University of Nebraska-Lincoln for a program of collaborative teaching and research in Zambia, with emphasis on HIV/AIDS research and agricultural development;

A proposal by Rutgers University, Thomas Edison State College and the SAS Institute to jointly provide a program in non-profit business and government administration;

Proposals by Monmouth University to establish an MBA degree program for Armenian graduate students, including internships opportunities;

A proposal by the Monmouth University to establish a school-based social work initiative with Ghana University at Legon to increase primary school retention and to decrease human trafficking;

A proposal by Oregon State University's Program for Water Conflict Prevention and Resolution to provide specialized resources and skills to individuals that go beyond the traditional physical systems approach to water resources management;

A proposal by the Pacem In Terris Institute at La Roche College, Pennsylvania, for the International Partners in Education Initiative;

A proposal by Chestnut Hill College to establish a working relationship with the International Center for Education and Research Distance Learning Center in Ukraine;

A proposal by the American University in Kosovo to educate future political and economic leaders;

Proposals by the South Dakota School of Mines and Technology to provide educational opportunities for foreign students, particularly from developing nations, to provide engineering services to water and sanitation programs in India, to enhance its relationship with the University of Belgrade and to enhance its relationship with the Mongolia University of Science and Technology;

A proposal coordinated by the Texas A&M University and other partnering universities for the Norman E. Borlaug International Science and Technology Fellows Program;

A proposal by Texas A&M University and other Alabama and Texas institutions of higher learning, Aflatoxin Remediation for Human and Animal health, to expand research in the United States, Ghana and other cooperating countries to further refine the technology for remediating the effects of mycotoxins in food and feed;

A proposal by Texas A&M University's Center for the Study of Western Hemisphere Trade to study and promote research on globalization with special emphasis on the Western Hemisphere;

A proposal by Texas State University, San Marcos to promote and facilitate trade with specific emphasis on small and medium-sized enterprises;

A proposal by Highline Community College for a partnership program with several colleges in South Africa and Namibia;

A proposal by Washington State University to expand its program in Malawi dedicated to improving the economic self-sufficiency of Malawians;

A proposal by the Asian University for Women, Bangladesh, to continue its program to educate disadvantaged women from diverse backgrounds around Asia in a non-sectarian environment;

A proposal by the American University of Armenia, affiliated with the University of California;

A proposal by Eastern Michigan University and Wayne State University Consortium for a Language Information program to provide an authoritative, accessible source of languages throughout the world;

A proposal by the Great Lakes Consortium for International Training and Development Center and its partner institutions, Bowling Green University, the University of Toledo and Lourdes College, to promote international and community partnerships around the world;

A proposal by Brandeis University for an International Center for Democracy and Governance;

A proposal by the John Joseph Moakley Center for Law, Justice, and Human Rights at Boston College to promote justice and human rights in several countries;

A proposal by the John W. McCormack Graduate School of Policy Studies at the University of Massachusetts Boston to assist developing democracies with the development of legal systems and the rule of law; and

A proposal by the New Jersey International Education Consortium to enhance civil society in the Middle East and South Asia.

INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

| | |
|--|---------------|
| Fiscal year 2006 enacted level | \$361,350,000 |
| Fiscal year 2006 emergency appropriation, P.L. 109-148 | 56,330,000 |
| Fiscal year 2006 emergency supplemental (House) | 136,290,000 |
| Fiscal year 2007 request | 348,800,000 |
| Committee recommendation | 348,800,000 |
| Change from request | 0 |
| Change from enacted level | -12,550,000 |

The Committee recommends a total of \$348,800,000 for the International Disaster Assistance and Famine Assistance account, the same as the request and a \$12,550,000 decrease from the enacted level, excluding emergency supplemental appropriations.

The Committee encourages the Office of Foreign Disaster Assistance (OFDA) to coordinate with the Office of Conflict Response and Stabilization (CRS) at the Department of State as CRS develops its "Civilian Response Corps for International Disasters". Any such Corps should take into account the existing capacity of OFDA to respond to both man-made and natural emergencies and not be duplicative. The Committee requests that OFDA consult with the Committee regarding opportunities to strengthen OFDA's response capacity if the Civilian Response Corps is established including the development of a database of civilian responders.

FAMINE PREVENTION AND RELIEF PILOT PROGRAM

The Committee's recommendation includes \$30,000,000 for famine prevention and relief, an increase of \$10,000,000 over the fiscal year 2006 level and the fiscal year 2007 request.

The Committee directs USAID to complete with the additional funding a pilot program designed to illustrate the relative advan-

tages of purchasing local food commodities and shipping commodities from abroad. This pilot should be built upon a study, performed by USAID, to identify both benefits and drawbacks of local commodity purchase programs and strategies for maximizing the effectiveness of local purchases.

This study should, at a minimum:

1. Examine the cost effectiveness of food assistance delivery approaches, including local purchases;
2. Identify opportunities to speed the provision of food to those in need;
3. Recommend approaches to use integrated United States and multidonor assistance programs to reduce the need for emergency food programs over time; and
4. Suggest opportunities for cooperation with United States farmers and food commodity transporters.

The Office of the Director of Foreign Assistance should consult with the Committee as it designs the study and pilot program. The Committee expects this program to be completed in time to inform the fiscal year 2008 budget request.

SUDAN

The Committee's overall recommendation for Sudan in this bill includes the Administration's request, \$450,300,000.

SUDAN

| | Fiscal year 2007 request | Committee recommendation |
|--|-----------------------------|-----------------------------|
| Darfur: | | |
| International Disaster and Famine Assistance | \$70,000,000 | \$70,000,000 |
| Transition Initiatives | 2,500,000 | 2,500,000 |
| Migration and Refugee Assistance | 45,000,000 | 45,000,000 |
| Economic Support Fund | 20,000,000 | 20,000,000 |
| Subtotal, Darfur | 137,500,000 | 137,500,000 |
| North/South | | |
| Child Survival and Health Programs Fund | 20,400,000 | 20,400,000 |
| Development Assistance | 70,000,000 | 70,000,000 |
| Economic Support Fund | 40,000,000 | 40,000,000 |
| International Disaster and Famine Assistance | 93,500,000 | 93,500,000 |
| Non-proliferation, Anti-terrorism, Demining and Related Programs | 4,100,000 | 4,100,000 |
| Migration and Refugee Assistance | 28,000,000 | 28,000,000 |
| Transition Initiatives | 5,500,000 | 5,500,000 |
| Peacekeeping Operations | 41,400,000 | 41,400,000 |
| International Military Education and Training | 100,000 | 100,000 |
| International Narcotics Control and Law Enforcement | 9,800,000 | 9,800,000 |
| Subtotal, North/South | 312,800,000 | 312,800,000 |
| Total Sudan | 450,300,000 | 450,300,000 |

The Committee recognizes that this budget request was formulated before the signing of the Darfur Peace Agreement of May, 2006. The Committee expects that any required changes to the fiscal year 2007 budget request due to the signing of this agreement will be submitted to the Committee via budget amendment or other official communication.

The Committee is gravely concerned by the length of time the Administration has taken to formulate and transmit the fiscal year 2006 Sudan plan as required in House Report 107-152, submitted

June 24, 2005. To date, the Committee has not received the submission. Sudan is now the largest United States taxpayer supported program in Africa, and this tardiness is extraordinary.

The Committee directs that the Administration will update the first budget plan following enactment of this Act to include United States support to Darfur, including the Darfur Peace Agreement, and to continue to update quarterly the Sudan assistance plan. The Committee expects that the fiscal year 2008 request for Sudan will show a shift away from reliance on funds appropriated in this account and toward funds appropriated in the regular development assistance accounts.

The Committee has again included a general provision, section 569, conditioning funding to the government of Sudan on its support for stability in Darfur. The Committee has modified the section from previous years to facilitate implementation of the Darfur Peace Agreement and to enforce its ceasefire provisions.

OFFICE OF MILITARY AFFAIRS

The Committee notes that USAID has requested funding for the Office of Military Affairs within the Bureau of Democracy, Conflict and Humanitarian Assistance. The office has as its primary responsibility the coordination of United States military and civilian interaction on joint humanitarian operations. While the Committee notes the importance of effective civilian-military coordination on humanitarian affairs, the Committee is concerned about any overlap or duplication with other components of the United States government, including the Office of the Coordinator for Reconstruction and Stabilization at the Department of State. The Committee is also concerned about potential perceptions of militarization of humanitarian assistance and notes that USAID has achieved effective coordination with the military in past joint humanitarian operations without the establishment of a new office. The Committee directs that the Administrator of USAID report to the Committees on Appropriations, not later than 120 days following enactment of this Act, on the total costs and functions of the office, including any resources or staff provided by the Department of Defense and the Department of State, as well as any overlapping and duplicating roles with the Office of the Coordinator for Reconstruction and Stabilization.

TRANSITION INITIATIVES

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$39,600,000 |
| Fiscal year 2006 request | 50,000,000 |
| Committee recommendation | 40,000,000 |
| Change from request | -10,000,000 |
| Change from enacted level | +400,000 |

The Committee recommends a total of \$40,000,000 for Transition Initiatives, a \$10,000,000 decrease from the request and a \$400,000 increase to the enacted level.

With respect to work in countries in transition, the Committee acknowledges the contributions of the International Crisis Group (ICG), which has conducted field-based, high-quality analysis of the causes of conflict in more than 40 countries around the world and recommends continued support for their work. The Committee re-

quests that USAID report on a semi-annual basis the expenditures and specific use of OTI funds, including implementing organization.

DEVELOPMENT CREDIT AUTHORITY

[Including transfer of funds]

| | |
|--|----------------|
| Program Account: | |
| Fiscal year 2006 enacted level (by transfer) | (\$20,790,000) |
| Fiscal year 2007 request (by transfer) | (21,000,000) |
| Committee recommendation (by transfer) | (21,000,000) |
| Change from request | 0 |
| Change from enacted level | +210,000 |
| Administrative Expenses: | |
| Fiscal year 2006 enacted level | 7,920,000 |
| Fiscal year 2007 request | 8,400,000 |
| Committee recommendation | 8,400,000 |
| Change from request | 0 |
| Change from enacted level | +480,000 |

The Committee recommends a ceiling of \$21,000,000, on the amount that may be transferred from bilateral economic assistance accounts for the subsidy cost of loan guarantees under the Development Credit Authority program. This is the same as the request and a \$210,000 increase to the enacted level.

The Committee has not provided the request of a \$5,000,000 direct appropriation for the African Housing and Infrastructure Facility. Funds for that type of activity are more appropriately found in the Development Assistance account, where the USAID missions can utilize the transfer authority should the missions decide this is the best expenditure of their funds.

The Committee recommends \$8,400,000 for administrative expenses, the same as the budget request and a \$480,000 increase to the enacted level.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$41,700,000 |
| Fiscal year 2007 request | 38,700,000 |
| Committee recommendation | 38,700,000 |
| Change from request | 0 |
| Change from enacted level | -3,000,000 |

The Committee has provided the budget request for the mandatory payment to the Foreign Service Retirement and Disability Fund.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

[Including transfer of funds]

| | |
|--------------------------------------|---------------|
| Fiscal year 2006 enacted level | \$623,700,000 |
| Fiscal year 2007 request | 678,826,000 |
| Committee recommendation | 646,000,000 |
| Change from request | -32,826,000 |
| Change from enacted level | +22,300,000 |

The Committee recommends a total of \$646,000,000 for Operating Expenses of the United States Agency for International Development, a \$32,826,000 decrease from the request and a \$22,300,000 increase above the enacted level.

The Committee has not funded the following amounts and items requested:

- \$3,900,000 for the Foreign Service Modernization, performance based pay system.
- \$6,600,000 for the Reconstruction and Stabilization Reserve.
- \$2,793,000 from the security request of \$15,200,000.
- \$10,000,000 from the \$61,900,000 request for Information Technology.
- \$6,083,000 from the \$32,400,000 request for “Other Agency Costs”.
- \$2,500,000 from the \$10,300,000 request for Staff Training.
- \$950,000 at the Administrator’s discretion.

USAID MANAGEMENT OF ADMINISTRATIVE COSTS

The Committee remains concerned about the use of the Operating Expenses (OE) account. The Committee believes that cost efficiencies and improved effectiveness would stretch the “OE Dollar”, allowing the OE appropriation to cover more of the activities currently funded in the program accounts. This could then have the effect of “freeing” program funds for more appropriate uses.

The Committee understands that the Agency has developed a report to measure the efficiency with which each bureau and each individual mission uses its funds. Once again, the Committee suggests that the challenge is to provide incentives for more efficient management and then measure mission compliance. The Committee anxiously awaits the results of the Agency’s “shadow budget”, which allows managers, not the central office, to control more of the budget. The expectation is that this will provide incentives to managers to make more efficient use of their funds.

The Committee recognizes that some missions manage and use their funds more effectively than others. The first step in providing incentives for efficient management of administrative funds is to determine those factors which make one mission more effective than another. Does relative mission size or age contribute to effective management? Is location a factor? Do regional platforms contribute to better management? The Committee directs the Agency to study the concept of regionalizing mission administrative functions and report to it by September 15, 2006, on the estimated cost savings—if any—resulting from economies of scale. In addition, the report should include an analysis of administrative costs, both from OE and program dollars, by Mission and Bureau, with conclusions as to the factors that cause efficiencies, the potential for dollars saved, and a comparison of newer vs older missions, and smaller vs larger missions. Finally, the report should identify future actions to “institutionalize” the cost saving methods identified by the analysis.

USAID DOMESTIC LEASING AUTHORITY

The Committee has included bill language to prohibit USAID from using appropriated funds to lease space domestically. The Committee has taken this drastic step in response to the Agency’s recent action to lease additional space in Washington, D.C., which resulted in a violation of the Anti-Deficiency Act, 31 U.S.C. 1341.

On September 30, 2005, USAID entered into a five year agreement to lease space in an office building in downtown Washington,

D.C. USAID did not use the expertise of the General Services Administration (GSA) to negotiate the terms of this lease. Instead, the Agency relied on its special statutory domestic leasing authority. By executing a lease that did not condition future lease payments on the availability of appropriated funds, USAID violated the Anti-Deficiency Act. The five year cost of this lease is estimated to be \$18,000,000. Prior to signing the lease, USAID, which occupies approximately 600,000 square feet of office space in the Ronald Reagan Building with workstations for about 2,500 staff, requested approval from this Committee. However, in asserting an "immediate need" for space, the Agency overstated the current work load requirement by approximately 350 people. In addition, USAID's request failed to take into account the Agency's plan to move technical staff to the field and to redefine headquarters staffing requirements.

In addition to the bill language, the Committee believes other remedial steps are required. The Committee directs USAID to adopt adequate internal leasing policies and controls and to submit monthly reports to the Committee on the status of the termination of the lease in question. These reports shall itemize all costs, by appropriation account, associated with the lease termination and include the status of the Agency efforts to adopt new leasing policies and controls. Further, the Agency is directed to utilize the expertise of the GSA to satisfy all future domestic leasing requirements.

BUDGET JUSTIFICATION MATERIALS

The Committee expects USAID to provide budget justification materials in a timely fashion. To that end, the Committee directs that the Agency submit future detailed budget justification documents within one week of the President's formal budget submission. The Committee found unacceptable the Agency's delay in submitting the fiscal year 2007 budget, which arrived only days before the first scheduled appropriation hearing. The Committee expects future budget justifications to provide more detail by appropriation account, which is after all the legal framework for its appropriated budget.

The additional account level detail should include the prior year, budget year and requested funds for each sector, program and area of special interest financed within that account. In addition the justification needs to make clear how activities differ by account for each sector, program and area funded by multiple accounts. The Agency's justification for the OE appropriation must thoroughly explain and justify the increases from the prior year in each category it. Finally, the Agency is expected to consult with the Committee over the summer to ensure that the organization of the fiscal year 2008 budget justification meets the needs of the Committee on Appropriations.

The Administrator of the United States Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations, on the gender composition of certain assistance programs. Such a report shall include, for all accounts administered by the USAID, gender disaggregated data on:

(1) Employees of enterprises that the United States Agency for International Development has employed as contractors and sub-contractors in post-conflict and post-crisis stabilization and reconstruction initiatives. Such information should include whether employees are United States nationals or residents of post-conflict and post-crisis countries; and

(2) Participants in job training, trade capacity building and enterprise development programs funded by USAID or the Department of State.

AVAILABILITY OF FUNDS

The Committee again includes a general provision on the Availability of Funds. This provision provides an additional four years of authority beyond the date on which the availability of funds would otherwise expire, if such funds are initially obligated before the expiration of their availability for obligation contained in the Act. In other words, any funds obligated on the last day of availability remain available to the Agency for deobligation and reobligated over an additional four year period. This authority, which appears unique to the funds in this bill, provides a large amount of flexibility for the Agency. The Committee will begin to review more closely the Agency's use of this authority and to that end, directs USAID to submit a report by September 15, 2006, which outlines the following: 1. the use of this authority (ie: the amount, fiscal year, and description of the original activity/program deobligated and the amount/s and new activity for which the funds were reobligated); 2. an explanation as to why this authority is needed, with specific examples of how it benefits the foreign assistance goals of the United States; and, 3. the impact of sunseting this authority in two or three years.

WORKFORCE MODEL

The Committee is encouraged by the Agency's use of the workforce model, which is an important tool towards "rationalizing" staffing decisions. The model predicts future workload and staffing demands and attempts to identify workforce gaps and develop solutions to fill those gaps. The Committee expects the Agency to place greater emphasis on analyzing the proper mix between Headquarters vs. Overseas staff and direct hires vs. non-direct hires. The Committee also expects the Agency to increase its efforts to hire technical staff as it identifies critical needs.

The Committee provides the request of \$13,400,000 to hire 100 additional United States direct hires and directs the Agency to report on use of these funds, including positions, locations, technical expertise associated with these 100 positions.

The Committee understands that a one-for-one decrease in Personal Service Contractors (PSCs) for each of the 100 positions filled will not occur immediately. However, the Committee does expect to see a continual, steady decrease in the number of PSCs. The Committee directs the Agency to provide a quarterly workforce profile report. The Committee expects the total number of PSCs identified on the fiscal year 2007 end of year report to be at least 50 lower than that identified on the fiscal year 2006 end of year report.

The Committee once again has included a general provision allowing USAID to use temporary Foreign Service Office (FSO) ap-

pointments overseas, funded by program accounts. This allows the Agency to employ FSOs responsible to the Administrator and the USAID management structure, rather than the current tendency to hire and rely on Personal Service Contractors (PSCs). The general provision continues to authorize up to 175 temporary FSO positions, an increase of 100 over the request and equal to last year. The Committee recognizes that the Agency may not have sufficient funds to hire up to 175 in fiscal year 2007, but it expects the Agency to take full advantage of this authority to the extent practicable.

CAPITAL INVESTMENT FUND

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$69,300,000 |
| Fiscal year 2007 request | 131,800,000 |
| Committee recommendation | 105,300,000 |
| Change from request | -26,500,000 |
| Change from enacted level | +36,000,000 |

The Committee recommends a total of \$105,300,000 for the Capital Investment Fund, a \$26,500,000 decrease from the request and a \$36,000,000 increase to the enacted level. In total, the Committee recommendation includes \$89,000,000 for USAID participation in the Capital Security Cost-Sharing Program, under which all agencies with overseas staff operating under Chief of Mission authority will contribute toward the costs of constructing secure embassy compounds, \$3,000,000 for constructing a new USAID Guatemala mission and \$13,300,000 for Information Technology.

All funds made available under the Capital Investment Fund, including the obligation of offsetting collections, and the capital appropriation in the Economic Support Fund, are subject to the regular notification procedures of the Committees on Appropriations. The Committee also has included bill language under Operating Expenses of the United States Agency for International Development that requires congressional notification before USAID commits to new overseas missions that will require additional capital investments.

CAPITAL SECURITY COST-SHARING PROGRAM

The Committee notes that the President's request includes a 107 percent increase over fiscal year 2006 for this program. While the Committee supports the concept of Capital Security Cost-Sharing, such a large increase in one fiscal year is not sustainable. In future Congressional Budget Justifications, the Committee expects the Agency to provide greater detail on the criteria used to assess its contribution to the CSCS program and the amounts, by mission, assumed in the request. As with all budget justifications, an explanation of change from the prior year level should also be included. In order to continue progress in this area, the Committee has included bill language to provide \$89,000,000, which is \$10,500,000 below the request. The Committee also has provided the full request of \$3,000,000 for constructing a new building to relocate the USAID Guatemala mission to a secure office building.

INFORMATION TECHNOLOGY

The Committee has not provided the requested funds for new initiatives nor provided increases for existing initiatives. It has provided \$13,300,000 for Information Technology improvements, a

\$16,000,000 decrease from the request. Within that amount, the Committee recommends:

\$5,000,000 for the Joint Assistance Management System
 \$5,400,000 for the Joint Financial Management System
 \$2,900,000 for the President's Management System

The fiscal year 2007 request for this account did not include funding for either the Phoenix financial management system or new procurement system, as implementation is expected to be concluded in fiscal year 2006. The Operations and Maintenance for those systems is requested in the Operating Expenses account.

OPERATING EXPENSES OF THE UNITED STATES AGENCY FOR
 INTERNATIONAL DEVELOPMENT, OFFICE OF THE INSPECTOR GENERAL

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$35,640,000 |
| Fiscal year 2007 request | 38,000,000 |
| Committee recommendation | 39,000,000 |
| Change from request | +1,000,000 |
| Change from enacted level | +3,360,000 |

The Committee recommends a total of \$39,000,000 for the Office of the Inspector General of USAID, a \$1,000,000 increase to the request and a \$3,360,000 increase from the enacted level. The Committee again commends the Inspector General for his cooperation with the Committee in its oversight of USAID management.

The Committee recommendation includes \$3,500,000 for Inspector General Activities in Iraq, which is \$1,000,000 more than requested by the President. In the past, funding for the IG activities in Iraq has been funded through Supplemental Appropriations. As funding for activities in Iraq becomes "normalized" through regular appropriation accounts, the Committee believes it is appropriate to fund the important work of the Inspector General through this account. The USAID programs and projects in Iraq have been increased by both the fiscal year 2006 supplemental appropriation bill and this bill. Therefore, to ensure proper use of and accounting for those funds, the Committee expects the Inspector General to allocate the additional \$1,000,000 provided above the request to OIG activities in Iraq, at least half of which is for increased security costs. The Committee directs the Inspector General to submit by September 15, 2006, a plan on priority investigations and audits in Iraq and their implementation.

Other Bilateral Economic Assistance

ECONOMIC SUPPORT FUND

| | |
|---|-----------------|
| Fiscal year 2006 enacted level | \$2,607,660,000 |
| Fiscal year 2006 Emergency supplemental (House) | 1,584,500,000 |
| Fiscal year 2007 Request | 3,214,470,000 |
| Committee recommendation | 2,650,740,000 |
| Change from request | -563,730,000 |
| Change from enacted level | +43,080,000 |

The Committee recommends a total of \$2,650,740,000 for the Economic Support Fund (ESF), a \$563,730,000 decrease from the request and a \$43,080,000 increase to the enacted level, excluding emergency supplemental appropriations.

TRADE CAPACITY BUILDING

The Committee has not provided \$140,000,000 in the ESF appropriation for Trade Capacity Building as requested. Instead, the Committee recommends providing these funds in a new \$522,000,000 appropriation entitled: Trade Capacity Enhancement Fund. The Committee allows for transfers from that appropriation to the ESF appropriation to accomplish programs in support of trade capacity building. Additional information on this Fund is found in a latter part of this report.

LIBERIA

The Committee recommends \$164,305,000 for ESF programs in Africa, the same as the request and \$27,805,000 over the 2006 enacted level. Within this amount, \$40,000,000 is included for Liberia.

The Committee recognizes the importance of conflict resolution as Liberia enters a new chapter in its history, and urges the State Department and USAID to consider a proposal from the Liberian Center for Mediation and Conflict Resolution to join in this effort.

ISRAEL

The Committee recommends \$120,000,000 for Israel ESF programs, the same as the request and a decrease of \$117,600,000 from the 2006 enacted level.

The Committee again recommends language directing that these funds all be made available on a grant basis as a cash transfer to be disbursed within 30 days of enactment of this Act.

EGYPT

The Committee recommends \$455,000,000 for Egypt ESF programs, as requested and a decrease of \$35,050,000 from the 2006 enacted level. Within the amount provided for project assistance, not less than \$50,000,000 shall be made available for democracy, governance and human rights programs and not less than \$50,000,000 shall be used for education programs.

The Committee recommends that not less than 50 percent of the funds provided for Egypt for democracy, governance, and human rights be provided through nongovernmental organizations for the purpose of strengthening Egyptian civil society organizations, enhancing their participation in the political process, and enhancing their ability to promote and monitor human rights. The Committee further recommends that not less than 50 percent of the funds provided for Egypt for education be used to improve access to basic education. The remainder of the funds provided for education shall be used to strengthen institutions of higher education, promote academic freedom, and fund educational and cultural exchange programs.

The Committee recommends a new provision, Section 578(b), that rescinds funds previously appropriated but not yet expended funds provided for cash assistance.

The Committee intends that these funds be drawn from amounts appropriated for Egypt during fiscal years 2003–2006 for the express purpose of transferring the funds as cash assistance as Egypt met certain “benchmarks” associated with financial sector reform.

To date, Egypt has implemented many of the reform proposals and the implementation of these proposals has had a significant positive impact on Egypt's economy. However, some benchmarks have not been met and therefore funds have not yet been released by USAID.

When the Government of Egypt completes additional benchmarks of the financial sector reform agreement of March 2005 and funds are needed by USAID to transfer to Egypt in accordance with the agreement, the Committee will consider accommodating that requirement at the appropriate time.

The Committee strongly urges the Department of State and the Government of Egypt to continue working on democracy reforms and benchmark proposals for implementation at the earliest possible opportunity.

RELIGIOUS FREEDOM IN EGYPT

The Committee remains concerned about the problems faced by Egypt's Coptic Christian community and believes the Government of Egypt needs to do everything possible to provide full opportunity for Coptic Christians in employment and education. The Committee expects the Department of State to make every effort to reinforce the importance of actively enforcing the religious freedoms that are, in fact, provided for in the Egyptian Constitution.

NON-MILITARY EXPORTS

The Committee strongly urges the President to ensure, in providing cash transfer assistance to Egypt and Israel, that the level of such assistance does not cause an adverse impact on the total level of non-military exports from the United States to each such country.

ECONOMIC BOYCOTT OF ISRAEL

The Committee has once again included a provision (section 535) addressing the Arab League boycott of Israel. The Committee strongly opposes this boycott and believes that the Department of State must take strong action to combat this practice.

JORDAN PROGRAMS

The Committee recommends \$250,500,000 for ESF programs in Jordan, an increase of \$5,500,000 over the request and the 2006 enacted level.

The Committee notes, with appreciation, Jordan's strong support for the United States, most especially in the Global War on Terror. The Committee expresses its continued support for Jordan, a victim of terrorist attacks in late 2005.

Furthermore, Jordan has played a leadership role in facilitating efforts to bring peace between Israelis and Palestinians. The Committee believes the amount provided for ESF assistance will help Jordan accommodate economic issues as it continues to implement economic reforms.

MOROCCO PROGRAMS

The Committee recommends \$15,000,000 for ESF programs in Morocco, a decrease of \$3,000,000 from the request and \$4,100,000

over the 2006 current estimate. This reduction is taken without prejudice.

WEST BANK AND GAZA PROGRAMS

The Committee includes no appropriation for ESF programs in the West Bank and Gaza territories, a decrease of \$150,000,000 from the request and the 2006 enacted level.

IRAQ PROGRAMS

The Committee recommends \$305,770,000 for ESF programs in Iraq, a decrease of \$173,000,000 from the request and \$245,380,000 over the 2006 enacted level. This reduction is taken without prejudice.

AFGHANISTAN PROGRAMS

The Committee recommends \$510,770,000 for ESF programs in Afghanistan, a decrease of \$99,230,000 from the request and \$85,070,000 over the 2006 current estimate. The Committee has included language that limits the expenditure of these funds to not more than \$225,000,000 until the Secretary of State certifies to the Committee on Appropriations, that the Government of Afghanistan at both the national and local level, is cooperating fully with United States funded eradication and interdiction efforts in Afghanistan. Understanding the certification may include sensitive or classified information the Department of State may submit the certification to the Committee in the form of a classified report.

The Committee is greatly concerned that a few provincial governments are not fully supporting efforts to eradicate poppy growth and interdict the heroin byproduct of these poppies. Without full cooperation and support of the government, most especially the provincial governments, for eradication and interdiction programs, the Committee believes the illegal drug trade of Afghanistan will flourish. The Committee cannot condone increasing assistance for Afghanistan if the government is not willing to fully participate in ending the growth and trade of an illegal drug that tears apart the fabric of society and has the potential to undermine the legitimacy of the government.

Within available funds, the Committee recommends up to \$5,000,000 for USAID to continue its project designed for the refurbishment of the existing Wazir Akbar Kahn Hospital and the management of health care delivery in Kabul. The Committee understands that this hospital has been a tremendous success and is ably serving the residents of Kabul.

In general, the Committee is opposed to a disproportionate implementation of the proposed reduction in spending levels that more negatively impacts projects in support of health, education, and women's programs. The Committee expects the Director of Foreign Assistance to ensure the appropriate application of funds to these items of congressional interest.

INDONESIA

The Committee recommends \$70,000,000 for ESF programs in Indonesia, a decrease of \$10,000,000 from the request and the

same as the 2006 enacted level. This reduction is taken without prejudice.

The Committee recognizes the tremendous accomplishments of the Government of Indonesia in its drive toward democracy. In 2004, Indonesia held a successful series of elections that culminated in the direct democratic election of a new president. These elections and further government reforms that are being implemented, give the Committee confidence that Indonesia is an emerging success story in South East Asia.

SOUTH ASIA REGIONAL

The Committee recommends \$1,000,000 for ESF programs in the South Asia Regional program, a decrease of \$1,000,000 from the request and same as the 2006 enacted level.

EL SALVADOR PROGRAMS

The Committee recommends \$6,000,000 for ESF programs in El Salvador, a \$4,000,000 decrease from the request. There was no request and no appropriation provided in fiscal year 2006.

MIDDLE EAST REGIONAL PROGRAMS

The need for fresh water is a reality for all parties in the Middle East. Fresh water is essential for economic development, agriculture, health, and improving the quality of life for everyone in the region. Therefore the Committee strongly supports the continued efforts of the International Arid Lands Consortium in addressing the critical issues of water, energy, and agriculture and land use in the Middle East and Central Asia, and urges USAID to make available \$2,500,000 to the Consortium for this work. These funds are to be allocated from bilateral, centrally managed or regional programs either in this account or in other accounts funded by this Act.

IRISH VISA PROGRAM

The Committee recommends funding for the Walsh Irish Visa program of \$3,500,000, as requested. This program, authorized since 1998, assists young people who are residents of Northern Ireland and the border counties of Ireland with developing job skills and conflict resolution abilities. Eligible youth receive non-immigrant visas that enable them to work for up to three years in the United States.

LEBANON PROGRAM

The Committee recommends \$35,500,000 for Lebanon programs. The Committee directs that not less than \$6,000,000 should be used for scholarships and other direct support of the American educational institutions in Lebanon. Providing an American education to the young people of Lebanon and the region makes a unique contribution to the long term development of political and economic stability in that country. Broadening understanding of American values in the Middle East is particularly important to the efforts of the United States to counter violence and terrorism.

MIDDLE EAST PARTNERSHIP INITIATIVE

The Committee recommends \$75,000,000 for the Middle East Partnership Initiative (MEPI), a decrease of \$45,000,000 from the request and a decrease of \$24,000,000 from the 2006 current estimate.

The Committee directs that within the funds provided for MEPI, up to \$6,000,000 be set aside to establish a scholarship program to educate students from countries with significant Muslim populations at the American educational institutions in those countries. The American educational institutions are uniquely positioned to improve understanding and strengthen shared values with the Muslim world. The Committee notes the work of the Middle East Media Research Institute (MEMRI) in providing timely translations of Arabic, Farsi, and Turkish media, as well as original analysis of political, ideological, intellectual, social, cultural, and religious trends in the Middle East. The Committee urges support for the work of organizations which provide accurate translations and balanced analysis.

EAST TIMOR

The Committee recommends \$13,500,000 for programs in East Timor, as requested, to support income producing projects and other reconstruction activities.

The Committee welcomes the report of East Timor's Commission for Reception, Truth and Reconciliation and urges the Government of Indonesia, East Timor and other interested nations to examine, consider, and respond to recommendations made in the report. The Committee also welcomes the report of the U.N. Secretary General's Commission of Experts to evaluate judicial processes for serious crimes committed in East Timor in 1999 and urges the Government of Indonesia to work to implement the report's recommendations.

TIBET

The Committee recommends not less than \$4,000,000 in assistance for programs that preserve cultural traditions, and promote economic development and environmental conservation in Tibetan communities.

The Committee is aware of the valuable assistance the Bridge Fund has provided to promote Tibetan-owned and operated businesses and educational, cultural and natural resource conservation projects in Tibet and recommends that \$2,000,000 of these funds should be provided to the Bridge Fund.

The Committee recommends that \$250,000 be made available through a nongovernmental organization, such as the National Endowment for Democracy, for the purpose of providing training and education of Tibetans in democracy activities, and monitoring the human rights situation in Tibet. The Committee supports the use of a greater portion of the funds made available, for activities that have a primary impact inside Tibet, to the extent practicable. The Committee encourages USAID to work closely with the Office of the Special Coordinator on Tibetan Issues in carrying out these programs.

At the same time, the Committee encourages organizations involved in China rule of law programs to seek out opportunities to conduct programs that can improve the human rights situation and the administration of justice in Tibetan areas, including Tibetan areas outside the Tibetan Autonomous Region (TAR).

CYPRUS

The Committee recommends \$15,000,000 for Cyprus as requested only for educational and other bicomunal projects. These funds provide a basis for mutual cooperation and preparation for the two communities of Cyprus to live together harmoniously by increasing inter-communal contacts. These funds provide funding for Fulbright scholarships, the Bicomunal Support Program, the United Nations Office for Project Service, and other related activities. The Committee believes that the key to successful mutual cooperation is balanced economic growth throughout Cyprus.

HUMAN RIGHTS AND DEMOCRACY FUND

The Committee recommends \$27,000,000 for the Human Rights and Democracy Fund, a decrease of \$8,000,000 from the request and the same as the level recommended in 2006. The Committee further recommends that \$1,200,000 should be provided to support the Reagan/Fascell Democracy Fellows Program of the National Endowment for Democracy to enable activists, scholars, journalists, and practitioners from around the world to help make contributions to the strengthening of democracy in their respective countries. This program was authorized in section 104(a)(2)(B) of H.R. 3427 as enacted into law as part of Public Law 106-113, and helps keep alive the legacy of our former President.

DEMOCRATIC GOVERNANCE IN THE ARAB WORLD

The Committee recognizes the importance of efforts to promote democratic governance and civic participation in the Arab world, and commends the State Department for supporting "Street Law" in its creation of an Arab-language curriculum, *Islam and Democracy: Toward Effective Citizenship*.

The Committee urges the State Department, through the Middle East Partnership Initiative, the Bureau of Democracy, Human Rights, and Labor, or another appropriate program, to provide \$2,000,000 to establish a Global Center for Education about Democracy and Islam to adopt and disseminate the curriculum in various countries throughout the Arab world.

CREATION OF JOB OPPORTUNITIES AND CAREER TRAINING

The Committee recognizes the valuable work of the Education for Employment (EFE) Foundation in creating job opportunities and providing career training to unemployed youth in the Middle East, North Africa, and throughout the Muslim world. The Committee believes that EFE's work to build public-private sector partnerships to promote education reform and economic development contributes to efforts to achieve stability and prosperity in these regions.

ROLE OF TRADE UNIONS

The Committee recognizes the important role that trade unions play in promoting democracy, the rule of law, and sustainable economic development, and recommends that the United States Agency for International Development maintain a robust global program to support the development of democratic trade unions.

IRAQ PROGRAMS—COMMUNITY ACTION PROGRAM

The Iraq Community Action Program (CAP), funded by USAID, is operating in Iraq and building community-based democracy. The CAP program has generated a network of more than 1,300 community associations across 17 governorates in Iraq and has trained over 17,000 community association members. This is a successful program for empowering communities to improve their lives. The Committee directs that \$50,000,000 of the funds provided for Iraq programs, be used to support the CAP.

AFGHAN WOMEN AND GIRLS

The Committee directs that \$7,500,000 of the funds made available for Afghanistan be provided as grants to support training and equipment to improve the capacity of women-led Afghan non-governmental organizations and to support the activities of such organizations.

INDEPENDENT HUMAN RIGHTS COMMISSION

The Committee directs that \$2,000,000 of the funds made available for Afghanistan be provided to the Afghan Independent Human Rights Commission and other Afghan human rights organizations.

PAKISTAN PROGRAMS

The Committee recommends \$300,000,000 for ESF programs in Pakistan, a decrease of \$50,000,000 from the request and the same as the 2006 enacted level. This reduction shall be applied to the request designated as budgetary support.

The Committee urges that within the amount provided, \$10,000,000 be used for rural access, health and education needs in South and North Waziristan Provinces. The Committee directs the Director of Foreign Assistance to submit a report by May 15, 2007, which details the expenditure of the funds provided in 2006 and 2007. This report should, at a minimum, address the programs, projects, and activities supported with these funds, and an analysis of the impact on access to health and education needs to these provinces.

The Committee is concerned about what appears to be the Government of Pakistan's increasing lack of respect for human rights, especially women's rights and the lack of progress on improving democratic governance and rule of law. The level of violence and discrimination against women has not significantly abated and women's groups and advocates who bring attention to abuses against women are often threatened by officials.

Therefore, within the recommended funding level, the Committee directs that \$10,000,000 be provided through local and international NGOs working on human rights, women's empowerment

and justice sector reform issues in Pakistan. The Committee does not intend for these funds to detract from education and health programs in Pakistan. The Committee further directs the Secretary to report to the Congress not later than 180 days after enactment, on the following: (1) Steps taken by the Government of Pakistan to establish a transparent system of judicial appointments to the High Courts that expands accountability for such appointments; (2) An assessment whether and how the special anti-terrorism and accountability courts in Pakistan have been incorporated into the ordinary judiciary; (3) Steps taken by the Government of Pakistan to ensure that law enforcement and judicial processes at all levels respect international human rights, including the rights of women, and make efforts to mitigate traditional and religious practices imposed by tribal and village councils that are harmful to women; (4) Status of the establishment of an independent federal election commission; (5) An analysis of the data on incidences of unlawful arrests, detentions and other harassment of opposition leaders to determine if there has been a decline in such incidences over the past five years.

COLOMBIA

The Committee has provided \$135,000,000 for ESF programs in Colombia, with language allowing funds to be transferred to the Development Assistance (DA) appropriation as necessary to accomplish programs designed for specific assistance programs.

This recommendation is based on the Committee's view that the time has come to transition from assistance directed at counter-narcotics programs, to assistance designed to develop and promote the stable democracy that Colombia has become.

The Committee directs that these funds be allocated to USAID for continued support of ongoing programs. The Committee believes that for at least the first year of this transition, it would be beneficial to maintain established oversight of these programs. However, the Committee directs that as part of its overall strategy for assistance for Colombia, that the Office of the Director of Foreign Assistance complete a review of these programs and recommend as part of the fiscal year 2008 budget request, adequate assistance funds for Colombia.

BURMA PROGRAMS

The Committee recommends \$7,000,000 for ESF programs in Burma. These funds are critical to supporting democracy activities in Burma, programs along the Burma-Thailand border, activities of Burmese student groups and other organizations located outside Burma.

BANGLADESH

The Committee recommends \$5,000,000 for ESF programs in Bangladesh as requested.

The Committee recognizes the steps taken by the Government of Bangladesh to combat terrorism and extremism and notes the challenges posed to the government by Islamic fundamentalism. However, the committee is troubled by the Government of Bangladesh handling of the case of Salah Uddin Shoaib Choudhury, an advo-

cate of religious freedom and interfaith dialogue who was recently released from prison after being held for eighteen months without due process of law. The Committee remains concerned about the sedition charges still facing Mr. Choudhury and the potential for a death sentence in the event of a conviction.

INDONESIA HUMAN RIGHTS

The Committee remains concerned about the climate for human rights advocates and activists in Indonesia. While the Committee welcomes the conviction of one of those responsible for the poisoning death of human rights lawyer Munir Said Thalib in September 2004, the Committee notes that President Yudhoyono has failed to release the report of the Presidential fact-finding team investigating the assassination and emphasizes the need to fully investigate any past or present senior government or military officials implicated by that report. The Committee directs the Department of State, no later than 90 days after enactment of this Act, to report on the current climate for human rights defenders in Indonesia, including conditions of general safety, levels of threat and intimidation, and success in prosecution and punishment of serious crimes committed against human rights defenders.

EDUCATIONAL INSTITUTIONS IN THE MIDDLE EAST

The Committee believes the four United States chartered educational institutions in Lebanon—Lebanese American University, American University of Beirut, International College, and American Community School—are critical components in broadening educational opportunities for Lebanese students. Given the importance of United States support for these institutions and the Committee's intent to increase funding for these schools, the Committee is concerned about ASHA's decision to reduce funding for the long-standing programs with these schools. The Committee believes ASHA should work with the Lebanese American University, American University in Beirut, International College and the American Community School to overcome any shortcomings in the application and implementation process to ensure adequate funding for these long-standing programs.

CUBA PROGRAM

The Committee recognizes the work of the United States Agency for International Development (USAID) Cuba Program for its role in promoting democracy and strengthening civil society. The Committee recognizes the successes of the Cuba Program in promoting democracy and humanitarian assistance programs and urges USAID to continue to promote this program with its goals of freedom and democracy in Cuba.

CONFLICT RESOLUTION AND RECONCILIATION PROGRAMS

The Committee recommends a total of \$15,000,000 for Conflict Resolution and Reconciliation Programs. Within this amount, the Committee recommends that \$6,000,000 be used to establish a new reconciliation program, the Middle East People-to-People Coexistence Program. All funds for the Middle East People-to-People Coexistence Program shall be distributed through a competitive grant

program organized by the State Department. The Department of State shall develop application and evaluation procedures for selecting NGO entities for grants as well as for reviewing program accomplishments.

The Committee recognizes the importance of conflict resolution and reconciliation programs as a tool for creating a climate of peace in regions of conflict. The Conflict Resolution and Reconciliation Programs bring together individuals of different ethnic, religious, and political backgrounds from areas of civil conflict and war. Within the \$15,000,000 provided for these Programs, funding should be made available through an established process for organizations that provide such programming.

The Committee recommends that the Department of State give active consideration to proposals provided by the following organizations and entities:

- Playing for Peace
- Seeds of Peace
- Tanenbaum Center for Inter-Religious Understanding
- One Voice
- Hand in Hand
- International Exchange
- Jerusalem International YMCA Project Children
- Interns for Peace

With the establishment of the Middle East People-to-People Coexistence Program, the Committee recognizes that the historical application of funds for Conflict Resolution and Reconciliation Programs will change. Therefore, the Committee requests the Department of State devise an equitable funding distribution of these funds to ensure that the grant application and award process recognizes projects that fall into the category of Middle East People-to-People Coexistence Program and other areas of conflict.

The Committee requests that the Department of State initiate an annual report on the status of applications and funding for these and other organizations supported through this program. Such report should be provided to the Committee not later than May 1 of each year.

TRAFFICKING IN PERSONS PROGRAM

The Committee recommends \$8,000,000 for the Trafficking in Persons program.

TRADE CAPACITY BUILDING PROGRAM

The Committee recommends no appropriation for the Trade Capacity Building program, a \$20,000,000 decrease from the request. These funds were instead appropriated in a new appropriation, the Trade Capacity Enhancement Fund (TCEF) addressed later in this report.

ASIA-PACIFIC PARTNERSHIP PROGRAM

The Committee recommends no appropriation for the Asia-Pacific Partnership Program, a decrease of \$26,000,000 from the request. There was no request and no appropriation provided for this program in fiscal year 2006. This recommendation comes without prejudice because the Committee did not receive detailed budget mate-

rial in time for careful examination. Therefore, the Committee will work with the Administration during the appropriations process to better understand the justification for this program.

PARLIAMENTARY EXCHANGES

The Committee recommends \$1,000,000 for the House Democracy Assistance Commission, an increase of \$1,000,000 from the request and the same as the 2006 enacted level.

The Committee notes that this program is not included in the fiscal year 2007 justification material and is therefore subject to the notification requirements of section 515.

FOUNDATION FOR SECURITY AND SUSTAINABILITY

The Committee recommends that up to \$3,000,000 be provided to continue regional stability, conflict management and mitigation efforts. The Committee continues to support the work of the Foundation for Environmental Security and Sustainability (FESS) to address critical United States national security interests in the context of regional instability arising from resource scarcity and management practices, natural hazards, and other environmental stresses. The Committee recognizes the continuing importance of FESS's conflict management and mitigation efforts, in particular, FESS's new initiative to develop a regional/global approach for extractive industries that promote stability and security in some of the most troubled areas of the world.

INTERNATIONAL FUND FOR IRELAND

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$13,365,000 |
| Fiscal year 2007 request | 0 |
| Committee recommendation | 10,800,000 |
| Change from request | +10,800,000 |
| Change from enacted level | -2,565,000 |

The Committee recommends a total of \$10,800,000 for the International Fund for Ireland in support of the Anglo-Irish Accord, a \$10,800,000 increase to the request and a \$2,565,000 decrease from the enacted level. The Committee encourages the Fund to address the important issue of social reintegration, by promoting long-term development work and education.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

| | |
|--------------------------------------|---------------|
| Fiscal year 2006 enacted level | \$357,390,000 |
| Fiscal year 2007 request | 273,900,000 |
| Committee recommendation | 227,900,000 |
| Change from request | -46,000,000 |
| Change from enacted level | -129,490,000 |

The Committee recommends a total of \$227,900,000 for Assistance for Eastern Europe and the Baltic States, a \$46,000,000 decrease from the request and a \$129,490,000 decrease from the enacted level.

The Committee recommends no appropriation from this account for trade capacity building programs, resulting in a \$41,300,000 reduction from the request. These funds are appropriated under "Trade Capacity Enhancement Fund". Adjusting for this shift in appropriations, the recommendation for this account is \$4,700,000

below the request and \$88,190,000 below the fiscal year 2006 enacted level.

The Committee notes that funds provided from this account shall be used for assistance and for related programs for Eastern Europe and the Baltic States. Programs which predominantly benefit other regions of the world shall not be funded from this account.

The Committee has recommended the same bill language as in previous Acts that authorizes the President to withhold funds for economic revitalization for Bosnia if he determines that Bosnia is not in compliance with the Dayton Accord regarding the presence of foreign forces and has not terminated intelligence cooperation with Iranian officials. All funds are subject to the provisions of section 529 of this Act.

The following table compares fiscal year 2006 funding for the programs covered by this account, as well as the President's request for fiscal year 2007 and the Committee recommendation:

ASSISTANCE TO EASTERN EUROPE AND THE BALTIC STATES

| | Fiscal year 2006 enacted | Fiscal year 2007 request | Committee recommendation |
|---|-----------------------------|-----------------------------|-----------------------------|
| Albania | \$27,700,000 | \$20,000,000 | \$20,000,000 |
| Bosnia and Herzegovina | 39,600,000 | 31,000,000 | 31,000,000 |
| Bulgaria | 19,800,000 | 0 | 0 |
| Croatia | 14,900,000 | 0 | 0 |
| Kosovo | 74,300,000 | 79,000,000 | 77,700,000 |
| Macedonia | 34,700,000 | 27,000,000 | 27,000,000 |
| Romania | 19,800,000 | 0 | 0 |
| Serbia and Montenegro | 84,450,000 | 70,500,000 | 70,000,000 |
| Serbia | [69,300,000] | [not specified] | [60,000,000] |
| Montenegro | [14,850,000] | [not specified] | [10,000,000] |
| Regional | 42,500,000 | 46,400,000 | 43,500,000 |
| OSCE | [not specified] | [28,500,000] | [28,500,000] |
| Southern | [not specified] | [17,900,000] | [15,000,000] |
| Appropriated in Trade Capacity Enhancement Fund | | | [41,300,000] |
| Total | 357,390,000 | 273,900,000 | 227,900,000 |

MONTENEGRO

The Committee continues its strong support for the Republic of Montenegro. The Committee recommendation includes \$10,000,000 for Montenegro, a reduction of \$4,850,000 below fiscal year 2006. The Committee expects the Department of State and USAID to consult with the Committee prior to the programming of funds for Montenegro for fiscal year 2007.

REGIONAL PROGRAMS

The Committee recommendation includes \$43,500,000 for regional programs. This category funds environmental infrastructure, independent media support, civil society and rule of law, health promotion and care, economic development and other programs. The Committee urges USAID to consider an application from Olive Branch International to support the programs of its Teen Rescue program in Estonia.

RULE OF LAW

The Committee views efforts to promote the rule of law worldwide as a critical component of United States foreign policy. The

Committee strongly supports the public service projects initiated by the American Bar Association (ABA) to strengthen democracy through programs that promote the rule of law in transitional countries. These effective programs rely predominantly on the volunteer efforts of American lawyers and have achieved sustainable results. The Committee recommends continued funding through cooperative agreements for the ABA's programs at a level comparable to the fiscal year 2006 level, taking into account the overall reduction in this account. The Committee notes that ABA should not rely upon United States funding to renovate or build facilities, but should instead use private financing as agreed in 2003.

The ABA has expanded its legal reform efforts into Asia, Africa, Latin America and the Caribbean, and the Middle East, with programs in Jordan, Bahrain, Morocco, Iraq, Afghanistan, Rwanda, Kenya, Liberia, China, Indonesia, the Philippines, Ecuador, Costa Rica, and Mexico. The Committee recommends support for such programs from the appropriate accounts. The Committee continues to support the use of cooperative agreements for funding such programs.

TRAINING AND EXCHANGES

The Committee directs USAID to extend the East Central European Scholarship Program (ECESP) cooperative agreement in both Albania and Macedonia during fiscal year 2007 and consult with the Committee not later than September 30, 2006, regarding future utilization of ECESP's unique services.

The Committee recommendation includes funding for the Russian, Eurasian, and East European Research and Training Program (Title VIII) comparable to the fiscal year 2006 level. The Committee also encourages the use of Title VIII funds to include comparative research and language training concerning Eurasian countries critical to the war against terrorism. The Committee expects the fiscal year 2008 budget request to shift funding for this program to accounts which focus on educational, research, and exchange activities.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

| | |
|--------------------------------------|---------------|
| Fiscal year 2006 enacted level | \$508,860,000 |
| Fiscal year 2007 request | 441,000,000 |
| Committee recommendation | 371,280,000 |
| Change from request | -69,720,000 |
| Change from enacted level | -137,580,000 |

The Committee recommends a total of \$371,280,000 for the Independent States of the Former Soviet Union, a \$69,720,000 decrease from the request and a \$137,580,000 decrease from the enacted level.

The Committee recommends no appropriation from this account for trade capacity building programs, resulting in a \$64,200,000 reduction from the request. These funds are appropriated under "Trade Capacity Enhancement Fund". Adjusting for this shift in appropriations, the recommendation for this account is \$5,520,000 below the request and \$73,380,000 below the fiscal year 2006 enacted level.

The Committee notes that funds provided from this account shall be used for assistance and for related programs for states of the former Soviet Union. Programs which predominantly benefit other regions of the world shall not be funded from this account.

The Committee continues in subsection (a) prior year language applying the provisions of section 498B(j) of the Foreign Assistance Act. A general provision (section 517) also includes long-standing language on human rights, and non-use of funds for enhancing military capacities, and providing all funds subject to separate notification.

The following table compares fiscal year 2006 funding for the programs covered by this account, as well as the President's request for fiscal year 2007 and the Committee recommendation:

ASSISTANCE FOR THE STATES OF THE FORMER SOVIET UNION

| | Fiscal year 2006 enacted | Fiscal year 2007 request | Committee recommendation |
|--|-----------------------------|-----------------------------|-----------------------------|
| Europe and Eurasia: | | | |
| Armenia | \$74,250,000 | \$50,000,000 | \$62,000,000 |
| Azerbaijan | 34,650,000 | 28,000,000 | 29,000,000 |
| Belarus | 11,880,000 | 10,000,000 | 10,000,000 |
| Georgia | 66,330,000 | 58,000,000 | 55,000,000 |
| Moldova | 18,810,000 | 16,000,000 | 15,000,000 |
| Russia | 79,200,000 | 58,000,000 | 58,000,000 |
| Ukraine | 83,160,000 | 85,000,000 | 80,000,000 |
| OSCE-Regional | 0 | 12,000,000 | 12,000,000 |
| Regional FSA | 42,570,000 | 29,430,000 | 24,480,000 |
| Subtotal, Europe and Eurasia | 410,850,000 | 346,430,000 | 345,480,000 |
| South Asia: | | | |
| Kazakhstan | 24,750,000 | 19,000,000 | 19,000,000 |
| Kyrgyz Republic | 24,750,000 | 32,000,000 | 29,000,000 |
| Tajikistan | 23,760,000 | 22,000,000 | 22,000,000 |
| Turkmenistan | 4,950,000 | 5,000,000 | 5,000,000 |
| Uzbekistan | 19,800,000 | 15,000,000 | 15,000,000 |
| Central Asia-Regional | 0 | 1,570,000 | 0 |
| Subtotal, South Asia | 98,010,000 | 94,570,000 | 90,000,000 |
| Trade Capacity Building transfer out | | | 64,200,000 |
| Total | 508,860,000 | 441,000,000 | 371,280,000 |

CHILD SURVIVAL AND HEALTH

The Committee notes the strong support of the Administration for programs to address adverse maternal and environmental health conditions and the increasing incidence of TB/HIV in Russia, Ukraine, and the Central Asian Republics. As this account is phasing down, the Administration should be developing strategies to continue these important programs from other accounts. In order to demonstrate its support for these high priority activities, the Committee has included bill language allocating not less than \$41,000,000 for health and child survival activities. The Committee notes that the Primary Health Care Initiative of the World Council of Hellenes is an important project, and the Committee urges USAID to continue robust support for this program in fiscal year 2007. In addition, the Committee notes that the Firefly Children's Network is working in Russia to help children with disabilities.

The Committee recognizes the contribution made by the Eurasian Medical Education Program of the American College of Physicians to the problems of HIV/AIDS and chronic disease in Russia. The Committee expects that funding afforded this program for its activities in western and eastern Russia in fiscal year 2007 will be comparable with that in fiscal year 2006.

RUSSIA-IRAN

The Committee has carried for several years language restricting assistance for the government of Russia due to its support for the Iranian nuclear program. Russian cooperation with Iran has, at the minimum, contributed to Iran's recently demonstrated uranium enrichment capability. In addition, Russia's continued support for Iran's ballistic missile capacity has directly contributed to increasing regional instability. The Committee expects the President to make this ongoing cooperation a central issue at the G8 Summit in St. Petersburg. The Committee continues its restrictions on funding for the Russian government again this year.

SUPPORT OF PEACEFUL RESOLUTION OF SOUTH CAUCASUS CONFLICTS

The Committee continues its strong support for confidence-building measures among the parties to the Nagorno-Karabakh conflict. The Committee expects the State Department to use its authority under section 498B of the Foreign Assistance Act as necessary to carry out such programs.

The Committee continues to be concerned about the plight of the victims of the Nagorno-Karabakh conflict, and recommends that up to \$5,000,000 should be made available to address ongoing humanitarian needs in Nagorno-Karabakh.

The Committee has included renewed authority for the President to provide humanitarian assistance to the region, notwithstanding the restrictions of section 907 of the FREEDOM Support Act. The bill language is unchanged from previous years.

DEMOCRACY AND HUMAN RIGHTS

The Committee recognizes the excellent work of the Eurasia Foundation in promoting democratic change at the grass roots level throughout the independent states of the former Soviet Union. The Foundation has recently embarked on an initiative to create self-sustaining legacy foundations in several countries. The Committee recommends that the Foundation receive funding comparable to previous years.

The Committee notes the many accomplishments of the Civilian Research and Development Foundation (CRDF), which has, for the last decade, helped to channel the research activities of weapons scientists in the Former Soviet Union (FSU) in constructive directions. The Committee recommends continued funding for CRDF from this account at a level comparable to fiscal year 2006 for activities which primarily benefit this region. CRDF is expanding its activities globally, including work with scientists and engineers from the Middle East, North Africa, and elsewhere outside the FSU region, and the Committee expects the Administration to fund these activities from the appropriate accounts.

The Committee recognizes the value of the work that the Moscow School of Political Studies has done to educate young Russian professionals and public servants on how to participate honestly and productively in running their own country. The School's seminars and publications are an invaluable contribution to democracy-building in Russia, and the Committee directs the State Department to provide \$500,000 in fiscal year 2007 to support its programs.

UKRAINE

The Committee believes that the greatest hope for Ukrainian democracy rests with realizing the economic aspirations of the Ukrainian people. The Committee thus supports the Administration's emphasis on strengthening Ukrainian economic growth.

However, the Committee is concerned with the amount of time that has passed since the March, 2006 elections without the formation of a new coalition government. The Committee strongly supports United States efforts to strengthen Ukraine's democratic institutions and encourages the Office of the Director of Foreign Assistance to prioritize funding for such programs which are selected through a competitive process and are consistent with United States policy. The Committee notes that the Ukrainian Congress Committee of America and the U.S.-Ukraine Foundation have worked in this area.

BELARUS

The Committee is deeply concerned with the increasingly repressive regime in Belarus and encourages the government of Belarus to return to the democratic community. The Committee supports the efforts of the State Department, USAID, and the European states to help the Belarusian people access accurate and timely information.

AZERBAIJAN

The Committee is encouraged by the steps taken by the government of Azerbaijan toward a democratic state and appreciates the government of Azerbaijan's support for the global war on terror.

TRADE CAPACITY ENHANCEMENT FUND

| | |
|--------------------------------------|---------------|
| Fiscal year 2006 enacted level | |
| Fiscal year 2007 request | |
| Committee recommendation | \$522,000,000 |
| Change from request | +522,000,000 |
| Change from enacted | +522,000,000 |

DIRECTOR OF TRADE CAPACITY ENHANCEMENT AND TRADE CAPACITY ENHANCEMENT FUND

The Committee recommends a provision (Sec. 586) that establishes a new office, the Director of Trade Capacity Enhancement, within the United States Agency for International Development (USAID).

This new office would be responsible for implementing all of USAID's trade capacity building programs, managing the implementation of all programs developed by the State Department for trade capacity building, monitoring applicability of the appropriations financed in title I and title IV of the Foreign Operations bill

for the enhancement of trade capacity, and coordinating the government-wide trade capacity building efforts. Most especially, the Director shall ensure that countries desirous of applying for, or enhancing existing, trade capacity building agreements are provided sufficient support from the United States through his efforts at building trade capacity.

The term trade capacity enhancement is defined to mean the following set of programs and activities: (1) Trade Facilitation assistance in lowering the costs of engaging in, or eliminating obstacles to international trade flows; (2) Human Resources and Labor Standards assistance to support the enforcement of labor standards and worker rights, development of trade unions and dispute resolution mechanisms, strategies for workforce development and worker training, and the elimination of child labor; (3) Physical Infrastructure Development assistance to establish trade-related telecoms, transport, ports, airports, power, water, and industrial zones; (4) Trade-Related Agricultural Development support for trade-related aspects of the agriculture and agribusiness sectors; (5) Environmental Sector Trade & Standards assistance to establish environmental standard or to promote environmental technology; (6) Governance/Transparency & Inter-Agency Coordination support for legal and institutional reform to improve governance and make policies more transparent, as well as assistance to help the different agencies of a host country government function more effectively in the trade policy arena; (7) Financial Sector Development & Good Governance support for financial sector work, monetary and fiscal policy, exchange rates, commodity markets, and capital markets; (8) Competition Policy & Foreign Investment support for the design and implementation of antitrust laws, as well as of laws and regulations related to investment and investor protections; (9) Services Trade Development: support to help developing countries and transition economies increase their flows of trade in services; (10) WTO Awareness, Accession and Agreements: assistance to help governments and private sector institutions benefit from membership in the WTO, or to understand fully the benefits of membership; assistance to help countries in the WTO Accession process meet the requirements of accession; and assistance that enables countries to better participate in, and benefit from, particular WTO Agreements. The Committee expects such assistance programs will address social and economic inequities and seek to ensure that the benefits of trade are accessible to all segments of society, particularly women and minority or marginalized communities.

The Director of Foreign Assistance has communicated to the Committee that it is his intent that the United States Embassy personnel in overseas locations will be required, at the direction of the United States Ambassador to the country, to develop strategic goals and implementation plans for these goals. This office of the Director of Trade Capacity Enhancement would be responsible for ensuring that country strategic plans, as appropriate, include a trade capacity enhancement strategic goal and for monitoring the implementation plan for achieving this goal.

In addition, the Committee recommends a new appropriation, the Trade Capacity Enhancement Fund. This \$522,000,000 appropriation shall be managed by the Director of Trade Capacity Enhancement in support of trade capacity enhancement strategic goals. At

least \$40,000,000 must be made available for implementing the Central American Free Trade Agreement (CAFTA), including supporting labor and environmental capacity building programs related to CAFTA, and at least \$40,000,000 must be made available for implementing free trade agreements with the United States agreed to in 2006 and later.

The Committee has provided authority for the Director to transfer funds as necessary to implement programs in the following appropriations as necessary to meet trade capacity enhancement strategic goals by country: Development Assistance, Economic Support Fund, Assistance for Eastern Europe and the Baltic States, Andean Counterdrug Initiative, and Assistance for the Independent States of the Former Soviet Union (FSA).

For a number of years, Congress has provided assistance for trade capacity building by setting aside a total amount of funds from the Foreign Operations, Export Financing, and Related Programs appropriations bills. In fiscal year 2005, Congress set aside a total of \$507,000,000, and in fiscal year 2006, Congress set aside a total of \$522,000,000 for trade capacity building.

According to USAID officials, this Congressional direction has been implemented through various appropriations included in the Foreign Operations bills. For fiscal year 2007, the Committee believes that the following amounts in the following appropriations accounts would be used to implement programs, projects and activities in support of the fiscal year 2007 trade capacity building efforts of the USAID and State Department. To “capitalize” the Trade Enhancement Fund in fiscal year 2007, the Committee has made the appropriate reductions in the amounts requested for these appropriations and moved this money to the Trade Capacity Enhancement Fund for management by the Director of Trade Capacity Enhancement:

- Development Assistance, \$214,000,000
- Economic Support Fund, \$140,000,000
- Assistance for Eastern Europe and the Baltic States, \$41,300,000
- Assistance for the Independent States of the Former Soviet Union, \$64,200,000
- Andean Counterdrug Initiative, \$62,500,000

INDEPENDENT AGENCIES

INTER-AMERICAN FOUNDATION

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$19,305,000 |
| Fiscal year 2007 request | 19,268,000 |
| Committee recommendation | 19,268,000 |
| Change from request | 0 |
| Change from enacted level | -37,000 |

The Committee recommends \$19,268,000 for the Inter-American Foundation, the same as the request and \$37,000 below the fiscal year 2006 level.

AFRICAN DEVELOPMENT FOUNDATION

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$22,770,000 |
| Fiscal year 2007 request | 22,726,000 |
| Committee recommendation | 22,726,000 |
| Change from request | 0 |
| Change from enacted level | -44,000 |

The Committee recommends \$22,726,000 for the African Development Foundation, the same as the request and \$44,000 below the fiscal year 2006 level.

The Committee continues to strongly support the African Development Foundation's efforts to identify and leverage non-appropriated resources. The Committee requests the President of the Foundation to include this data in the congressional budget justification accompanying the fiscal year 2008 budget request.

The Committee maintains bill language carried in prior years on investments authorized by the Foundation's Board; interest earned; ability of Board to waive \$250,000 cap on grants in exceptional circumstances; and requirement to report to the Committee if such authority is exercised. It also adds language requested in the budget to permit a project for which the Board has waived the \$250,000 cap to exceed the cap by up to \$10,000 if the increase is due solely to foreign currency fluctuations.

PEACE CORPS

| | |
|--------------------------------------|---------------|
| Fiscal year 2006 enacted level | \$318,780,000 |
| Fiscal year 2007 request | 336,700,000 |
| Committee recommendation | 324,587,000 |
| Change from request | -12,113,000 |
| Change from enacted level | +5,807,000 |

The Committee recommends \$324,587,000 for the Peace Corps, an amount that is \$12,113,000 below the request and \$5,807,000 above the amount enacted for fiscal year 2006.

The Committee again has included language permitting the Peace Corps Director to transfer up to \$2,000,000 to establish an account to help mitigate the effects of currency exchange fluctuation. The Committee also expects the Peace Corps to transfer into this account net gains due to beneficial currency fluctuations when applicable.

The Committee recommendation includes a new section (Section 570), as requested in the budget, establishing a fund for the Peace Corps to provide separation pay for host country resident personal services contractors of the Peace Corps. The fund will be maintained by annual government contributions which are appropriated within this account.

MILLENNIUM CHALLENGE CORPORATION

| | |
|--------------------------------------|-----------------|
| Fiscal year 2006 enacted level | \$1,752,300,000 |
| Fiscal year 2007 request | 3,000,000,000 |
| Committee recommendation | 2,000,000,000 |
| Change from request | -1,000,000,000 |
| Change from enacted level | +247,700,000 |

The Committee recommends a total of \$2,000,000,000 for the Millennium Challenge Corporation (MCC), a \$1,000,000,000 decrease from to the request and a \$247,700,000 increase to the enacted level.

The recommended reduction solely reflects the constrained budgetary situation in fiscal year 2007, and more specifically the Committee's allocation relative to the President's request and the need to address funding increases for other Presidential initiatives. A funding limitation of \$95,000,000 is set for administrative expenses.

The Committee continues its strong support for the MCC and regards it as a significant step forward in the provision of accountable and transformative foreign assistance. The Committee notes the MCC's early and frequent consultations regarding potential compact and threshold assistance and expects such consultations to continue in fiscal year 2007.

THRESHOLD COUNTRIES

The Committee has again included a provision authorizing 10 percent of funds for threshold country programs. The Committee notes that the MCC has determined that countries can be simultaneously eligible for Compacts and for threshold programs. The Committee recognizes that country eligibility may often be tenuous and in need of continued support. In cases where the MCC had initiated a threshold program with a country previously ineligible for an MCA compact, the Committee supports the continuation of the threshold program even if the country subsequently becomes eligible for a Compact. However, the Committee notes that the primary purpose of threshold assistance is to help countries ineligible for Compacts address the deficiencies which prevent them becoming eligible. The Committee expects the MCC to clarify its threshold program guidance to reflect the circumstances under which countries may be eligible for both categories of funding.

MULTI-YEAR COMPACTS

The Committee includes once again a provision that requires the MCC to only enter into Compacts for which it has complete funding available from existing appropriations. The Committee will not allow the MCC to commit future Congresses to funding prior year Compacts.

LOWER MIDDLE INCOME COUNTRIES

The Committee reiterates its support for the provisions under section 609(b)(2) of the Millennium Challenge Act of 2003 which requires lower middle income countries to make an incremental contribution relative to their national budget in support of the poverty reduction objectives of the compact. The Committee expects this information to be detailed in each appropriate Compact.

COMPACTS WITH REGIONAL GOVERNMENTS

As in previous years, the Committee requires the MCC to consult with the Committee immediately upon determining that the national government of an eligible country is not an appropriate partner with which to negotiate Compacts, and that engagement with a regional or other sub-national entity is required.

COMPACT EXTENSION

The Committee notes that the development priorities of many Compact-eligible countries may include significant rural development programs. As a result, the MCC has received, and approved, proposals for complicated infrastructure and agricultural development projects. However, the five-year limitation on compact duration may have a dampening effect on the types of projects that the MCC can fund.

The Committee requests that the MCC, if necessary, recommend to the appropriate authorizing committees legislative changes to address this problem.

609(g) FUNDING

The Committee is concerned that the flexibilities of 609(g) may be misinterpreted by some Compact-eligible countries. Congress provided 609(g) authority as a last resort to overcome otherwise insurmountable obstacles to Compact development and implementation. The Committee directs the MCC to include in its country notification paperwork guidance on the 609(g) function.

DEPARTMENT OF STATE

GLOBAL HIV/AIDS INITIATIVE

| | |
|--------------------------------------|-----------------|
| Fiscal year 2006 enacted level | \$1,975,050,000 |
| Fiscal year 2007 request | 2,894,000,000 |
| Committee recommendation | 2,772,500,000 |
| Change from request | -121,500,000 |
| Change from enacted level | +797,450,000 |

The Committee appropriates \$2,772,500,000 for the "Global HIV/AIDS Initiative" account, \$797,450,000 more than enacted in fiscal year 2006 and \$121,500,000 less than requested by the President. As in the previous year, the Committee appropriates all funding for the fifteen focus countries in this account.

This account is the primary source of funding for the Emergency Plan for AIDS Relief (PEPFAR). Amounts under Child Survival and Health Programs Fund, other accounts in this Act, and funding provided from other appropriations Acts are also included in PEPFAR.

The Committee has included total Emergency Plan funding of \$3,431,472,000 as outlined in the table below. This is \$751,642,000 above the enacted level and the same as the request. In addition to the amounts within this Act, the Committee notes that the President's budget request includes another \$589,958,000 within the Department of Health and Human Services and \$10,000,000 from the P.L. 480, Food for Peace Program, for global HIV/AIDS activities. The Committee also notes that it has included up to \$444,500,000 for the United States contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria in this Act, \$200,000,000 within the Child Survival and Health Programs Fund and \$244,500,000 within this account. This is \$244,500,000 more than requested by the President.

GLOBAL HIV/AIDS FUNDING

| Category | Allocation |
|---|-----------------|
| Global HIV/AIDS Initiative Funds | \$2,772,500,000 |
| CSHF—HIV/AIDS (bilateral) | 426,621,000 |
| CSHF—Global Fund to Fight AIDS, TB, and Malaria | 200,000,000 |
| Other Accounts | 32,351,000 |
| <hr/> | |
| Subtotal—Foreign Operations | 3,431,472,000 |
| HHS—Bilateral Programs (request) | 589,958,000 |
| P.L. 480 (request) | 10,000,000 |
| <hr/> | |
| Total—Global HIV/AIDS | 4,031,430,000 |

Within the amounts outlined above, the recommendation includes \$91,553,000 for TB programs. These amounts are more fully described under the heading “Child Survival and Health Programs Fund”. In addition, it is estimated that \$89,389,000 of the United States contribution to the Global Fund will support TB prevention and control programs and \$63,830,000 will support malaria related activities.

The Committee commends the United States Office of the Global AIDS Coordinator for its continued efforts at transparency. The Committee requests the Office of the Global AIDS Coordinator to continue to submit quarterly obligation and transfer reports as required in prior years.

Non-focus countries

The Committee again includes not less than \$50,000,000 in this account for “non-focus” country programs. The Committee notes that information regarding the non-focus country programs receiving additional assistance in fiscal year 2007 was not incorporated into the Office of the Global AIDS Coordinator’s congressional budget justification for fiscal year 2007 as requested in last year’s Committee Report. Therefore, the Committee again requests that the Office of the Global AIDS Coordinator submit to the Committee within 60 days of enactment a list of the non-focus countries that will receive additional “Global HIV/AIDS Initiative” funding in fiscal year 2007. In addition, the Committee directs that the non-focus country information be incorporated into congressional budget justification accompanying the fiscal year 2008 request.

Voluntary contribution to the Global Fund To Fight AIDS, Tuberculosis and Malaria

The fiscal year 2007 budget request for the United States contribution to the Global Fund To Fight AIDS, Tuberculosis and Malaria (Global Fund) totals \$300,000,000. Of that amount, \$200,000,000 is to be derived from this Act and \$100,000,000 from the Act providing appropriations for the Department of Health and Human Services. The Committee recommendation includes up to \$200,000,000 from the “Child Survival and Health Programs Fund”, and \$244,500,000 from this account, for a total of \$444,500,000 for the United States contribution to the Global Fund.

This funding is subject to provisions in Public Law 108-25, including the “matching funding” provision, and to additional provisions contained in this Act. Any funding not released to the Global Fund due to the provisions in this Act or Public Law 108-25 should be used by the Office of the Global AIDS Coordinator for programs to strengthen the Global Fund and for bilateral activities, including additional funding to “non-focus” countries. The Committee expects the Office of the Global AIDS Coordinator to consult with the Committee on the use of such funds.

The Committee is aware that the Global Fund’s Policy and Strategy Committee (PSC) is currently deliberating the Global Fund’s business model and structures. This process is intended to set the strategic course of the Global Fund from 2007–2010. The Committee strongly urges that the Global AIDS Coordinator (Coordinator) underscore to officials of the Global Fund the commitment of the United States to funding a performance-based, results-oriented, financing instrument to combat HIV/AIDS, tuberculosis, and malaria. The Committee remains concerned about efforts within the donor community to expand the mandate of the Global Fund to broader, general support for national Health Ministries or to alter its operating structure to become more of an implementing organization. Furthermore, the Committee directs the Coordinator to notify the Committee of any proposal and/or action that would move the Global Fund from project support to budget support, erode the Global Fund’s results-based disbursement structure, lessen the role of the technical review panel, or weaken the Comprehensive Funding Policy in order to fund new grant rounds.

The Committee notes that in fiscal year 2005, the Coordinator exercised the five percent option to provide technical assistance to grants of the Global Fund. The Committee is pleased with the high-level of interagency coordination and cooperation that is guiding the use of these technical assistance resources. The Committee encourages the Coordinator to continue supporting the Global Fund and United States efforts to help establish and sustain Country Coordinating Mechanisms (CCM’s) and Principal Recipients, monitor grants, and otherwise improve the performance of Global Fund grants. The Committee also encourages the Global Fund Secretariat to accelerate initiatives to share grant performance information with technical partners, like the United States, and urges the Global Fund to complete its comprehensive “Early Alert and Response System.” The Committee again has included permissive authority for the Coordinator to use up to five percent of the funds made available in this Act for contribution to the Global Fund to provide technical assistance to Global Fund grants. The Committee directs that this funding should not be used to provide assistance for writing applications since other donors provide such assistance. Finally the Committee notes that for fiscal year 2007 the bill language providing this authority has been shifted from the Child Survival and Health Programs Fund account to the Global HIV/AIDS Initiative account.

In fiscal year 2006, twenty percent of the United States contribution to the Global Fund was conditioned on certain steps the Global Fund needed to take to improve its efficiency, transparency, and accountability. The Committee has included a modified version of this provision for fiscal year 2007 (Section 525). The Committee

recognizes that the Global Fund Secretariat has taken several significant steps to improve its operations, especially the establishment of an independent Office of Inspector General. The Committee will continue to closely monitor the implementation of these decisions and urges the Office of the Global AIDS Coordinator to provide updates to the Committee on the development of the Global Fund's Office of Inspector General, the implementation of the CCM guidelines, and coordination of technical assistance.

In addition, the Committee notes with interest the Secretariat's potential, as stated in the Executive Director's report to the 13th Board Meeting, for listing on the Global Fund's website the performance grades that grants receive for each disbursement, information not yet publicly available. The Committee also expresses its interest in the launch of the five-year evaluation process of the Global Fund under the guidance of the Technical Evaluation Reference Group. Finally, the Committee believes that the evaluation must focus on outcomes, not process indicators, and measure the country-level and global impact of financial decisions made by the Global Fund in the fight against the three diseases in order for both donor and recipient nations to adequately assess the efficacy of Global Fund activities and expenditures.

Palliative care

The Committee understands that in fiscal year 2005, the Emergency Plan committed \$121,000,000 to support the delivery of palliative care to 1.7 million individuals suffering from HIV/AIDS. The Committee also understands that inadequate human capacity remains a major challenge to ensuring quality of care for people living with HIV/AIDS, with nurses and health care providers in very short supply in many PEPFAR countries. The Committee requests that the Coordinator be prepared to report on palliative care expenditures and activities, particularly steps taken to address shortages in both health care professionals and lay workers and volunteers, during the hearing on the fiscal year 2008 budget request.

UNAIDS

The Committee reiterates its commitment to ensuring coordination of all donor assistance for HIV/AIDS at the country level, and acknowledges the important role of UNAIDS in ensuring in-country coordination, capacity building, and monitoring and evaluation activities. These are critical functions which must be supported to keep pace with both the epidemic and the growing global response to it. The Committee expects that the Coordinator will provide funding to UNAIDS at not less than the amount requested.

Microbicides

The Committee is alarmed by the dramatic increase in HIV infections among girls and women, and notes that being female, married, and poor are often the most significant risk factors for acquiring HIV, particularly in sub-Saharan Africa. The Committee believes that this feminization of the HIV/AIDS pandemic justifies increasing support for research and development of prevention technologies that women can initiate and control, such as microbicides. The Committee urges the Coordinator to consider allocating additional PEPFAR funds to support the development of safe, effective

microbicides and to support clinical trials, including treatment for those who become infected during those trials.

Orphans and vulnerable children

The United States Leadership Against HIV/AIDS Tuberculosis, and Malaria Act of 2003, sets aside not less than 10 percent of PEPFAR funding for assistance to orphans and vulnerable children affected by HIV/AIDS. The Committee supports these critical programs and urges the Coordinator to ensure that the statutory mandate is met and that resources are directed to both build the long-term capacity of local organizations and communities to support and deliver services and the capacity of families to identify, locate, protect and care for orphans and vulnerable children affected by HIV/AIDS.

Tuberculosis (TB)

The Committee notes that TB is a leading killer of people with AIDS, and therefore recommends that the Global AIDS Coordinator, in concert with host country governments and other donors, work in focus countries toward: (1) expanding investment in TB-HIV in order to increase TB treatment of co-infected individuals; (2) developing national strategies to offer TB patients counseling and testing for HIV, and screen and appropriately diagnose people living with HIV for TB; (3) ensuring national guidelines for the care and treatment of TB/HIV infected individuals are in place; and (4) coordinating with other donors and the WHO for technical support for TB-HIV programs to ensure collaboration of efforts.

Gender-based violence follow-up

The Committee understands that the Office of the Global AIDS Coordinator (OGAC) has placed an emphasis on ensuring that initiatives to address the relationship between HIV/AIDS and gender-based violence (GBV) are integrated into PEPFAR programs. The Committee commends the Coordinator for the establishment of the Gender Technical Working Group, which has the goal of improving the way in which PEPFAR addresses the complexities of gender within its programs. The Committee notes the importance of a wide range of interventions in addressing the relationship between HIV/AIDS and GBV, including the provision of post-exposure prophylaxis (PEP) and psychosocial support services, addressing GBV-related issues in youth-targeted prevention programs, and programs aimed at increasing constructive male engagement in pregnancy and antenatal care. The Committee urges the Coordinator to undertake efforts to expand the availability of PEP to areas outside of urban centers, increase awareness of PEP availability among target populations in both urban and rural areas, and expand the integration of anti-GBV messages in programs aimed at adolescents. The Committee directs the Office of the Global AIDS Coordinator to report, not later than 120 days after enactment of this Act, on plans to achieve these objectives.

Mother-to-child transmission

The Committee continues to support expanding funding for programs to prevent mother-to-child transmission (MTCT) of HIV as an integral component of a comprehensive approach to fighting

HIV/AIDS. The Committee understands that to facilitate expansion and to provide more access to MTCT services and expanded care and treatment programs, infrastructure improvements and education and training of health care workers still are needed, as well as improved linkages between MTCT and comprehensive care and treatment services. The Committee urges the Coordinator to consider expanding access to MTCT services and encourage stronger linkages between MTCT and care and treatment programs.

Pediatric HIV/AIDS treatment and prevention

Children comprised an estimated 7 percent of ART patients in 2005. However, they also represented an estimated 14 percent of new infections that year. As access to care and treatment programs expands globally, without an effective strategy for including pediatric populations, children are at serious risk of being left behind. The Committee commends the Coordinator for emphasizing the need to treat children in Emergency Plan programs. In an effort to keep pace with the number of new pediatric infections, the Committee requests that the Coordinator consider setting a goal of at least 15 percent of patients receiving treatment through the Emergency Plan be infants and children. The Committee further requests that the Coordinator be prepared to report on the Emergency Plan's strategies for ensuring that treatment and care for children with HIV/AIDS is expanded, including the notion of setting numeric goals for serving this vulnerable population, during the hearing on the fiscal year 2008 budget request.

Safe blood program

The Committee remains concerned about the problem of unsafe or contaminated blood as a source of HIV infection in the developing world. According to the March 2006 Report on Blood Safety, submitted by the Office of the Global AIDS Coordinator, "substantial problems have been documented" across all components of safe blood programs in developing countries. Many hospitals in the developing world do not have effective or complete screening of blood, and as a result, there can be a risk of transfusion-transmitted infectious diseases. The prevalence of contaminated blood acutely impacts women requiring blood transfusions due to complications from pregnancy and childbirth, as well as children with life-threatening illnesses such as anemia.

Worldwide the major risk is hepatitis followed by HIV, malaria and syphilis. The Committee recognizes that there are a wide array of challenges in order to achieve adequate capacity and sustainability to support blood transfusion services in developing countries, including adequate infrastructure (such as reliable electricity for refrigeration), staff recruitment and training, laboratory equipment, effective legislation/policy, and financial/management systems to support blood services.

The Committee understands that the Emergency Plan currently supports the Ministries of Health or the government's National Blood Transfusion Service (NBTS) in fourteen of the fifteen focus countries for the purpose of developing nationally directed regionalized blood systems. The Committee strongly supports these activities and the Emergency Plan's goal of establishing high-quality, sustainable blood transfusion-safety programs in each country. The

Committee notes that the bill includes an over 40 percent increase in bilateral funding for focus countries and urges the Coordinator to increase significantly funding for safe blood programs over fiscal year 2006 levels.

The Committee also recognizes that capacity building and infrastructure development are processes that require a period of years which realistically must be approached incrementally. In the Committee's view, to achieve success in advancing blood safety requires a comprehensive and coordinated strategy among Ministries of Health, local communities, donors, and experts in blood transfusion. Therefore, the Committee requests that the Office of the United States Global AIDS Coordinator, working in coordination with other health sectors in USAID and HHS, and in consultation with WHO, other blood safety experts, and private foundations active in global health, develop and submit to the Committee a comprehensive, integrated multi-year strategic plan for PEPFAR focus countries to achieve the following:

1. A sufficient supply of safe blood to meet the needs of the country;
2. A continuous and adequate supply of voluntary non-remunerated blood donation from the safest possible donors from low risk populations;
3. The universal testing of donated blood, including quality assured screening of all donated blood for infectious diseases; and
4. The reduction of unnecessary transfusions; safe and rational blood utilization, and the use of alternatives to transfusions whenever possible.

The pace and resource requirements of the plan should consider the other medical (e.g. mother-to-child transmission and safe medical injections) and non-medical prevention activities in PEPFAR countries and the impact of the strategic plan on maintaining a diversified prevention portfolio. The Committee further requests the Office of the Global AIDS Coordinator, working in coordination with the aforementioned agencies and non-governmental organizations, develop and submit to the Committee a comprehensive implementation strategy for non-focus countries that achieves standardized operation and controls of blood collection, adequate training, documentation, and assessment measures. The strategic plans for both focus and non-focus countries shall be submitted to the Committee no later than 180 days of enactment.

Finally, the plan also should examine expenditure rates and factor them into the recommendations in order to ensure the timely obligation and expenditure of funds.

The Committee also continues its support for the multi-country blood safety training program of Safe Blood for Africa begun in fiscal year 2006. The Committee recommends that the Coordinator, in consultation with USAID, consider increasing support for the program to \$2,000,000 in fiscal year 2007.

New Partners Initiative

The Committee understands that the Coordinator launched in fiscal year 2006 a "New Partners Initiative" as part of the Emergency Plan. The initiative's purpose is to increase the number of Emergency Plan partners by establishing a competitive grants

process for organizations with the desire and the ability to help implement PEPFAR objectives, but which may have little or no experience in working with the Federal Government. Additionally, the initiative is to develop indigenous capacity so affected countries can address HIV/AIDS on their own and decrease dependence on foreign organizations and foreign skills. The Committee is aware of the following proposals and urges the Coordinator to consider incorporating them as part of the New Partners Initiative in fiscal year 2007:

Lott Carey International, to expand services for displaced children and orphans in Africa, India, and Haiti;

The Life Matters Media Center, California Institute of the Arts, to bring together expert animators and health care specialists to develop effective health care navigation programs for minority communities;

A proposal to test the efficacy of point of use forward osmosis technology to provide single use portions of infant formula to children of HIV-infected mothers and to provide re-hydration therapy to victims of diarrhea disease; and

The GRAIDS project, to design effective, culturally-relevant, communications methodologies to combat the spread of HIV/AIDS in PEPFAR countries through the use of visual media.

The Committee expects that all grantees supported through the New Partners Initiative, including those mentioned above, will meet the Initiative’s eligibility criteria and be subject to the competitive review process.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

| | |
|--|---------------|
| Fiscal year 2006 enacted level | \$472,428,000 |
| Fiscal year 2006 Emergency Supplemental (House-passed) | 107,700,000 |
| Fiscal year 2007 request | 795,490,000 |
| Committee recommendation | 703,600,000 |
| Change from request | -91,890,000 |
| Change from enacted level | +231,172,000 |

The Committee recommends \$703,600,000 for “International Narcotics Control and Law Enforcement”, a decrease of \$91,890,000 from the request and \$231,172,000 above the fiscal year 2006 enacted level, excluding the emergency supplemental appropriations. A limitation of \$33,484,000 is recommended for administrative expenses.

NARCOTICS AND TERRORISM

Organized crime and terrorist groups throughout the world have long used narcotics as a means to generate revenues to support armed conflict and the means to spread turmoil. The Committee continues to support a strong United States counternarcotics assistance program in order to protect United States communities from the ravages of drugs, but increasingly to deny drug profits that are often used to finance terrorist activities.

MEXICO

The Committee provides \$40,000,000 for programs in Mexico, an increase of \$1,000,000 from the request and \$400,000 over the enacted level.

The recommended increase should be used to strengthen Mexico's northern border infrastructure, thereby improving the security of the United States while promoting the efficient flow of legal goods.

The Committee is concerned about increasing instability along the Texas/Mexico border, including reports that members of drug cartels have crossed the border wearing Mexican military uniforms and carrying and firing assault weapons. The Committee requests that the Department of State consult with the Committee on the use of funds made available for Mexico under "International Narcotics Control and Law Enforcement" to ensure such funds are used only to support the fight against drug and weapon smuggling. The Committee directs the Department of State to work with the Department of Homeland Security to obtain reports of investigations into incursions and to make those available to the Committee.

The Committee is pleased to note that the Administration's fiscal year 2007 program for border and port security, seeks to expand its coverage of Mexico's southern border to stem illegal trafficking of drugs, arms, cash, and people. The Committee is very supportive of these efforts.

AFGHANISTAN COUNTERNARCOTICS

The Committee recommends \$235,000,000 for counternarcotics programs in Afghanistan, \$62,390,000 less than the request and \$2,350,000 over the 2006 current estimate. The Committee fully supports the program, but limited resources prevented fully funding the Administration's request.

CUBA

The Committee has again included a general provision, section 572, prohibiting counternarcotics assistance to the Government of Cuba. Full reporting and transparency by the Cuban Government and United States monitoring of the use of counternarcotics assistance in Cuba would be difficult if not impossible, according to the State Department, given Cuban general hostility toward the United States Government. Additionally, provision of assistance to the maritime drug interdiction force (the TGF) would, according to both Amnesty International and the State Department's Country Reports on Human Rights Practices, violate section 551 of this Act, the so-called Leahy amendment.

INTERNATIONAL DRUG DEMAND REDUCTION

The Committee recommends that within the funds provided for International Narcotics and Law Enforcement, that an additional \$10,000,000 be provided for the drug demand reduction program. Such funding would be available to reduce worldwide drug abuse and the incidence of international HIV/AIDS through intravenous drug use.

INTELLECTUAL PROPERTY

The Committee recommends \$5,000,000 for programs to combat intellectual property piracy.

USAID LAW ENFORCEMENT ASSISTANCE TO INDIA

The Committee recognizes the importance of assisting law enforcement agencies within the Government of India with respect to disaster management and response, access to justice for women, and trafficking of persons. The Committee urges the Administrator of USAID to seek authority to support such programs if such authority does not currently exist.

ANDEAN COUNTERDRUG INITIATIVE

| | |
|---------------------------------|----------------|
| Fiscal year 2006 level | \$727,155,000 |
| Fiscal year 2007 request | 721,500,000 |
| Committee recommendation | 506,850,000 |
| Change from request | ·\$214,650,000 |
| Change from enacted level | ·\$220,305,000 |

The Committee recommends \$506,850,000 for the Andean Counterdrug Initiative, a \$214,650,000 decrease to the request and a \$220,305,000 decrease from the enacted level. The Andean Counterdrug Initiative is the continuation of the Administration's multi-year counterdrug assistance efforts designed to sustain and expand programs initially funded by Plan Colombia in the fiscal year 2000 emergency supplemental appropriations Act. A limitation of \$18,060,000 is recommended for administrative expenses for the Department of State and \$7,800,000 for USAID.

At first glance, the amount provided in this account would appear to be a significant reduction from prior years. In reality this is not the case, as the Committee has not reduced its commitment to the Andean Region, but rather has strengthened it in a number of ways.

First, the Committee moved \$62,500,000 from this account to the new Trade Capacity Enhancement Fund, an amount equal to the Administration's estimates of what it will spend from this account on these types of activities in fiscal year 2006. Adjusting for the movement of the trade capacity funds in the fiscal year 2006 appropriation, results in a comparable ACI account of \$664,655,000. In addition, bill language has been included to allow these funds to be transferred back to the originating account.

Second, the Committee has initiated a restructuring of the ACI in order to begin "normalizing" our relationship with Colombia, a major strategic partner in the region. To begin this "normalization", the Committee has moved a total of \$161,150,000 to be the "Economic Support Fund" (ESF) and the "International Narcotics Control and Law Enforcement" (INCLE) accounts. Those funds, \$135,000,000 in ESF and \$26,150,000 in INCLE, are designated for Colombia. In total, for these four accounts (TCEF, ACI, ESF and INCLE) Colombia will receive approximately \$545,200,000, a \$48,859,000 increase over the prior year for activities once funded solely in the ACI account.

The Committee notes the requirement in the bill that the Director of Foreign Assistance shall provide to the Committees on Appropriations not later than 45 days after the date of the enactment of this Act and prior to the initial obligation of funds appropriated under this heading, a report on the proposed uses of all funds under this heading on a country-by-country basis for each proposed program, project, or activity.

The Committee requests that the Director of Foreign Assistance submit to the Appropriations Committees a semi-annual report with respect to the Andean Counterdrug Initiative, including those funds for Colombia in ESF and INCLE. Each report shall include an accounting of all aircraft, vehicles, boats and lethal equipment (other than ammunition) transferred to the militaries or police of any nation with funds made available under this heading. Additionally, the Committee requires that the personnel cap and Plan Colombia reports as required in the fiscal year 2000 emergency supplemental also be submitted to the Committees on the Appropriations.

COLOMBIA

Recognizing the strategic importance of Colombia, the Committee has taken the significant step to "restructure" the way it provides assistance to Colombia, for a number of reasons. First, the Committee has noted the successes of Plan Colombia and the measurable improvements that have resulted in the everyday lives of the Colombian people. Some have declared Colombia the "greatest success story in Latin America." In fact, the Colombian Government's success in combating the cultivation of drugs and in restoring democracy can be measured in many ways:

- Coca eradication through spraying has gone from 47,000 hectares the first year of Plan Colombia to 138,775 last year;
- By regaining sovereignty over most of its air space, Colombia has decreased by 56 percent suspected drug trafficker flights;
- Drug flow to the United States has dropped to 7 percent;
- Kidnappings are down 51 percent and homicides 13 percent;
- All 1098 Colombian municipalities have a permanent government presence;
- Over 30,000 paramilitary have been demobilized;
- 200,000 acres of legal crops have been planted and 64,000 farm families have a "legal" farming option;
- Unemployment has dropped from 20 percent to an estimated 11 percent;
- In December, implementation of the Free Trade Agreement with the United States is expected to drop unemployment even more.

Clearly, Colombia has made remarkable progress. The Committee believes it is time to fund assistance to Colombia through the same mechanisms used to fund other strategic partners. In a budget sense, that means providing funding for some of the activities, carried out by Plan Colombia, in the ESF and INCLE accounts. It is from these two accounts that the other United States strategic partners receive funding for similar activities. The Committee provides \$135,000,000 in ESF, an amount \$10,000,000 more than the enacted level, for Alternative Development and Institution Building in Colombia. These funds will help to strengthen the strong democratic presence needed to counter the negative effects of illicit activity; establish and strengthen social, institutional and economic preconditions necessary to promote economic growth; and support vulnerable groups and displaced persons. The Committee

also provides \$26,150,000 in INCLE to promote Rule of Law activities.

It is important, however, to note that the Committee continues to provide significant funding for Colombia through this account. The Committee provides, through the ACI account, a total of \$384,050,000 for Colombia, of which \$313,850,000 is for Interdiction and Eradication activities. This is equal to the request. The Committee believes that it is important to maintain our efforts on this front. In addition, the Committee provides, within the ACI account, \$70,200,000 for the Critical Flight Safety Program, which is an increase of \$29,000,000 over the request. With this increase, the Committee has provided sufficient funding for the purchase of one Black Hawk helicopter, the conversion of two additional UH-1s to Huey IIs, and 1 flight simulator. The funds are for the purchase of the simulator and not intended for the design and construction of infrastructure to house the simulator.

Now that Plan Colombia, conceived as a six year plan, has come to an end, the Committee remains concerned about the Administration's follow up program. The Committee expects a follow up strategy to normalize funding for Colombia, similar to the approach used in this bill, and lead towards an eventual "nationalization" of the Colombian program. The Committee directs the Secretary of State, in consultation with the Secretary of Defense, to report to the Committee no later than 60 days after enactment of this Act on the future, multiyear strategy of the United States assistance program to Colombia. The strategy should include all aspects of current and future United States assistance. In addition, the Committee directs the Director of Foreign Assistance to carefully review all Colombian activities to determine the most appropriate appropriation account for funding. Specifically, the fiscal year 2008 Congressional Budget Justification should provide, as appropriate, funding for Alternative Development in the "Development Assistance" and the "Economic Support Fund" accounts and, as appropriate, funding for Interdiction/Eradiation in the "Foreign Military Financing" or the "International Narcotics Control and Law Enforcement" accounts.

The Committee again has extended the availability of funds provided for assistance for Colombia to support a unified campaign against narcotics trafficking, against activities by organizations designated as terrorist organizations, and to take actions to protect health and human welfare. The Committee directs the Secretary of State to consult with the Committee if the implementation of the expanded authorities changes from that described in the May 2003 report to Congress. The Committee has retained language requiring consultation and notification before the obligation of funds for demobilization of paramilitaries.

PERU

The Committee directs that not less than \$109,000,000 from funds under this heading shall be available for Peru. The Committee does not accept the Administration's request to reduce funding for Peru in the account by almost \$9,000,000 from enacted levels. The Committee believes that there is a very real danger of increased coca production and of drug trafficking through Peru if other countries in the Region act on threats to decrease their ef-

forts. This so called "balloon effect" can be seen in the increased number of hectares in coca production in Peru.

The United States Government estimates that there are 38,000 hectares of coca cultivation in Peru, including 4,000 hectares in new areas. There are reports that the coca farmers are becoming more violent and better organized and that terrorist organizations have openly identified with the coca growers. The Committee does not believe that now is the time to reduce our efforts in Peru. Of the funds provided for Peru in this account, \$63,000,000 shall be available for Interdiction/Eradication and \$46,000,000 for Alternative Development/Institution Building.

The Committee urges USAID to consider extending its agreement with The Field Museum of Chicago on the Cordillera Azul National Park project in central Peru, at current funding levels after the original agreement period ends in 2007. The Committee understands that this alternative community development and conservation education project has already demonstrated effective use of ACI funds to prevent coca cultivation and urges the Agency to consider entering into similar agreements elsewhere in the region.

BOLIVIA

The Committee is concerned by recent reports from Bolivia that would indicate a lessening of that country's commitment to fighting drugs in the region. Because of those reports, the Committee has reduced the funds requested in this account for Bolivia to \$51,000,000. Of this amount, the Committee directs that \$20,000,000 shall be for Interdiction and Eradication, a reduction of \$15,000,000 from the request and, \$31,000,000 shall be for Alternative Development/Institution Building. The Committee has eliminated funding for Bolivia Critical Flight Safety.

FUNDING BY COUNTRY AND ACTIVITY

From funds appropriated under this heading, the Committee directs the following amounts for each activity by country:

| | |
|--|--------------|
| Bolivia: | |
| Interdiction/Eradication | \$20,000,000 |
| Alter Dev/Inst. Building | 31,000,000 |
| Critical Flight Safety | 0 |
| Colombia: | |
| Interdiction/Eradication | 313,850,000 |
| Critical Flight Safety | 70,200,000 |
| Ecuador: | |
| Interdiction/Eradication | 8,900,000 |
| Alter Dev/Inst. Building | 8,400,000 |
| Peru: | |
| Interdiction/Eradication | 63,000,000 |
| Alter Dev/Inst. Building | 46,000,000 |
| Brazil | 4,000,000 |
| Panama | 4,000,000 |
| Venezuela | 0 |
| Guatemala | 0 |
| Nicaragua | 0 |
| Trade Capacity Enhancement Fund transfer out | - 62,500,000 |

HUMAN RIGHTS

The committee calls on the Department of State to ensure that all United States laws regarding human rights, including section 551 of this Act, are strictly applied in Colombia and each of the An-

dean nations. The Committee again includes a general provision requiring that the Secretary of State certify that certain human rights conditions have been met before 25 percent of funds may be made available for assistance for the Colombian Armed Forces.

The Committee urges the USAID to continue the Andean Countries Cocoa Export Support Opportunity (ACCESO). This innovative, public-private partnership supports sustainable cocoa and tree crops development in Colombia, Peru, Bolivia and Ecuador. The Committee believes that the potential to restore a robust, sustainable cocoa economy to the region remains promising.

MIGRATION AND REFUGEE ASSISTANCE

| | |
|--------------------------------------|---------------|
| Fiscal year 2006 enacted level | \$783,090,000 |
| Fiscal year 2007 request | 832,900,000 |
| Committee recommendation | 750,206,000 |
| Change from request | -82,694,000 |
| Change from enacted level | -32,884,000 |

The Committee recommends a total of \$750,206,000 for Migration and Refugee Assistance, a \$82,694,000 decrease from the request and a \$32,884,000 decrease from the enacted level. A limitation of \$23,000,000 is recommended for administrative expenses. The Committee's recommendation includes not less than \$548,000,000 for overseas assistance programs.

IRAQ AND AFGHANISTAN PROGRAMS

The Committee supports the Administration's request to normalize its Iraq and Afghanistan programs funded from this account and includes the President's request for Iraq and Afghanistan in its recommendation.

TIBETAN REFUGEES

The Committee recommends not less than \$2,500,000 from this account for Tibetan refugees in Nepal and India. The Committee remains concerned about the situation of Tibetan refugees transiting through Nepal to resettlement in India, and in particular the recent decision by Nepal to close two Tibetan-run offices in Kathmandu that provide vital services to refugees. In light of recent events in Nepal, the Committee expects that the Government of Nepal will fulfill its commitment to provide safe passage to Tibetans fleeing repression in their homeland, and respect the rights of the legally resident Tibetan refugee community that lives in Nepal.

GENDER-BASED VIOLENCE

Sexual exploitation and violence against women and girls is an ongoing problem among internally displaced and refugee populations. The Committee notes that despite stated Committee intent, the State Department has not scaled up resources and targeted funding for programs to address these issues in fiscal year 2006. The Committee asks again this year that the Department of State highly prioritize funding to address these critical issues. The Committee also expects that the Department will provide, not later than 120 days following enactment of this Act, a report on United States Government funding from this account during fiscal year

2006 and proposed increases in funding during fiscal year 2007, for programs that target gender-based violence.

PROTECTION OF CHILDREN IN CONFLICT AND CRISIS

The Committee believes that the protection needs of women and children should be a priority for the Department of State, and directs the Secretary of State to be prepared to report to the Committee, not later than 120 days after enactment of the Act, on activities of the Government of the United States to protect children affected by humanitarian emergencies. The report shall include: an assessment of when and how the United States government incorporates the protection needs of children in its emergency response plan, including protection from physical harm, exploitation, rape, psychosocial distress, recruitment into armed groups, family separation, abuses related to forced displacement, and the denial of access to quality education; documentation on the role of quality education in the protection of children affected by humanitarian emergencies; guidelines and recommendations for ensuring that the United States and international response systems include good education services as a first line response during emergencies and the reconstruction period to ensure that the development and safety of children are protected.

NORTH KOREA

Assistance for refugees from North Korea continues to be a high priority for the Committee. The Committee expects the State Department to continue its consultation with the Committee on how best to assist these refugees.

RESETTLEMENT IN ISRAEL

The Committee recommendation includes \$40,000,000 in this account to help humanitarian migrants from Ethiopia, the former Soviet Union, and other countries of distress resettle in Israel. Since 1989, Israel has accepted more than one million such migrants. The Committee understands that Israel plans to bring all eligible humanitarian migrants in Ethiopia to Israel within the next three years, and expects the need for such funding to diminish after the initial influx of migrants. Consequently, the Committee expects funding for this program to be reduced by \$5,000,000 in fiscal year 2009, and to be reduced an additional \$10,000,000 in fiscal year 2010.

MAGEN DAVID ADOM SOCIETY

The Committee is encouraged by positive steps that the International Committee of the Red Cross (ICRC) has taken to admit the Magen David Adom (MDA) Society of Israel to the International Red Cross and Red Crescent Movement. The Committee notes that a decision will be made in June, 2006, regarding the MDA's admission into the Movement. Until that decision is made, the Committee is recommending a continuation of prior year bill language that would withhold the annual headquarters contribution made by the Department of State unless the MDA is given the opportunity to participate in the activities of the Movement. This limitation will not, and is not intended to, restrict funding for hu-

humanitarian assistance programs that may be programmed through the ICRC using other funds provided in this and other accounts. It is only intended to affect the funding the United States provides on an annual basis to the ICRC bureaucracy in Geneva.

UNITED NATIONS RELIEF AND WORKS AGENCY (UNRWA)

The election of Hamas to a leadership position in the Palestinian Legislative Council (PLC) has necessitated a reassessment of United States assistance to the Palestinian Territories. The Committee supports the Administration's plan for increased humanitarian assistance to the Palestinian people, including through UNRWA.

The Committee is aware of concerns that UNRWA's internal accounting procedures and oversight mechanisms do not adequately ensure against misuse of funding. Oversight of UNRWA is performed at two levels. Internal oversight is the responsibility of an Audit Office reporting to the UNRWA Commissioner General. Additionally, every two years the United Nations Board of Auditors (BOA) provides an independent audit, which conforms to Generally Accepted Accounting Principles, of UNRWA's financial statements.

The Committee understands that an independent body with internationally-recognized expertise in auditing and oversight procedures, PricewaterhouseCoopers, is in the process of assessing UNRWA's oversight and accounting procedures and policies as part of a broader review of United Nations oversight.

The Committee requests that the State Department provide an update to Committees on Appropriations not later than June 30, 2006 regarding this review, any recommendations contained therein, and the status of implementation for those recommendations. The Committee will address this issue again, if necessary, following this consultation.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$29,700,000 |
| Fiscal year 2007 request | 55,000,000 |
| Committee recommendation | 30,000,000 |
| Change from request | -25,000,000 |
| Change from enacted level | +300,000 |

The Committee recommends \$30,000,000 for the Emergency Refugee and Migration Assistance Fund, a \$25,000,000 decrease from the request and a \$300,000 increase to the enacted level. The Committee does not include language requested by the President to waive the \$100,000,000 cumulative limit on this account.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

| | |
|--------------------------------------|---------------|
| Fiscal year 2006 enacted level | \$405,999,000 |
| Fiscal year 2007 request | 449,430,000 |
| Committee recommendation | 425,010,000 |
| Change from request | -24,420,000 |
| Change from enacted level | +19,011,000 |

The Committee recommends a total appropriation of \$425,010,000 for "Nonproliferation, Anti-terrorism, Demining and

Related Programs”, a decrease of \$24,420,000 below the request and \$19,011,000 over the fiscal year 2006 enacted level.

The following table compares fiscal year 2006 funding for the programs covered by this account, as well as the President’s request for fiscal year 2007 and the Committee recommendation:

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

| | Fiscal year 2006 enacted | Fiscal year 2007 request | Committee recommendation |
|---|-----------------------------|-----------------------------|-----------------------------|
| Nonproliferation Programs: | | | |
| Nonproliferation and Disarmament Fund | \$37,125,000 | \$38,000,000 | \$38,000,000 |
| Export Control & Border Security | 42,966,000 | 45,050,000 | 44,000,000 |
| Science Centers/Nonproliferation of WMD | 52,074,000 | 56,200,000 | 53,430,000 |
| IAEA Voluntary Contribution | 49,500,000 | 50,000,000 | 50,000,000 |
| International Monitoring System | 14,207,000 | 19,800,000 | 16,800,000 |
| Subtotal Nonproliferation | 195,872,000 | 209,050,000 | 202,230,000 |
| Anti-Terrorism Programs: | | | |
| Anti-terrorism Assistance | 122,265,000 | 135,600,000 | 125,500,000 |
| Terrorist Interdiction Program | 5,445,000 | 11,800,000 | 8,000,000 |
| Counterterrorism Financing | 7,425,000 | 9,080,000 | 9,080,000 |
| CT Engagement w/Allies | 1,984,000 | 2,000,000 | 1,000,000 |
| Subtotal Anti-Terrorism | 136,125,000 | 157,480,000 | 143,580,000 |
| Regional Stability and Humanitarian Assistance: | | | |
| Humanitarian Demining | 55,449,000 | 64,300,000 | 60,600,000 |
| International Trust Fund | 9,900,000 | 10,000,000 | 10,000,000 |
| Small Arms/Light Weapons Destruction | 8,663,000 | 8,600,000 | 8,600,000 |
| Subtotal Regional Stability/Humanitarian Assistance | 74,003,000 | 82,900,000 | 79,200,000 |
| Total | 406,000,000 | 449,430,000 | 425,010,000 |

INTERNATIONAL TRUST FUND

The Committee recommends \$10,000,000 for the International Trust Fund, as requested and the same as last year. The Committee recognizes the significance of the assistance provided by the Trust Fund for assistance to victims. However, overall budgetary constraints did not provide sufficient opportunity for the Committee to increase the requested funding level.

CONFLICT RESPONSE FUND

| | |
|--------------------------------------|-------------|
| Fiscal year 2006 enacted level | \$0 |
| Fiscal year 2007 Request | 75,000,000 |
| Committee recommendation | 0 |
| Change from request | -75,000,000 |
| Change from enacted level | 0 |

COMMITTEE RECOMMENDATION

The Committee recommendation includes no funding for the Conflict Response Fund, a decrease of \$75,000,000 from the request and the same as the fiscal year 2006 enacted level. While the Committee recognizes the need for quick disbursement of funding for international crises, the Administration has for the past four years failed to provide, upon request, the necessary documentation detailing the proposed expenditure of these funds. In lieu of a comprehensive strategy, detailing how the Office of the Coordinator for Reconstruction and Stabilization will utilize these funds to respond to international crises and post-conflict contingencies, the Com-

mittee believes it has no choice but to deny this request. The Committee urges the Administration to take into account the Committee's view when formulating its fiscal year 2008 budget request.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$19,800,000 |
| Fiscal year 2007 request | 23,700,000 |
| Committee recommendation | 23,700,000 |
| Change from request | 0 |
| Change from enacted level | +3,900,000 |

The Committee recommends a total of \$23,700,000 for international technical assistance by the Department of the Treasury, as requested and a \$3,900,000 increase above the enacted level. In operation since 1991, Treasury's Office of Technical Assistance provides expert fiscal and monetary policy advisors to developing and in transition countries. The Committee notes that in any given year, requests for assistance and expertise provided by the Office of Technical Assistance far exceed either the budget request or the Committee's ability to fund. The Committee directs the Department to include more useful information in its future budget requests, including the countries, projects, project costs assumed in the request level, and an explanation of change from the prior year. The Committee directs the Office of Technical Assistance (OTA) to notify the Committee prior to the obligation of funds for the compensation or travel expenses of any individual who is not an employee of the Department of the Treasury.

DEBT RESTRUCTURING

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$64,350,000 |
| Fiscal year 2007 request | 182,799,000 |
| Committee recommendation | 20,000,000 |
| Change from request | -162,799,000 |
| Change from enacted level | -44,350,000 |

The Committee recommends a total of \$20,000,000 for international debt restructuring by the Department of the Treasury, a \$162,799,000 decrease from the request and a \$44,350,000 decrease from the enacted level. The Committee makes \$20,000,000 under this heading available for the Tropical Forest Conservation Act (TFCA) programs and does not fund the enhanced HIPC initiative request. Funds in this account are subject to the regular notification procedures of the Committees on Appropriations.

TROPICAL FOREST CONSERVATION ACT (TFCA)

Over the course of the life of this program, Congress has provided over \$111,000,000. The Committee directs the Department to provide a report by December 15, 2006, on potential debt reduction/restructuring initiatives for any unallocated balances remaining at the end of fiscal year 2006. The Committee expects the Department of the Treasury to consult with the Committee 15 days prior to the Treasury determination that additional countries are found eligible for TFCA.

CONGO

The Committee notes that all disbursed funds provided by the United States to the HIPC Trust Fund in fiscal year 2004, \$74,600,000, were made available for debt relief for the Democratic Republic of the Congo (DRC). In addition, Treasury has provided, or has available to provide to the DRC, \$124,000,000 from funds provided by Congress for bilateral HIPC debt reduction. Therefore, over a three year time frame, almost \$200,000,000 has been provided by Congress for debt relief to the DRC.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$85,877,000 |
| Fiscal year 2007 request | 88,900,000 |
| Committee recommendation | 88,000,000 |
| Change from request | -900,000 |
| Change from enacted | +2,123,000 |

The Committee recommends \$88,000,000 for the International Military Education and Training (IMET) program which is \$900,000 below the fiscal year 2007 requested level and \$2,123,000 above the 2006 enacted level.

IMET is part of the overall United States security assistance program, and through it the United States Government provides training to predominantly military students from allied and friendly nations. The IMET program exposes students to the United States professional military establishment and the American way of life, including democratic values and rule of law, and respect for individual and human rights. In 1990, Congress directed the Department of Defense to establish a program within IMET—called Expanded-IMET or “E-IMET”—focused on training foreign civilian and military officials in three areas: managing and administering military establishments and budgets; creating and maintaining effective military judicial systems and military codes of conduct, and fostering greater respect for the principle of civilian control of the military.

UZBEKISTAN

The fiscal year 2007 budget includes \$95,000 for IMET programs for Uzbekistan. The Committee remains concerned about ongoing turmoil in this country and therefore recommends no funding for IMET for Uzbekistan.

NEPAL

The fiscal year 2007 budget request includes \$790,000 for IMET programs for Nepal, an increase of \$146,000 over the fiscal year 2006 current estimate. The Committee recommends no funds for IMET programs for Nepal.

The Committee is concerned that the recent democracy protests in Nepal may have been met with a disproportionate military response. The Committee understands that there is a potential con-

cern that members of the military who may have been involved with this response could have been previous recipients of IMET.

Therefore, the Committee believes the Department of State and the Department of Defense should review this potential concern before further implementing the fiscal year 2006 IMET program for Nepal.

INDONESIA

The fiscal year 2007 budget request includes \$1,285,000 for IMET programs for Indonesia, an increase of \$493,000 over the fiscal year 2006 current estimate.

The Committee notes that the increased funding request is not accompanied by an increase in the anticipated number of students. Therefore, the Committee does not recommend the increase in funding as requested.

ARGENTINA PROGRAMS

The Committee recommends \$1,135,000 for Argentina IMET programs, as requested and an increase of \$46,000 over the enacted level.

The Committee is aware that the Government of Argentina has not implemented Federal Court orders including two default judgments and daily sanctions rendered by the United States District Court of Northern Illinois. Should the Government of Argentina fail to comply with these court orders in a timely fashion, the Department of State, in consultation with the Department of Defense, should withhold funds provided for Argentina's IMET program.

EAST TIMOR

The fiscal year 2007 budget request includes \$320,000 for IMET programs for East Timor, an increase of \$23,000 over the fiscal year 2006 current estimate.

The Committee is very concerned about the recent violence between the police and the military in Dili, the capital of East Timor. Therefore, the Committee recommendation does not include the \$23,000 increase in funding for the IMET programs in East Timor.

The Committee believes the Department of State and the Department of Defense should review these concerns before further implementing the fiscal year 2006 and the 2007 IMET programs for East Timor.

UKRAINE

The fiscal year 2007 budget request includes \$1,725,000 for IMET programs for Ukraine, an increase of \$42,000 over the fiscal year 2006 current estimate. The Committee notes that the increased funding request is not accompanied by an increase in the anticipated number of students. Therefore, the Committee does not recommend the increase in funding as requested.

GREECE

The Committee recognizes the country of Greece as a friend and ally and urges at least \$2,000,000 in funding assistance for Greece from the funds appropriated under this heading.

RUSSIA

The fiscal year 2007 budget request includes \$790,000 for IMET programs for Russia, an increase of \$47,000 over the fiscal year 2006 current estimate. The Committee notes that the increased funding request is not accompanied by an increase in the anticipated number of students. Therefore, the Committee does not recommend the increase in funding as requested.

TUNISIA

The fiscal year 2007 budget request includes \$1,975,000 for IMET programs for Tunisia, an increase of \$119,000 over the fiscal year 2006 current estimate. The Committee notes that this increased funding request supports an additional 2 students, an average of \$60,000 per student, approximately twice the previous average. Therefore, the Committee recommends a total of \$1,881,000 for IMET programs for Tunisia, an increase of \$25,000 over the fiscal year 2006 current estimate.

ARMENIA AND AZERBAIJAN

The Committee recommends IMET assistance levels of \$790,000 for each of the countries of Armenia and Azerbaijan.

FOREIGN MILITARY FINANCING PROGRAM

| | |
|--------------------------------------|-----------------|
| Fiscal year 2006 enacted level | \$4,455,000,000 |
| Fiscal year 2007 request | 4,550,900,000 |
| Committee recommendation | 4,454,900,000 |
| Change from requested level | -96,000,000 |
| Change from 2006 enacted level | -100,000 |

The Committee recommends \$4,454,900,000 for the Foreign Military Financing Program, which is \$96,000,000 below the fiscal year 2007 request and \$100,000 below the fiscal year 2006 enacted level.

The Foreign Military Financing (FMF) assistance program provides grants for the acquisition of United States defense equipment, services and training. The FMF program enables key allies and friendly nations to improve defensive capabilities, and fosters bilateral military relationships with the United States and interoperability with United States forces.

ISRAEL

The Committee recommends a total FMF program of not less than \$2,340,000,000 in grants for Israel, which shall be available within 30 days of enactment of this Act. Of this amount, approximately \$1,447,400,000 is for continuation and maintenance of ongoing acquisition programs, \$282,500,000 is for potential new acquisition programs, and \$610,000,000 is for off shore procurement of military equipment.

This recommendation is the same as the fiscal year 2007 budget request and \$83,000,000 over the fiscal year 2006 enacted level. The level appropriated in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109-102), \$2,280,000,000 was reduced by \$23,000,000 with the application of Section 3801 of Public Law 109-148, resulting in a 2006 enacted level of \$2,257,000,000.

The Committee remains committed to helping Israel maintain security. Therefore, the Committee is convinced the United States must make every effort to carry out its long-standing policy of assisting our ally Israel to maintain its technological advantage.

ISRAEL PROGRAMS

The Committee recommends that within the funds provided for FMF programs for Israel, that the Department of Defense and the Government of Israel consider the purchase of fast response boats.

JORDAN

The Committee recommends a total FMF program of \$216,000,000 for Jordan, an increase of \$10,000,000 over the fiscal year 2007 request and \$8,100,000 over the fiscal year 2006 enacted level.

The Committee strongly supports the Administration's efforts to improve Jordanian security. Under the leadership of King Abdullah, Jordan plays a critical role in supporting peace and security in the Middle East.

The Committee is well aware that Jordan's security requirements are extensive, particularly in the areas of ground force modernization and border security.

The Committee recommendation includes \$11,000,000 for enhancing border security in Jordan.

EGYPT

The Committee recommends a total FMF program of \$1,300,000,000 in grants for Egypt, which shall be transferred within 30 days of enactment of this Act. Of this amount, \$1,102,900,000 is for continuation and maintenance of ongoing acquisition programs and \$197,100,000 is for potential new acquisition programs.

This recommendation is the same as the fiscal year 2007 budget request and \$13,000,000 over the fiscal year 2006 enacted level. The level appropriated in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109-102), \$1,300,000,000, was reduced by \$13,000,000 with the application of Section 3801 of Public Law 109-148, resulting in a 2006 enacted level of \$1,287,000,000.

The Committee is convinced that continued military cooperation between Egypt and the United States remains in the national security interests of both countries. However, the Committee believes that Egypt must initiate a significant modernization of its military structure to transform it to a modern, professional, and efficient military force. The Committee notes that U.S. military representatives from the U.S. Central Command (USCENTCOM) have been encouraging the Egyptian military to initiate programs designed to transform its military force but these programs have not yet been embraced by the Egyptians. The Committee strongly recommends that the Egyptian military work with the USCENTCOM to develop and implement programs that will lead to a more modern and professional Egyptian military. Furthermore, the Committee directs the Department of State, with submission of the fiscal year 2008 budget request, include in the accompanying justification material

a list of the projects included in the request for such transformational efforts.

PAKISTAN

The Committee recommends a total FMF program of \$200,000,000 for Pakistan, a decrease of \$100,000,000 from the fiscal year 2007 request and a decrease of \$97,000,000 from the fiscal year 2006 enacted level. The Committee notes that Pakistan has been a reliable ally of the United States in the War on Terrorism and this reduction is not a reflection of a lessening of the Committee's appreciation for Pakistan's support. Rather, the intention of the reduction is to once again call into question what is clearly the Administration's plan to incrementally finance Pakistan's foreign military acquisition program. It has long been the position of the Committee on Appropriations that full funding of the acquisition of weapons systems provides budgetary accountability, transparency, and accuracy in determining taxpayer debt.

The Committee directs the Department of State and the Department of Defense, to review the implementation of Pakistan's fiscal year 2006 FMF program as well as the fiscal year 2007 program to ensure full funding of weapons systems acquisition. The fiscal year 2008 budget request shall be submitted with consideration given to the Committee's concerns.

LEBANON

The Committee recommends a total FMF program for Lebanon of \$4,800,000, the same as the fiscal year 2007 request and \$3,810,000 over the fiscal year 2006 enacted level.

The Committee is encouraged that the United States is reaching out to the Lebanese government to assist with the purchase of spare parts, maintenance, and training for its military. However, the Committee is mindful that areas of the country, most particularly in the south, remain under the influence of both Syria and Iran. The Committee directs the Department of State to work closely with the Department of Defense to ensure that the FMF program for Lebanon supports equipment and training for the Lebanese military that will not support in any way terrorist groups that continue to operate in certain parts of the country.

The Committee notes that it is in the national security interests of the United States to achieve a variety of goals in Lebanon, including the disarmament of all militias in Lebanon and the extension of Lebanese sovereignty throughout the country. The Committee directs the Secretary of State, in consultation with the Secretary of Defense, to submit a report to the Committee on Appropriations no later than 180 days after enactment of this Act, on progress made on advancing these goals and protecting Lebanon's eastern border.

INDONESIA

The Committee recommends a total FMF program for Indonesia of \$4,500,000, a reduction of \$2,000,000 from the fiscal year 2007 request and \$3,510,000 over the fiscal year 2006 enacted level.

The Committee makes this recommendation mindful of continuing concern about the professionalism of the Indonesian mili-

tary and strongly supports the efforts of the civilian authorities in Indonesia to promote the rule of law, including efforts to exert control over the Indonesian military forces (TNI). This \$3,510,000 recommended increase over the 2006 enacted level, in no way signals decreased concern about the poor human rights record of the Indonesian military forces and is intended only as a sign of measured support for the continuing efforts of the civilian Government of Indonesia.

The government of Indonesia is a strategic ally of the United States, especially in the continuing Global War on Terrorism and these funds will be used to purchase such things as spare parts and communications equipment.

Included in the 2007 request is \$500,000 for Defense Structure Reform Review and within the \$4,500,000 appropriation recommended by the Committee, no less than \$500,000 shall be provided for this Review. The Committee is encouraged and supportive of the efforts of United States military representatives of the U.S. Pacific Command (USPACOM) to work with the Indonesian military to transform its structure into a modern, professional and efficient military force.

ROMANIA

The Committee recommends a total FMF program for Romania of \$13,000,000, a reduction of \$2,000,000 from the request and \$130,000 over the fiscal year 2006 enacted level.

ARMENIA AND AZERBAIJAN

The Committee recommends a FMF program of \$3,500,000 for each of the countries of Armenia and Azerbaijan.

ADMINISTRATIVE EXPENSES

The Committee recommends \$42,500,000 for FMF administrative expenses, a decrease of \$1,000,000 from the fiscal year 2007 request and \$1,414,000 over the fiscal year 2006 enacted level.

PEACEKEEPING OPERATIONS

| | |
|---|---------------|
| Fiscal year 2006 enacted level | \$173,250,000 |
| Fiscal year 2006 emergency supplemental (House) | 173,000,000 |
| Fiscal year 2007 request | 200,500,000 |
| Committee recommendation | 170,000,000 |
| Change from request | -30,500,000 |
| Change from enacted | -3,250,000 |

The Committee recommends \$170,000,000 for Peacekeeping Operations that are not funded through mechanisms of the United Nations, a \$30,500,000 decrease from the request and a \$3,250,000 decrease to the enacted level, excluding emergency supplemental appropriations.

Africa.—Within the amount provided, not less than \$67,000,000 is provided for programs in Africa, a \$13,100,000 increase over the fiscal year 2006 level and \$9,100,000 below the Administration's request. The Committee recommendation includes funding for additional support to the new administration in Liberia and to the Comprehensive Peace Agreement in Sudan. This level does not include operations to be funded from the Global Peace Operations Initiative.

The Committee requests that the Department of State and USAID submit a report detailing the funding and operations of the Trans-Sahara Counter Terrorism Initiative. This report should describe how programs funded from this account are complemented by programs funded from USAID's development accounts.

Multinational Force Observers (MFO).—Within the amount provided, not less than \$21,000,000, as requested, is for the MFO program to support, among other initiatives, the ongoing peace efforts in the Middle East.

Global Peace Operations Initiative (GPOI).—In fiscal year 2005, the Group of Eight Nations launched a new collaboration, the Global Peace Operations Initiative (GPOI). The goal of this five-year program is to increase the capacity of countries to deploy to international peace support operations by training 75,000 peace support troops worldwide, increase the number of gendarme units deployable to international operations and facilitate deployments by providing equipment and transportation for these peacekeeping units. The Committee recommendation includes \$82,000,000 for these efforts, a reduction of \$20,600,000 below the request and \$18,400,000 below the fiscal year 2006 level.

The Committee expects the fiscal year 2008 budget request for GPOI to include a detailed summary of the achievements of GPOI to date and specific information linking the budget request to fiscal year 2008 performance objectives. The Administration may submit the achievement summary before the fiscal year 2008 budget request.

In order for GPOI countries to be effective partners in multinational operations, their military leaders should be educated in the same core competencies and curriculum. The Committee strongly encourages the Secretary of State to consider sending GPOI participants to common educational programs in the United States, including the Naval Postgraduate School.

The Committee recommendation does not include authorization for GPOI funds to be used notwithstanding section 660 of the Foreign Assistance Act. The Administration requested this authority to provide support to the Center of Excellence for Stability Police Units, a center in Italy at which GPOI partners can build a professional gendarme capacity. The Committee supports the proposed program and expects other G8 nations to support this program, or the Administration to use funding from other accounts with the necessary authority, such as "International Narcotics Control and Law Enforcement".

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

INTERNATIONAL FINANCIAL INSTITUTIONS

GLOBAL ENVIRONMENT FACILITY

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$79,200,000 |
| Fiscal year 2007 request | 56,250,000 |
| Committee recommendation | 56,250,000 |
| Change from request | 0 |
| Change from enacted level | -22,950,000 |

The Committee recommends a total of \$56,250,000 for the Global Environment Facility (GEF), administered by the World Bank, as

requested and a \$22,950,000 decrease from the enacted level. It provides the Administration's request, pending completion of negotiation on the GEF-4 replenishment.

The Committee recognizes the reforms that the GEF has successfully adopted in the past year and encourages the GEF to implement a performance-based allocation framework GEF-wide by 2010 and other commitments made during GEF-3. The allocation framework should be applied to all GEF focal areas. In addition, the Committee expects the GEF to implement fiduciary standards, such as hotlines and whistleblower protections and best-practices procurement policies. Once the GEF agrees to implement a system where governance, performance, and other measurable results are key determinants in how it distributes its grants, and after the GEF-4 negotiations are complete, the Committee may consider reviewing this recommendation.

The Committee directs the Secretaries of the Treasury and State to report by December 15, 2006, on their consideration of transferring responsibility for the GEF from the Department of the Treasury to the Department of State. Any transfer of responsibility would have to continue the strong commitment to reforms, thus ensuring transparency so that American taxpayers know their funds are spent efficiently and effectively. Should the Secretaries' consideration result in a recommendation to transfer oversight, the report should include a request for legislative changes required to implement the transfer.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

| | |
|--------------------------------------|---------------|
| Fiscal year 2006 enacted level | \$940,500,000 |
| Fiscal year 2007 request | 950,000,000 |
| Committee recommendation | 950,000,000 |
| Change from request | 0 |
| Change from enacted level | +9,500,000 |

The Committee recommends a total of \$950,000,000 for the regularly scheduled United States contribution to the International Development Association (IDA) equal to the request and a \$9,500,000 increase to the enacted level. The recommended level is intended for the second of three payments under the fourteenth replenishment of IDA.

GRANTS

The Committee is encouraged by the increase in the IDA's award of grants between fiscal years 2004 and 2005 and expects that trend to continue in fiscal years 2006 and 2007. The Committee awaits with interest the July 1, 2006 implementation of the recently approved Multilateral Debt Relief Initiative. Although disappointed in the IDA's low PART score rating for results/accountability, the Committee is encouraged that IDA's new results measurement system will give it the necessary tools to track progress in meeting this objective.

CONCERNS ABOUT THE MULTILATERAL DEVELOPMENT BANKS

AVAILABILITY OF INFORMATION

The Committee again requests copies of all annual reports and information about the basic functions of each institution as they be-

come available, including the European Bank for Reconstruction and Development and the International Fund for Agricultural Development. Future and continued support for the banks cannot be guaranteed unless future requests are justified by the Department of the Treasury as well as the management of each individual institution.

BUDGET SUPPORT

The Committee continues to be concerned about the recent trend of providing World Bank loans and grants through budget support in lieu of project level support. The Committee believes that providing assistance by means of budget support should be employed only as an emergency measure and, if excessive or frequent, can undermine the principle of encouraging countries to become fiscally responsible and good stewards of internal resources. Furthermore, it thwarts the Committee's ability to effectively monitor implementation of foreign assistance to ensure effective expenditure of appropriated dollars. Future support for funding increases of the World Bank and the other MDBs cannot be guaranteed if the MDBs increase their reliance further on budget support. The Committee directs the Secretary of the Treasury to consult with the Committee before any changes in budget support ceilings are adopted by any of the MDBs.

ANTICORRUPTION PROVISIONS

The Committee has been pleased at the level of transparency reforms that the Secretary of the Treasury has instigated at the multilateral development banks. Specifically these reforms have been key in the fight against corruption at all levels of the Bank's operations. The Committee was encouraged by recent efforts by the Inter-American Development Bank and the Asian Development Bank to begin adopting these standard procedures. However, the Committee is dismayed to learn that the Department of the Treasury has yet to receive sufficient information from the World Bank to allow the Secretary to certify World Bank compliance with the Anti-corruption general provision included in the fiscal year 2006 appropriations bill. The Committee has elected to rescind 20 percent of the fiscal year 2006 budget rather than repeat the fiscal year 2006 general provision.

CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE AGENCY

| | |
|--|-------------|
| Fiscal year 2006 enacted level | \$1,287,000 |
| Fiscal year 2007 request | 0 |
| Committee recommendation | 0 |
| (Limitation on callable capital subscriptions) | |
| Fiscal year 2006 enacted level | (8,127,000) |
| Fiscal year 2007 request | (0) |
| Committee recommendation | (0) |

The Committee has not provided funding for the Multilateral Investment Guaranty Agency (MIGA), as requested. The Administration has requested all scheduled annual commitments to the most recent capital increases.

CONTRIBUTION TO THE INTER-AMERICAN INVESTMENT CORPORATION

| | |
|--------------------------------------|-------------|
| Fiscal year 2006 enacted level | \$1,725,000 |
| Fiscal year 2007 request | 0 |
| Committee recommendation | 0 |

The Committee has not provided funding for the Inter-American Investment Corporation, as requested. The Administration has requested all scheduled annual commitments to the most recent capital increases.

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS
MULTILATERAL INVESTMENT FUND

| | |
|--------------------------------------|-------------|
| Fiscal year 2006 enacted level | \$1,725,000 |
| Fiscal year 2007 request | 25,000,000 |
| Committee recommendation | 23,000,000 |
| Change from request | -2,000,000 |
| Change from enacted level | +21,275,000 |

The Committee recommends a total of \$23,000,000 for the first of six installments of the MIF-II replenishment, a \$2,000,000 decrease to the request and a \$21,275,000 increase to the enacted level. The Committee understands the MIF-II replenishment negotiated by the Administration, and currently before Congress for authorization, is \$150,000,000 over six years. The Committee is encouraged by the MIF's progress in improving transparency and adopting reforms. The Committee notes that MIF's plan to make public its Project Performance Monitoring Reports and Project Completion Reports is a first for a multilateral development institution.

The Committee urges the Inter-American Development Bank Group, of which the Multilateral Investment Fund is a part, to study the feasibility of providing a revolving loan guarantee for small coffee farmers. A significant increase in the availability of revolving loan guarantees will stimulate the flow of capital to small farmer's marketing cooperatives and thus enhance their effectiveness in increasing small farmer incomes through more efficient market participation.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

| | |
|--------------------------------------|-------------|
| Fiscal year 2006 enacted level | \$0 |
| Fiscal year 2007 request | 23,750,000 |
| Committee recommendation | 0 |
| Change from request | -23,750,000 |
| Change from enacted level | 0 |

The Committee does not include \$23,750,000 requested for the Asian Development Fund. Although the budget requests these funds for the Asia-Pacific Partnership on Clean Development and the Climate, none of the budget material received by the Committee in support of the Asia-Pacific Partnership referenced these funds. The Committee understands that the Asian Development Bank Account has been used as a "placeholder" until the successful completion of the negotiations with the Global Environmental Facility on the GEF-4. The Committee does not choose to "hold" almost \$25,000,000 in scarce resources awaiting the outcome of these negotiations. Should GEF-4 negotiations be completed in a timely fashion, with commitments to reform and transparency, the Committee may revisit the amount provided to the GEF.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$99,000,000 |
| Fiscal year 2007 request | 115,250,000 |
| Committee recommendation | 115,250,000 |
| Change from request | 0 |
| Change from enacted level | +16,250,000 |

The Committee recommends a total of \$115,250,000 for the Asian Development Fund, the concessional facility of the Asian Development Bank (AsDB), as requested and a \$16,250,000 increase to the enacted level. The Committee recommends the full amount be made available for the second scheduled payment of four to the ninth replenishment of the Asian Development Fund.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

| | |
|--|--------------|
| Fiscal year 2006 enacted level | \$3,602,000 |
| Fiscal year 2007 request | 5,018,000 |
| Committee recommendation | 5,018,000 |
| Change from request | 0 |
| Change from enacted level | +1,416,000 |
| (Limitation on callable capital subscriptions) | |
| Fiscal year 2006 enacted level | (88,334,000) |
| Fiscal year 2007 request | (78,621,847) |
| Committee recommendation | (78,621,847) |

The Committee recommends a total of \$5,018,000, for the final of eight annual payments under the GCI-5 agreement, as requested, and a \$1,416,000 increase to the enacted level.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

| | |
|--------------------------------------|---------------|
| Fiscal year 2006 enacted level | \$134,343,000 |
| Fiscal year 2007 request | 135,700,000 |
| Committee recommendation | 135,700,000 |
| Change from request | 0 |
| Change from enacted level | +1,357,000 |

The Committee recommends a total of \$135,700,000 for the concessional African Development Fund, as requested, and a \$1,357,000 increase to the enacted level. This amount is for the second installment of a three-year commitment under the agreement for the tenth replenishment of AfDF.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

| | |
|--|-------------|
| Fiscal year 2006 enacted level | \$1,006,000 |
| Fiscal year 2007 request | 0 |
| Committee recommendation | 0 |
| (Limitation on callable capital subscriptions) | |
| Fiscal year 2006 level | (2,250,000) |
| Fiscal year 2007 request | (0) |
| Committee recommendation | (0) |

The Committee has not provided funding for the European Bank for Reconstruction and Development, as requested. The United States has made all scheduled annual commitments to the most recent capital increases.

CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL
DEVELOPMENT

| | |
|--------------------------------------|--------------|
| Fiscal year 2006 enacted level | \$14,850,000 |
| Fiscal year 2007 request | 18,000,000 |
| Committee recommendation | 18,000,000 |
| Change from request | 0 |
| Change from enacted level | +3,150,000 |

The Committee recommends a total of \$18,000,000 for the International Fund for Agricultural Development (IFAD), equal to the request and a \$3,150,000 increase to the enacted level. This funds the first of three payments under the seventh replenishment. IFAD-7, which was concluded in December 2005, included a United States pledge of \$54,000,000 over three years.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

| | |
|--------------------------------------|---------------|
| Fiscal year 2006 enacted level | \$326,163,000 |
| Fiscal year 2007 request | 289,000,000 |
| Committee recommendation | 327,570,000 |
| Change from request | +38,750,000 |
| Change from enacted level | +1,407,000 |

The Committee has recommended a total of \$327,570,000 for International Organizations and Programs, a \$38,750,000 increase to the request and a \$1,407,000 increase to the enacted level. The United Nations Population Fund (UNFPA) is discussed in section 560.

The Committee recommendation continues prior year bill language prohibiting the use of funds for the International Atomic Energy Agency (IAEA). Funding for IAEA is addressed elsewhere.

The following table compares fiscal year 2006 funding for the programs covered by this account, as well as the President's request for fiscal year 2007 and the Committee recommendation:

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

| | Fiscal year 2006 enacted | Fiscal year 2007 request | Committee recommendation |
|--|-----------------------------|-----------------------------|-----------------------------|
| Center for Human Settlements | \$149,000 | \$400,000 | \$300,000 |
| IMO Marine Security Programs | 396,000 | 400,000 | 396,000 |
| International Civil Aviation Organization | 941,000 | 950,000 | 941,000 |
| International Conservation Programs | 5,890,000 | 5,906,000 | 5,890,000 |
| International Contributions for Scientific, Educational, and Cultural Activities | 990,000 | 1,000,000 | 990,000 |
| International Development Law Association | 0 | 300,000 | 100,000 |
| International Panel on Climate Change/UN Framework Con- vention on Climate Change | 5,940,000 | 5,320,000 | 5,320,000 |
| Montreal Protocol Multilateral Fund | 21,285,000 | 19,000,000 | 19,000,000 |
| OAS Development Assistance Programs | 4,702,000 | 5,225,000 | 4,702,000 |
| OAS Fund for Strengthening Democracy | 2,475,000 | 2,500,000 | 2,475,000 |
| Reserve to be Allocated | 22,275,000 | 0 | 22,725,000 |
| UN Children's Fund (UNICEF) | 125,730,000 | 123,000,000 | 127,000,000 |
| UN Democracy Fund (UNIDF) | 0 | 10,000,000 | 4,911,000 |
| UN Development Fund for Women | 3,218,000 | 950,000 | 3,250,000 |
| UN Development Program | 108,900,000 | 94,500,000 | 109,000,000 |
| UN Environment Program | 10,159,000 | 9,524,000 | 9,524,000 |
| UN Office for the Coordination of Humanitarian Affairs (UN OCHA) | 805,000 | 1,000,000 | 1,000,000 |
| UN Voluntary Fund for the Technical Cooperation in the Field of Human Rights | 1,485,000 | 1,425,000 | 1,425,000 |

| | Fiscal year 2006 enacted | Fiscal year 2007 request | Committee recommendation |
|--|-----------------------------|-----------------------------|-----------------------------|
| UN Voluntary Fund for Victims of Torture | 6,517,000 | 4,750,000 | 4,750,000 |
| UNIFEM Trust Fund | 1,485,000 | 0 | 1,500,000 |
| World Meteorological Organization | 1,881,000 | 1,900,000 | 1,881,000 |
| World Trade Organization | 940,000 | 950,000 | 940,000 |
| Total | 326,163,000 | 289,000,000 | 327,570,000 |

UNITED NATIONS DEVELOPMENT PROGRAM

The Committee recommends a level not less than \$109,000,000 in International Organizations and Programs funding to support the United Nations Development Program (UNDP), \$14,500,000 more than the request and \$100,000 more than provided in 2006.

The fiscal year 2007 budget request included \$24,500,000 for UNDP's Democratic Governance Thematic Trust Fund and \$20,000,000 for the Thematic Trust Fund for Crisis Prevention and Recovery. The Committee is greatly concerned that redirecting funding away from the core budget to thematic funds or country programs will indicate reduced support for UNDP's valuable programs. The Committee includes \$109,000,000 from this account for UNDP's core budget.

While the Committee commends UNDP for steps in recent years to undertake reforms, the Committee is aware of the Administration's concerns that the method by which UNDP allocates some of its core funding may not always adequately provide incentives to recipient countries to make positive democratic and economic changes or otherwise reflect United States interests. The Committee requests the State Department to consult with the Committee not later than 180 days following enactment of this Act on recommended changes to the allocation process and the status of the State Department's consultations with UNDP on their recommendations. The Committee will consider further changes in the fiscal year 2008 budget request, if necessary.

UNITED NATIONS CHILDREN'S FUND

UNICEF is an essential partner of the United States in achieving child survival and health objectives, especially those in the areas of immunization, HIV/AIDS, and early childhood development. The Committee recommendation includes not less than \$127,000,000 for a contribution to UNICEF. This does not preclude USAID from providing additional funding for specific UNICEF projects.

UNITED NATIONS DEVELOPMENT FUND FOR WOMEN

The Committee supports a total of \$4,750,000 for the United Nations Development Fund for Women (UNIFEM) including a \$3,250,000 contribution to the Fund and a \$1,500,000 contribution to the Trust Fund in Support of Actions to Eliminate Violence Against Women.

TITLE V—GENERAL PROVISIONS

The Committee recommends that 26 of the general provisions carried in the fiscal year 2006 Act be deleted. These provisions (sec-

tions 526, 570, 572, 578, 582, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 599A, 599B, 599C, 599D, 599F, and 599G) are either addressed elsewhere in permanent law, have been considered by the appropriate authorizing committee, or are no longer necessary.

The Committee recommends the following new and revised general provisions:

Sec. 511. "Availability of Funds" is modified by including funds appropriated in "International Military Education and Training" within the expiration flexibilities provided by this section.

Sec. 515. "Reprogramming Notifications, and Transfer Guidelines" is modified to include language in subsections (a) and (b). Subsection (a) forbids any funding being made available for programs specifically denied by Congress in this or prior Acts making appropriations for foreign operations, export financing, and related programs. The Committee notes that the report accompanying the bill is a further clarification of Committee intent. Programs, activities, and projects denied in this report as well as in the Act shall be included in the implementation of subsection (a).

Subsection (b) forbids any funding to be used to start or terminate a program without prior notification of the Committees on Appropriations. Existing language is continued providing a waiver if failure to do so would provide a substantial risk to human health or welfare.

Sec. 517. "Independent States of the Former Soviet Union" is modified by deleting "Kazakhstan" from the list of notification countries.

Sec. 522. "Child Survival and Health Activities" is revised by removing a requirement for a Comptroller General audit, making a technical correction, and by reverting to prior year bill language on family planning/reproductive health spending.

Sec. 523. "Afghanistan" is modified by changing a "shall" to a "should".

Sec. 525. "Global Fund to Fight AIDS, Tuberculosis, and Malaria" is modified by changing the name from "HIV/AIDS" and reverting to prior year bill language conditioning 25 percent of the funding for the Global Fund.

Sec. 526. "Democracy Programs" is a new general provision that includes prior year bill language providing funding for democracy programs.

Sec. 531. "Financial Market Assistance in Transition Countries" is modified to include \$20,000,000 specifically for not-for-profit organizations and volunteers. The provision designates a minimum level of \$40,000,000 to be provided for helping countries in transition build and improve capital markets and financial market systems. These funds should be allocated in accordance with the Secretary's program for transformational diplomacy. Effective and efficient financial markets are vital cornerstones of economic development. Countries in transition need technical assistance building and developing stock exchanges, central banks, financial regulatory institutions and private financial intermediaries. The Committee strongly supports the work of not-for-profit organizations and volunteers with experience in the private sector in developing countries and designated not less than \$20,000,000 for such organizations. The Committee also affirms the principle of rigorous competi-

tive selection of proposals based on technical merit and cost-effectiveness.

Sec. 534. "Special Authorities", is modified by deleting subsections (f), (1), and (m) of the fiscal year 2006 Act. Subsection (j) has been modified to include incentives for private enterprise development. Subsection (h) is a new subsection allowing equipment purchased for security of the Cano Limon pipeline to be used for other purposes.

Sec. 538. This provision has altered the use of certain terminology and is referred to as, "Designated Funding Levels". The Committee has included a provision it has carried for a number of years, but altered the use of certain words. For purposes of this provision, and Section 537, the term "designated" means a specific amount identified in legislative language for a specific purpose or in support of a specific purpose.

Sec. 549. "Haiti" is modified to delete section (a) of the fiscal year 2006 Act and delete the word "Transitional".

Sec. 554. "Cambodia" is modified by deleting all after the first subsection in the 2006 Act and by inserting prior year bill language instructing the Secretary of the Treasury.

Sec. 559. "West Bank and Gaza Program" is modified to delete subsections (a) and (b), which reference funds appropriated under the heading "Economic Support Fund". No funds for the West Bank and Gaza Program are appropriated under that heading in this bill.

Sec. 560. "Contributions to the United Nations Population Fund" is identical to section 560 of the fiscal year 2006 Act except for technical date changes and a change providing for \$22,275,000 for United Nations Population Fund from "International Organizations and Programs" if permissible by law.

Sec. 563. "Serbia" is modified by deleting the certification requirement regarding Radovan Karadzic.

Sec. 567. "Basic Education" is modified by changing the dollar figure to \$550,000,000.

Sec. 568. "Reconciliation Programs" is modified by changing a "shall" to a "should".

Sec. 569. "Sudan" is modified by removing subsection (a) of the fiscal year 2006 Act, exempting support for the Darfur Peace Agreement from restrictions under this section, and updating the certification provision to include ceasefire commitments made in the Darfur Peace Agreement.

Sec. 570. "Peace Corps Personal Services Contractors Separation Pay" is a new provision establishing a Treasury fund for severance pay of Peace Corps host country resident contractors.

Sec. 571. "Excess Defense Articles for Central and South European Countries and Certain Other Countries" is modified by deleting "Uzbekistan".

Sec. 572. "Cuba" is the same general provision as included in the House-Reported Foreign Operations, Export Financing and Related Programs Bill, 2006 and prohibits counternarcotics assistance in this Act to the Government of Cuba.

Sec. 574. "Limitation on Economic Support Fund Assistance for Certain Foreign Governments That Are Parties to the International Criminal Court" is modified by deleting subsection (e) of the fiscal year 2006 Act.

Sec. 576. "Western Hemisphere" is modified by changing the name from "Central America" and adding a new subsection (d).

Sec. 578. "Rescission" is a new general provision with two subsections. Subsection (a) rescinds \$188,100,000 from funds appropriated in title IV of Public Law 109-102. Subsection (b) rescinds \$200,000,000 from funds appropriated for cash assistance under the title "Economic Support Fund" in Public Law 109-102 and prior Acts making appropriations for foreign operations, export financing, and related programs.

Sec. 579. "OPIC Transfer Authority" is modified to specify Iraq programs and to eliminate references to earmarks.

Sec. 582. "IMF Hiring Ceilings" is a new provision.

The Committee recognizes that a sound fiscal position is necessary for macroeconomic stability and poverty reduction. In this regard, the Committee is concerned that country authorities, in response to International Monetary Fund (IMF) efforts to promote prudent fiscal positions, may limit the hiring of new teachers and health workers, as well as the building of new schools and health facilities. The Committee directs the United States Executive Director to urge IMF management and staff to encourage governments to protect social spending on poor people while keeping overall budget spending within a level that does not undermine economic stability.

Sec. 584. "Reporting Requirements" is changed to eliminate the reference to April 1, 2006.

Sec. 586. "Office of the Director of Trade Capacity Enhancement" is a new provision establishing the Director at USAID.

Sec. 587. "Enhancing Women's Economic Opportunities" is a new provision to ensure developmental assistance projects and activities address and advance issues related to women's economic empowerment.

Sec. 588. A new provision is included which provides authorization for the United States participation in, and appropriations for, the United States contribution to the first replenishment of the resources of the Enterprise for the Americas Multilateral Investment Fund.

PROVISIONS RETAINED FROM FISCAL YEAR 2006

The following general provisions from the fiscal year 2006 Act are retained in the fiscal year 2007 Act unchanged except for technical corrections, references to fiscal year 2006, and new section numbers where appropriate:

Sec. 501. Compensation for United States Executive Directors to International Financial Institutions.

Sec. 502. Restrictions on Voluntary Contributions to United Nations Agencies.

Sec. 503. Limitation on Residence Expenses.

Sec. 504. Unobligated Balances Report.

Sec. 505. Limitation on Representational Allowances.

Sec. 506. Prohibition on Taxation of United States Assistance.

Sec. 507. Prohibition Against Direct Funding for Certain Countries.

Sec. 508. Military Coups.

Sec. 509. Transfers.

Sec. 510. Commercial Leasing of Defense Articles.

- Sec. 512. Limitation on Assistance to Countries in Default.
- Sec. 513. Commerce and Trade.
- Sec. 514. Surplus Commodities.
- Sec. 516. Limitation on Availability of Funds for International Organizations and Programs.
- Sec. 518. Prohibition on Funding for Abortions and Involuntary Sterilization.
- Sec. 519. Export Financing Transfer Authorities.
- Sec. 520. Special Notification Requirements.
- Sec. 521. Definition of Program, Project, and Activity.
- Sec. 524. Notification of Excess Defense Equipment.
- Sec. 527. Prohibition on Bilateral Assistance to Terrorist Countries.
- Sec. 528. Debt-For-Development.
- Sec. 529. Separate Accounts.
- Sec. 530. Enterprise Fund Restrictions.
- Sec. 532. Authorities for the Peace Corps, InterAmerican Foundation and African Development Foundation.
- Sec. 533. Impact on Jobs in the United States.
- Sec. 535. Arab League Boycott of Israel.
- Sec. 536. Eligibility for Assistance.
- Sec. 537. Reservations of Funds.
- Sec. 539. Prohibition on Publicity and Propaganda.
- Sec. 540. Prohibition of Payments to United Nations Members.
- Sec. 541. Nongovernmental Organizations—Documentation.
- Sec. 542. Prohibition on Assistance to Foreign Governments that Export Lethal Military Equipment to Countries Supporting International Terrorism.
- Sec. 543. Withholding of Assistance for Parking Fines Owed by Foreign Governments.
- Sec. 544. Limitation on Assistance for the PLO for the West Bank and Gaza.
- Sec. 545. War Crimes Tribunals Drawdown.
- Sec. 546. Landmines.
- Sec. 547. Restrictions Concerning the Palestinian Authority.
- Sec. 548. Prohibition of Payment of Certain Expenses.
- Sec. 550. Limitation on Assistance to the Palestinian Authority.
- Sec. 551. Limitation on Assistance to Security Forces.
- Sec. 552. Foreign Military Training Report.
- Sec. 553. Authorization Requirement.
- Sec. 555. Palestinian Statehood.
- Sec. 556. Colombia.
- Sec. 557. Illegal Armed Groups.
- Sec. 558. Prohibition on Assistance to the Palestinian Broadcasting Corporation.
- Sec. 561. War Criminals.
- Sec. 562. User Fees.
- Sec. 564. Community Based Police Assistance.
- Sec. 565. Special Debt Relief for the Poorest.
- Sec. 566. Authority to Engage in Debt Buybacks or sales.
- Sec. 573. Gender-Based Violence Training.
- Sec. 575. Tibet.
- Sec. 577. United States Agency for International Development Management.

Sec. 580. Limitation on Funds Relating to Attendance of Federal Employees at Conferences Occurring Outside the United States.

Sec. 581. Limitation on Assistance to Foreign Countries that Refuse to Extradite to the United States Any Individual Accused in the United States of Killing a Law Enforcement Officer.

Sec. 583. Governments that Have Failed to Permit Certain Extraditions.

Sec. 585. Assistance for Demobilization and Disarmament of Former Irregular Combatants in Colombia.

HOUSE OF REPRESENTATIVES REPORTING REQUIREMENTS

TRANSFER OF FUNDS

Pursuant to clause 3(f)(2) of rule XIII of the Rules of the House of Representatives, the following is submitted describing the transfer of funds provided in the accompanying bill.

Under "Child Survival and Health Programs" up to \$6,000,000 may be transferred to and merged with funds under the heading "Operating Expenses of the United States Agency for International Development."

Under "Development Credit Authority" up to \$21,000,000 is authorized to be transferred to the account from a variety of sources. In addition, \$8,400,000 may be transferred to and merged with funds appropriated under the heading "Operating Expenses of the United States Agency for International Development".

Under "Trade Capacity and Enhancement Fund" up to \$522,000,000 may be transferred to and merged with funds under the headings "Development Assistance", "Economic Support Fund", "Assistance for Eastern Europe and the Baltic States," "Assistance for the Independent States of the Former Soviet Union," and "Andean Counterdrug Initiative."

Under the "Economic Support Fund", \$135,000,000 may be transferred to fund appropriated by the Act for "Development Assistance".

Under "Peace Corps", not to exceed \$2,000,000 may be transferred to the Foreign Currency Fluctuations Account to help mitigate exchange rate losses.

Under section 579, "OPIC Transfer Authority", up to \$30,000,000 of funds under title II may be transferred to funds appropriated by this Act for the Overseas Private Investment Corporation Program Account.

RESCISSIONS

Pursuant to clause 3(f)(2) of the rule XIII of the Rules of the House of Representatives, the following is submitted describing the rescissions recommended in the accompanying bill:

Under "General Provisions" in title V, section 578(a) rescinds \$188,100,000 from funds appropriated in title IV of Public Law 109-102 under the heading "Funds Appropriated to the President, International Financial Institutions, Contribution to the International Development Association". Subsection (b) rescinds \$200,000,000 from funds appropriated for cash assistance under the title "Economic Support Fund" in Public Law 109-102 and

prior Acts making appropriations for foreign operations, export financing, and related programs.

RESCISSIONS RECOMMENDED IN THE BILL

| <i>Department or Activity</i> | <i>Amounts Recommended for Rescission</i> |
|--|---|
| Funds Appropriated to the President, International Financial Institutions, Contribution to the International Development Association of Title IV of Public Law 109-102 | \$188,100,000 |
| Economic Support Fund of Public Law 109-102 and prior Acts making appropriations for foreign operations, export financing, and related programs | \$200,000,000 |

CONSTITUTIONAL AUTHORITY

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives states that:

Each report of a committee on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the law proposed by the bill or joint resolution.

The Committee on Appropriations bases its authority to report this legislation from Clause 7 of Section 9 of Article I of the Constitution of the United States of America which states:

No money shall be drawn from the Treasury but in consequence of Appropriations made by law * * *

Appropriations contained in this Act are made pursuant to this specific power granted by the Constitution.

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3(f), rule XIII of the Rules of the House of Representatives, the following statements are submitted describing the effects of provisions in the accompanying bill which directly or indirectly change the application of existing law. Most of the language has been provided in previous measures including supplementals for the departments and agencies carried in the accompanying bill.

1. The bill contains appropriations for a number of items for which authorizations for fiscal year 2007 have not yet been enacted. The bill allows funds appropriated in the bill to be obligated in the absence of a prior authorization of appropriations.

2. The bill provides that a few of the appropriations shall remain available for obligation beyond the current fiscal year. In all cases it is deemed desirable to carry such language in order to provide for orderly administration of such programs and effective use of funds.

3. The bill contains a number of general provisions and other language that have been carried in the bill in past years.

4. Under "Export-Import Bank of the United States", authority is provided for Sections 1(a) and (b) of Public Law 103-428 to remain in effect until October 1, 2007. Under "Export-Import Bank of the United States, Subsidy Appropriations", funds are appropriated for the cost of direct loans, loan guarantees, insurance, and tied-aid grants. Such costs shall be as defined in section 502 of the

Congressional Budget Act of 1974 and may be used for the disbursement of direct loans, loan guarantees, and insurance and tied-aid grants obligated in fiscal years 2007, 2008, 2009, and 2010. These funds are available for obligation until September 30, 2025. Under "Export-Import Bank of the United States, Administrative Expenses", authority is provided to extend subsection (a) of section 117 of the Export Enhancement Act of 1992 until October 1, 2007.

5. Under "Overseas Private Investment Corporation, Program Account", funds are appropriated for the cost of direct and guaranteed loans, to be derived by transfer from the Overseas Private Investment Corporation Noncredit Account. Such costs shall be as defined in section 502 of the Congressional Budget Act of 1974 and may be used for direct loan and loan guaranty commitments incurred or made during fiscal years 2007, 2008, and 2009. These funds are available for obligation until 2014, 2015, and 2016, depending on the initial date of obligation. Authority is provided for OPIC to undertake programs in Iraq.

6. Under "Child Survival and Health Programs Fund" language is provided that indicates how the funds should be allocated among various activities; not to exceed \$350,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of programs for displaced and orphaned children and victims of war; funds under the heading are authorized to be made available for a contribution to The GAVI Fund; and language is included that provides not less than \$200,000,000, subject to matching contributions, for a contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria, which shall be expended at the minimum rate necessary to make timely payments for projects and activities.

7. Under "Development Assistance", language is provided that indicates how the funds should be allocated among various activities, including \$365,000,000 for basic education, \$20,000,000 for drinking water supply projects in east Africa. Also, \$15,000,000 shall be made available only for programs to improve women's leadership capacity in recipient countries and \$10,000,000 for the Office of Private and Voluntary Cooperation.

8. Under "Transition Initiatives", authority is provided to utilize up to \$15,000,000 of funds appropriated to carry out part I of the Foreign Assistance Act of 1961 in excess of funds appropriated under this heading.

9. Under "Development Credit Authority", authorized transfers, when added to the funds transferred pursuant to the authority contained under this heading in Public Law 107-115, shall not exceed \$21,000,000. Such costs shall be as defined in section 502 of the Congressional Budget Act of 1974. The Provisions of section 107A(d) of the Foreign Assistance Act of 1961, as contained in section 306 of H.R. 1486 as reported by the House Committee on International Relations on May 9, 1997, shall be applicable to direct loans and loan guarantees.

10. Under "Operating Expenses of the United States Agency for International Development", USAID is prohibited from entering into domestic leases, except when necessary for continuity of operations, and to terminate a lease executed on September 30, 2005. Language is included permitting the Secretary of State to utilize sections 610 and 109 of the Foreign Assistance Act to transfer

funds to this account from funds appropriated to carry out chapter 1 of part I of that Act.

11. Under "Capital Investment Fund", the Administrator of USAID is authorized to charge fair and reasonable rent in buildings constructed using funds appropriated under this heading, and such rental payments are designated as offsetting collections; and the assignment of employees or contractors to buildings is subject to the concurrence of the Administrator of USAID. Language is included that limits funding for implementing the Capital Security Cost Sharing Program to \$89,000,000.

12. Under "Economic Support Fund", not less than \$120,000,000 is made available only for Israel and is required to be disbursed as a cash grant within 30 days of enactment of this Act; and not less than \$455,000,000 is made available only for Egypt of which not less than \$135,000,000 shall be for project assistance, of which \$50,000,000 is for democracy programs and not less than \$50,000,000 is for education; \$135,000,000 is available only for Colombia; \$250,500,000 should be made available only for assistance for Jordan; not less than \$35,500,000 should be available for Lebanon of which not less than \$6,000,000 should be available for American educational institutions for scholarships and other programs; \$1,000,000 is available for administrative expenses from funds available for Timor-Leste; funds may be spent for programs and activities for the Central Highlands of Vietnam; and not less than \$15,000,000 should be available for Cyprus; prohibits any funding for West Bank and Gaza.

13. Under "Assistance for the Independent States of the Former Soviet Union", limits to administrative expenses for programs under section 807 of Public Law 102-511 to 6 percent, and directs that not less than \$41,000,000 should be made available for assistance for child survival and health activities.

14. Under "African Development Foundation", funds made available to grantees may be invested for project purposes when authorized by the Board of Directors, instead of by the President as in current law; authorizes the limitation in section 505(a)(2) of \$250,000 to be waived in exceptional circumstances, but only up to \$10,000.

15. Under "Peace Corps", permits the Director to transfer up to \$2,000,000 to help mitigate exchange rate losses.

16. Under "Millennium Challenge Corporation", language is included allowing up to 10 percent of funds for assistance to threshold countries but restricting the availability of funds until after the submission of a report describing the proposed implementation of the threshold program for fiscal year 2007. Section 605(e)(4) of the relevant authorization act is also applied to funds appropriated under this heading. Administrative expenses are limited to \$95,000,000. Language is included requiring the MCC to fully fund compacts.

17. Under "Global HIV/AIDS Initiative", not less than \$244,500,000 is made available for a contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria, which shall be expended at the minimum rate necessary to make timely payments for projects and activities. Language is also included to provide up to five percent of the Global Fund contribution to be used for technical assistance related to the activities of the Global Fund.

18. Under "International Narcotics Control and Law Enforcement", the Department of State is given the authority to use section 608 of the Foreign Assistance Act of 1961 to provide excess property to a foreign country; provides not less than \$16,250,000 for International Law Enforcement Academies; provides \$26,100,000 only for programs in Colombia; the account funds demand reduction programs at \$10,000,000; and a limitation of \$33,484,000 is placed on administrative expenses.

19. Under "Andean Counterdrug Initiative", assistance for Colombia is made available consistent with the provisions authorizing and limiting such assistance as are contained in Public Law 107-206; section 482(b) of the Foreign Assistance Act is waived, subject to notification; the Secretary of State, in consultation with the Administrator of USAID, shall provide to the Committee 45 days after the date of enactment a report on the proposed uses of all funds under this heading on a country-by-country basis for each proposed program, project or activity; \$85,400,000 apportioned directly to USAID; in addition, a limitation of \$18,060,000 is placed on administrative expenses of the Department of State; requires a certification in order to provide assistance for the Bolivian military; and not more than \$7,800,000 may be available for administrative expenses of the United States Agency for International Development.

20. Under "Migration and Refugee Assistance", limits administrative expenses to \$23,000,000; provides \$40,000,000 to resettle humanitarian migrants to Israel; and conditions a headquarters contribution to the International Committee of the Red Cross on full participation of the Magen David Adom Society in the International Red Cross and Red Crescent Movement.

21. Under "Nonproliferation, Anti-terrorism, Demining, and Related Programs", a limitation of \$38,000,000 is placed on funding for the Nonproliferation and Disarmament Fund with authority to use such funds outside of the Independent States of the former Soviet Union and international organizations when it is in the national security interests of the United States to do so; conditions a contribution to the IAEA on a determination that Israel is not denied the right to participate in that Agency; administrative expenses for operation and management of the demining program are limited to \$700,000; and extends availability of "Anti-terrorism Assistance" and "Export Control and Border Security" funding to 2008.

22. Under "International Affairs Technical Assistance", provides funds notwithstanding any other provision of law that restricts assistance to foreign countries.

23. Under "Debt Restructuring" funds are provided for the cost of selling, reducing or canceling debts owed to the United States, of modifying concessional credit agreements with least developed countries, and of canceling amounts owed as a result of loans or guarantees; provides \$20,000,000 to carry out part V of the Foreign Assistance Act of 1961; funds are provided for the Secretary of Treasury to pay the Heavily Indebted Poor Countries Trust Fund amounts for the benefits of countries that are eligible for debt reduction; provides that section 411 of the Agricultural Trade Development and Assistance Act of 1954 shall not apply to funds under this heading; denies funding for Sudan or Burma until a deter-

mination that a democratically elected government has taken office.

24. Under “International Military Education and Training”, provides up to \$3,000,000 available until expended.

25. Under “Foreign Military Financing Program” not less than \$2,340,000,000 is appropriated for Israel, of which not less than \$610,000,000 shall be available for the procurement in Israel of defense articles and defense services and that all funds for Israel must be disbursed within 30 days of enactment of this Act; \$1,300,000,000 shall be made available for grants only for Egypt; a limitation of \$42,500,000 is provided for administrative expenses; \$216,000,000 should be made available for Jordan; and a limitation of \$359,000,000 from certain other funds may be obligated for expenses incurred pursuant to section 43(b) of the Arms Export Control Act.

26. Under title IV, funds for a number of international financial institutions are made available for contributions; funds are made available for the United States share of the paid-in portion of the increase in capital stock of certain institutions; and limitations are placed on callable capital subscriptions.

27. Under “General Provisions”:

Sec. 511, “Availability of Funds” is modified by including funds appropriated in “International Military Education and Training” within the expiration flexibilities provided by this section.

Sec. 515, “Notification Requirements” is modified to include new language, subsections (a) and (b). Subsection (a) forbids any funding being made available for programs specifically denied by Congress in this or prior Acts making appropriations for foreign operations, export financing, and related programs. Subsection (b) forbids any funding to be used to start or terminate a program without prior notification of the Committees on Appropriations. Existing language is continued providing a waiver if failure to do so would provide a substantial risk to human health or welfare.

Sec. 517, “Independent States of the Former Soviet Union” is modified by deleting “Kazakhstan” from the list of notification countries.

Sec. 522, “Child Survival and Health Activities” is revised by removing a requirement for a Comptroller General audit, making a technical correction, and by reverting to prior year bill language on family planning/reproductive health spending.

Sec. 523, “Afghanistan” is modified by changing a “shall” to a “should”.

Sec. 525, “Global Fund to Fight AIDS, Tuberculosis, and Malaria” is modified by changing the name from “HIV/AIDS” and reverting to prior year bill language conditioning 25 percent of the funding for the Global Fund.

Sec. 526, “Democracy Programs” is a new general provision that includes prior year bill language providing funding for democracy programs.

Sec. 531, “Financial Market Assistance in Transition Countries” is modified to include \$20,000,000 specifically for not-for-profit organizations and volunteers. The provision designates a minimum level of \$40,000,000 to be provided for helping countries in transition build and improve capital markets and financial market systems. These funds should be allocated in accordance with the Sec-

retary's program for transformational diplomacy. Effective and efficient financial markets are vital cornerstones of economic development. Countries in transition need technical assistance building and developing stock exchanges, central banks, financial regulatory institutions and private financial intermediaries. The Committee strongly supports the work of not-for-profit organizations and volunteers with experience in the private sector in developing countries and designated not less than \$20,000,000 for such organizations. The Committee also affirms the principle of rigorous competitive selection of proposals based on technical merit.

Sec. 534, "Special Authorities", is modified by deleting subsections (f), (l), and (m) of the fiscal year 2006 Act. Subsection (j) has been modified to include incentives for private enterprise development. Subsection (h) is a new subsection allowing equipment purchased for security of the Cano Limon pipeline to be used for other purposes.

Sec. 538, "Ceilings and Earmarks" has been renamed "Designated Funding Levels".

Sec. 549, "Haiti" is modified to delete section (a) of the fiscal year 2006 Act and delete the word "Transitional".

Sec. 554, "Cambodia" is modified by deleting all after the first subsection in the 2006 Act and by inserting prior year bill language instructing the Secretary of the Treasury.

Sec. 559, "West Bank and Gaza Program" is modified to delete subsections (a) and (b), which reference funds appropriated under the heading "Economic Support Fund". No funds for the West Bank and Gaza Program are appropriated under that heading in this bill.

Sec. 560, "Contributions to the United Nations Population Fund" is identical to section 560 of the fiscal year 2006 Act except for technical date changes and a change providing for \$22,275,000 for United Nations Population Fund from "International Organizations and Programs" if permissible by law.

Sec. 563, "Serbia" is modified by deleting the certification requirement regarding Radovan Karadzic.

Sec. 567, "Basic Education" is modified by changing the figure to \$550,000,000.

Sec. 568, "Reconciliation Programs" is modified by changing a "shall" to a "should".

Sec. 569, "Sudan" is modified by removing subsection (a) of the fiscal year 2006 Act, exempting support for the Darfur Peace Agreement from restrictions under this section, and updating the certification provision to include ceasefire commitments made in the Darfur Peace Agreement.

Sec. 570, "Peace Corps Personal Services Contractors Separation Pay" is a new provision establishing a Treasury fund for severance pay of Peace Corps host country resident contractors.

Sec. 571, "Excess Defense Articles for Central and South European Countries and Certain Other Countries" is modified by deleting "Uzbekistan".

Sec. 572, "Cuba" is the same general provision as included in the House-Reported Foreign Operations, Export Financing and Related Programs Bill, 2006 and prohibits counternarcotics assistance in this Act to the Government of Cuba.

Sec. 574, "Limitation on Economic Support Fund Assistance for Certain Foreign Governments That Are Parties to the International Criminal Court" is modified by deleting subsection (e) of the fiscal year 2006 Act.

Sec. 576, "Western Hemisphere" is modified by changing the name from "Central America" and adding a new subsection (d).

Sec. 578, "Rescission" is a new general provision with two subsections. Subsection (a) rescinds \$188,100,000 from funds appropriated in title IV of Public Law 109-102.

Subsection (b) rescinds \$200,000,000 from funds appropriated for cash assistance under the title "Economic Support Fund" in Public Law 109-102 and prior Acts making appropriations for foreign operations, export financing, and related programs.

Sec. 579, "OPIC Transfer Authority" is modified to specify Iraq programs and to eliminate references to earmarks.

Sec. 582, "IMF Hiring Ceilings" is a new provision. The Committee recognizes that a sound fiscal position is necessary for macroeconomic stability and poverty reduction. In this regard, the Committee is concerned that country authorities, in response to International Monetary Fund (IMF) efforts to promote prudent fiscal positions, may limit the hiring of new teachers and health workers, as well as the building of new schools and health facilities. The Committee directs the United States Executive Director to urge IMF management and staff to encourage governments to protect social spending on poor people while keeping overall budget spending within a level that does not undermine economic stability.

Sec. 584, "Reporting Requirements" is changed to eliminate the reference to April 1, 2006.

Sec. 586, "Office of the Director of Trade Capacity Enhancement" is a new provision establishing the Director at USAID.

APPROPRIATIONS NOT AUTHORIZED BY LAW

Pursuant to clause 3(f)(1) of rule XIII of the Rules of the House of Representatives, the following table lists the appropriations in the accompanying bill which, in whole or in part, are not authorized by law:

| Agency/Activity | Last year authorized | Authorization level | Appropriations in last year of authorization | Appropriations in the bill |
|--|--|---|---|---|
| Export/Import Bank Subsidy Appropriation. | 2006 | \$100,000,000 | \$74,000,000 | \$26,382,000 |
| Export/Import Bank Administrative Expenses. | 2006 | \$73,200,000 | \$72,468,000 | \$75,234,000 |
| Export/Import Bank Inspector General. | 2006 | \$1,000,000 | \$990,000 | \$988,000 |
| Overseas Private Investment Corporation Administrative Expenses. | 2003 | Such sums as may be necessary | \$39,626,000 | \$45,453,000 |
| Overseas Private Investment Corporation Noncredit Account. | 2003 | Such sums as may be necessary | \$23,844,000 | \$20,035,000 |
| Child Survival and Health Programs Fund (see note below). | Population (1987); Health and Disease Prevention (1987); Child Survival Fund (1987). | Population (\$290,000,000); Health and Disease Prevention (\$180,000,000); Child Survival Fund (\$75,000,000). | Population (\$234,625,000); Health and Disease Prevention (\$166,762,000); Child Survival Fund (\$75,000,000). | \$1,565,613,000 (includes \$350,000,000 for Population). |
| Development Assistance (see note below). | Agriculture; (1987) Education (1987); Energy and selected development activities (1987). | Agriculture (\$760,000,000); Education (\$180,000,000); Energy and selected development activities (\$207,000,000). | Agriculture (\$693,613,000); Education (\$155,000,000); Energy and selected development activities (\$149,990,000). | \$1,294,000,000 (includes: \$365,000,000 for basic education; other programs difficult to determine due to changing definitions of programs since last authorized). |
| International Disaster and Famine Assistance. | 1987 | \$25,000,000 | \$70,000,000 | \$348,800,000 |
| Transition Initiatives | None (same authorities as International Disaster Assistance). | NA | NA | \$40,000,000 |
| Development Credit Authority | None | NA | NA | \$21,000,000 (by transfer). |
| Development Credit Authority—administrative expenses. | None | NA | NA | \$8,400,000 |
| Payment to the Foreign Service Retirement and Disability Fund. | None—mandatory program | NA | NA | \$38,700,000 |
| Operating Expense of the United States Agency for International Development. | 1987 | \$387,000,000 | \$340,600,000 | \$646,000,000 |
| Capital Investment Fund | None | NA | NA | \$105,300,000 |

| | | | | |
|---|------|----------------------------------|-----------------|-----------------|
| Operating Expenses of the United States Agency for International Development—Inspector General. | 1987 | \$21,750,000 | \$21,000,000 | \$39,000,000 |
| Economic Support Fund | 1987 | \$3,800,000,000 | \$3,555,000,000 | \$2,650,740,000 |
| International Fund for Ireland | 1988 | \$35,000,000 | \$35,000,000 | \$10,800,000 |
| Assistance for Eastern Europe and the Baltic States (see note below). | None | NA | NA | \$227,900,000 |
| Assistance for the Independent States of the Former Soviet Union. | 1993 | \$410,000,000 | \$417,000,000 | \$371,280,000 |
| Trade Capacity Enhancement Fund. | None | NA | NA | \$522,000,000 |
| Inter-American Foundation | 1993 | \$31,000,000 | \$30,960,000 | \$19,268,000 |
| African Development Foundation. | 1987 | \$3,872,000 | \$6,500,000 | \$22,726,000 |
| Peace Corps | 2003 | \$365,000,000 | \$295,069,000 | \$324,587,000 |
| Millennium Challenge Corporation. | 2005 | Such sums as may be necessary | \$1,488,000,000 | \$2,000,000,000 |
| International Narcotics Control and Law Enforcement. | 1994 | \$171,500,000 | \$100,000,000 | \$703,600,000 |
| Andean Counterdrug Initiative | None | NA | NA | \$506,850,000 |
| Migration and Refugee Assistance. | 2003 | \$820,000,000 | \$781,884,000 | \$750,206,000 |
| U.S. Emergency Refugee and Migration Assistance Fund (see note below). | 1962 | Such amounts as may be necessary | NA | \$30,000,000 |
| Nonproliferation, Anti-terrorism, Demining and Related Programs (see note below). | None | NA | NA | \$425,010,000 |
| International Affairs Technical Assistance. | 1999 | \$5,000,000 | \$1,500,000 | \$23,700,000 |
| International Military Education and Training. | 2003 | \$85,000,000 | \$79,480,000 | \$88,000,000 |
| Foreign Military Financing | 2003 | \$4,107,000,000 | \$6,104,632,000 | \$4,454,900,000 |
| Peacekeeping Operations | 1999 | \$83,000,000 | \$76,500,000 | \$170,000,000 |

| Agency/Activity | Last year authorized | Authorization level | Appropriations in last year of authorization | Appropriations in the bill |
|------------------------------|----------------------|---------------------|--|----------------------------|
| Multilateral Investment Fund | 1997 | \$100,000,000 | \$27,500,000 | \$23,000,000 |

Note: Programs recommended herein under "Child Survival and Health Programs Fund" and "Development Assistance" were last authorized under a different account structure than that recommended in this bill; the account structure included a number of functional accounts, as described above. Microenterprise programs were reauthorized in 2004, covering the period through 2009. In addition assistance for orphans and other vulnerable children and activities to assist victims of torture are authorized through fiscal year 2007. Finally, safe water and sanitation programs are authorized indefinitely.

Note: Programs recommended herein under "Support for Eastern Europe and the Baltic States" were last authorized in the Support for East European Democracy (SEED) Act of 1989; however, these funds were authorized for discrete programs and not for the account as a whole. In fiscal year 1991, the first general appropriations act after enactment of the SEED Act included \$369,675,000 for this account.

Note: Funds for the United States Emergency Refugee and Migration Assistance Program (ERMA) are authorized in such amounts as may be necessary; however, appropriations which would result in a balance in the fund of more than \$100,000,000 are prohibited (22 U.S.C. 2601(c)) absent a waiver of this provision of law.

Note: Programs recommended herein under "Nonproliferation, Anti-terrorism, Demining, and Related Programs" include some major programs for which authorizations of appropriations were provided for fiscal year 2002; these programs include \$73,000,000 authorized for antiterrorism assistance and \$142,000,000 authorized for nonproliferation activities. In addition, some programs now in this account were previously in accounts which had authorizations of appropriations in prior years.

Note: The Tropical Forest Conservation Act of 1998 was reauthorized in 2004, including program authorization through 2007.

COMPARISON WITH BUDGET RESOLUTION

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives requires an explanation of compliance with section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974. (Public Law 93-344), as amended, which requires that the report accompanying a bill providing new budget authority contain a statement detailing how the authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year from the Committee's section 302(a) allocation.

[In millions of dollars]

| | 302(b) allocation— | | This bill— | |
|---------------------|--------------------|---------|------------------|---------|
| | Budget authority | Outlays | Budget authority | Outlays |
| Discretionary | 21,300 | 23,441 | 21,299 | 23,440 |
| Mandatory | 39 | 39 | 39 | 39 |

FIVE-YEAR OUTLAY PROJECTIONS

In compliance with section 308(a)(1)(B) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), as amended, the following table contains five-year projections, in millions of dollars, associated with the budget authority provided in the accompanying bill:

| | |
|---|---------|
| Projection of outlays associated with the recommendation. | |
| 2007 | \$8,872 |
| 2008 | 6,594 |
| 2009 | 2,685 |
| 2010 | 1,557 |
| 2011 and future years | 1,395 |

¹ Excludes outlays from prior-year budget authority.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the following is a statement of general performance goals and objectives for which this measure authorizes funding:

The Committee on Appropriations considers program performance, including a program's success in developing and attaining outcome-related goals and objectives, in developing funding recommendations.

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-44), as amended, the financial assistance to State and local governments is as follows:

The amounts recommended in the accompanying bill contain no budget authority or budget outlays for State or local governments.

COMPLIANCE WITH RULE XIII, CL. 3(e) (RAMSEYER RULE)

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill,

as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

INTER-AMERICAN DEVELOPMENT BANK ACT

* * * * *

SEC. 39. FIRST REPLENISHMENT OF THE RESOURCES OF THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND.

(a) CONTRIBUTION AUTHORITY.—

(1) *IN GENERAL.*—*The Secretary of the Treasury may contribute on behalf of the United States \$150,000,000 to the first replenishment of the resources of the Enterprise for the Americas Multilateral Investment Fund.*

(2) *SUBJECT TO APPROPRIATIONS.*—*The authority provided by paragraph (1) may be exercised only to the extent and in the amounts provided for in advance in appropriations Acts.*

(b) *LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.*—*For the United States contribution authorized by subsection (a), there are authorized to be appropriated not more than \$150,000,000, without fiscal year limitation, for payment by the Secretary of Treasury.*

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NO. 1

Date: May 25, 2006

Measure: Foreign Operations Appropriations Bill, FY 2007

Motion by: Mr. Kirk

Description of Motion: To provide \$2,000,000 for a financial audit of the UN Relief and Works Agency

Results: Rejected 21 yeas to 36 nays.

Members Voting Yea

Mr. Berry
 Mr. Boyd
 Mr. Culberson
 Mr. Doolittle
 Mr. Edwards
 Mrs. Emerson
 Mr. Frelinghuysen
 Mr. Goode
 Mr. Kingston
 Mr. Kirk
 Mr. Knollenberg
 Mrs. Northup
 Mr. Peterson
 Mr. Rothman
 Mr. Sweeney
 Mr. Taylor
 Mr. Tiahrt
 Mr. Wamp
 Dr. Weldon
 Mr. Wolf
 Mr. Young

Members Voting Nay

Mr. Aderholt
 Mr. Alexander
 Mr. Bishop
 Mr. Bonilla
 Mr. Carter
 Mr. Cramer
 Mr. Crenshaw
 Ms. DeLauro
 Mr. Farr
 Mr. Fattah
 Ms. Granger
 Mr. Hinchey
 Mr. Hobson
 Mr. Jackson
 Ms. Kaptur
 Ms. Kilpatrick
 Mr. Kolbe
 Mr. LaHood
 Mr. Latham
 Mr. Lewis
 Mrs. Lowey
 Mr. Obey
 Mr. Olver
 Mr. Pastor
 Mr. Price
 Mr. Regula
 Mr. Rehberg
 Mr. Rogers
 Ms. Roybal-Allard
 Mr. Sabo
 Mr. Serrano
 Mr. Sherwood
 Mr. Simpson
 Mr. Visclosky
 Mr. Walsh
 Mr. Wicker

FULL COMMITTEE VOTES

Pursuant to the provisions of clause 3(b) of rule XIII of the House of Representatives, the results of each roll call vote on an amendment or on the motion to report, together with the names of those voting for and those voting against, are printed below:

ROLL CALL NO. 2

Date: May 25, 2006

Measure: Foreign Operations Appropriations Bill, FY 2007

Motion by: Ms. Kilpatrick

Description of Motion: To authorize funds made available for UN Family Planning Agency (UNFPA) that cannot be obligated due to provisions of law, to be made available to UNFPA for programs and activities to prevent and treat obstetric fistula.

Results: Rejected 23 yeas to 30 nays.

Members Voting Yea

Mr. Bishop
 Mr. Boyd
 Mr. Clyburn
 Ms. DeLauro
 Mr. Edwards
 Mr. Farr
 Mr. Frelinghuysen
 Mr. Hinchey
 Mr. Hoyer
 Mr. Jackson
 Ms. Kaptur
 Ms. Kilpatrick
 Mr. Kirk
 Mrs. Lowey
 Mr. Obey
 Mr. Olver
 Mr. Pastor
 Mr. Price
 Mr. Rothman
 Ms. Roybal-Allard
 Mr. Sabo
 Mr. Serrano
 Mr. Visclosky

Members Voting Nay

Mr. Aderholt
 Mr. Alexander
 Mr. Berry
 Mr. Bonilla
 Mr. Carter
 Mr. Culberson
 Mr. Doolittle
 Mrs. Emerson
 Mr. Goode
 Ms. Granger
 Mr. Hobson
 Mr. Istook
 Mr. Kingston
 Mr. Knollenberg
 Mr. Kolbe
 Mr. LaHood
 Mr. Latham
 Mr. Lewis
 Mrs. Northup
 Mr. Peterson
 Mr. Regula
 Mr. Rehberg
 Mr. Rogers
 Mr. Sherwood
 Mr. Simpson
 Mr. Tiahrt
 Mr. Walsh
 Dr. Weldon
 Mr. Wicker
 Mr. Wolf

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

| | FY 2006 Enacted | FY 2007 Request | Bill | Bill vs. Enacted | Bill vs. Request |
|---|--------------------|--------------------|----------|---------------------|---------------------|
| TITLE I - EXPORT AND INVESTMENT ASSISTANCE | | | | | |
| EXPORT-IMPORT BANK OF THE UNITED STATES | | | | | |
| Subsidy appropriation..... | 99,000 | 26,382 | 26,382 | -72,618 | --- |
| Administrative expenses..... | 72,468 | 75,234 | 75,234 | +2,766 | --- |
| Inspector General..... | 990 | 988 | 988 | -2 | --- |
| Negative subsidy..... | -35,000 | -45,000 | -45,000 | -10,000 | --- |
| Emergency appropriations (P.L. 109-148) (rescission) .. | -25,000 | --- | --- | +25,000 | --- |
| Total, Export-Import Bank of the United States.. | 112,458 | 57,604 | 57,604 | -54,854 | --- |
| OVERSEAS PRIVATE INVESTMENT CORPORATION | | | | | |
| Noncredit account: | | | | | |
| Administrative expenses..... | 41,851 | 45,453 | 45,453 | +3,602 | --- |
| Insurance fees and other offsetting collections... | -240,000 | -258,000 | -258,000 | -18,000 | --- |
| Subsidy appropriation..... | 20,073 | 20,035 | 20,035 | -38 | --- |
| Total, Overseas Private Investment Corporation.. | -178,076 | -192,512 | -192,512 | -14,436 | --- |
| FUNDS APPROPRIATED TO THE PRESIDENT | | | | | |
| Trade and development agency..... | 50,391 | 50,300 | 50,300 | -91 | --- |
| Total, title I, Export and investment assistance | -15,227 | -84,608 | -84,608 | -69,381 | --- |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

| | FY 2006 Enacted | FY 2007 Request | Bill | Bill vs. Enacted | Bill vs. Request |
|---|--------------------|--------------------|-----------|---------------------|---------------------|
| TITLE II - BILATERAL ECONOMIC ASSISTANCE | | | | | |
| FUNDS APPROPRIATED TO THE PRESIDENT | | | | | |
| United States Agency for International Development | | | | | |
| Child survival and health programs fund..... | 1,569,150 | 1,433,000 | 1,565,613 | -3,537 | +132,613 |
| (Transfer out)..... | (-5,940) | --- | --- | (+5,940) | --- |
| Emergency appropriations (P.L. 109-148)..... | 75,200 | --- | --- | -75,200 | --- |
| Development assistance..... | 1,508,760 | 1,282,000 | 1,294,000 | -214,760 | +12,000 |
| (Transfer out)..... | (-20,790) | (-21,000) | (-21,000) | (-210) | --- |
| (By Transfer)..... | --- | --- | (135,000) | (+135,000) | (+135,000) |
| International disaster assistance..... | 361,350 | 348,800 | 348,800 | -12,550 | --- |
| Emergency appropriations (P.L. 109-148)..... | 56,330 | --- | --- | -56,330 | --- |
| Subtotal, Disaster assistance..... | 417,680 | 348,800 | 348,800 | -68,880 | --- |
| Transition Initiatives..... | 39,600 | 50,000 | 40,000 | +400 | -10,000 |
| Development Credit Authority: | | | | | |
| (By transfer)..... | (20,790) | (21,000) | (21,000) | (+210) | --- |
| Administrative expenses..... | 7,920 | 8,400 | 8,400 | +480 | --- |
| Africa House and Infrastructure Facility..... | --- | 5,000 | --- | --- | -5,000 |
| Subtotal, Development assistance..... | 3,618,310 | 3,127,200 | 3,256,813 | -361,497 | +129,613 |
| Payment to the Foreign Service Retirement and Disability Fund..... | 41,700 | 38,700 | 38,700 | -3,000 | --- |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

| | FY 2006 Enacted | FY 2007 Request | Bill | Bill vs. Enacted | Bill vs. Request |
|--|--------------------|--------------------|------------|---------------------|---------------------|
| Operating expenses of the U.S. Agency for International Development..... | 623,700 | 678,826 | 646,000 | +22,300 | -32,826 |
| Emergency supplemental (P.L. 108-106)..... | (5,940) | --- | --- | (-5,940) | --- |
| (By transfer)..... | --- | --- | --- | --- | --- |
| Subtotal, Operating expenses..... | 623,700 | 678,826 | 646,000 | +22,300 | -32,826 |
| Capital Investment Fund..... | 69,300 | 131,800 | 105,300 | +36,000 | -26,500 |
| Operating expenses of the U.S. Agency for Inter- national Development Office of Inspector General.... | 35,640 | 38,000 | 39,000 | +3,360 | +1,000 |
| Total, USAID..... | 4,388,650 | 4,014,526 | 4,085,813 | -302,837 | +71,287 |
| Other Bilateral Economic Assistance | | | | | |
| Economic support fund: | | | | | |
| Israel..... | 237,600 | 120,000 | 120,000 | -117,600 | --- |
| Egypt..... | 490,050 | 455,000 | 455,000 | -35,050 | --- |
| Other..... | 1,880,010 | 2,639,470 | 2,075,740 | +195,730 | -563,730 |
| Economic support fund (P.L. 108-106)..... | --- | --- | --- | --- | --- |
| (Transfer out)..... | (-5,000) | --- | --- | (+5,000) | --- |
| (Transfer out)..... | --- | --- | (-135,000) | (-135,000) | (-135,000) |
| Iraqi Relief and Reconstruction Fund (by transfer) | (5,000) | --- | --- | (-5,000) | --- |
| Subtotal, Economic support fund..... | 2,607,660 | 3,214,470 | 2,650,740 | +43,080 | -563,730 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

| | FY 2006 Enacted | FY 2007 Request | Bill | Bill vs. Enacted | Bill vs. Request |
|--|--------------------|--------------------|-----------|---------------------|---------------------|
| International Fund for Ireland..... | 13,365 | --- | 10,800 | -2,565 | +10,800 |
| Assistance for Eastern Europe and the Baltic States... | 357,390 | 273,900 | 227,900 | -129,490 | -46,000 |
| Assistance for the Independent States of the former Soviet Union..... | 508,860 | 441,000 | 371,280 | -137,580 | -69,720 |
| Trade Capacity Enhancement Fund..... | --- | --- | 522,000 | +522,000 | +522,000 |
| Total, Other Bilateral Economic Assistance..... | 3,487,275 | 3,929,370 | 3,782,720 | +295,445 | -146,650 |
| INDEPENDENT AGENCIES | | | | | |
| Inter-American Foundation | | | | | |
| Appropriation..... | 19,305 | 19,268 | 19,268 | -37 | --- |
| African Development Foundation | | | | | |
| Appropriation..... | 22,770 | 22,726 | 22,726 | -44 | --- |
| Peace Corps | | | | | |
| Appropriation..... | 318,780 | 336,700 | 324,587 | +5,807 | -12,113 |
| Millennium Challenge Corporation | | | | | |
| Appropriation..... | 1,752,300 | 3,000,000 | 2,000,000 | +247,700 | -1,000,000 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

| | FY 2006 Enacted | FY 2007 Request | Bill | Bill vs. Enacted | Bill vs. Request |
|---|--------------------|--------------------|-----------|---------------------|---------------------|
| Department of State | | | | | |
| Global HIV/AIDS initiative..... | 1,975,050 | 2,894,000 | 2,772,500 | +797,450 | -121,500 |
| Democracy Fund..... | 94,050 | --- | --- | -94,050 | --- |
| International narcotics control and law enforcement... | 472,428 | 795,490 | 703,600 | +231,172 | -91,890 |
| Subtotal, Narcotics control..... | 472,428 | 795,490 | 703,600 | +231,172 | -91,890 |
| Andean Counterdrug Initiative..... | 727,155 | 721,500 | 506,850 | -220,305 | -214,650 |
| Migration and refugee assistance..... | 783,090 | 832,900 | 750,206 | -32,884 | -82,694 |
| United States Emergency Refugee and Migration Assistance Fund..... | 29,700 | 55,000 | 30,000 | +300 | -25,000 |
| Nonproliferation, anti-terrorism, demining and related programs..... | 405,999 | 449,430 | 425,010 | +19,011 | -24,420 |
| Conflict response fund..... | --- | 75,000 | --- | --- | -75,000 |
| Subtotal, Department of State..... | 4,487,472 | 5,823,320 | 5,188,166 | +700,694 | -635,154 |
| Department of the Treasury | | | | | |
| International Affairs Technical Assistance..... | 19,800 | 23,700 | 23,700 | +3,900 | --- |
| Debt restructuring..... | 64,350 | 182,799 | 20,000 | -44,350 | -162,799 |
| Subtotal, Department of the Treasury..... | 84,150 | 206,499 | 43,700 | -40,450 | -162,799 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

| | FY 2006 Enacted | FY 2007 Request | Bill | Bill vs. Enacted | Bill vs. Request |
|--|--------------------|--------------------|--------------|---------------------|---------------------|
| ===== | | | | | |
| Total, title II, Bilateral economic assistance... | 14,560,702 | 17,352,409 | 15,466,980 | +906,278 | -1,885,429 |
| Appropriations..... | (14,429,172) | (17,352,409) | (15,466,980) | (+1,037,808) | (-1,885,429) |
| Emergency appropriations..... | (131,530) | --- | --- | (-131,530) | --- |
| (By transfer)..... | (31,730) | (21,000) | (156,000) | (+124,270) | (+135,000) |
| (Transfer out)..... | (-31,730) | (-21,000) | (-156,000) | (-124,270) | (-135,000) |
| ===== | | | | | |
| TITLE III - MILITARY ASSISTANCE | | | | | |
| FUNDS APPROPRIATED TO THE PRESIDENT | | | | | |
| International Military Education and Training..... | 85,877 | 88,900 | 88,000 | +2,123 | -900 |
| Foreign Military Financing Program: | | | | | |
| Grants: | | | | | |
| Israel..... | 2,257,200 | 2,340,000 | 2,340,000 | +82,800 | --- |
| Egypt..... | 1,287,000 | 1,300,000 | 1,300,000 | +13,000 | --- |
| Other..... | 910,800 | 910,900 | 814,900 | -95,900 | -96,000 |
| Subtotal, Grants..... | 4,455,000 | 4,550,900 | 4,454,900 | -100 | -96,000 |
| (Limitation on administrative expenses)..... | (41,600) | (43,500) | (42,500) | (+900) | (-1,000) |
| Total, Foreign Military Financing..... | 4,455,000 | 4,550,900 | 4,454,900 | -100 | -96,000 |
| Peacekeeping operations..... | 173,250 | 200,500 | 170,000 | -3,250 | -30,500 |
| Subtotal, Peacekeeping operations..... | 173,250 | 200,500 | 170,000 | -3,250 | -30,500 |
| ===== | | | | | |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

| | FY 2006 Enacted | FY 2007 Request | Bill | Bill vs. Enacted | Bill vs. Request |
|--|--------------------|--------------------|-------------|---------------------|---------------------|
| Total, title III, Military assistance..... | 4,714,127 | 4,840,300 | 4,712,900 | -1,227 | -127,400 |
| Appropriations..... | (4,714,127) | (4,840,300) | (4,712,900) | (-1,227) | (-127,400) |
| Emergency appropriations..... | --- | --- | --- | --- | --- |
| (Limitation on administrative expenses)..... | (41,600) | (43,500) | (42,500) | (+900) | (-1,000) |
| | ===== | ===== | ===== | ===== | ===== |
| TITLE IV - MULTILATERAL ECONOMIC ASSISTANCE | | | | | |
| FUNDS APPROPRIATED TO THE PRESIDENT | | | | | |
| International Financial Institutions | | | | | |
| World Bank Group | | | | | |
| Contribution to the International Bank for Reconstruction and Development: | | | | | |
| Global Environment Facility..... | 79,200 | 56,250 | 56,250 | -22,950 | --- |
| Contribution to the International Development Association..... | 940,500 | 950,000 | 950,000 | +9,500 | --- |
| Contribution to Multilateral Investment Guarantee Agency..... | 1,287 | --- | --- | -1,287 | --- |
| (Limitation on callable capital subscriptions).... | (8,127) | --- | --- | (-8,127) | --- |
| | ----- | ----- | ----- | ----- | ----- |
| Total, World Bank Group..... | 1,020,987 | 1,006,250 | 1,006,250 | -14,737 | --- |
| Contribution to the Inter-American Development Bank: | | | | | |
| Contribution to the Enterprise for the Americas Multilateral Investment Fund..... | 1,725 | 25,000 | 23,000 | +21,275 | -2,000 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

| | FY 2006 Enacted | FY 2007 Request | Bill | Bill vs. Enacted | Bill vs. Request |
|---|--------------------|--------------------|-----------|---------------------|---------------------|
| Inter-American Investment Corporation..... | 1,725 | --- | --- | -1,725 | --- |
| Total, Inter-American Development Bank..... | 3,450 | 25,000 | 23,000 | +19,550 | -2,000 |
| Contribution to the Asian Development Bank: | | | | | |
| Paid-in capital..... | --- | 23,750 | --- | --- | -23,750 |
| Contribution to the Asian Development Fund..... | 99,000 | 115,250 | 115,250 | +16,250 | --- |
| Total, Asian Development Bank..... | 99,000 | 139,000 | 115,250 | +16,250 | -23,750 |
| Contribution to the African Development Bank: | | | | | |
| Paid-in capital..... | 3,602 | 5,018 | 5,018 | +1,416 | --- |
| (Limitation on callable capital subscriptions).... | (88,334) | (78,622) | (78,622) | (-9,712) | --- |
| Contribution to the African Development Fund..... | 134,343 | 135,700 | 135,700 | +1,357 | --- |
| Total, African Development Bank..... | 137,945 | 140,718 | 140,718 | +2,773 | --- |
| Contribution to the European Bank for Reconstruction and Development: | | | | | |
| Paid-in capital..... | 1,006 | --- | --- | -1,006 | --- |
| (Limitation on callable capital subscriptions).... | (2,250) | --- | --- | (-2,250) | --- |
| Contribution to the International Fund for Agricultural Development..... | 14,850 | 18,000 | 18,000 | +3,150 | --- |
| Total, International Financial Institutions..... | 1,277,238 | 1,328,988 | 1,303,218 | +25,980 | -25,750 |

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 2006
AND BUDGET REQUESTS AND AMOUNTS RECOMMENDED IN THE BILL FOR 2007
(Amounts in thousands)

| | FY 2006 Enacted | FY 2007 Request | Bill | Bill vs. Enacted | Bill vs. Request |
|---|--------------------|--------------------|-----------|---------------------|---------------------|
| International Organizations and Programs | | | | | |
| Appropriation..... | 326,163 | 289,000 | 327,570 | +1,407 | +38,570 |
| Total, title IV, Multilateral economic assistance..... | 1,603,401 | 1,617,988 | 1,630,788 | +27,387 | +12,820 |
| (Limitation on callable capital subscript)..... | (98,711) | (78,622) | (78,622) | (-20,089) | --- |

TITLE V - GENERAL PROVISIONS

| | | | | | |
|--|--------------|--------------|--------------|------------|--------------|
| Expenditure transfer (Sec. 540)..... | --- | --- | --- | --- | --- |
| Sec. 6084 Security in Asia..... | 9,900 | --- | --- | -9,900 | --- |
| Sec. 577..... | --- | --- | --- | --- | --- |
| Sudan (Sec. 569)..... | --- | --- | --- | --- | --- |
| Rescission..... | --- | --- | -388,100 | -388,100 | -388,100 |
| Total, title V, General Provisions..... | 9,900 | --- | -388,100 | -398,000 | -388,100 |
| Appropriations..... | (9,900) | --- | --- | (-9,900) | --- |
| Grand total..... | 20,872,903 | 23,726,069 | 21,337,960 | +465,057 | -2,388,109 |
| Appropriations..... | (20,766,373) | (23,726,069) | (21,726,060) | (+959,687) | (-2,000,009) |
| Emergency appropriations..... | (131,530) | --- | --- | (-131,530) | --- |
| Contingent emergency appropriations..... | --- | --- | --- | --- | --- |

ADDITIONAL VIEWS OF REPRESENTATIVE DAVID OBEY

I am deeply disappointed that the Committee did not accept my amendment to condition \$200 million of the funds for Egypt under Foreign Military Financing on the enactment of future legislation. My amendment would ultimately not have reduced overall assistance to Egypt but rather delayed a portion of it, thereby providing Congress with an opportunity to assess any efforts by Egypt to improve its record on human rights. My amendment was not offered out of anger at Egypt, it was offered out of concern. For over three decades, I have been a strong supporter of Egypt and have backed the over \$60 billion in economic and military aid that the United States has provided to Egypt during my tenure in Congress. I continue to believe that Egypt plays an important and stabilizing role in the Middle East and is a strong ally of the United States.

However, I am increasingly concerned that Egypt is headed in a direction domestically that puts at risk not only U.S. interests in the region but the very stability of Egypt. I am deeply troubled by the reversal in political freedoms and human rights over the past year. The continued imprisonment of Ayman Nour, a leading opposition candidate in the presidential elections, the crackdown on pro democracy protestors, the narrowing of judicial independence, extension of the emergency laws for an additional two years and the harassment of political parties and moderate opposition leaders have sent a chilling message throughout Egypt. Yet, as political choice and free speech through legitimate means are denied to the Egyptian people, the effect has been to strengthen the appeal of more extremist ideologies. If the United States and other allies in the region are not able to influence the current government in Egypt to open up the political system and allow greater participation now, any future transition from the current regime is more likely to result in chaos, violence and the growing power of more extremist political parties.

By rejecting the amendment, I fear that the Committee sent a message to the government of Egypt that as long as Egypt continues to be of strategic importance to the United States, the issues of human rights and democracy will take a back seat; that short-term geopolitical considerations will continue to take precedence over long-term stability and security interests. That message may suit the short-term interests of the United States, but it will prove disastrous in the long run to both our national interest and the values of political and civil decency for which we are supposed to stand.

DAVID OBEY.