

.....
(Original Signature of Member)

112TH CONGRESS
1ST SESSION

H. R.

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

IN THE HOUSE OF REPRESENTATIVES

Mr. BERMAN introduced the following bill; which was referred to the Committee on _____

A BILL

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

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

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

4 (a) SHORT TITLE.— This Act may be cited as the
5 “Global Partnerships Act of 2011”.

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

Sec. 1. Short title and table of contents.

Sec. 2. Findings.

- Sec. 3. Statement of policy.
- Sec. 4. Principles of assistance.
- Sec. 5. Purposes of assistance.
- Sec. 6. Definitions.

TITLE I—REDUCING GLOBAL POVERTY AND ALLEVIATING
HUMAN SUFFERING

- Sec. 1001. Findings.
- Sec. 1002. Statement of policy.
- Sec. 1003. Encouragement of United States private and voluntary cooperation.
- Sec. 1004. Encouragement of United States business participation.
- Sec. 1005. Development partnerships fellows program.

Subtitle A—Reducing Global Poverty

- Sec. 1011. Findings.
- Sec. 1012. Statement of policy.
- Sec. 1013. Principles of assistance.
- Sec. 1014. Goals of assistance.
- Sec. 1015. Development Support Funds.
- Sec. 1016. Innovation Fund.
- Sec. 1017. United States Strategy for Global Development.
- Sec. 1018. Country Development Cooperation Strategies.
- Sec. 1019. Sector strategies for development.
- Sec. 1020. Development Policy Committee.
- Sec. 1021. Global Development Council.
- Sec. 1022. Development education.
- Sec. 1023. Definitions.

CHAPTER 1—ACCELERATING ECONOMIC GROWTH

- Sec. 1101. Findings and statement of policy.
- Sec. 1102. Goal and objectives.
- Sec. 1103. Global Strategy for Economic Growth.
- Sec. 1104. Assistance for economic growth.

SUBCHAPTER A—MICROENTERPRISE DEVELOPMENT ASSISTANCE

- Sec. 1111. Findings and statement of policy.
- Sec. 1112. Microenterprise Fund.
- Sec. 1113. Office of Microenterprise Development.
- Sec. 1114. Definitions.

SUBCHAPTER B—SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

- Sec. 1121. Findings and statement of policy.
- Sec. 1122. Assistance for small and medium enterprises.
- Sec. 1123. Definition.

SUBCHAPTER C—OTHER PROGRAMS

- Sec. 1131. Development credit authority.
- Sec. 1132. Technical assistance for financial management.

CHAPTER 2—PROMOTING FOOD SECURITY

- Sec. 1201. Findings and statement of policy.

- Sec. 1202. Goal and objectives.
- Sec. 1203. Global Strategy for Food Security.
- Sec. 1204. Assistance for promoting food security.
- Sec. 1205. Collaborative agricultural research and innovation.
- Sec. 1206. Board for International Food and Agricultural Development.
- Sec. 1207. Assistance to international and regional organizations.
- Sec. 1208. Definitions.

CHAPTER 3—ADVANCING HEALTH

- Sec. 1301. Findings and statement of policy.
- Sec. 1302. Goal and objectives.
- Sec. 1303. Global health strategy.
- Sec. 1304. Assistance for health.

SUBCHAPTER A—CHILD SURVIVAL AND MATERNAL HEALTH

- Sec. 1311. Child survival.
- Sec. 1312. Maternal and newborn health.
- Sec. 1313. Assistance for orphans and other vulnerable children.

SUBCHAPTER B—COMBATING DISEASE

- Sec. 1321. Assistance to combat HIV/AIDS, tuberculosis, and malaria.
- Sec. 1322. Assistance to combat neglected tropical diseases.
- Sec. 1323. Assistance for disease prevention, control, and treatment.

SUBCHAPTER C—FAMILY PLANNING AND REPRODUCTIVE HEALTH

- Sec. 1331. Assistance for family planning and reproductive health.
- Sec. 1332. Reproductive health care in emergencies.

SUBCHAPTER D—STRENGTHENING HEALTH SYSTEMS

- Sec. 1341. Assistance to strengthen health systems.

CHAPTER 4—EXPANDING EDUCATION

- Sec. 1401. Findings and statement of policy.
- Sec. 1402. Goal and objectives.
- Sec. 1403. Global education strategy.
- Sec. 1404. Basic education assistance.
- Sec. 1405. Higher education partnerships.
- Sec. 1406. American schools and hospitals abroad.

CHAPTER 5—PROTECTING AND RESTORING THE NATURAL ENVIRONMENT

- Sec. 1501. Findings and statement of policy.
- Sec. 1502. Goal and objectives.
- Sec. 1503. Global conservation strategy.
- Sec. 1504. Assistance for environmental sustainability.
- Sec. 1505. Assistance for sustainable energy and natural resource management.
- Sec. 1506. Environmental restrictions.
- Sec. 1507. Environmental impact statements and assessments.
- Sec. 1508. Definitions.

CHAPTER 6—IMPROVING ACCESS TO SAFE WATER, SANITATION, AND SHELTER

- Sec. 1601. Findings and statement of policy.
- Sec. 1602. Goal and objectives.
- Sec. 1603. Global strategy for water, sanitation and shelter.
- Sec. 1604. Assistance for water, sanitation and shelter.

CHAPTER 7—FOSTERING EQUAL OPPORTUNITY

- Sec. 1701. Findings and statement of policy.
- Sec. 1702. Goal and objectives.
- Sec. 1703. Global strategy for equality.
- Sec. 1704. Assistance for equal opportunity.
- Sec. 1705. Office for Women’s Global Development.
- Sec. 1706. Prevention of child marriage.
- Sec. 1707. Coordination of efforts to prevent child marriage.
- Sec. 1708. Definitions.

CHAPTER 8—STRENGTHENING DEMOCRATIC GOVERNANCE

- Sec. 1801. Findings and statement of policy.
- Sec. 1802. Goal and objectives.
- Sec. 1803. Assistance for democratic strengthening.
- Sec. 1804. Advisory Committee on Democracy Promotion.
- Sec. 1805. Foreign government approval and conditionality.
- Sec. 1806. Relationship to other laws.
- Sec. 1807. Prohibiting assistance to influence the outcome of elections.

Subtitle B—Alleviating Human Suffering

- Sec. 1901. Findings and statement of policy.
- Sec. 1902. Goal and objectives.
- Sec. 1903. Humanitarian principles.
- Sec. 1904. International disaster assistance.
- Sec. 1905. Emergency Humanitarian Response Fund.
- Sec. 1906. Humanitarian coordination.
- Sec. 1907. Monitoring and evaluation of humanitarian assistance.
- Sec. 1908. Authority to pay transportation costs.
- Sec. 1909. Increasing flexibility for the emergency refugee and migration account.
- Sec. 1910. Definitions.

TITLE II—ADVANCING PEACE AND MITIGATING CONFLICT

- Sec. 2001. Statements of policy; Findings.
- Sec. 2002. Definition.

Subtitle A—Crisis Prevention, Mitigation, and Response

CHAPTER 1—CONFLICT PREVENTION

- Sec. 2011. Conflict prevention working group.
- Sec. 2012. Regional conflict risk assessment and conflict mitigation strategy.

CHAPTER 2—CONFLICT MITIGATION AND RESOLUTION

- Sec. 2021. Under Secretary for Civilian Security, Democracy, and Human Rights.
- Sec. 2022. Complex Crisis, Stabilization, and Prevention Fund.
- Sec. 2023. Peacekeeping.

- Sec. 2024. Data on costs incurred in support of United Nations peacekeeping operations.
- Sec. 2025. Transition initiatives.
- Sec. 2026. Limit on payment to United Nations and affiliated agencies.

CHAPTER 3—STABILIZATION AND RECONSTRUCTION

- Sec. 2031. Stabilization and Reconstruction.
- Sec. 2032. Danger pay.
- Sec. 2033. Stability policing coordinator.
- Sec. 2034. Training in conflict management and mitigation.
- Sec. 2035. Availability of Aircraft.
- Sec. 2036. Addressing violence against women and girls in humanitarian relief, peacekeeping, conflict, and post-conflict settings.

Subtitle B—Conflict Recovery

CHAPTER 1—DEMINEING

- Sec. 2041. Demining.

CHAPTER 2—DISARMAMENT, DEMOBILIZATION, REINTEGRATION, AND REHABILITATION

- Sec. 2051. Foreign programs.

TITLE III—SUPPORTING HUMAN RIGHTS AND DEMOCRACY

Subtitle A—General Provisions

- Sec. 3101. Findings and statement of policy.
- Sec. 3102. Country reports on human rights practices.
- Sec. 3103. Action plans for human rights and democracy.
- Sec. 3104. Human Rights and Democracy Fund.
- Sec. 3105. Role of Bureau of Democracy, Human Rights, and Labor.
- Sec. 3106. Discrimination related to sexual orientation.
- Sec. 3107. Personnel awards and incentives.

Subtitle B—International Violence Against Women and Girls

- Sec. 3201. Statement of policy.
- Sec. 3202. Duties of the Secretary of State.
- Sec. 3203. Comprehensive international strategy to prevent and respond to violence against women and girls.
- Sec. 3204. Assistance to prevent and respond to violence against women and girls internationally.
- Sec. 3205. Definitions.

Subtitle C—Rule of Law

- Sec. 3301. Findings.
- Sec. 3302. Global Rule of Law Policy Committee.
- Sec. 3303. Assistance for rule of law.
- Sec. 3304. Definition.

Subtitle D—Child Protection

- Sec. 3401. Findings.
- Sec. 3402. Child Protection Compacts.

- Sec. 3403. Authorization of assistance.
- Sec. 3404. Suspension and termination of assistance.
- Sec. 3405. Congressional notification.
- Sec. 3406. Definitions.

TITLE IV—BUILDING AND REINFORCING STRATEGIC
PARTNERSHIPS

- Sec. 4001. Findings.
- Sec. 4002. Statement of policy.
- Sec. 4003. Goals of assistance.

Subtitle A—Economic Support Fund

- Sec. 4101. Findings and statement of policy.
- Sec. 4102. Goal and objectives.
- Sec. 4103. Economic Support Fund.
- Sec. 4104. Cash transfer assistance.

Subtitle B—Security Assistance

CHAPTER 1—GENERAL AUTHORITIES

- Sec. 4211. Authorization of assistance.
- Sec. 4212. Conditions of assistance.
- Sec. 4213. Prohibition on assistance.

CHAPTER 2—DRAWDOWN AUTHORITY

- Sec. 4221. Authorization of emergency assistance.
- Sec. 4222. Authorization of non-emergency assistance.
- Sec. 4223. Commercial transportation and related services.
- Sec. 4224. Report.

CHAPTER 3—LOANS OF DEFENSE ARTICLES

- Sec. 4231. Loan requirements.
- Sec. 4232. Cost of loans.

CHAPTER 4—STOCKPILING OF DEFENSE ARTICLES

- Sec. 4241. General authority.
- Sec. 4242. Value of defense articles.

CHAPTER 5—FOREIGN MILITARY FINANCING

- Sec. 4251. General authority.
- Sec. 4252. Rule of construction.
- Sec. 4253. Audits.
- Sec. 4254. Cash flow financing.

CHAPTER 6—INTERNATIONAL MILITARY EDUCATION AND TRAINING

- Sec. 4261. Purpose.
- Sec. 4262. Military education and training for foreign military and defense personnel.
- Sec. 4263. Military education and training for foreign civilian personnel.
- Sec. 4264. Locations of instruction.
- Sec. 4265. Reimbursement.

Sec. 4266. Exchange of training and related support.

CHAPTER 7—TRANSFER OF EXCESS DEFENSE ARTICLES

Sec. 4271. Transfer of excess defense articles.

Sec. 4272. Terms of transfers.

Sec. 4273. Advance notification to Congress for transfer of certain excess defense articles.

Sec. 4274. Aggregate annual limitation.

Sec. 4275. Restrictions and conditions on transfers of naval vessels.

CHAPTER 8—COOPERATIVE PROJECT AGREEMENTS

Sec. 4281. Authority to enter into cooperative project agreements.

Sec. 4282. Costs.

Sec. 4283. Charges.

Sec. 4284. Certification.

Sec. 4285. Authority in addition to other authorities.

CHAPTER 9—GLOBAL SECURITY CONTINGENCY FUND

Sec. 4291. Global Security Contingency Fund.

Subtitle C—Arms Sales and Related Assistance

Sec. 4301. Control of arms exports and imports.

CHAPTER 1—FOREIGN MILITARY SALES AND COOPERATION

Sec. 4311. General authority.

Sec. 4312. Procurement for foreign military cash sales.

Sec. 4313. Payments.

Sec. 4314. Charges.

Sec. 4315. Non-combat duties of United States personnel supporting foreign military sales.

Sec. 4316. Public information.

Sec. 4317. Standardization agreements.

Sec. 4318. Quality assurance and related services.

Sec. 4319. Restriction on sale of defense articles and defense services that would adversely affect United States combat readiness.

Sec. 4320. Acquisition of foreign-United States origin defense articles.

Sec. 4321. Return of defense articles.

Sec. 4322. Sale of minor and obsolete naval vessels.

Sec. 4323. Annual estimate and justification for sales program.

Sec. 4324. Sales to United States companies for incorporation into end items.

Sec. 4325. Fiscal provisions relating to foreign military sales credits.

CHAPTER 2—ARMS EXPORT CONTROLS

Sec. 4331. Licensing requirement for exporting or importing defense articles and defense services.

Sec. 4332. Impact of military expenditures on development.

Sec. 4333. Requirement for registration by exporters.

Sec. 4334. Identification of all consignees and freight forwarders.

Sec. 4335. Brokering activities.

Sec. 4336. Foreign persons.

Sec. 4337. Review of United States Munitions List.

Sec. 4338. Licensing of missiles and missile equipment or technology.

- Sec. 4339. Special licensing authorization for certain exports to strategic United States allies.
- Sec. 4340. Country exemptions for licensing of defense items for export to foreign countries.

CHAPTER 3—LEASES OF DEFENSE ARTICLES

- Sec. 4351. Leasing authority.
- Sec. 4352. Certification for leasing.
- Sec. 4353. Congressional review and disapproval.
- Sec. 4354. Application of other provisions of law.
- Sec. 4355. Loan of materials, supplies, and equipment for research and development purposes.
- Sec. 4356. Special leasing authority.

CHAPTER 4—RETRANSFERS OF UNITED STATES DEFENSE ARTICLES

- Sec. 4361. Authority to approve retransfers.
- Sec. 4362. Demilitarization for retransfer of significant defense articles.
- Sec. 4363. Proceeds of sale of retransferred defense articles.
- Sec. 4364. Certification.

CHAPTER 5—ENFORCEMENT AND MONITORING OF ARMS SALES

- Sec. 4371. General authority.
- Sec. 4372. Criminal and civil penalties.
- Sec. 4373. Identification of persons of concern.
- Sec. 4374. Standards to identify high-risk exports.
- Sec. 4375. Requirement of exporters to report shipment.
- Sec. 4376. End-use monitoring of defense articles and defense services.
- Sec. 4377. Fees of military sales agents and other payments.
- Sec. 4378. Prohibition on incentive payments.

CHAPTER 6—CONGRESSIONAL REVIEW OF ARMS SALES

- Sec. 4381. Reports on commercial and governmental military exports; congressional action.
- Sec. 4382. Congressional certification of sensitive foreign military sales and agreements.
- Sec. 4383. Upgrade or enhancement.
- Sec. 4384. Congressional review period and disapproval.
- Sec. 4385. National security waiver of congressional review of arms sales.
- Sec. 4386. Publication of arms sales notifications.
- Sec. 4387. Certification requirement relating to Israel's qualitative military edge.

CHAPTER 7—LANDMINES AND CLUSTER MUNITIONS

- Sec. 4391. Landmines.
- Sec. 4392. Cluster munitions.

Subtitle D—General Administrative and Miscellaneous Provisions

- Sec. 4401. General provisions.
- Sec. 4402. Administrative expenses.
- Sec. 4403. Detail of appropriate personnel.
- Sec. 4404. Rule of construction.

- Sec. 4405. Performance goals for processing of applications for licenses to export items on United States Munitions List.
- Sec. 4406. Availability of information on the status of license applications.
- Sec. 4407. Requirement to ensure adequate staff and resources for the Directorate of Defense Trade Controls of the Department of State.
- Sec. 4408. Overseas management of assistance and sales programs.
- Sec. 4409. Designation of major United States allies.
- Sec. 4410. Depleted uranium ammunition.
- Sec. 4411. Definitions.

TITLE V—COUNTERING TRANSNATIONAL THREATS

Subtitle A—Nonproliferation Authorities

CHAPTER 1—NUCLEAR NONPROLIFERATION

- Sec. 5111. Authorization of assistance to prohibit the proliferation of nuclear, chemical, and biological weapons.
- Sec. 5112. Education and training to enhance nonproliferation and export control capabilities.
- Sec. 5113. Opposition of withdrawal from Treaty on the Non-Proliferation of Nuclear Weapons.
- Sec. 5114. Matters relating to International Atomic Energy Agency.
- Sec. 5115. Arms Control and Nonproliferation Scholarship Program.
- Sec. 5116. Arms Control and Nonproliferation Rotation Program.

CHAPTER 2—MISSILE NONPROLIFERATION

- Sec. 5121. Licensing.
- Sec. 5122. Denial of the transfer of missile equipment or technology by United States persons.
- Sec. 5123. Transfers of missile equipment or technology by foreign persons.
- Sec. 5124. Notification of admittance of MTCR adherents.
- Sec. 5125. Authority relating to MTCR adherents.
- Sec. 5126. Definitions.

CHAPTER 3—CHEMICAL AND BIOLOGICAL NONPROLIFERATION

- Sec. 5131. Sanctions against certain foreign persons.

Subtitle B—Counter-narcotics Authorities

- Sec. 5201. Findings.
- Sec. 5202. Statement of policy.
- Sec. 5203. Goal and objectives.
- Sec. 5204. General authorities.
- Sec. 5205. Authorization of Bureau of International Narcotics and Law Enforcement.
- Sec. 5206. Use of funds.
- Sec. 5207. Requirements relating to aircraft and other equipment.
- Sec. 5208. Restrictions.
- Sec. 5209. International counter-narcotics strategy.
- Sec. 5210. Annual narcotics control reports.
- Sec. 5211. Narcotics strategy evaluation.
- Sec. 5212. Definition.

Subtitle C—Counter-terrorism Authorities

- Sec. 5301. Purposes.
- Sec. 5302. Assistance to countries and multilateral organizations for counter-terrorism activities.
- Sec. 5303. Counter-terrorism responsibilities of the Department of State.

TITLE VI—SUSTAINING THE GLOBAL ENVIRONMENT

Subtitle A—Debt-for-Nature Exchanges

- Sec. 6101. Findings and statement of policy.
- Sec. 6102. Definitions.
- Sec. 6103. Establishment of the Facility.
- Sec. 6104. Eligibility for benefits.
- Sec. 6105. Authority to engage in debt-for-nature swaps and debt buybacks.
- Sec. 6106. Reduction of debt owed to the United States as a result of concessional loans or credits under this Act and certain other provisions of law.
- Sec. 6107. Debt-for-Nature Agreement.
- Sec. 6108. Eligible activities.
- Sec. 6109. Debt-for-Nature Fund.
- Sec. 6110. Responsibilities to the Congress.
- Sec. 6111. General savings clause.

Subtitle B—Commercial Debt-for-Nature Exchanges

- Sec. 6201. Commercial debt-for-nature exchange defined.
- Sec. 6202. Authorization for commercial debt exchanges.
- Sec. 6203. Eligible projects.
- Sec. 6204. Eligible countries.
- Sec. 6205. Prohibition.

TITLE VII—EXPANDING PROSPERITY THROUGH TRADE AND INVESTMENT

- Sec. 7001. Findings.
- Sec. 7002. Authority for coordination.

Subtitle A—Overseas Private Investment Corporation

- Sec. 7101. Creation and purpose.
- Sec. 7102. Prohibitions and restrictions.
- Sec. 7103. Capital of the corporation.
- Sec. 7104. Organization and management.
- Sec. 7105. Investment Insurance and Other Programs.
- Sec. 7106. Issuing authority; direct loan authority; discharge of liabilities.
- Sec. 7107. Income and revenues.
- Sec. 7108. General provisions relating to insurance, guaranty, and financing program.
- Sec. 7109. General provisions and powers.
- Sec. 7110. Reports to the Congress.
- Sec. 7111. Definitions.

Subtitle B—United States Trade and Development Agency

- Sec. 7201. United States Trade and Development Agency.

Subtitle C—Enterprise Funds

- Sec. 7301. Findings.
- Sec. 7302. Purposes.
- Sec. 7303. Authority to designate enterprise funds.
- Sec. 7304. GAO reports.
- Sec. 7305. Operation provisions.
- Sec. 7306. Best practices and procedures.
- Sec. 7307. Experience of other enterprise funds.

TITLE VIII—REGIONAL ISSUES [TO BE SUPPLIED]

**TITLE IX—STRATEGIC PLANNING, MONITORING AND
EVALUATION, AND REPORTING**

Subtitle A—Strategic Planning

- Sec. 9101. Quadrennial diplomacy and development review.
- Sec. 9102. Comprehensive workforce and human resources strategy.

Subtitle B—Monitoring and Evaluation

- Sec. 9201. Monitoring and evaluation of United States foreign assistance.
- Sec. 9202. Human rights impact of United States security assistance.

Subtitle C—Reporting Requirements

- Sec. 9301. Transparency and accountability in budgeting.
- Sec. 9302. Congressional budget justification.
- Sec. 9303. Report on allocation of assistance under this Act.
- Sec. 9304. Security assistance database.
- Sec. 9305. Classification of reports.

Subtitle D—Congressional Notification Procedures

- Sec. 9401. Notification of program changes.
- Sec. 9402. Congressional notification parity.
- Sec. 9403. Presidential findings and determinations.

**TITLE X—GENERAL AUTHORITIES AND RESTRICTIONS [TO BE
SUPPLIED]**

**TITLE XI—ORGANIZATION, MANAGEMENT, AND HUMAN
RESOURCES**

- Sec. 11001. Definitions.

Subtitle A—Organization

CHAPTER 1—EXERCISE AND COORDINATION OF FUNCTIONS

- Sec. 11101. Delegations; regulations.
- Sec. 11102. Role of the Secretary of State.
- Sec. 11103. Role of the Chief of Mission.
- Sec. 11104. Role of the Secretary of Defense.
- Sec. 11105. Office for Global Women's Issues.
- Sec. 11106. Bureau for Energy Resources.
- Sec. 11107. Bureau of Oceans, Environment and Science.

CHAPTER 2—UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

- Sec. 11201. United States Agency for International Development.
- Sec. 11202. Role of the Administrator.
- Sec. 11203. Overseas missions.
- Sec. 11204. Chairman of OECD Development Assistance Committee.
- Sec. 11205. Responsibilities of the Inspector General of the United States Agency for International Development.

Subtitle B—Management and Program Administration

CHAPTER 1—OPERATING EXPENSES AND ADMINISTRATIVE AUTHORITIES

- Sec. 11301. Operating expenses of the United States Agency for International Development.
- Sec. 11302. Authorized uses of funds.
- Sec. 11303. Operating expenses of the Office of the Inspector General.
- Sec. 11304. Administrative authorities of the Department of Defense.
- Sec. 11305. Working Capital Fund.
- Sec. 11306. Suspension and debarment.
- Sec. 11307. Termination expenses.
- Sec. 11308. Prohibition on certain first-class travel.

CHAPTER 2—ASSISTANCE AUTHORITIES AND PROGRAM EXPENSES

- Sec. 11401. General assistance authorities.
- Sec. 11402. Authority to conduct reimbursable programs.
- Sec. 11403. Retention of interest.
- Sec. 11404. Marking and branding of economic assistance and humanitarian assistance.
- Sec. 11405. Reductions in designated funds.
- Sec. 11406. Requirement for authorization of appropriations.
- Sec. 11407. Unexpended balances.
- Sec. 11408. Authority for extended period of availability of appropriations.
- Sec. 11409. Support for regional, international and nongovernmental organizations.

CHAPTER 3—PROCUREMENT, DISPOSITION, TRANSPORTATION AND VALUATION OF ARTICLES

- Sec. 11501. Procurement standards and procedures.
- Sec. 11502. Local procurement.
- Sec. 11503. United States competitiveness.
- Sec. 11504. Allocation or transfer of funds and reimbursement among agencies.
- Sec. 11505. Retention and use of certain items and funds.
- Sec. 11506. Foreign and domestic excess property.
- Sec. 11507. Ocean freight differential.
- Sec. 11508. Use of aircraft for additional purposes.
- Sec. 11509. Streamlining and review of procurement process.
- Sec. 11510. Overseas procurement flexibility.
- Sec. 11511. Local guard contracts abroad.

CHAPTER 4—USE OF FOREIGN CURRENCIES

- Sec. 11601. Separate accounts for local currencies.
- Sec. 11602. Use of certain foreign currencies.
- Sec. 11603. Accounting and valuation of foreign currencies.

Subtitle C—Human Resources

CHAPTER 1—PERSONNEL AND BENEFITS

- Sec. 11701. Employment of personnel.
- Sec. 11702. Experts and consultants.
- Sec. 11703. Prohibition of discrimination against Federal personnel.
- Sec. 11704. Foreign service limited appointments.
- Sec. 11705. Technical advisors.
- Sec. 11706. Personal services contractors for USAID.
- Sec. 11707. Personal services contractors for the Department of State.
- Sec. 11708. Hiring authority of Inspector General of the United States Agency for International Development.
- Sec. 11709. Public availability of consulting contracts.
- Sec. 11710. Senior Foreign Service requirement.
- Sec. 11711. Pay parity for criminal investigators.

CHAPTER 2—DETAILS, FELLOWSHIPS, AND EXCHANGES

- Sec. 11801. Details to foreign governments and international organizations.
- Sec. 11802. Details to United States Government agencies.
- Sec. 11803. Science and technology fellowship programs.
- Sec. 11804. Foreign relations exchange programs.
- Sec. 11805. Guidelines for rotational assignments.

CHAPTER 3—TRAINING AND PROFESSIONAL DEVELOPMENT

- Sec. 11901. Training of Federal personnel.
- Sec. 11902. Career development.
- Sec. 11903. Language skills development.

TITLE XII—AMENDMENTS AND REPEALS

Subtitle A—Amendments

- Sec. 12101. Amendments relating to assistance to combat HIV/AIDS, tuberculosis, and malaria.
- Sec. 12102. Amendments to the Millennium Challenge Act of 2003.

Subtitle B—Repeals

- Sec. 12201. Repeal of laws incorporated in this Act.
- Sec. 12202. Repeal of laws inconsistent with this Act.
- Sec. 12203. Repeal of obsolete provisions of law.
- Sec. 12204. Repeal of unnecessary reporting requirements.

Subtitle C—Savings Provisions

- Sec. 12301. References to former authorities.
- Sec. 12302. Repeal of provisions amending other laws.
- Sec. 12303. Savings provisions.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

- 3 (1) In an increasingly interdependent world, the
- 4 health, prosperity, freedom, and security of the peo-

1 ple of the United States are strengthened when the
2 people of all countries can enjoy these same advan-
3 tages.

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

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

17 **SEC. 3. STATEMENT OF POLICY.**

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

1 **SEC. 4. PRINCIPLES OF ASSISTANCE.**

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

5 (1) Foreign assistance is not an end in itself.

6 The purpose of foreign assistance is to create the
7 conditions under which it is no longer needed.

8 (2) United States foreign assistance should sup-
9 port the development of human, financial, organiza-
10 tional, and technical capacity of partner countries,
11 both within government and among civil society, that
12 is sustainable over the long term and leads to self-
13 reliance.

14 (3) United States foreign assistance should do
15 no harm to human rights and democratic governance
16 in partner countries.

17 (4) United States embassies and United States
18 Agency for International Development missions in
19 partner countries should be accorded a central role
20 in planning, budgeting, and decisionmaking with re-
21 spect to United States foreign assistance to those
22 countries.

23 (5) United States foreign assistance programs
24 should be carried out in collaboration with a wide
25 variety of implementing partners, including multilat-
26 eral organizations, governments of partner countries

1 at all levels, intermediate representative institutions,
2 and international, United States, and local civil soci-
3 ety organizations.

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

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

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

22 (9) The likely impact of United States foreign
23 assistance policies and programs upon the environ-
24 ment should be taken into account in all stages of

1 the foreign assistance process, and effective action
2 should be taken to mitigate any negative impacts.

3 (10) The United States Government should
4 publish timely, detailed, and comprehensive informa-
5 tion on the budgeting, delivery, and expenditure of
6 United States foreign assistance in order to enhance
7 transparency and accountability for results and
8 should encourage and facilitate similar transparency
9 by the partner country regarding its national budget
10 and aid-related expenditures.

11 (11) United States foreign assistance should be
12 conducted within a coherent and coordinated struc-
13 ture that establishes clear lines of authority, delin-
14 eates responsibilities, rationalizes functions, closes
15 gaps, promotes policy consistency, and ensures civil-
16 ian leadership.

17 (12) To ensure that United States foreign as-
18 sistance achieves its intended objectives and to maxi-
19 mize its impact, the United States Government
20 should design and implement such assistance in
21 partnership with local stakeholders, including as ap-
22 propriate and feasible, governments, intermediate
23 representative institutions, civil society organiza-
24 tions, and affected communities.

1 (13) The success of United States foreign as-
2 sistance in meeting humanitarian, foreign policy,
3 and national security objectives depends on the sus-
4 tained commitment of adequate and reliable budg-
5 etary resources as well as on the development, train-
6 ing, and maintenance of a diverse and experienced
7 corps of professionals to design, manage, implement,
8 and monitor such foreign assistance.

9 **SEC. 5. PURPOSES OF ASSISTANCE.**

10 United States foreign assistance under this Act shall
11 be provided in accordance with the policy set forth in sec-
12 tion 3 and the principles set forth in section 4 to achieve
13 the following interrelated and mutually-reinforcing pur-
14 poses:

15 (1) Reducing global poverty and alleviating
16 human suffering.

17 (2) Advancing peace and mitigating crises.

18 (3) Supporting human rights and democracy.

19 (4) Building and reinforcing strategic partner-
20 ships.

21 (5) Combating transnational threats.

22 (6) Sustaining the global environment.

23 (7) Expanding prosperity through trade and in-
24 vestment.

1 **SEC. 6. DEFINITIONS.**

2 Except as otherwise provided, in this Act:

3 (1) ADMINISTRATOR.—The term “Adminis-
4 trator” means the Administrator of the United
5 States Agency for International Development.

6 (2) AGENCY.—The term “Agency” means the
7 United States Agency for International Develop-
8 ment.

9 (3) APPROPRIATE CONGRESSIONAL COMMIT-
10 TEES.—The term “appropriate congressional com-
11 mittees” means—

12 (A) the Committee on Foreign Affairs and
13 the Committee on Appropriations of the House
14 of Representatives; and

15 (B) the Committee on Foreign Relations
16 and the Committee on Appropriations of the
17 Senate.

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

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

23 (A) a registered or unregistered nonprofit
24 organization, independent of the government
25 and state, including a private and voluntary or-
26 ganization, community or faith-based organiza-

1 tion, advocacy group, business or trade associa-
2 tion, cooperative, credit union, labor union, or
3 philanthropic foundation;

4 (B) an independent media, educational, or
5 research institution; or

6 (C) a private enterprise, including an
7 international development firm, bank or other
8 financial institution, or a small, woman-owned,
9 disadvantaged, or veteran-owned business.

10 (6) COUNTRY.—The term “country” means the
11 government, civil society, and intermediate rep-
12 resentative institutions of a state or specially admin-
13 istered area.

14 (7) DEVELOPMENT ASSISTANCE.—The term
15 “development assistance” means—

16 (A) assistance under—

17 (i) subtitle A of title I;

18 (ii) the Millennium Challenge Act of
19 2003 (22 U.S.C. 7701 et seq.);

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

23 (iv) title V of the International Secu-
24 rity and Development Cooperation Act of

1 1980 (22 U.S.C. 290h et seq.; relating to
2 the African Development Foundation); or

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

6 (B) official development assistance under
7 any provision of law; and

8 (C) reconstruction assistance under any
9 provision of law.

10 (8) ECONOMIC ASSISTANCE.—The term “eco-
11 nomic assistance” means foreign assistance, other
12 than—

13 (A) humanitarian assistance;

14 (B) assistance under subtitle B or C of
15 title IV; or

16 (C) assistance under title V.

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

20 (10) FOREIGN ASSISTANCE.—The term “foreign
21 assistance” means any tangible or intangible item
22 provided by the United States Government to a for-
23 eign country or international organization under this
24 or any other Act, including any training, service, or
25 technical advice, any item of real, personal, or mixed

1 property, any agricultural commodity, United States
2 dollars, and any currencies of any foreign country
3 which are owned by the United States Government.

4 (11) FUNDAMENTAL FREEDOMS.—the term
5 “fundamental freedoms” means the freedoms of as-
6 sociation, assembly, expression, and religion.

7 (12) HUMANITARIAN ASSISTANCE.—The term
8 “humanitarian assistance” means—

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

10 (B) emergency food assistance under title

11 II of the Agricultural Trade Development and

12 Assistance Act of 1954 (Public Law 83–480);

13 and

14 (C) refugee and migration assistance.

15 (13) IMPLEMENTING PARTNER.—The term
16 “implementing partner”—

17 (A) means a non-United States Govern-

18 ment entity that enters into a contract or

19 agreement with the United States Government

20 relating to the use by the entity of foreign as-

21 sistance; and

22 (B) includes—

23 (i) a foreign government, international

24 organization, intermediate representative

1 institution, or civil society organization;
2 and
3 (ii) any subgrantee or subcontractor
4 thereof.

5 (14) INSTITUTION OF HIGHER EDUCATION.—
6 The term “institution of higher education” has the
7 meaning given such term under section 101 of the
8 Higher Education Act of 1965 (20 U.S.C. 1001).

9 (15) INTERMEDIATE REPRESENTATIVE INSTI-
10 TUTION.—The term “intermediate representative in-
11 stitution” means an organization with the mandate
12 to represent citizens in government and in political
13 processes, such as a legislature, political party, advi-
14 sory commission or municipal council.

15 (16) INTERNATIONAL ORGANIZATION.—The
16 term “international organization” means an inter-
17 national organization as defined in section 1 of the
18 International Organizations Immunities Act (22
19 U.S.C. 288).

20 (17) MARGINALIZED GROUP.—The term
21 “marginalized group”—

22 (A) means a group that is excluded by law,
23 policy, or practice from participating on a full
24 and equal basis in the political, economic, and

1 social life of a country, including the enjoyment
2 of all rights and freedoms; and

3 (B) includes women, poor people, youth,
4 refugees, displaced or stateless persons, persons
5 belonging to racial, national, ethnic, religious or
6 linguistic minorities, persons with disabilities,
7 and persons discriminated against on the basis
8 of their sexual orientation or gender identity.

9 (18) NOTWITHSTANDING, ETC.—The terms
10 “notwithstanding any other provision of law” and
11 “notwithstanding any provision of this or any other
12 Act” shall not apply to title 31, United States Code,
13 the Congressional Budget and Impoundment Control
14 Act of 1974, and the Budget Enforcement Act of
15 1990.

16 (19) PARTNER COUNTRY.—The term “partner
17 country” means a country that is receiving or is eli-
18 gible to receive foreign assistance.

19 (20) PRIVATE AND VOLUNTARY ORGANIZA-
20 TION.—The term “private and voluntary organiza-
21 tion” means a nonprofit, nongovernmental organiza-
22 tion.

23 (21) SECRETARY.—The term “Secretary”
24 means the Secretary of State.

1 (22) SECURITY ASSISTANCE.—The term “secu-
2 rity assistance” means assistance under title IV or
3 title V.

4 (23) UNITED STATES.—The term “United
5 States”, when used in the geographic sense, includes
6 the Commonwealth of Puerto Rico, the Common-
7 wealth of the Northern Mariana Islands, Guam,
8 American Samoa, the Virgin Islands, and any other
9 territory or possession of the United States.

10 **TITLE I—REDUCING GLOBAL**
11 **POVERTY AND ALLEVIATING**
12 **HUMAN SUFFERING**

13 **SEC. 1001. FINDINGS.**

14 Congress finds the following:

15 (1) The abject and dehumanizing conditions of
16 extreme poverty, which affect more than a billion
17 people around the world, are inimical to the achieve-
18 ment of a healthy, peaceful, democratic, just and
19 prosperous world and an affront to shared human
20 values.

21 (2) A principal objective of United States for-
22 eign policy is reducing global poverty and its worst
23 physical manifestations through the encouragement
24 and sustained support of the people of developing
25 countries in their efforts to acquire the knowledge

1 and resources essential to building the economic, po-
2 litical, and social institutions that will improve the
3 quality of their lives.

4 (3) Strengthening democratic governance and
5 the political voice of poor and marginalized groups
6 not only directly combats poverty but also helps
7 build responsive, accountable state institutions es-
8 sential to sustain the positive impact of foreign as-
9 sistance over the long-term.

10 (4) United States efforts to reduce global pov-
11 erty and alleviate human suffering reflect the com-
12 passion and generosity of the American people, while
13 also serving United States economic and national se-
14 curity interests. Poor and unstable countries make
15 unreliable trading partners and weak markets for
16 United States goods and services. Violent extremism
17 that threatens United States national security flour-
18 ishes where democratic governance is weak, justice is
19 uncertain, and legal avenues for change are in short
20 supply.

21 (5) Complementing the long-term objective of
22 reducing global poverty, the humanitarian concern
23 and tradition of the people of the United States de-
24 mands a commitment to saving lives and alleviating
25 human suffering resulting from natural and human-

1 caused disasters, and to taking effective action to
2 prevent, prepare for, and mitigate such disasters.

3 (6) Pursuit of these interrelated objectives re-
4 quires that development and humanitarian concerns
5 be fully reflected throughout United States foreign
6 policy, and that resources for these purposes be ade-
7 quately and reliably budgeted and effectively and ef-
8 ficiently utilized.

9 (7) In order to achieve United States foreign
10 policy and national security objectives, the United
11 States should act in concert with other countries and
12 multilateral institutions to mobilize adequate re-
13 sources from public and private sources for poverty
14 reduction and humanitarian relief.

15 **SEC. 1002. STATEMENT OF POLICY.**

16 It is the policy of the United States to undertake best
17 efforts to—

18 (1) reduce global poverty, including by estab-
19 lishing and meeting, in cooperation with developing
20 country governments, other public and private do-
21 nors, multilateral institutions, nongovernmental or-
22 ganizations, businesses, and affected communities,
23 international targets for the reduction of poverty;
24 and

1 (2) prevent, prepare for, mitigate, and respond
2 to humanitarian crises wherever such crises may
3 occur.

4 **SEC. 1003. ENCOURAGEMENT OF UNITED STATES PRIVATE**
5 **AND VOLUNTARY COOPERATION.**

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

7 (1) The sustained participation of United
8 States private and voluntary organizations, commu-
9 nity and faith-based organizations, charitable foun-
10 dations, labor unions, cooperatives, and credit unions
11 in international development and humanitarian re-
12 lief, rehabilitation, and reconstruction significantly
13 reduces poverty and alleviates human suffering
14 through—

15 (A) application of accumulated expertise in
16 the discipline of development;

17 (B) provision of social services in under-
18 served communities;

19 (C) building the capacity of local organiza-
20 tions to operate with maximum effectiveness,
21 thereby strengthening civil society and advanc-
22 ing self-reliance;

23 (D) establishing long-term partnerships
24 with and between local communities, civil soci-
25 ety organizations and governments of devel-

1 oping countries at all levels, thus helping to im-
2 prove accountability and reduce corruption;

3 (E) empowering marginalized groups
4 through access to information and a leadership
5 role in decision-making processes; and

6 (F) serving as a voice for the poor and
7 bringing best practices and lessons learned to
8 bear on policymaking processes in the United
9 States and worldwide.

10 (2) Such organizations, foundations, unions,
11 and cooperatives, by mobilizing private United
12 States financial and human resources, reflect the
13 values and goodwill of the people of the United
14 States and embody the American spirit of self-help.

15 (3) Advocacy groups and organizations that
16 represent American political, legal, academic and
17 business life have developed long-standing relation-
18 ships with their overseas counterparts, helping to
19 build people-to-people networks that strengthen civil
20 society, protect human rights, support democratic
21 institutions and foster a policy environment condu-
22 cive to economic development.

23 (4) Similarly, the sustained participation of
24 United States educational and research institutions
25 in building the scientific, educational, and service ca-

1 capacities of developing countries is vital to the eco-
2 nomic and social development of those countries, and
3 at the same time strengthens the faculty and pro-
4 grams available to United States students.

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

9 (6) Because such entities, often using their own
10 resources, develop and maintain long-term and inde-
11 pendent relationships with their counterparts in for-
12 eign countries, they provide great expertise in pro-
13 gram implementation, an important source of knowl-
14 edge about local needs, attitudes, customs, and con-
15 ditions, and a critical means for building trust and
16 goodwill with local communities.

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

19 (1) encourage and facilitate, as appropriate,
20 international activities of United States private and
21 voluntary organizations, community and faith-based
22 organizations, charitable foundations, labor unions,
23 cooperatives, credit unions, and educational and re-
24 search institutions in furtherance of the goals of this
25 title;

1 oping countries, local communities, and civil so-
2 ciety organizations;

3 (E) partnering with local businesses and
4 entrepreneurs;

5 (F) the expansion of job opportunities in
6 impoverished communities; and

7 (G) the encouragement of private sector
8 development and of the legal and institutional
9 framework to support such development.

10 (2) Such businesses are often staffed by individ-
11 uals with a strong commitment to and knowledge of
12 developing countries, many of whom have served
13 overseas, and who bring American values, know-how,
14 and spirit of innovation.

15 (3) While some United States businesses have
16 a long history of engagement with international de-
17 velopment, bringing extensive experience, strong
18 local ties and a proven track record of achievement,
19 many others seek to establish first-time partnerships
20 and new joint ventures.

21 (4) By leveraging contributions of United
22 States businesses and facilitating public-private
23 partnerships, the United States Government can
24 maximize the impact of its efforts to improve social
25 and economic conditions in developing countries.

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

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

6 (2) promote awareness by United States busi-
7 nesses, including small businesses, of opportunities
8 to promote economic growth and expand markets in
9 developing countries;

10 (3) facilitate partnerships between United
11 States business and international and local non-
12 governmental organizations, including private and
13 voluntary organizations, community and faith-based
14 organizations, charitable foundations, labor unions,
15 cooperatives, credit unions, and educational and re-
16 search institutions, to reduce poverty and alleviate
17 human suffering;

18 (4) build strategic alliances with United States
19 businesses, drawing on their unique assets and expe-
20 rience, to solve complex problems in developing coun-
21 tries; and

22 (5) co-design, co-fund, and co-manage projects
23 with United States business partners to meet jointly-
24 agreed development objectives.

1 **SEC. 1005. DEVELOPMENT PARTNERSHIPS FELLOWS PRO-**
2 **GRAM.**

3 (a) IN GENERAL.—The Administrator is authorized
4 and encouraged to establish a program of exchanges to
5 strengthen individual and institutional capacity, share
6 knowledge and best practices, build partnering skills and
7 develop networks through professional exchanges between
8 the Agency and the private sector, including businesses
9 and nonprofit institutions.

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

14 (c) COMPETITIVE AWARDS.—The process for select-
15 ing individuals for the exchanges authorized under sub-
16 section (a) should be open and competitive, while offering
17 opportunities to individuals with varying levels of profes-
18 sional experience.

19 (d) STATUS OF EMPLOYMENT.—Notwithstanding
20 any other provision of law, during the period of ex-
21 change—

22 (1) each participating individual (hereinafter re-
23 ferred to as a “Fellow”) shall continue to receive his
24 or her salary, benefits, and rights of employment
25 from the Agency or private sector entity, as the case
26 may be; and

1 (2) in the case of a Fellow who is an employee
2 of a private sector entity and is working at the
3 Agency, the Fellow shall not be considered to be a
4 Federal employee of the Agency, except for purposes
5 of obtaining necessary access to buildings, office
6 supplies, equipment and facilities.

7 (e) **PARITY IN EXCHANGE.**—The Administrator shall
8 ensure that the total number of Fellows who are employees
9 of the Agency and are working at private sector entities
10 is substantially equivalent to the total number of Fellows
11 who are employees of private sector entities and are work-
12 ing at the Agency.

13 (f) **OTHER COSTS AND EXPENSES.**—The Adminis-
14 trator shall prescribe policies and procedures regarding
15 costs and expenses for Fellows other than policies and pro-
16 cedures regarding salaries and benefits.

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

20 **Subtitle A—Reducing Global**
21 **Poverty**

22 **SEC. 1011. FINDINGS.**

23 Congress finds the following:

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

4 (2) Successful economic development includes
5 the eradication of extreme poverty and its worst
6 physical manifestations.

7 (3) Abuses of power, failure to respect human
8 rights, exclusion of and discrimination against soci-
9 etal groups, and unchecked violence, particularly
10 against women and girls, are impediments to eco-
11 nomic development.

12 (4) While each country must marshal its own
13 economic and human resources in order to build and
14 maintain the political, social, and economic institu-
15 tions necessary to reduce poverty and improve the
16 quality of life for its people, the magnitude of the
17 need far exceeds the resources of most developing
18 countries.

19 (5) The United States has acknowledged a col-
20 lective responsibility for, as well as a national inter-
21 est in, the reduction of global poverty through the
22 promotion of long-term development that is
23 participatory, equitable, self-reliant, and environ-
24 mentally sustainable.

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

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

10 **SEC. 1012. STATEMENT OF POLICY.**

11 It is the policy of the United States to reduce global
12 poverty by helping poor people in developing countries to
13 participate in a process of self-sustaining, equitable, and
14 environmentally-sound economic growth through produc-
15 tive work and to influence decisions that shape their lives,
16 with the goal of increasing their incomes and their access
17 to public services that will enable them to satisfy their
18 basic needs, exercise their rights, and lead lives of decency,
19 dignity, and hope.

20 **SEC. 1013. PRINCIPLES OF ASSISTANCE.**

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

24 (1) Development is primarily the responsibility
25 of the people of developing countries themselves. As-

1 sistance should be used in support of, rather than
2 substitution for, the self-help efforts that are essen-
3 tial to successful economic development.

4 (2) Assistance should be demand-driven and de-
5 signed to support partner country ownership by re-
6 specting the development goals chosen through an
7 open and inclusive process in the partner country.

8 (3) The United States Government should work
9 to broaden country-level policy dialogue on develop-
10 ment by promoting an open and inclusive process for
11 choosing development goals, and by increasing the
12 capacity of all stakeholders to participate meaning-
13 fully in that process.

14 (4) Persons affected by conflict or disaster—in-
15 cluding refugees, stateless persons, and internally
16 displaced persons, particularly those in protracted
17 situations—are among the world’s most vulnerable
18 to poverty, exclusion, exploitation and other abuses.
19 Although they have tremendous potential to con-
20 tribute to the growth and development of the com-
21 munities and countries where they reside, these pop-
22 ulations often lack access to development resources
23 and programs. Such populations, as well as other
24 marginalized groups, must be explicitly included in

1 country development programs and national develop-
2 ment strategies.

3 (5) Assistance should be concentrated in coun-
4 tries that have the greatest need for outside assist-
5 ance and that will make the most effective use of
6 such assistance in achieving the purposes of this
7 subtitle.

8 (6) Program selection and design should be
9 linked to results, by using performance frameworks
10 and indicators that are included in or consistent
11 with a developing country's national development
12 strategy, where possible, and by strengthening the
13 country's capacity and demand for results-based
14 management.

15 (7) When partner country systems are trans-
16 parent, accountable and effective, the United States
17 Government should use such systems for delivering
18 assistance. Where use of such systems is not fea-
19 sible, the United States should establish additional
20 safeguards and measures in ways that strengthen
21 rather than undermine country systems.

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

1 (9) Assistance should focus on building the self-
2 sufficiency of developing countries by upgrading
3 human, technical, and institutional capacity, both in-
4 side and outside government, to effectively plan,
5 manage, implement, monitor, and evaluate budgets,
6 policies, and programs in a transparent and account-
7 able manner that supports development objectives.

8 (10) The United States Government should
9 take all appropriate steps to harmonize its planning,
10 funding, conditionality, disbursement, monitoring,
11 evaluation, and reporting with governments of devel-
12 oping countries and with other donors, including
13 multilateral institutions, in order to simplify and re-
14 duce the administrative burdens, achieve a more ef-
15 fective division of labor that builds on donors' com-
16 parative advantages, and improve accountability for
17 results.

18 (11) In consultation with Congress and in con-
19 junction with the Development Policy Committee es-
20 tablished under section 1020, the Administrator
21 should engage in strategic and budgetary planning
22 over a 3- to 5-year period that will enable the dis-
23 bursement of assistance in a more timely and pre-
24 dictable manner.

1 (12) Personnel and management systems of the
2 Agency should incorporate incentives for innovation
3 and experimentation, with tolerance of reasonable
4 risk-taking and training on risk-management.

5 (13) Poverty reduction efforts should promote a
6 policy environment and legal framework that is con-
7 ducive to broad-based and sustainable economic
8 growth, including—

9 (A) respect for the rule of law;

10 (B) fair, accessible, and timely administra-
11 tion of justice;

12 (C) representative and accountable institu-
13 tions of governance;

14 (D) protection of human rights and funda-
15 mental freedoms;

16 (E) mechanisms of accountability and
17 transparency;

18 (F) security of person, property and invest-
19 ments;

20 (G) enforcement of contracts and intellec-
21 tual property rights;

22 (H) encouragement of private enterprise,
23 free markets and labor rights; and

24 (I) a vibrant and informed civil society.

1 (14) An effective United States strategy to pro-
2 mote global poverty reduction and contribute to
3 broad-based, sustainable economic growth must in-
4 corporate all United States policies having an impact
5 on development, which include foreign assistance,
6 debt relief, trade, agriculture, migration and remit-
7 tances, environmental protection, technology trans-
8 fer, and arms sales.

9 (15) Assistance should be provided in a manner
10 that is flexible enough to adapt to the unique needs
11 and capabilities of specific developing countries and
12 changing situations on the ground, while remaining
13 transparent and predictable enough to allow devel-
14 oping countries and implementing partners to plan
15 and budget efficiently.

16 (16) Assistance should give priority to under-
17 takings that will directly improve the lives of the
18 poorest, most vulnerable and marginalized groups,
19 and strengthen their capacity to participate in the
20 political, economic, and social development of their
21 countries.

22 (17) Investments in research, the fostering of
23 innovation and the application of technology are es-
24 sential to expanding the impact and effectiveness of
25 development policies and programs. To ensure that

1 such research, innovation and technology are appro-
2 priately harnessed, development assistance policies
3 and programs should promote data collection and
4 rigorous analysis, evidence-based decision-making, a
5 culture of learning, a mechanism for scaling up suc-
6 cessful methods and activities, and a process for
7 sharing best practices.

8 (18) Gender equality is a matter of funda-
9 mental human rights, as well as being essential to
10 the reduction of poverty and to the health, education
11 and well-being of families and communities. Assist-
12 ance should encourage and promote the full partici-
13 pation of women and girls in the decisions that af-
14 fect their lives, elevate the role of women in their so-
15 cieties, ensure that women are fully integrated into
16 United States policies and programs, afford women
17 opportunities to support themselves and their fami-
18 lies, equip and empower women to serve as leaders
19 and as agents of transformation, and protect women
20 and girls against discrimination and violence.

21 (19) Policies and programs carried out under
22 this subtitle should promote, protect, and ensure the
23 full and equal enjoyment of all human rights and
24 fundamental freedoms by all persons with disabil-
25 ities, respect their inherent dignity, and encourage

1 their full and effective participation in society on an
2 equal basis with others.

3 (20) International and United Nations-affiliated
4 agencies and multilateral development institutions
5 are essential components of United States poverty
6 reduction efforts. The United States Government
7 should recognize the comparative advantages of such
8 institutions, particularly with respect to investments
9 in capital-intensive projects and in countries and re-
10 gions where the United States does not have a large
11 physical presence, while supporting reforms to make
12 such institutions more accountable, responsive, and
13 representative. In addition to direct financial con-
14 tributions, the United States Government should
15 provide technical and logistical assistance to such in-
16 stitutions as appropriate.

17 (21) Private foundations and corporate giving
18 are increasingly important sources of development
19 resources. The United States Government should
20 help to link the United States private sector with ap-
21 propriate local partners, to encourage private invest-
22 ment in economic and social development programs
23 to which the United States lends support, and to en-
24 sure complementarity between public and private de-
25 velopment efforts.

1 (22) Assistance should be planned and utilized
2 to encourage regional cooperation among developing
3 countries in the solution of common problems and
4 the development of shared resources.

5 **SEC. 1014. GOALS OF ASSISTANCE.**

6 In order to reduce poverty in developing countries,
7 assistance under this subtitle shall be designed to further
8 the following goals:

9 (1) Accelerating economic growth.

10 (2) Promoting food security.

11 (3) Advancing health.

12 (4) Expanding education.

13 (5) Protecting and restoring the natural envi-
14 ronment.

15 (6) Improving access to safe water, sanitation,
16 and shelter.

17 (7) Fostering equal opportunity.

18 (8) Strengthening democratic governance.

19 **SEC. 1015. DEVELOPMENT SUPPORT FUNDS.**

20 (a) AUTHORIZATION OF ASSISTANCE.—

21 (1) IN GENERAL.—The Administrator is au-
22 thorized to provide assistance, on such terms and
23 conditions as the Administrator may determine, to
24 developing countries, in accordance with the policy
25 described in section 1012 and the principles de-

1 scribed in section 1013, to further the goals de-
2 scribed in section 1014.

3 (2) COUNTRY STRATEGIES.—The annual con-
4 gressional budget justification submitted under sec-
5 tion 9302 shall specify the amount of funds to be
6 made available to prepare and carry out Country
7 Development Cooperation Strategies under section
8 1018.

9 (3) AVAILABILITY.—Funds made available
10 under this section for a fiscal year are authorized to
11 remain available until expended.

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

15 (b) SUSTAINABILITY AND LOCAL PROCUREMENT.—
16 In providing assistance authorized under subsection (a),
17 the Administrator—

18 (1) shall, to the maximum extent feasible, em-
19 phasize the development of local capacity and the es-
20 tablishment of sustainable institutions in the partner
21 country; and

22 (2) should, to the extent feasible and if cost-ef-
23 fective, procure required goods and services in the
24 partner country, or, if local procurement is not fea-

1 sible or cost-effective, in another developing country
2 in the same region.

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

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

8 (2) The country's ranking on the Human De-
9 velopment Index or other similar measures of living
10 standards and overall well-being.

11 (3) The country's per capita income.

12 (4) The availability of domestic resources for
13 development within such country.

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

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

20 (7) The performance record of the country in
21 reducing poverty and responsibly using foreign as-
22 sistance, if any, in the previous three to five-year pe-
23 riod.

1 (8) The country's demonstrated commitment to
2 its own development, including investments in the
3 health, education, and well-being of its people.

4 (9) Any other factors that the Administrator
5 determines to be appropriate.

6 (d) CRITERIA AND METHODOLOGY.—

7 (1) ESTABLISHMENT.—The Administrator shall
8 establish the criteria and methodology for deter-
9 mining the amount of assistance to be provided for
10 each country under subsection (a). Such criteria and
11 methodology shall—

12 (A) be based on the factors listed in sub-
13 section (c);

14 (B) use, to the maximum extent possible,
15 objective and quantifiable indicators; and

16 (C) ensure that an appropriate proportion
17 of funds are made available for each geographic
18 region of the world.

19 (2) CONGRESSIONAL CONSULTATION.—The Ad-
20 ministrator shall consult with the appropriate con-
21 gressional committees on the criteria and method-
22 ology, including indicators, established pursuant to
23 paragraph (1).

24 (3) PUBLIC AVAILABILITY.—The criteria and
25 methodology, including indicators, established pursu-

1 ant to paragraph (1) shall be made publicly available
2 on the Agency's website.

3 (4) ANNUAL BUDGET SUBMISSION.—For each
4 fiscal year, the Administrator shall include in the
5 congressional budget justification submitted under
6 section 9302 the rankings of each country according
7 to the criteria and methodology established pursuant
8 to paragraph (1).

9 (e) FULL FUNDING OF PROJECTS AND ACTIVI-
10 TIES.—

11 (1) IN GENERAL.—Subject to paragraph (2),
12 funds may be obligated to carry out a Country De-
13 velopment Cooperation Strategy under section 1018
14 or a sector strategy for development transmitted
15 under section 1019 only pursuant to an agreement
16 for a project or activity that constitutes an obliga-
17 tion of the full estimated amount of United States
18 Government assistance for the life of such project or
19 activity.

20 (2) RULES OF CONSTRUCTION.—For purposes
21 of this section—

22 (A) an obligation includes any sub-obliga-
23 tion of funds initially obligated under a Stra-
24 tegic Objective Agreement or other similar
25 agreement;

1 (B) an agreement includes any grant, co-
2 operative agreement, or contract entered into by
3 the United States Government or a partner
4 country with funds made available to carry out
5 this subtitle; and

6 (C) funds, in addition to those obligated
7 pursuant to subsection (a), may be obligated for
8 a project or activity if the Administrator deter-
9 mines, on a case-by-case basis, and reports such
10 determination to the appropriate congressional
11 committees, that an additional obligation of
12 funds is necessary in order to enable the Ad-
13 ministrator to meet development objectives that
14 could otherwise not be met absent such addi-
15 tional obligation.

16 (3) OUTLAYS AND EXPENDITURES.—The re-
17 quirement in paragraph (1) shall not be construed to
18 require outlays or expenditures for a project or ac-
19 tivity which does not meet all applicable conditions
20 relating to performance, accountability, and eligi-
21 bility.

22 **SEC. 1016. INNOVATION FUND.**

23 (a) ESTABLISHMENT.—The Administrator is author-
24 ized to establish a fund to support innovative projects and
25 evidence-based solutions that may be tested, replicated,

1 and scaled up in partner countries to significantly improve
2 development outcomes.

3 (b) FUNDING.—The Administrator is authorized—

4 (1) to transfer to the fund up to \$50,000,000
5 of amounts made available for a fiscal year under
6 section 1015, which may be used notwithstanding
7 any other provision of law; and

8 (2) to accept contributions to the fund from
9 foundations, corporations, and educational and non-
10 governmental organizations.

11 (c) DOCUMENTATION.—A detailed description of all
12 obligations and expenditures from the fund shall be made
13 publicly available on the Internet, including a description
14 of amounts, beneficiaries, locations, and intended pur-
15 poses, at the time the obligation or expenditure is made.

16 (d) LESSONS LEARNED.—Each project supported by
17 the fund shall be independently evaluated, and the results
18 and lessons learned shall be made publicly available on the
19 Agency’s website.

20 **SEC. 1017. UNITED STATES STRATEGY FOR GLOBAL DEVEL-**
21 **OPMENT.**

22 (a) IN GENERAL.—Under the direction of the Presi-
23 dent, and consistent with the results of the Quadrennial
24 Diplomacy and Development Review, the Development
25 Policy Committee established under section 1020 shall

1 prepare on a quadrennial basis a comprehensive strategy
2 to further the United States foreign policy objective of
3 promoting global development. Such strategy shall be
4 known as the “United States Strategy for Global Develop-
5 ment”.

6 (b) ELEMENTS.—The strategy required under sub-
7 section (a) shall—

8 (1) establish clear and specific goals and objec-
9 tives for United States policies and programs to ad-
10 vance global development that are consistent with
11 the principles of section 1013, internationally-agreed
12 development goals, and developing country priorities;

13 (2) explain how such goals and objectives are
14 informed by and will be coordinated with inter-
15 nationally-agreed goals, developing country strate-
16 gies, and the programs of other bilateral and multi-
17 lateral donors;

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

21 (4) define the respective roles of each Federal
22 agency in carrying out the strategy;

23 (5) outline a process to enhance coordination
24 among each such agency to ensure policy and pro-
25 gram coherence;

1 (6) review and improve mechanisms for con-
2 sulting with other development stakeholders;

3 (7) describe how crosscutting themes such as
4 gender equality, human rights, and conflict preven-
5 tion will be integrated throughout the strategy;

6 (8) recommend mechanisms to ensure that the
7 strategy can be adjusted to respond to new informa-
8 tion and changing situations on the ground and to
9 reflect best practices and lessons learned;

10 (9) estimate the requirements for human and
11 financial resources and overseas infrastructure to
12 carry out the strategy over the subsequent 4-year
13 period; and

14 (10) include a plan, budget, and timetable for
15 implementing the strategy, including any legislative
16 requests and Executive orders to be issued.

17 (c) CONSULTATION.—In preparing the strategy re-
18 quired under subsection (a), the Development Policy Com-
19 mittee established under section 1020 shall consult with
20 the appropriate congressional committees and relevant
21 stakeholders.

22 (d) TRANSMISSION TO CONGRESS.—

23 (1) IN GENERAL.—Not later than 180 days
24 after the date of enactment of this Act and every
25 four years thereafter, the President shall transmit to

1 the appropriate congressional committees a copy of
2 the strategy required under subsection (a).

3 (2) AVAILABILITY TO PUBLIC.—The strategy
4 transmitted under paragraph (1) shall be published
5 on the Internet at the time of transmission to the
6 appropriate congressional committees.

7 **SEC. 1018. COUNTRY DEVELOPMENT COOPERATION STRAT-**
8 **EGIES.**

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

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

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

18 (2) significant violent conflict is neither ongoing
19 nor likely.

20 (c) ELEMENTS.—Each strategy required under sub-
21 section (a) shall be consistent with the principles of section
22 1013 and shall contain the following elements:

23 (1) An overview of the country’s own develop-
24 ment strategy, as reflected in its Poverty Reduction
25 Strategy Paper or other official documents.

1 (2) An analysis of the process by which the
2 country established its development strategy, includ-
3 ing the extent to which the strategy reflects the
4 input of marginalized groups and affected commu-
5 nities.

6 (3) An assessment of the country's vulnerability
7 to a natural or human-caused disaster and to the
8 outbreak of violent conflict, and the steps being
9 taken to prevent, prepare for, or mitigate such a dis-
10 aster or conflict.

11 (4) An assessment of the country's vulnerability
12 to climate change, and the special challenges such
13 change is likely to pose.

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

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

24 (7) A description of the specific ways in which
25 the United States can most effectively invest in the

1 country's development, including a review of the
2 roles of the various donors and the areas of United
3 States comparative advantage.

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

6 (9) A description of the consultative mecha-
7 nisms used in developing the strategy and a list of
8 the stakeholders consulted.

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

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

18 (12) An evaluation of the risks and tradeoffs
19 contained in the approach recommended in the strat-
20 egy.

21 (13) Specific, measurable goals and objectives
22 for development assistance to the country over the
23 next 3 to 5 years, including a list of indicators to
24 be used in assessing impact, which to the maximum
25 extent practicable shall reflect the country's develop-

1 ment strategy, shall be gender-disaggregated, and
2 shall emphasize the reduction of extreme poverty.

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

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

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

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

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

23 (19) A plan and budget for monitoring the per-
24 formance and evaluating the impact of development
25 assistance, which to the maximum extent practicable

1 shall utilize and strengthen local monitoring and
2 evaluation systems, and shall include data on a sex-
3 disaggregated basis.

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

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

12 (e) REVIEW AND COORDINATION.—

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

16 (2) BY DPC.—Each strategy reviewed and ap-
17 proved under paragraph (1) shall be transmitted to
18 the Development Policy Committee established under
19 section 1020 to ensure coordination with the United
20 States Global Development Strategy and all other
21 United States policies and programs relating to the
22 partner country.

23 (f) TRANSMISSION.—

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

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

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

15 (4) REVISIONS.—

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

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

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

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

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

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

14 (a) IN GENERAL.—Every 4 years, the Administrator
15 shall prepare, consistent with the results of the Quadren-
16 nial Diplomacy and Development Review prepared under
17 section 9101 and the United States Strategy for Global
18 Development prepared under section 1017, individual
19 strategies for achieving each of the goals of assistance de-
20 scribed in paragraphs (1) through (7) of section 1014.

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

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

1 (2) a description of how such objectives relate
2 to, are informed by, and will be coordinated with the
3 development goals of partner countries, as well as
4 with those of other bilateral and multilateral donors;

5 (3) a description of the roles of each Federal
6 agency in carrying out the strategy, and the mecha-
7 nisms for coordination;

8 (4) a description of policies and programs need-
9 ed to achieve such objectives, and the proportion of
10 resources to be provided to such policies and pro-
11 grams;

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

15 (6) a list of priority countries, regions, and in-
16 tended beneficiaries, on which resources would be fo-
17 cused;

18 (7) a description of the gender considerations
19 taken into account, the role of women and girls as
20 participants and beneficiaries of the strategy, and
21 the impact the strategy will have on gender equality;

22 (8) a description of how the policies, programs,
23 objectives and priorities have been informed by, and
24 will respond to, conflict strategies and assessments
25 issued pursuant to section 2012;

1 (9) an analysis of the key opportunities and
2 challenges for achieving favorable results in the next
3 4-year period;

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

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

13 (12) the requirements for human and financial
14 resources and overseas infrastructure to carry out
15 the strategy over the next 4-year period.

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

22 (d) REVIEW AND COORDINATION.—Each strategy
23 prepared under subsection (a) shall be transmitted to the
24 Development Policy Committee established under section
25 1020 to ensure coordination with the United States Global

1 Development Strategy and all other United States policies
2 and programs pertaining to that sector.

3 (e) TRANSMISSION TO CONGRESS.—

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

11 (2) REGULAR TRANSMISSION.—Each strategy
12 prepared under subsection (a) shall be transmitted
13 to the appropriate congressional committees.

14 (3) PUBLIC AVAILABILITY.—Each strategy pre-
15 pared under subsection (a) shall be published on the
16 Agency's website not later than 3 days after it is
17 transmitted to the appropriate congressional com-
18 mittees.

19 (4) REVISIONS.—

20 (A) IN GENERAL.—A strategy prepared
21 under subsection (a) and transmitted pursuant
22 to paragraph (2) may be revised at any time,
23 but any significant revision to such strategy
24 shall be subject to the same consultation, re-
25 view, and transmission requirements that are

1 applicable to a strategy prepared under sub-
2 section (a).

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

5 (i) to an objective or indicator;

6 (ii) in the general nature of the poli-
7 cies and programs to be supported;

8 (iii) in the priority countries, regions,
9 or intended beneficiaries; or

10 (iv) of more than 10 percent of the
11 proportion of resources to be provided to a
12 policy or program.

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

18 **SEC. 1020. DEVELOPMENT POLICY COMMITTEE.**

19 (a) ESTABLISHMENT.— The President shall establish
20 a Development Policy Committee (in this section referred
21 to as the “Committee”) to coordinate United States budg-
22 ets, policies, and programs affecting international develop-
23 ment.

24 (b) MEMBERSHIP.—The Committee shall be com-
25 posed of the Administrator and a senior representative of

1 each Federal agency with policies or programs signifi-
2 cantly affecting international development, including each
3 of the following:

4 (1) The Department of Agriculture.

5 (2) The Department of Commerce.

6 (3) The Department of Defense.

7 (4) The Department of Energy.

8 (5) The Department of Health and Human
9 Services.

10 (6) The Department of Labor.

11 (7) The Department of State.

12 (8) The Department of Treasury.

13 (9) The Environmental Protection Agency.

14 (10) The Millennium Challenge Corporation.

15 (11) The Office of Management and Budget.

16 (12) The Office of the United States Trade
17 Representative.

18 (13) The Overseas Private Investment Corpora-
19 tion.

20 (14) The United States Trade and Development
21 Agency.

22 (15) Any other department, agency, or office
23 designated by the President.

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

4 (d) VICE CHAIRPERSON.—If the Administrator is not
5 designated as Chairperson pursuant to subsection (c),
6 then the Administrator shall serve as Vice Chairperson of
7 the Committee.

8 (e) MEETINGS.—

9 (1) REGULAR MEETINGS.—Meetings of the
10 Committee shall be held not less often than quar-
11 terly.

12 (2) ADDITIONAL MEETINGS.—In addition to its
13 regular meetings, the Committee shall meet subject
14 to the call of the Chairperson or the Vice Chair-
15 person.

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

18 (g) DUTIES.—The Committee shall—

19 (1) advise the President with respect to the co-
20 ordination of United States budgets, policies, and
21 programs affecting international development, in-
22 cluding programs of bilateral and multilateral devel-
23 opment assistance;

24 (2) promote policy consistency and coherence,
25 and minimize program gaps and duplication;

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

5 (4) review, upon completion, the country devel-
6 opment cooperation strategies prepared under sec-
7 tion 1018, and ensure that such strategies are co-
8 ordinated with the United States Strategy for Global
9 Development and all other United States policies
10 and programs relating to the partner country;

11 (5) review, upon completion, the sector strate-
12 gies for development prepared under section 1019,
13 and ensure that such strategies are coordinated with
14 the United States Strategy for Global Development
15 and all other United States policies and programs
16 relating to that sector;

17 (6) monitor and evaluate the results and impact
18 of the development policies and programs carried out
19 by each Federal agency;

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

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

1 (h) STAFFING.—The head of a Federal agency rep-
2 resented on the Committee may temporarily assign, upon
3 the request of the Chairperson, one or more employees
4 from the agency to the staff of the Committee.

5 **SEC. 1021. GLOBAL DEVELOPMENT COUNCIL.**

6 (a) ESTABLISHMENT.—The President shall establish
7 a Global Development Council (in this section referred to
8 as the “Council”) to advise the President and the Develop-
9 ment Policy Committee (in this section referred to as the
10 “Committee”) established under section 1020 on inter-
11 national development-related policies and programs.

12 (b) DUTIES.—The Council shall advise the President
13 and the Committee on—

14 (1) promoting development policy coherence
15 across all Federal agencies;

16 (2) strengthening public-private partnerships
17 for global development; and

18 (3) identifying and incorporating best develop-
19 ment practices.

20 (c) MEMBERSHIP.—

21 (1) NUMBER AND APPOINTMENT; QUALIFICA-
22 TIONS.—

23 (A) NUMBER AND APPOINTMENT.—Subject
24 to subparagraph (B), the Council shall be com-
25 posed of 9 members, of whom—

1 (i) 1 member shall be appointed by
2 the Speaker of the House of Representa-
3 tives;

4 (ii) 1 member shall be appointed by
5 the minority leader of the House of Rep-
6 resentatives;

7 (iii) 1 member shall be appointed by
8 the majority leader of the Senate;

9 (iv) 1 member shall be appointed by
10 the minority leader of the Senate; and

11 (v) 5 members shall be appointed by
12 the President.

13 (B) QUALIFICATIONS.—Individuals ap-
14 pointed to the Council under subparagraph (A)
15 shall be internationally-recognized leaders from
16 the highest levels of philanthropic foundations,
17 businesses, nongovernmental organizations,
18 educational and research institutions, and other
19 civil society organizations with significant and
20 frequent experience in developing countries.

21 (2) INDIVIDUAL CAPACITY.—Members of the
22 Council shall serve in an individual, not a represent-
23 ative, capacity.

24 (3) TERMS OF SERVICE.—Members of the
25 Council shall serve a term of 3 years beginning on

1 the date of appointment to the Council. A member
2 of the Council may not serve for more than 2 con-
3 secutive terms.

4 (4) COMPENSATION.—Members of the Council
5 shall not receive compensation for their service on
6 the Council. However, the President may, on a case-
7 by-case basis as the President determines to be ap-
8 propriate, reimburse members of the Council for ex-
9 penses incurred in the performance of their duties,
10 including per diem in lieu of subsistence while away
11 from their homes or regular places of business.

12 (5) CHAIRPERSON.—The President shall des-
13 ignate a member of the Council to serve as chair-
14 person.

15 (d) MEETINGS.—The Council shall hold not less than
16 four meetings each year.

17 (e) SUPPORT.—The Office of the Administrator shall
18 provide administrative and staff support to the Council.

19 (f) ANNUAL REPORT.—Beginning one year after the
20 date of the establishment of the Council, and each year
21 thereafter through 2015, the Council shall submit to the
22 appropriate congressional committees a report on its ac-
23 tivities during the previous year.

24 (g) DATE OF ESTABLISHMENT AND TERMINATION.—

1 (1) ESTABLISHMENT.—The Council shall be
2 deemed to be established when 2 members of the
3 Council have been appointed by the Congress and 3
4 members of the Council have been appointed by the
5 President.

6 (2) TERMINATION.—The Council shall termi-
7 nate on December 31, 2015.

8 **SEC. 1022. DEVELOPMENT EDUCATION.**

9 The Administrator is authorized to use up to
10 \$1,000,000 of amounts made available under section 1015
11 in any fiscal year to support expansion and improvement
12 of United States education about global poverty, the proc-
13 ess and challenges of international development, and the
14 interdependence of the United States and developing coun-
15 tries.

16 **SEC. 1023. DEFINITIONS.**

17 In this subtitle:

18 (1) COUNTRY SYSTEMS.—The term “country
19 systems” means the public financial management,
20 procurement, disbursement, and monitoring and
21 evaluation systems of a country.

22 (2) DEVELOPING COUNTRY.—The term “devel-
23 oping country” means a country or area that is on
24 the List of Official Development Assistance Recipi-
25 ents of the Development Assistance Committee of

1 the Organization for Economic Cooperation and De-
2 velopment.

3 (3) DEVELOPMENT STAKEHOLDER.—The term
4 “development stakeholder”—

5 (A) means a community or organization di-
6 rectly or indirectly affected by the success of ef-
7 forts to reduce poverty and promote self-sus-
8 taining, equitable, and environmentally-sound
9 economic growth in a partner country; and

10 (B) includes—

11 (i) national, regional, and local gov-
12 ernments and administering authorities,
13 intermediate representative institutions,
14 civil society organizations, and intended
15 beneficiaries, including marginalized
16 groups;

17 (ii) Federal agencies, congressional
18 committees, the Government Accountability
19 Office, and implementing partners; and

20 (iii) bilateral, multilateral, and private
21 donors.

22 (4) RELEVANT STAKEHOLDER.—The term “rel-
23 evant stakeholder”—

24 (A) means a party that is—

1 (i) directly or indirectly affected by a
2 particular law, regulation, policy, process,
3 program, project, or activity; or

4 (ii) involved in the funding, design,
5 implementation, auditing, or oversight
6 thereof; and

7 (B) includes—

8 (i) national, regional, and local gov-
9 ernments and administering authorities,
10 intermediate representative institutions,
11 civil society organizations, and intended
12 beneficiaries, including marginalized
13 groups;

14 (ii) Federal agencies, congressional
15 committees, the Government Accountability
16 Office, and implementing partners; and

17 (iii) bilateral, multilateral, and private
18 donors.

19 **CHAPTER 1—ACCELERATING ECONOMIC** 20 **GROWTH**

21 **SEC. 1101. FINDINGS AND STATEMENT OF POLICY.**

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

23 (1) Broad-based and sustainable economic
24 growth is the most powerful engine for reducing pov-
25 erty, and is key to advancing human development. It

1 is the surest way for countries to generate the re-
2 sources they need to address illiteracy, poor health,
3 and other development challenges on their own.

4 (2) By expanding incomes, economic growth
5 helps families and individuals not only to meet their
6 basic needs, but also to realize their unique capabili-
7 ties, exercise greater freedom in their lives, and
8 achieve their full human potential.

9 (3) Economic growth enables countries to offer
10 better markets for United States goods and services
11 and to become more effective partners with the
12 United States in working toward a more stable,
13 healthy, and prosperous world.

14 (4) Well-functioning, dynamic private markets
15 promote economic activity and accelerate growth,
16 providing increased incomes and employment.

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

1 (6) Even where markets are functioning well,
2 differential access to education, technology, credit
3 and other resources can cause economic benefits to
4 be uneven. Expanding economic opportunity and ac-
5 cess to the tools that help citizens engage in the
6 market economy enables the poor, women and other
7 marginalized groups to participate in and contribute
8 to economic growth.

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

16 (8) Heavy debt burdens, often accumulated
17 under prior, undemocratic regimes, can undermine
18 the ability of developing countries to invest in their
19 people and make progress fighting poverty.

20 (9) United States international trade and eco-
21 nomic policies are often formulated with little rec-
22 ognition or consideration of their impact on devel-
23 oping countries. More active participation by the
24 Agency in interagency decision-making processes can
25 help achieve greater balance among competing

1 United States interests, ensuring that development
2 is duly considered as a priority of United States for-
3 eign policy.

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

8 (1) includes all major income groups,
9 marginalized groups and women;

10 (2) significantly reduces poverty;

11 (3) uses natural resources responsibly; and

12 (4) reduces dependence on foreign assistance.

13 **SEC. 1102. GOAL AND OBJECTIVES.**

14 (a) GOAL.—The goal of assistance under this chapter
15 is to accelerate broad-based and sustainable economic
16 growth.

17 (b) OBJECTIVES.—In furtherance of the goal de-
18 scribed in subsection (a), assistance under this chapter
19 shall be designed to achieve the following objectives:

20 (1) Increase income-generating opportunities.

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

23 (3) Enhance productivity through education
24 and training.

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

3 (5) Build human and institutional capacity to
4 compete in the global economy.

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

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

10 (b) CONTENTS.—The Global Strategy for Economic
11 Growth shall include, in addition to the elements required
12 under section 1019(b), plans for achieving the goal and
13 objectives of section 1102.

14 (c) GUIDELINES.—The Global Strategy for Economic
15 Growth should—

16 (1) specify the role of microfinance and micro-
17 enterprise development, including the resources to be
18 devoted to promoting microenterprise;

19 (2) identify United States policies relating to
20 trade, agriculture, debt, and other matters that have
21 an impact on economic growth in developing coun-
22 tries, and recommend changes that would enhance
23 development objectives;

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

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

7 (5) recommend methods for reducing illicit out-
8 flows of natural resources and capital from devel-
9 oping countries; and

10 (6) establish mechanisms for improving policy
11 and program coordination among Federal agencies
12 engaged in economic growth activities.

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

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

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

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

22 (2) Enhancing the workforce by, among other
23 things, providing job training and vocational skills
24 appropriate to local needs and conditions.

1 (3) Improving access, particularly of women
2 and the poor, to markets and productive resources,
3 including credit and financial services, affordable
4 and resource-conserving technologies, technical and
5 market-related information, and property and inher-
6 itance rights.

7 (4) Strengthening the legal, policy, and regu-
8 latory framework for broad-based and sustainable
9 economic growth, including the protection of private
10 property and intellectual property.

11 (5) Supporting the development of cooperatives,
12 credit unions, and labor unions.

13 (6) Expanding local capacity and demand for
14 collection and analysis of statistical information.

15 (7) Promoting the development, reform or re-
16 structuring, as appropriate, of financial, monetary,
17 fiscal and regulatory systems.

18 (8) Building and strengthening institutional ca-
19 pacities to plan, analyze, implement, manage, mon-
20 itor and evaluate economic policies and programs.

21 (9) Promoting sound financial management
22 practices and budgetary policies, and reducing cor-
23 ruption, waste, fraud and abuse.

1 (10) Increasing private sector competitiveness,
2 strengthening local and regional markets, building
3 trade capacity, and expanding trade ties.

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

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

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

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

19 (15) Increasing the transparency of budgets
20 and procurement processes, and the effectiveness of
21 oversight, monitoring, accountability and audit
22 mechanisms.

1 **Subchapter A—Microenterprise Development**
2 **Assistance**

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

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

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

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

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

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

1 (5) Microenterprise development and micro-
2 finance are particularly important to enhancing the
3 livelihoods of refugees, displaced persons, and those
4 affected by conflict, whose routine employment op-
5 portunities and access to productive resources have
6 been reduced or disrupted.

7 (6) Microenterprise and microfinance activities
8 should be thoroughly integrated into all aspects of
9 development, especially including agriculture and
10 health.

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

17 (8) United States Government funds should be
18 used to catalyze and attract additional resources, in-
19 cluding private sector funds, investment funds, and
20 the savings of the poor, such as through matching
21 fund opportunities and challenges for implementing
22 partners.

23 (9) United States Government-supported micro-
24 finance lending should accept a higher level of risk
25 than private lending in order to promote innovative

1 products and methodologies and serve poorer and
2 harder-to-reach populations.

3 (10) United States Government support for mi-
4 croenterprise development and microfinance should
5 build the capacity of local institutions in order to en-
6 able them to better meet the credit, savings, and
7 training needs of microfinance and microenterprise
8 clients.

9 (11) Microfinance and microenterprise activi-
10 ties, especially those benefiting the very poor, should
11 be a significant component of development assist-
12 ance.

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

18 **SEC. 1112. MICROENTERPRISE FUND.**

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

1 (b) ACTIVITIES.—Assistance provided through the
2 Microenterprise Fund shall be used to advance the policy
3 described in section 1111(b), including through the fol-
4 lowing activities:

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

8 (2) Training, technical assistance and business
9 development services for microenterprises.

10 (3) Capacity-building for microfinance and mi-
11 croenterprise institutions.

12 (4) Improving the legal and regulatory environ-
13 ment for microenterprise and for financial institu-
14 tions that serve the poor and very poor.

15 (5) Developing new and innovative microfinance
16 and microenterprise products and services.

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

20 (7) Providing targeted core support for micro-
21 finance and microenterprise networks and other
22 practitioners.

23 (c) TARGETING OF ASSISTANCE.—

24 (1) VERY POOR AND WOMEN.—Assistance pro-
25 vided through the Microenterprise Fund shall be tar-

1 geted to microenterprise clients who are very poor,
2 and at least 75 percent of such assistance shall be
3 targeted to women.

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

12 (d) IMPLEMENTING PARTNERS.—Assistance provided
13 through the Microenterprise Fund shall emphasize the use
14 of implementing partners who—

15 (1) match such assistance with an equal
16 amount of non-United States Government resources;

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

19 (3) are highly technically competitive;

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

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

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

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

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

9 (b) RESPONSIBILITIES.—The Office shall be respon-
10 sible for—

11 (1) administering the Microenterprise Fund es-
12 tablished under section 1112;

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

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

21 (4) advising and providing technical support to
22 Agency missions regarding the design and implemen-
23 tation of microfinance and microenterprise develop-
24 ment programs, including through incorporation of
25 such programs into Country Development Coopera-
26 tion Strategies;

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

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

9 **SEC. 1114. DEFINITIONS.**

10 In this subchapter:

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

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

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

21 (A) in the bottom 50 percent of those
22 below the poverty line in their country of resi-
23 dence; or

24 (B) below the World Bank international
25 extreme poverty line.

1 **Subchapter B—Small and Medium Enterprise**
2 **Development**

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

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

5 (1) Small and medium enterprises (SMEs) are
6 key drivers of competition, growth, and job creation,
7 particularly in developing countries. They make up
8 an estimated 90 percent of businesses and over 50
9 percent of employment worldwide.

10 (2) Access to financial services for SMEs re-
11 mains severely constrained in many emerging mar-
12 kets.

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

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

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

23 (6) Increasing access to finance for SMEs is
24 best achieved by increasing the depth and breadth of

1 local financial markets and boosting the competitive-
2 ness of the private financial sector.

3 (7) Enabling growth—and ensuring that poor
4 people can participate—requires an environment
5 where people are able to start and grow businesses,
6 as well as create more jobs.

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

10 (1) building the capacity of SMEs;

11 (2) increasing SME access to credit, technology,
12 services and other resources; and

13 (3) reducing the legal and bureaucratic hurdles
14 to starting a business.

15 **SEC. 1122. ASSISTANCE FOR SMALL AND MEDIUM ENTER-**
16 **PRISES.**

17 The Administrator is authorized to use funds made
18 available under this chapter for programs to encourage en-
19 trepreneurship and strengthen small and medium enter-
20 prises in partner countries, including:

21 (1) Training in entrepreneurship, including
22 basic business management, accounting, book-
23 keeping, marketing, risk management, and computer
24 skills.

1 (2) Agriculture entrepreneurship training, par-
2 ticularly to increase employment opportunities in
3 rural areas.

4 (3) Establishing youth entrepreneurship pro-
5 grams in schools or through community partnerships
6 with business and youth organizations to promote
7 economic skills, ethics, integrity, and healthy life
8 skills among youth.

9 (4) Strengthening laws, regulations, and en-
10 forcement mechanisms to protect national and inter-
11 national intellectual property rights and to protect
12 the people and industries of developing countries
13 against imported counterfeit goods.

14 (5) Combating anti-competitive, unethical, and
15 corrupt practices.

16 (6) Improving the technology and information
17 resources of financial institutions and small and me-
18 dium enterprises.

19 (7) Promoting the establishment of lending pro-
20 grams of financial institutions for small and medium
21 enterprises.

22 (8) Developing internal credit rating systems
23 and credit assessment tools that improve the ability
24 of financial institutions to evaluate risk.

1 (9) Programs specifically targeted to small and
2 medium enterprises owned by women, youth, and
3 displaced persons.

4 **SEC. 1123. DEFINITION.**

5 In this subchapter, the term “small and medium en-
6 terprises” means corporations or other legal entities
7 that—

8 (1) are organized under the laws of a partner
9 country;

10 (2) have their principal place of business within
11 such country;

12 (3) are owned or controlled by persons who are
13 citizens of such country; and

14 (4) have fewer than 50 employees.

15 **Subchapter C—Other Programs**

16 **SEC. 1131. DEVELOPMENT CREDIT AUTHORITY.**

17 (a) AUTHORIZATION OF CREDIT.—

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

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

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

3 (2) DESIGNATION.—Assistance authorized
4 under this subsection shall be known as the “Devel-
5 opment Credit Authority”.

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

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

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

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

15 (c) DEFAULT AND COMMODITY PROVISIONS.—

16 (1) DEFAULT PROVISION.—For the purposes of
17 this Act, the default of a private sector recipient of
18 assistance provided under this section shall not be
19 considered to be the default of the government of a
20 country.

21 (2) COMMODITY PROVISION.—Assistance may
22 be provided under this section without regard to
23 commodity restrictions (as such term is defined in
24 section 11001).

1 (d) TERMS AND CONDITIONS OF CREDIT ASSIST-
2 ANCE.—Assistance provided under this section shall be of-
3 fered on such terms and conditions, including fees
4 charged, as the Administrator may determine.

5 (1) LIMITATION.—The principal amount of
6 loans made or guaranteed under this section in any
7 fiscal year, with respect to any single country or bor-
8 rower, may not exceed \$100,000,000.

9 (2) FRAUD AND MISREPRESENTATION.—No
10 payment may be made under any guarantee issued
11 under this section for any loss arising out of fraud
12 or misrepresentation for which the party seeking
13 payment is responsible.

14 (e) FULL FAITH AND CREDIT.—All guarantees
15 issued under this section shall constitute obligations, in
16 accordance with the terms of such guarantees, of the
17 United States of America and the full faith and credit of
18 the United States of America is hereby pledged for the
19 full payment and performance of such obligations to the
20 extent of the guarantee.

21 (f) CO-FINANCING AND RISK SHARING.—Assistance
22 provided under this section shall be in the form of co-fi-
23 nancing or risk sharing.

24 (1) REQUIREMENT.—Credit assistance may not
25 be provided to a borrower under this section unless

1 the Administrator determines that there are reason-
2 able prospects of repayment by such borrower.

3 (2) ADDITIONAL REQUIREMENT.—The invest-
4 ment or risk of the United States in any one devel-
5 opment activity may not exceed 80 percent of the
6 total outstanding investment or risk.

7 (g) ELIGIBLE BORROWERS.—

8 (1) IN GENERAL.—In order to be eligible to re-
9 ceive credit assistance under this section, a borrower
10 shall be sufficiently credit worthy so that the esti-
11 mated costs (as defined in section 502(5) of the
12 Federal Credit Reform Act of 1990) of the proposed
13 credit assistance for the borrower does not exceed 30
14 percent of the principal amount of credit assistance
15 to be received.

16 (2) ADDITIONAL REQUIREMENT.—

17 (A) IN GENERAL.—In addition, with re-
18 spect to the eligibility of foreign governments as
19 an eligible borrowers under this section, the Ad-
20 ministrator shall make a determination that the
21 additional debt of the government will not ex-
22 ceed the debt repayment capacity of the govern-
23 ment.

24 (B) CONSULTATION.—In making the de-
25 termination under paragraph (A), the Adminis-

1 trator shall consult, as appropriate, with inter-
2 national financial institutions and other institu-
3 tions or agencies that assess debt service capaci-
4 ty.

5 (h) ASSESSMENT OF CREDIT RISK.—The Adminis-
6 trator shall use the Interagency Country Risk Assessment
7 System (ICRAS) and the methodology approved by the
8 Office of Management and Budget to assess the cost of
9 risk credit assistance provided under this section to for-
10 eign governments.

11 (1) CONSULTATION.—With respect to the provi-
12 sion of credit to nongovernmental organizations, the
13 Administrator—

14 (A) shall consult with appropriate private
15 sector institutions, including large United
16 States private sector debt rating agencies, prior
17 to establishing the risk assessment standards
18 and methodologies to be used; and

19 (B) shall periodically consult with such in-
20 stitutions in reviewing the performance of such
21 standards and methodologies.

22 (2) USE OF COST AND RISK ASSESSMENT DE-
23 TERMINATIONS OF PRIVATE SECTOR CO-FINANCING
24 ENTITIES.—In addition, if the anticipated share of
25 financing attributable to public sector owned or con-

1 trolled entities, including the Agency, exceeds 49
2 percent, the Administrator shall determine the cost
3 (as defined in section 502(5) of the Federal Credit
4 Reform Act of 1990) of such assistance by using the
5 cost and risk assessment determinations of the pri-
6 vate sector co-financing entities.

7 (i) **RETENTION OF RECEIPTS COLLECTED.**—Receipts
8 collected pursuant to this section, and the Federal Credit
9 Reform Act of 1990, in an amount not to exceed the
10 amount appropriated for a fiscal year, shall be credited
11 as offsetting collections for Development Support Funds,
12 and shall be used to reduce, on a dollar-for-dollar basis,
13 appropriations for that purpose. Amounts collected in a
14 fiscal year in excess of obligations shall remain available
15 until expended.

16 **SEC. 1132. TECHNICAL ASSISTANCE FOR FINANCIAL MAN-**
17 **AGEMENT.**

18 (a) **ESTABLISHMENT OF PROGRAM.**—

19 (1) **IN GENERAL.**—The Secretary of the Treas-
20 ury, in consultation with the Secretary of State and
21 the Administrator, is authorized to establish a pro-
22 gram to provide technical assistance to foreign gov-
23 ernments and foreign central banks of partner coun-
24 tries.

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

6 (3) ROLE OF ADMINISTRATOR.—The Adminis-
7 trator shall provide development guidance to the
8 Secretary of the Treasury to ensure that the pro-
9 gram established under this subsection is effectively
10 coordinated with United States development policy
11 and furthers the goals of this subtitle.

12 (b) CONDUCT OF PROGRAM.—

13 (1) IN GENERAL.—In carrying out the program
14 established under subsection (a), the Secretary of
15 the Treasury shall provide economic and financial
16 technical assistance to foreign governments and for-
17 eign central banks of partner countries by providing
18 advisers with appropriate expertise to advance the
19 enactment of laws and establishment of administra-
20 tive procedures and institutions in such countries to
21 promote financial integrity, macroeconomic and fis-
22 cal stability, efficient resource allocation, trans-
23 parent and market-oriented processes and sustain-
24 able private sector growth.

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

4 (A) tax systems that are fair, objective,
5 and efficiently gather sufficient revenues for
6 governmental operations;

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

9 (C) budget planning and implementation
10 that permits responsible fiscal policy manage-
11 ment;

12 (D) commercial banking sector develop-
13 ment that efficiently intermediates between sav-
14 ers and investors; and

15 (E) financial law development and enforce-
16 ment to protect the integrity of financial sys-
17 tems, financial institutions, and government
18 programs.

19 (3) EMPHASIS ON ANTI-CORRUPTION.—Such
20 technical assistance shall include elements designed
21 to combat anti-competitive, unethical, and corrupt
22 activities, including protection against actions that
23 may distort or inhibit transparency in market and
24 trade mechanisms and, to the extent applicable, pri-
25 vatization procedures.

1 (c) ADMINISTRATIVE REQUIREMENTS.—In carrying
2 out the program established under subsection (a), the Sec-
3 retary of the Treasury shall—

4 (1) in consultation with the Secretary of State
5 and the Administrator, establish a methodology for
6 identifying and selecting foreign governments and
7 foreign central banks to receive assistance under the
8 program;

9 (2) prior to selecting a foreign government or
10 foreign central bank to receive assistance under the
11 program, receive the concurrence of the Secretary of
12 State with respect to the selection of such govern-
13 ment or central bank and with respect to the cost
14 of the assistance to such government or central
15 bank;

16 (3) consult with the heads of appropriate Fed-
17 eral agencies and international financial institutions
18 to avoid duplicative efforts with respect to those for-
19 eign countries for which such agencies or organiza-
20 tions provide similar assistance;

21 (4) ensure that the program is consistent with
22 the global, sector, and country strategies being im-
23 plemented by the Agency; and

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

4 (d) ADMINISTRATIVE AUTHORITIES.—The adminis-
5 trative authorities applicable to the Secretary of State
6 with respect to funds made available under this Act shall
7 also be applicable to the Secretary of Treasury with re-
8 spect to funds made available under this section.

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

13 (f) RULE OF CONSTRUCTION.—Nothing in this sec-
14 tion shall be construed to infringe upon the powers or
15 functions of the Secretary of State (including the powers
16 or functions described in section 103 of the Omnibus Dip-
17 lomatic Security and Antiterrorism Act of 1986 (22
18 U.S.C. 4802)) or of any chief of mission (including the
19 powers or functions described in section 207 of the For-
20 eign Service Act of 1980 (22 U.S.C. 3927)).

21 (g) TERMINATION OF ASSISTANCE.—The Secretary
22 of the Treasury shall conclude assistance activities for a
23 recipient foreign government or foreign central bank
24 under the program established under subsection (a) if the
25 Secretary of Treasury, after consultation with the appro-

1 p r i a t e officers of the United States, determines that such
2 assistance has resulted in the enactment of laws or the
3 establishment of institutions in that country that promote
4 fiscal stability and administrative procedures, efficient re-
5 source allocation, transparent and market-oriented proc-
6 esses and private sector growth in a sustainable manner.

7 (h) DEFINITIONS.—In this section:

8 (1) INTERNATIONAL FINANCIAL INSTITU-
9 TION.—The term “international financial institu-
10 tion” means the International Monetary Fund, the
11 International Bank for Reconstruction and Develop-
12 ment, the International Development Association,
13 the International Finance Corporation, the Multilat-
14 eral Investment Guarantee Agency, the Asian Devel-
15 opment Bank, the Asian Development Fund, the Af-
16 rican Development Bank, the African Development
17 Fund, the Inter-American Development Bank, the
18 Inter-American Investment Corporation, the Euro-
19 pean Bank for Reconstruction and Development,
20 and the Bank for Economic Cooperation and Devel-
21 opment in the Middle East and North Africa.

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

24 (A) the provision of expert advisers to as-
25 sist foreign governments and foreign central

1 banks for the purposes described in subsection
2 (b)(1);

3 (B) training in the partner country, the
4 United States, or elsewhere for the purposes de-
5 scribed in subsection (b)(1);

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

9 (D) grants to United States or local non-
10 profit organizations to provide services or prod-
11 ucts which contribute to the provision of advice
12 to foreign governments and foreign central
13 banks; and

14 (E) study tours for foreign officials in the
15 United States or elsewhere for the purpose of
16 providing technical information to such officials.

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

21 **CHAPTER 2—PROMOTING FOOD**

22 **SECURITY**

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

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

1 (1) Hunger robs the poor of a healthy and pro-
2 ductive life and stunts the mental and physical de-
3 velopment of the next generation. The persistence of
4 widespread hunger and malnutrition constitutes an
5 affront to shared moral values and humanitarian
6 principles.

7 (2) Food insecurity and chronic hunger are ex-
8 panding rapidly in developing countries, forcing mil-
9 lions of people into poverty, contributing to political
10 and social instability, eroding economic growth, and
11 undermining foreign assistance investments in basic
12 education, health, environmental protection, and
13 democratic institutions.

14 (3) Volatility and real increases in food prices,
15 which are expected to grow as slowing grains pro-
16 duction fails to keep pace with rising demand, cause
17 food insecurity and hunger for poor people even
18 when sufficient food is available on the market.

19 (4) The changing global climate threatens food
20 security, livelihoods and the environment worldwide
21 but particularly for those already most vulnerable:
22 the millions of rural poor in developing countries.

23 (5) The pressures on world food supplies and
24 agricultural land use caused by population growth,
25 rapid urbanization, energy, agricultural and trade

1 policies in industrialized countries, and climate
2 change require a global commitment to sustainable
3 agriculture and the environment.

4 (6) Increasing the efficiency of agricultural pro-
5 ducers will not result in higher incomes and reduced
6 hunger unless surplus harvest and products can be
7 sold in well-functioning local, national, regional or
8 international markets. Development of strong, inte-
9 grated regional agriculture and food markets will in-
10 crease the availability of safe and nutritious food,
11 decrease local prices, and expand economic growth.

12 (7) Lack of transparent regulations, incon-
13 sistent and unpredictable public policies, and unreli-
14 able mechanisms to enforce contracts between busi-
15 nesses deter private investment and limit the ability
16 of agricultural producers and businesses to access
17 capital. This situation reduces the incentives for ag-
18 ricultural producers to increase the quantity, quality,
19 and value of their agricultural production.

20 (8) Reducing chronic hunger is essential to
21 build a foundation for investments in health, edu-
22 cation and economic growth. It is critical to the se-
23 curity and productivity of individuals, families, com-
24 munities, and nations.

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

6 (10) Women will be a pivotal force behind
7 achieving a food secure world. In many famine prev-
8 alent countries, farming is done mostly by women.
9 However, women only own 2 percent of land world-
10 wide and often have limited access to agriculture in-
11 puts, loans, and opportunities to learn about im-
12 proved techniques. When gains in income are con-
13 trolled by women, they are more likely to be spent
14 on food and children's needs, thus amplifying the
15 benefits of investments in women across families and
16 generations.

17 (11) Food security exists when all people at all
18 times have both physical and economic access to suf-
19 ficient food to meet their dietary needs for a produc-
20 tive and healthy life.

21 (12) A comprehensive approach to long-term
22 food security should encompass improvements in—

23 (A) food availability, such that sufficient
24 quantities of appropriate, necessary types of
25 food are consistently available to all persons;

1 (B) food access, such that individuals have
2 adequate incomes or other resources to consist-
3 ently maintain an adequate diet, and food is al-
4 located equitably within households;

5 (C) food utilization and consumption, such
6 that people have the knowledge and basic sani-
7 tary conditions to choose, store, prepare and
8 distribute food in a way that results in good nu-
9 trition for all family members;

10 (D) stability, such that the ability to ac-
11 cess and utilize food remains stable and sus-
12 tained over time, regardless of adverse weather
13 conditions, political instability, or economic fac-
14 tors; and

15 (E) food quality and safety, such that food
16 supplies provide adequate nutritional value, are
17 free of contamination, and are fit for human
18 consumption.

19 (13) The greatest potential for significantly ex-
20 panding availability of food for people in rural areas
21 and augmenting world food production at relatively
22 low cost lies in increasing the productivity of small
23 farmers, who constitute a majority of the agricul-
24 tural producers in developing countries.

1 (14) The United States should emphasize poli-
2 cies and programs that assist developing countries to
3 increase their national food security by improving
4 their food policies and management and by strength-
5 ening national food reserves, with particular concern
6 for the needs of the poor, through measures encour-
7 aging domestic production.

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

13 (16) While the United States cannot be ex-
14 pected to shoulder the majority of global investments
15 in ending hunger and providing food security, the
16 United States can and should lead the international
17 community by demonstrating a sustained commit-
18 ment and a comprehensive approach to meeting
19 international goals and targets for reducing hunger
20 and undernutrition.

21 (17) Partner countries should decide their
22 needs, priorities, and strategies for agricultural de-
23 velopment and food security through an open,
24 participatory and inclusive process that takes into
25 account the needs and views of poor people, women,

1 and other marginalized groups. International efforts
2 to improve food security and nutritional status are
3 not sustainable over the long term without robust
4 leadership and ownership by partner countries.

5 (18) Nongovernmental organizations and co-
6 operatives are particularly important for combating
7 food insecurity and increasing the sustainability of
8 public investments. Given their close ties to local
9 communities, such organizations and cooperatives
10 are often effective at ensuring that people who are
11 very poor and vulnerable are consulted about and
12 benefit from agricultural and nutrition programs.

13 (19) Educational and research institutions play
14 a key role in developing the institutional capacity
15 and human resources of developing countries, includ-
16 ing the establishment and strengthening of agricul-
17 tural research and extension services, the develop-
18 ment of networks for scientific collaboration, the dis-
19 semination of improved methods and technologies,
20 and the training of students, teachers, researchers
21 and practitioners.

22 (20) With their convening authority and tech-
23 nical expertise, multilateral institutions play a cen-
24 tral role in efforts to enhance food security by pro-
25 viding emergency assistance, undertaking research

1 and analysis, offering a platform for sector-wide in-
2 vestments in agriculture, and providing a significant
3 portion of the external financing for investment
4 projects and programs in developing countries. They
5 are important not only to mobilizing and coordi-
6 nating donor country commitments, but also to pro-
7 moting global mutual accountability among donors,
8 partner countries and other stakeholders.

9 (21) Public sector investments alone, while im-
10 portant, are not sufficient to reduce poverty and
11 food insecurity. The private sector brings necessary
12 financial resources, human capital, technological re-
13 sources, intellectual property, market access, cut-
14 ting-edge business practices, in-country networks,
15 and other relevant experience.

16 (b) STATEMENT OF POLICY.—It is the policy of the
17 United States to work in cooperation with the inter-
18 national community to end hunger and achieve universal
19 food security.

20 **SEC. 1202. GOAL AND OBJECTIVES.**

21 (a) GOAL.—The goal of assistance under this chapter
22 is to sustainably reduce global hunger by tackling its root
23 causes and employing proven strategies for achieving large
24 scale and lasting impact.

1 (b) OBJECTIVES.—In furtherance of the goal of sub-
2 section (a), assistance under this chapter shall be designed
3 to achieve the following objectives:

4 (1) Accelerating inclusive agriculture sector
5 growth.

6 (2) Improving nutritional status, especially of
7 women and children.

8 (3) Increasing economic resilience in vulnerable
9 rural communities.

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

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

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

18 (c) GUIDELINES.—The Global Strategy for Food Se-
19 curity should—

20 (1) address the root causes of hunger that limit
21 the potential of millions of people;

22 (2) reduce gender inequality and integrate gen-
23 der concerns;

24 (3) promote climate-resistant and environ-
25 mentally sustainable agricultural development;

1 (4) concentrate efforts and resources on core
2 countries where the Rome Principles can best be re-
3 alized;

4 (5) be tailored to improving the nutritional sta-
5 tus of women, infants and children, particularly dur-
6 ing the 1,000 day critical window of opportunity
7 from pregnancy through age 2 in which a set of
8 proven nutrition interventions can dramatically im-
9 prove a child's chances of surviving and living a
10 healthy and prosperous life;

11 (6) invest in country-owned plans that support
12 results-based programs and partnerships;

13 (7) strengthen strategic coordination to mobi-
14 lize and align the resources of diverse partners and
15 stakeholders;

16 (8) ensure a comprehensive approach that ac-
17 celerates inclusive agricultural-led growth and im-
18 proves nutrition, while also bridging humanitarian
19 relief and sustainable development efforts;

20 (9) leverage the benefits of multilateral institu-
21 tions so that priorities and approaches are aligned,
22 investments are coordinated, and financial and tech-
23 nical assistance gaps are filled; and

24 (10) deliver on sustained and accountable com-
25 mitments, using benchmarks and targets to measure

1 progress toward shared goals, and hold the United
2 States and other stakeholders publicly accountable
3 for achieving results.

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

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

8 (b) **ACTIVITIES.**—Assistance authorized under sub-
9 section (a) shall include—

10 (1) improving agricultural productivity by—

11 (A) increasing access to affordable agricul-
12 tural inputs and improved techniques and tech-
13 nology;

14 (B) developing inputs and technologies
15 that are adapted to local conditions;

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

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

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

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

1 (G) strengthening agricultural producer or-
2 ganizations; and

3 (H) strengthening regional harmonization
4 and coordination;

5 (2) expanding markets and trade by—

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

9 (B) improving post-harvest market infra-
10 structure;

11 (C) improving access to business develop-
12 ment and financial services;

13 (D) enhancing animal, plant and food safe-
14 ty;

15 (E) reducing the time and cost of moving
16 goods across borders;

17 (F) creating an enabling policy environ-
18 ment for agribusiness growth;

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

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

23 (3) raising nutritional status by—

24 (A) supporting community-based programs
25 to deliver nutrition education;

1 (B) improving diet quality and diversity,
2 including in food assistance programs;

3 (C) expanding delivery of nutrition serv-
4 ices; and

5 (D) facilitating supplementary and thera-
6 peutic feeding; and

7 (4) increasing economic resilience in vulnerable
8 rural communities by—

9 (A) mitigating risks associated with
10 drought, natural disasters, and disease;

11 (B) promoting an enabling policy environ-
12 ment for secure access to land and natural re-
13 sources and for small business and microenter-
14 prise development;

15 (C) supporting effective delivery and imple-
16 mentation of productive safety nets and social
17 protection systems;

18 (D) building capacity to manage risk
19 through early warning systems, vulnerability as-
20 sessment and mapping, emergency response
21 strategies, and micro-insurance;

22 (E) increasing the benefits of local and re-
23 gional food assistance procurement to
24 smallholder farmers; and

1 (F) adopting and delivering extension and
2 financial services and improved technologies to
3 very poor communities.

4 **SEC. 1205. COLLABORATIVE AGRICULTURAL RESEARCH**
5 **AND INNOVATION.**

6 (a) PROGRAMS AUTHORIZED.—The Administrator is
7 authorized to use funds made available under this chapter
8 for collaborative agricultural research and innovation pro-
9 grams, including—

10 (1) advancing the institutional capacity and
11 human resources of developing countries, including
12 the establishment and strengthening of national ag-
13 ricultural research and extension systems;

14 (2) conducting long-term collaborative research
15 support programs with institutions of higher edu-
16 cation in developing countries, including the training
17 of students, teachers, extension specialists, and re-
18 searchers;

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

22 (4) broadly disseminating agricultural research
23 in developing countries, in partnership with public
24 and private extension systems, farmer associations,

1 cooperatives, and international and nongovernmental
2 organizations;

3 (5) expanding learning opportunities about ag-
4 riculture for students, teachers, school administra-
5 tors, community leaders, entrepreneurs, and the gen-
6 eral public in developing countries through inter-
7 national internships and exchanges, graduate fellow-
8 ships, faculty positions, and other means of edu-
9 cation and extension, with a focus on reaching
10 women farmers;

11 (6) incentivizing the development of new and in-
12 novative technology and methods to increase agricul-
13 tural productivity and improve nutritional status;

14 (7) developing scalable and cost-effective pro-
15 grams for training the next generation of agricul-
16 tural researchers and research administrators in
17 partner countries;

18 (8) advancing women's leadership in science
19 and technology through proactive recruitment, men-
20 toring, and targeted research support;

21 (9) formulating approaches to improving agri-
22 cultural education and extension that is relevant to
23 agricultural producers, their needs, and the local en-
24 vironment;

1 (10) creating platforms for improving national
2 capacity to collect, develop, analyze, and disseminate
3 agricultural and market data; and

4 (11) developing measures to hold research insti-
5 tutions more accountable for delivering technologies
6 to agricultural producers.

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

10 (1) is aimed at improving food security;

11 (2) specifically addresses the nutritional needs
12 of vulnerable populations;

13 (3) is appropriate to local conditions;

14 (4) conserves the environment and natural re-
15 sources; and

16 (5) builds local capacity.

17 **SEC. 1206. BOARD FOR INTERNATIONAL FOOD AND AGRI-**
18 **CULTURAL DEVELOPMENT.**

19 (a) ESTABLISHMENT.—There is established a Board
20 for International Food and Agricultural Development
21 (hereafter in this section referred to as the “Board”). The
22 Board shall report to the Administrator.

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

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

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

4 (2) evaluating the qualifications of interested
5 institutions of higher education and the dem-
6 onstrated commitment of such institutions to the
7 purposes of this section;

8 (3) recommending appropriate focus countries
9 for programs carried out under this section;

10 (4) assessing the impact of programs carried
11 out under this section and making recommendations
12 for improving the effectiveness of such programs;
13 and

14 (5) advising the Administrator on such issues
15 as the Administrator may request.

16 (d) MEMBERSHIP.—

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

19 (A) not less than four members shall be
20 representatives of institutions of higher edu-
21 cation; and

22 (B) not less than three members shall be
23 representatives of United States nongovern-
24 mental organizations or consortia of such orga-

1 nizations devoted to agricultural research and
2 education.

3 (2) TERMS.—

4 (A) IN GENERAL.—Subject to paragraph
5 (2), the Administrator shall establish the term
6 of membership for each member of the Board
7 at the time of appointment.

8 (B) LIMITATIONS.—A term of membership
9 to the Board may not exceed two years and a
10 member of the Board may serve not more than
11 two consecutive terms during the tenure of an
12 Administrator.

13 (e) CHAIRPERSON AND VICE CHAIRPERSON.—The
14 Chairperson and Vice Chairperson of the Board shall be
15 designated by the Administrator at the time of appoint-
16 ment to the Board.

17 (f) REPORT.—

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

23 (2) AVAILABILITY TO PUBLIC.—The Adminis-
24 trator shall make the report publicly available on the
25 Agency's website.

1 (g) MEETINGS.—The Board shall hold not less than
2 3 meetings each year.

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

6 (i) EXPENSES.—The Administrator may, on a case-
7 by-case basis as the Administrator determines appro-
8 priate, reimburse members of the Board for expenses in-
9 curred in the performance of their duties (including per
10 diem in lieu of subsistence while away from their homes
11 or regular place of business).

12 **SEC. 1207. ASSISTANCE TO INTERNATIONAL AND REGIONAL**
13 **ORGANIZATIONS.**

14 The Administrator is authorized to use funds made
15 available under this chapter to build the long-term capac-
16 ity of international, regional, and sub-regional organiza-
17 tions engaged in agricultural research and development
18 and food security activities, including—

19 (1) the Food and Agricultural Organization;

20 (2) the World Food Program;

21 (3) the International Fund for Agricultural De-
22 velopment;

23 (4) the Global Agriculture and Food Security
24 Program; and

1 (5) the Consultative Group on International Ag-
2 ricultural Research.

3 **SEC. 1208. DEFINITIONS.**

4 In this chapter:

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

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

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

24 (B) linking producers to consumers
25 through markets, including postharvest activi-

1 ties such as storage, processing, transport, and
2 improving market efficiency; and

3 (C) supporting a legal, regulatory, and pol-
4 icy environment that is conducive to agricul-
5 tural investment and production.

6 (3) FARMERS.—The term “farmers” includes
7 fishers and other persons employed in cultivating
8 and harvesting food resources from salt and fresh
9 waters.

10 (4) INSTITUTIONS OF HIGHER EDUCATION.—
11 The term “institutions of higher education”
12 means—

13 (A) those colleges or universities in each
14 State, territory, or possession of the United
15 States, or the District of Columbia, now receiv-
16 ing, or which may hereafter receive, benefits
17 under the Act of July 2, 1862 (known as the
18 First Morrill Act), or the Act of August 30,
19 1890 (known as the Second Morrill Act), which
20 are commonly known as “land-grant” univer-
21 sities;

22 (B) institutions now designated or which
23 may hereafter be designated as sea-grant col-
24 leges under the Act of October 15, 1966
25 (known as the National Sea Grant College and

1 Program Act), which are commonly known as
2 sea-grant colleges;

3 (C) Native American land-grant colleges as
4 authorized under the Equity in Educational
5 Land-Grant Status Act of 1994 (7 U.S.C. 301
6 note); and

7 (D) other United States colleges and uni-
8 versities which—

9 (i) have demonstrable capacity in
10 teaching, research, and extension (includ-
11 ing outreach) activities in the agricultural
12 sciences; and

13 (ii) can contribute effectively to the
14 advancement of the goal and objectives of
15 this chapter.

16 (5) ROME PRINCIPLES.—The term “Rome Prin-
17 ciples” means the Rome Principles for Sustainable
18 Food Security, endorsed by 193 countries at the
19 2009 World Summit on Food Security.

20 **CHAPTER 3—ADVANCING HEALTH**

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

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

23 (1) Saving and enhancing lives through better
24 health is a moral imperative that reflects funda-
25 mental humanitarian values.

1 (2) Strategic investments in global health can
2 spur progress in economic development, job creation,
3 education, agricultural development, gender equity
4 and political stability.

5 (3) Because disease knows no national bounds
6 and can breed hopelessness and despair, support for
7 global health bolsters United States national secu-
8 rity. Such support also builds constructive partner-
9 ships with other governments, with multilateral in-
10 stitutions, between public and private enterprises,
11 and from people to people.

12 (4) United States global health programs
13 should prioritize the poorest and most vulnerable
14 segments of the world's population, including
15 women, newborns and children, persons with disabil-
16 ities, and marginalized communities, and should be
17 designed with their participation wherever possible.

18 (5) Research and innovation play a critical role
19 in achieving health objectives worldwide, fostering
20 the development and introduction of new and im-
21 proved health products and practices and contrib-
22 uting to better policies.

23 (6) For maximum effectiveness, global health
24 programs must be closely integrated with efforts to

1 advance nutrition, improve hygiene, and expand ac-
2 cess to clean water and sanitation.

3 (7) To make health investments sustainable
4 over the long term, the United States should help
5 build the capacity of—

6 (A) governments of partner countries to
7 plan and budget responsibly, allocate and dis-
8 burse funds equitably, and provide reliable and
9 cost-effective health care; and

10 (B) civil society to participate in decision-
11 making, carry out activities and monitor service
12 delivery.

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

16 (9) By setting clear goals and targets and iden-
17 tifying appropriate resources, a comprehensive,
18 multiyear global health strategy can help to ensure
19 policy focus and consistency, promote program inte-
20 gration, strengthen transparency and accountability,
21 build congressional and public support, and accel-
22 erate results.

23 (10) Multilateral approaches offer a vital and
24 necessary complement to bilateral programs. By
25 pooling their resources and harmonizing priorities,

1 the United States and multilateral organizations are
2 better able to meet global challenges, mobilize effective
3 leadership and extend the reach and impact of
4 programs.

5 (b) STATEMENT OF POLICY.—It is the policy of the
6 United States to work in cooperation with the international
7 community to set and achieve measurable targets
8 for reducing maternal and child mortality and improving
9 global health.

10 **SEC. 1302. GOAL AND OBJECTIVES.**

11 (a) GOAL.—The goal of assistance under this chapter
12 is to achieve significant and sustainable improvements in
13 global health and in the delivery of health care in partner
14 countries.

15 (b) OBJECTIVES.—In furtherance of the goal of subsection
16 (a), assistance under this chapter shall be designed
17 to achieve the following objectives:

18 (1) Reducing mortality of mothers, newborns
19 and children.

20 (2) Preventing, treating, and controlling HIV/
21 AIDS, malaria, tuberculosis, polio and other infectious
22 and chronic diseases and reducing their impact
23 on affected communities, including orphans and vulnerable
24 children.

1 (3) Preventing unintended pregnancies and im-
2 proving reproductive health.

3 (4) Strengthening health systems in partner
4 countries.

5 **SEC. 1303. GLOBAL HEALTH STRATEGY.**

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

9 (b) CONTENTS.—The Global Health Strategy shall
10 include, in addition to the elements required under section
11 1019(b), plans for achieving the goal and objectives of sec-
12 tion 1302.

13 (c) GUIDELINES.—The Global Health Strategy
14 should—

15 (1) incorporate all United States policies and
16 programs related to global health;

17 (2) explain how such policies and programs will
18 be coordinated with efforts in related areas such as
19 nutrition, water, and sanitation;

20 (3) address the role of research and innovation
21 in achieving global health objectives;

22 (4) address the health-related challenges posed
23 by climate change and other environmental trends;

24 (5) utilize, build upon and strengthen the ca-
25 pacity of partner countries at all levels to plan, im-

1 plement, monitor and evaluate health systems and
2 strategies; and

3 (6) safeguard the rights and dignity of health
4 workers and patients.

5 **SEC. 1304. ASSISTANCE FOR HEALTH.**

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

10 (b) **ACTIVITIES.**—Assistance authorized under sub-
11 section (a) shall include assistance—

12 (1) for child survival activities as described in
13 section 1311;

14 (2) for maternal and newborn health activities
15 as described in section 1312;

16 (3) for orphans and other vulnerable children as
17 described in section 1313;

18 (4) to combat HIV/AIDS, tuberculosis and ma-
19 laria as described in section 1321;

20 (5) to combat neglected tropical diseases as de-
21 scribed in section 1322;

22 (6) for disease prevention, control, and treat-
23 ment as described in section 1323;

24 (7) for family planning and reproductive health
25 as described in section 1331;

1 (8) for reproductive health care in emergencies
2 as described in section 1332;

3 (9) to strengthen health systems as described in
4 section 1341; and

5 (10) to support, and leverage private funding
6 for, research and development of new technologies,
7 products and practices to advance global health.

8 **Subchapter A—Child Survival and Maternal**
9 **Health**

10 **SEC. 1311. CHILD SURVIVAL.**

11 The Administrator is authorized, notwithstanding
12 any other provision of law except for [section 104(f)], to
13 use funds made available under this chapter for programs
14 to reduce child mortality, including the following:

15 (1) Increasing access to and utilization of ap-
16 propriate interventions to treat life-threatening
17 childhood illnesses, such as polio, measles, diarrhea,
18 and respiratory infections.

19 (2) Improving child and maternal nutrition, in-
20 cluding the delivery of iron, folic acid, zinc, vitamin
21 A, iodine, and other key micronutrients.

22 (3) Preventing the spread of childhood disease
23 by expanding access to clean water, improving sani-
24 tation, and promoting good hygiene practices.

1 (4) Reducing household dangers, including ex-
2 posure to environmental toxins and indoor smoke
3 from cooking fires.

4 (5) Strengthening early childhood development,
5 including through early nutrition, parenting pro-
6 grams and early education.

7 (6) Enhancing the quality, availability and sus-
8 tainability of key child health interventions by im-
9 proving health care systems, building local capacity,
10 and promoting positive health policies.

11 **SEC. 1312. MATERNAL AND NEWBORN HEALTH.**

12 The Administrator is authorized, notwithstanding
13 any other provision of law except for **【section 104(f)】**, to
14 use funds made available under this chapter for programs
15 to reduce the mortality of, and improve the health of,
16 mothers and newborns, including the following:

17 (1) Strengthening preparation for childbirth
18 through education, antenatal care, access to skilled
19 birth attendants, preventing, detecting, and treating
20 infections, and planning for transport.

21 (2) Improving maternal nutritional status
22 through nutrition education and appropriate micro-
23 nutrient interventions.

1 (3) Actively discouraging, preventing and re-
2 sponding to harmful behaviors, such as gender-based
3 violence, child marriage and female genital cutting.

4 (4) Promoting safe delivery and postpartum
5 care, including recognition, referral, and treatment
6 of maternal and newborn complications.

7 (5) Promoting healthy practices such as
8 breastfeeding, proper rest and nutrition.

9 (6) Preventing and responding to long-term dis-
10 ability as a result of pregnancy and birth, including
11 obstetric fistula and anemia.

12 (7) Improving long-term capacity and systems
13 of local institutions to provide quality maternal
14 health care.

15 **SEC. 1313. ASSISTANCE FOR ORPHANS AND OTHER VUL-**
16 **NERABLE CHILDREN.**

17 The Administrator is authorized, notwithstanding
18 any other provision of law except for [section 104(f)], to
19 use funds made available under this chapter to provide
20 basic care and services for orphans and other vulnerable
21 children, including:

22 (1) Enabling community-based organizations to
23 provide basic care for orphans and other vulnerable
24 children.

1 (2) Providing school feeding, including the pur-
2 chase of local or regional foodstuffs where appro-
3 prium.

4 (3) Increasing primary school enrollment
5 through the elimination of school fees, where appro-
6 prium, or other barriers to education while ensuring
7 that adequate resources exist for teacher training
8 and infrastructure.

9 (4) Providing employment training and related
10 services for orphans and other vulnerable children
11 who are of legal working age.

12 (5) Protecting and promoting the inheritance
13 rights of orphans, other vulnerable children, and
14 widows.

15 (6) Providing culturally appropriate psycho-
16 social support to orphans and other vulnerable chil-
17 dren.

18 (7) Treating orphans and other vulnerable chil-
19 dren with HIV/AIDS through the provision of phar-
20 maceuticals, the recruitment and training of individ-
21 uals to provide pediatric treatment, and the pur-
22 chase of pediatric-specific technologies.

23 (8) Improving the capacity of foreign govern-
24 ment agencies and nongovernmental organizations to
25 prevent child abandonment and provide permanent

1 homes through family reunification, guardianship
2 and adoptions, consistent with the Hague Conven-
3 tion on the Protection of Children and Co-operation
4 in Respect of Inter-Country Adoption.

5 **Subchapter B—Combating Disease**

6 **SEC. 1321. ASSISTANCE TO COMBAT HIV/AIDS, TUBER-**
7 **CULOSIS, AND MALARIA.**

8 (a) FINDINGS.—Congress finds that—

9 (1) the global HIV/AIDS pandemic poses a hu-
10 manitarian, economic and security crisis of unprece-
11 dented magnitude that requires urgent and sus-
12 tained attention;

13 (2) the spread of drug resistant tuberculosis
14 presents a persistent public health threat to the
15 United States, and is the leading killer of people
16 with HIV/AIDS;

17 (3) Malaria imposes an enormous burden on the
18 social and economic development of poor countries,
19 can be prevented through cost-effective means, and
20 can be cured if promptly diagnosed and adequately
21 treated;

22 (4) the creation of the United States Presi-
23 dent's Emergency Plan for AIDS Relief (PEPFAR)
24 in 2003 was the largest commitment by any nation
25 to combat a single disease, establishing and expand-

1 ing the infrastructure necessary to deliver preven-
2 tion, care, and treatment services in low-resource
3 settings; and

4 (5) due to PEPFAR and multilateral initiatives
5 such as the Global Fund to Fight AIDS, Tuber-
6 culosis and Malaria, significant strides have been
7 made in preventing new cases of disease, treating af-
8 fected persons, training health care workers, and
9 educating families and communities.

10 (b) AUTHORIZATION.—The President is authorized to
11 use funds made available under this chapter to—

12 (1) carry out the United States Leadership
13 Against HIV/AIDS, Tuberculosis, and Malaria Act
14 of 2003 (Public Law 108–25), as amended by this
15 Act, and other related laws, including the Tom Lan-
16 tos and Henry J. Hyde United States Global Lead-
17 ership Against HIV/AIDS, Tuberculosis, and Ma-
18 laria Reauthorization Act of 2008 (Public Law 110–
19 293), the Global AIDS and Tuberculosis Relief Act
20 of 2000 (Public Law 106-264), and the Inter-
21 national Malaria Control Act of 2000 (Public Law
22 106–570); and

23 (2) contribute to the Global Fund to Fight
24 AIDS, Tuberculosis and Malaria and the GAVI Alli-
25 ance.

1 (c) OTHER LAWS SUPERSEDED.—The President may
2 exercise the authority of subsection (b) notwithstanding
3 any other provision of law, except the United States Lead-
4 ership Against HIV/AIDS, Tuberculosis, and Malaria Act
5 of 2003 (Public Law 108–25), as amended by this Act,

6 (d) COORDINATION.—Assistance provided under the
7 authorities of this section or the United States Leadership
8 Against HIV/AIDS, Tuberculosis, and Malaria Act of
9 2003 shall be coordinated with other health-related pro-
10 grams under this chapter, and shall be included in the
11 Global Health Strategy required under section 1303.

12 **SEC. 1322. ASSISTANCE TO COMBAT NEGLECTED TROPICAL**
13 **DISEASES.**

14 (a) FINDINGS.—Congress finds that—

15 (1) more than 1,000,000,000 people worldwide
16 suffer from one or more painful, debilitating tropical
17 diseases, which disproportionately impact poor and
18 rural populations, cause severe sickness and dis-
19 ability, compromise mental and physical develop-
20 ment, contribute to childhood malnutrition, reduce
21 school enrollment, and hinder economic productivity;

22 (2) many of these neglected tropical diseases
23 (NTDs) can be controlled and treated by providing
24 safe and effective drug treatments to individuals in
25 affected communities; and

1 (3) an integrated approach to controlling NTDs
2 will address a root cause of poverty that affects a
3 significant proportion of the world's population.

4 (b) **AUTHORIZATION.**—The Administrator is author-
5 ized to use funds made available under this chapter for
6 the prevention, treatment, control, and elimination of, and
7 research on, neglected tropical diseases such as lymphatic
8 filariasis, onchocerciasis, schistosomiasis, hookworm,
9 roundworm, whipworm and trachoma.

10 **SEC. 1323. ASSISTANCE FOR DISEASE PREVENTION, CON-**
11 **TROL, AND TREATMENT.**

12 (a) **FINDINGS.**—Congress finds that—

13 (1) infectious diseases such as avian and pan-
14 demic influenza not only cause death and debili-
15 tating illness in the countries where new strains
16 originate, but can quickly spread around the world;

17 (2) the development and spread of antimicrobial
18 resistance threatens to undermine global efforts to
19 control tuberculosis and other bacterial diseases;

20 (3) developing countries are undergoing a rapid
21 epidemiological transition from infectious diseases
22 such as diarrhea and pneumonia to chronic ones
23 such as cardiovascular disease, cancer and diabetes,
24 which threatens to overwhelm their strapped health
25 systems and cripple their fragile economies;

1 (4) improvement in the capacity of developing
2 countries to obtain and use good quality data for
3 surveillance and effective response to emerging
4 health threats helps to protect the health of United
5 States citizens as well as that of local populations;
6 and

7 (5) disease-focused interventions are most effective when they—

9 (A) reflect an evidence-based approach;

10 (B) are integrated across health programs
11 through a common delivery platform; and

12 (C) support increased collaboration and coordination among country-level stakeholders, including partner country governments, other public and private donors, and international and nongovernmental organizations.

17 (b) **AUTHORIZATION.**—The Administrator is authorized to use funds made available under this chapter to provide assistance for the prevention, treatment, control, and elimination of, and research on, infectious and chronic diseases in partner countries.

1 **Subchapter C—Family Planning and**
2 **Reproductive Health**

3 **SEC. 1331. ASSISTANCE FOR FAMILY PLANNING AND RE-**
4 **PRODUCTIVE HEALTH.**

5 (a) FINDINGS.—Congress finds that—

6 (1) reproductive health care is essential to re-
7 ducing poverty, improving living standards and pro-
8 tecting human dignity;

9 (2) throughout much of the world, the lack of
10 access by women, particularly poor women, to repro-
11 ductive health care contributes to death and suf-
12 fering, limits women’s ability to make decisions that
13 affect their lives, and undermines the efforts of fam-
14 ilies to lift themselves out of poverty;

15 (3) access to reproductive health care, including
16 voluntary family planning, has a direct and impor-
17 tant impact on child mortality, especially infant mor-
18 tality;

19 (4) closely spaced and ill-timed pregnancies and
20 births contribute to high infant mortality rates, and
21 when mothers die as a result of giving birth, their
22 surviving infants have a greater risk of mortality
23 and poor health status;

24 (5) in many developing countries where there
25 are few hospitals, few doctors, and poor transpor-

1 tation systems, and where women are not highly val-
2 ued, complications of labor often result in death of
3 the mother;

4 (6) lack of availability of emergency obstetric
5 care, along with delays in seeking medical attention,
6 in reaching a medical facility, and in receiving med-
7 ical care once arriving at a facility, contribute to the
8 development of obstetric fistula, increasing the risk
9 of death for both mother and child;

10 (7) voluntary family planning allows women and
11 couples to freely choose the number, timing and
12 spacing of pregnancies, giving families and individ-
13 uals greater control over their lives;

14 (8) practices such as child marriage and female
15 genital cutting can harm the health of young people
16 and deprive them of their dignity and human rights.
17 Reproductive health care can play an important role
18 in educating people about the dangers of these prac-
19 tices, and is often the entry point for identification
20 of gender-based violence and sexual abuse;

21 (9) integrating reproductive health care, includ-
22 ing voluntary family planning, with HIV prevention
23 programs is critical to combating HIV/AIDS, and
24 can assist in decreasing the stigma associated with
25 a seropositive HIV status;

1 (10) integration of reproductive health care
2 with other health-care and related social services in-
3 creases the effectiveness and efficiency of the health
4 system and meets people's needs for accessible, ac-
5 ceptable, convenient, client-centered care;

6 (11) international goals and targets for reduc-
7 ing poverty and improving maternal health require a
8 significant investment in family planning and repro-
9 ductive health care;

10 (12) international partnerships are required to
11 provide adequate financing for family planning and
12 reproductive health care;

13 (13) cooperating with multilateral and bilateral
14 donors and the private sector can make commodities
15 such as antiretrovirals, maternal health equipment,
16 and contraceptive supplies more accessible for hard-
17 to-reach populations; and

18 (14) by investing in reproductive health care,
19 including voluntary family planning, the United
20 States can improve maternal and child health, lower
21 HIV infection rates, reduce poverty and hunger, ad-
22 vance girls' education, promote gender equality,
23 broaden civic participation in the development proc-
24 ess, and slow the depletion of natural resources.

1 (b) AUTHORIZATION.—The Administrator is author-
2 ized, subject to the restrictions in **section 104(f)**, to use
3 funds made available under this chapter for reproductive
4 health care programs, including voluntary family planning,
5 in partner countries.

6 (c) GUIDELINES.—Assistance authorized under sub-
7 section (b) shall be administered so as to—

8 (1) enable individuals and couples to make deci-
9 sions concerning reproduction free of discrimination,
10 intimidation, coercion and violence, consistent with
11 internationally recognized human rights;

12 (2) remove social, economic and cultural bar-
13 riers to women's access to reproductive health care;

14 (3) give particular attention to the inter-
15 relationship between poverty reduction and repro-
16 ductive health, including voluntary family planning;

17 (4) coordinate with programs for maternal,
18 newborn and child health, including those to improve
19 nutrition for pregnant women and infants, advance
20 education for women and girls, and raise the stand-
21 ard of living for the poor;

22 (5) emphasize low-cost integrated delivery sys-
23 tems for health, nutrition, and family planning for
24 the poorest people, with particular attention to the
25 needs of mothers and young children; and

1 (6) protect the confidentiality and dignity of
2 persons seeking reproductive health care.

3 (d) CONDITIONS.—

4 (1) ELIGIBILITY.—In order to be eligible for as-
5 sistance under this section, a provider of reproduc-
6 tive health care—

7 (A) shall offer, directly or through referral
8 to, or information about access to, a broad
9 range of family planning methods and services;

10 (B) shall not pay incentives, bribes, gratu-
11 ities, or financial reward to an individual in ex-
12 change for becoming a family planning accep-
13 tor;

14 (C) shall not deny any right or benefit, in-
15 cluding the right of access to participate in any
16 program of general welfare or the right of ac-
17 cess to health care, as a consequence of any in-
18 dividual's decision not to accept family planning
19 services;

20 (D) shall ensure that experimental contra-
21 ceptive drugs and devices and medical proce-
22 dures are provided only in the context of a sci-
23 entific study in which participants are advised
24 of potential risks and benefits; and

1 (E) shall provide clients with medically ac-
2 curate information about family planning meth-
3 ods, including the health benefits and risks and
4 failure rates of such methods.

5 (2) NOTIFICATION.—If the Administrator de-
6 termines that there has been a violation of the re-
7 quirements of paragraph (1)(A) through (E), the
8 Administrator shall submit to the appropriate con-
9 gressional committees within 60 days a report con-
10 taining a description of such violation and the cor-
11 rective action taken.

12 **SEC. 1332. REPRODUCTIVE HEALTH CARE IN EMER-**
13 **GENCIES.**

14 The Administrator is authorized to use funds made
15 available under this subchapter and under subtitle B for
16 programs to provide reproductive health care during hu-
17 manitarian emergencies and complex crises, including:

18 (1) Life-saving priority activities set out in the
19 Sphere Project's Humanitarian Charter and Min-
20 imum Standards in Disaster Response.

21 (2) Preventing sexual violence and providing
22 medical care and psychosocial services to survivors
23 of sexual violence.

24 (3) Voluntary family planning for the duration
25 of displacement.

1 **Subchapter D—Strengthening Health**
2 **Systems**

3 **SEC. 1341. ASSISTANCE TO STRENGTHEN HEALTH SYS-**
4 **TEMS.**

5 (a) **AUTHORIZATION.**—The Administrator is author-
6 ized to use funds made available under this chapter to
7 build and strengthen health systems in partner countries.

8 (b) **ACTIVITIES.**—Assistance provided under sub-
9 section (a) shall include—

10 (1) supporting the development, implementa-
11 tion, monitoring and evaluation of a country’s na-
12 tional health strategy;

13 (2) supporting the recruitment, training, man-
14 agement, retention, effectiveness and equitable dis-
15 tribution within each country of skilled health work-
16 ers;

17 (3) facilitating the development of partnerships
18 and collaboration with educational and research in-
19 stitutions, private corporations, nongovernmental or-
20 ganizations, multilateral institutions and other do-
21 nors, both public and private;

22 (4) building the capacity of local nongovern-
23 mental organizations to participate effectively in the
24 planning, implementation, monitoring and evaluation
25 of health strategies and systems;

1 (5) strengthening financial management, ac-
2 counting, auditing and reporting systems;

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

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

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

12 (9) establishing and strengthening procurement
13 and supply chain management systems to safely, ef-
14 ficiently, and equitably distribute medical and lab-
15 oratory supplies;

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

20 (11) supporting evidence-based public health
21 education initiatives that teach healthy habits and
22 behaviors, increase health literacy, and encourage
23 better utilization of the health system;

1 (12) building government capacity to coordinate
2 and harmonize the delivery of health services pro-
3 vided by various donors;

4 (13) developing and improving laboratory re-
5 search and testing capacity; and

6 (14) promoting a legal, policy and regulatory
7 framework conducive to the advancement of public
8 health and sustainable health care financing.

9 **CHAPTER 4—EXPANDING EDUCATION**

10 **SEC. 1401. FINDINGS AND STATEMENT OF POLICY.**

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

12 (1) Education is a basic human right, indispen-
13 sable for human capacity development and poverty
14 eradication.

15 (2) Quality education promotes economic
16 growth, creates employment opportunities, reduces
17 poverty, lays the foundation for sound governance,
18 fosters civic participation, and advances personal de-
19 velopment.

20 (3) While developing countries bear the ulti-
21 mate responsibility for educating their children, the
22 United States and others donors can and should do
23 more to help developing countries address their edu-
24 cation needs.

1 (4) Investing in girls' education delivers sub-
2 stantial returns not only in educational attainment
3 but also in increasing women's incomes, delaying the
4 start of sexual activity, reducing infant mortality, in-
5 creasing women's political participation, and spur-
6 ring economic growth.

7 (5) Education can help to protect children in
8 conflict situations from physical harm, exploitation,
9 and sexual abuse, as well as to avoid the recruitment
10 of children into armed groups and gangs.

11 (6) The large number of children who are not
12 enrolled in school or who receive a poor quality edu-
13 cation not only results in a loss of human potential,
14 but undermines stability and progress within com-
15 munities and across nations.

16 (7) Expanded access to primary and secondary
17 education will increase the need for qualified teach-
18 ers, and the demand for quality colleges and univer-
19 sities.

20 (8) Exchange programs which bring citizens of
21 developing countries to the United States for train-
22 ing, while helpful in expanding individual opportuni-
23 ties for growth, will not by themselves reach enough
24 students and scholars to have a transformational ef-

1 fect on the economies and human resources of devel-
2 oping countries.

3 (9) Partnerships between educational institu-
4 tions in the United States and developing countries
5 are an important means for sharing knowledge, ex-
6 perience and lessons learned for the benefit of all
7 students.

8 (10) Resources to expand global education will
9 be most effective and efficient if they are trans-
10 parent, increase coordination among governments,
11 private sector and civil society, support national
12 plans and hold all stakeholders accountable.

13 (b) STATEMENT OF POLICY.—It is the policy of the
14 United States to work in cooperation with the inter-
15 national community to achieve universal basic education.

16 **SEC. 1402. GOAL AND OBJECTIVES.**

17 (a) GOAL.—The goal of assistance under this chapter
18 is to increase access to quality education in partner coun-
19 tries.

20 (b) OBJECTIVES.—In furtherance of the goal of sub-
21 section (a), assistance under this chapter shall be designed
22 to achieve the following objectives:

23 (1) Expanding and improving early childhood
24 development and education, especially for the most
25 vulnerable and disadvantaged children.

1 (2) Universalizing access to and completion of
2 free, quality primary education.

3 (3) Increasing access to appropriate learning
4 and life skills programs for young people and adults.

5 (4) Raising adult literacy, especially for women,
6 and improving access to basic and continuing edu-
7 cation for all adults.

8 (5) Reducing gender disparities in primary and
9 secondary education.

10 (6) Improving educational quality at all levels.

11 **SEC. 1403. GLOBAL EDUCATION STRATEGY.**

12 (a) IN GENERAL.—The strategy required under sec-
13 tion 1019 with respect to expanding education shall be
14 known as the “Global Education Strategy”.

15 (b) CONTENTS.—The Global Education Strategy
16 shall include, in addition to the elements required under
17 section 1019(b), plans for achieving the goal and objec-
18 tives of section 1402.

19 (c) GUIDELINES.—The Global Education Strategy
20 should—

21 (1) contribute to meeting the Millennium Devel-
22 opment Goals and the Education for All goals;

23 (2) work in collaboration and coordination with,
24 where possible, national education plans;

1 (3) pay particular attention to expanding edu-
2 cational opportunities for marginalized and vulner-
3 able groups, including girls, children affected by or
4 emerging from armed conflict or humanitarian cri-
5 ses, disabled children, children in remote or rural
6 areas, religious or ethnic minorities, indigenous peo-
7 ples, orphans and children impacted by HIV/AIDS,
8 child laborers, and victims of trafficking;

9 (4) identify ways to reduce the adverse impact
10 of HIV/AIDS on education systems;

11 (5) address the challenges posed by large num-
12 bers of out-of-school, unemployed youth;

13 (6) explain how basic education, higher edu-
14 cation, vocational and technical education, literacy
15 instruction, and other formal and nonformal training
16 will be integrated with other activities under this
17 title; and

18 (7) address the problem of financing education.

19 **SEC. 1404. BASIC EDUCATION ASSISTANCE.**

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

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

- 1 (1) increasing the supply of trained quality
2 teachers, and building systems for the continuing
3 support, training and professional development of all
4 educators;
- 5 (2) developing and implementing effective, rel-
6 evant curricula;
- 7 (3) promoting the development and effective use
8 of systems for data collection, monitoring and eval-
9 uation of student-learning outcomes;
- 10 (4) improving and expanding educational infra-
11 structure;
- 12 (5) eliminating fees for tuition, uniforms and
13 materials, as well as other barriers to school attend-
14 ance;
- 15 (6) improving young children's capacity to learn
16 through early childhood development programs;
- 17 (7) supporting interventions that increase
18 school attendance and performance, such as scholar-
19 ships, school lunch and school health programs;
- 20 (8) ensuring that schools are not incubators for
21 violent extremism;
- 22 (9) providing life skills training and civic edu-
23 cation, including on human rights and conflict reso-
24 lution;

1 (10) making schools safe and secure places for
2 learning, free of violence, harassment, exploitation,
3 or intimidation;

4 (11) increasing access to education, improving
5 learning outcomes and increasing educational oppor-
6 tunities for the most disadvantaged populations;

7 (12) ensuring continuation or reestablishment
8 of educational programs and the provision of safe
9 spaces for children in areas of armed conflict or hu-
10 manitarian crisis;

11 (13) increasing the relevance of formal edu-
12 cation systems to the needs of the poor and to dis-
13 affected youth, through reform of curricula, teaching
14 materials, and teaching methods, and improved
15 teacher training; and

16 (14) promoting the value of education and in-
17 creasing community and family awareness of the
18 positive impact of education.

19 (c) DEFINITION.—In this chapter, the term “basic
20 education” means an education, generally consisting of
21 completion of 9–10 years of schooling, including efforts
22 to improve early childhood development, primary edu-
23 cation, secondary education, literacy and numeracy train-
24 ing, and life-skills training that prepares an individual to

1 be an active, productive member of society and the work-
2 force.

3 **SEC. 1405. HIGHER EDUCATION PARTNERSHIPS.**

4 (a) FINDINGS.—Congress finds that—

5 (1) basic and higher education are interrelated
6 and together play a critical role in reducing poverty,
7 promoting economic growth, strengthening democ-
8 racy, stemming corruption, alleviating ethnic ten-
9 sions, and enhancing stability;

10 (2) higher education institutions foster critical
11 thinking, scientific discovery, entrepreneurship and
12 innovation in local communities as well as at the na-
13 tional and international level;

14 (3) partnerships between institutions of higher
15 education in the United States and developing coun-
16 tries can—

17 (A) increase the quality and availability of,
18 and access to, higher education for secondary
19 school graduates;

20 (B) support the professional development
21 of faculty and staff, strengthen institutional
22 and financial management, and streamline ad-
23 ministrative procedures;

1 (C) expand course offerings, academic re-
2 sources and research opportunities for students
3 and faculty;

4 (D) foster continuing professional relation-
5 ships that build international understanding
6 and collaboration; and

7 (E) facilitate the sharing of knowledge, the
8 identification of common research interests and
9 challenges, and the resolution of complex prob-
10 lems; and

11 (4) partnerships between businesses and higher
12 education institutions in developing countries can
13 help to meet the significant and growing demand for
14 business professionals within both the private and
15 public sectors in developing countries.

16 (b) STATEMENT OF POLICY.—It is the policy of the
17 United States to encourage the expansion and strength-
18 ening of higher education in developing countries, through
19 partnerships with educational institutions, businesses, and
20 nonprofit organizations in the United States.

21 (c) AUTHORIZATION.—The Administrator is author-
22 ized to use assistance made available under this chapter
23 to expand and strengthen institutions of higher education
24 in developing countries through partnerships with—

1 (1) institutions of higher education in the
2 United States;

3 (2) businesses in the United States;

4 (3) nonprofit organizations with experience in
5 the areas of academic institution-building and entre-
6 preneurial and managerial development; and

7 (4) international organizations.

8 (d) ACTIVITIES.—Assistance provided under sub-
9 section (c) shall include—

10 (1) building the capacity of higher education in-
11 stitutions in partner countries;

12 (2) developing academic programs and centers
13 of excellence in areas critical to the partner coun-
14 try's economic development; and

15 (3) improving the quality and availability of,
16 and access to, higher education for students in part-
17 ner countries.

18 **SEC. 1406. AMERICAN SCHOOLS AND HOSPITALS ABROAD.**

19 (a) FINDINGS.—Congress finds that—

20 (1) educational and medical institutions oper-
21 ating abroad that are founded or sponsored by
22 United States citizens are important and successful
23 means for sharing the benefits of American ideas
24 and practices, promoting the development of civil so-
25 ciety, and fostering interchange, mutual under-

1 standing and favorable relations with the United
2 States;

3 (2) American educational and medical institu-
4 tions in foreign countries not only build local capaci-
5 ty and provide essential services to those in need,
6 thus contributing to broad-based and sustainable de-
7 velopment, but also strengthen the public diplomacy
8 and promote the national security of the United
9 States; and

10 (3) support for such institutions is a valuable
11 complement to United States assistance for health,
12 basic education and higher education partnerships.

13 (b) AUTHORIZATION.—The Administrator is author-
14 ized to use funds made available under this chapter for
15 competitively-selected grants to private, nonprofit univer-
16 sities and secondary schools, libraries, and medical centers
17 located outside the United States that—

18 (1) are founded or sponsored by United States
19 citizens;

20 (2) serve as study and demonstration centers
21 for ideas and practices of the United States; and

22 (3) raise funds from other sources for grant-
23 supported activities.

24 (c) ACTIVITIES SUPPORTED.—Assistance authorized
25 under subsection (b) shall include—

1 (1) capital improvements, such as building or
2 renovation of facilities and procurement of scientific,
3 medical, and educational equipment;

4 (2) scholarship programs for students from
5 partner countries; and

6 (3) research, development, and innovation ac-
7 tivities that directly contribute to reducing poverty
8 in a partner country.

9 **CHAPTER 5—PROTECTING AND RESTOR-**
10 **ING THE NATURAL ENVIRONMENT**

11 **SEC. 1501. FINDINGS AND STATEMENT OF POLICY.**

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

13 (1) Sound natural resource management,
14 healthy levels of species diversity, and functioning
15 natural ecosystems are vital to sustainably reducing
16 poverty in developing countries.

17 (2) Natural ecosystems, when properly man-
18 aged, provide economic value to local communities in
19 the form of water, food, medicine, energy, household
20 products, tourism and trade, as well as contributing
21 to the global common good.

22 (3) Forests prevent catastrophic flooding and
23 severe drought, and coral reefs and mangroves re-
24 duce the impact of large storms on coastal popu-

1 lations, thereby reducing damages from extreme
2 weather and the need for disaster assistance.

3 (4) Natural ecosystems serve as a buffer be-
4 tween wildlife and human populations, minimizing
5 the transmission of highly infectious diseases from
6 animals to people.

7 (5) Many of the most commonly prescribed
8 medicines in the United States are derived directly
9 from natural compounds or patterned after them.
10 The preservation of natural areas and wild species
11 offers the world a rich source of potential cures and
12 treatments for disease and pain.

13 (6) The survival of many animal and plant spe-
14 cies is endangered by overhunting, by the presence
15 of toxic chemicals in water, air and soil, and by the
16 destruction of habitats.

17 (7) Degradation of land and water resources
18 impedes efforts to improve agricultural productivity,
19 a key engine of economic growth in developing coun-
20 tries.

21 (8) The continuing and accelerating alteration,
22 destruction, and loss of forests in developing coun-
23 tries results in—

24 (A) shortages of fuel;

25 (B) loss of biologically productive wetlands;

1 (C) siltation of lakes, reservoirs, and irri-
2 gation systems;

3 (D) floods, soil erosion and landslides;

4 (E) decimation and dislocation of indige-
5 nous peoples;

6 (F) extinction of plant and animal species;

7 (G) reduced capacity for food production;

8 (H) loss of genetic resources;

9 (I) desertification;

10 (J) increased greenhouse gas emissions;

11 and

12 (K) destabilization of the earth's climate.

13 (9) Women are especially vulnerable to the im-
14 pact of natural resource degradation because they
15 produce most of the food and collect most of the
16 water and firewood in many countries.

17 (10) Mismanagement and unregulated exploi-
18 tation of natural resources has fueled conflict and
19 corruption in many developing countries.

20 (11) Illicit trade in minerals not only robs poor
21 countries of valuable economic and environmental re-
22 sources, but often perpetrates political instability
23 and human rights abuses, including sexual violence
24 and the use of children as soldiers, bonded labor and
25 sex slaves.

1 (12) Illegal logging, fishing, and mining in de-
2 veloping countries flood the international market
3 with low-cost products that undercut the competi-
4 tiveness of responsible companies in the United
5 States.

6 (13) Economic growth generally raises energy
7 consumption, and often results in increased emis-
8 sions of greenhouse gases as well as greater pollu-
9 tion of air, land, and water.

10 (14) If current trends in the degradation of
11 natural resources in developing countries continue,
12 they will severely undermine the best efforts to meet
13 basic human needs, to achieve sustained economic
14 growth, and to prevent international tension and
15 conflict.

16 (15) The world faces enormous, urgent, and
17 complex challenges in conserving and protecting nat-
18 ural resources while fostering economic development,
19 requiring extensive and sustained cooperation be-
20 tween the United States, developing countries and
21 the international community as a whole.

22 (b) STATEMENT OF POLICY.—It is the policy of the
23 United States to work in cooperation with the inter-
24 national community to reduce biodiversity loss, mitigate
25 climate change, and integrate principles of environmental

1 sustainability into policies and programs for international
2 development.

3 **SEC. 1502. GOAL AND OBJECTIVES.**

4 (a) GOAL.—The goal of assistance under this chapter
5 is to help partner countries maximize the environmental
6 sustainability of their development policies and programs.

7 (b) OBJECTIVES.—In furtherance of the goal de-
8 scribed in subsection (a), assistance under this chapter
9 shall be designed to achieve the following objectives:

10 (1) Protecting natural ecosystems.

11 (2) Conserving biological diversity.

12 (3) Adapting to climate change.

13 (4) Reducing pollution of air, land and water.

14 (5) Increasing energy efficiency.

15 (6) Expanding access to clean, renewable en-
16 ergy sources and technologies.

17 (7) Building capacity for sound natural re-
18 source management.

19 **SEC. 1503. GLOBAL CONSERVATION STRATEGY.**

20 (a) IN GENERAL.—The strategy required under sec-
21 tion 1019 with respect to protecting and restoring the nat-
22 ural environment shall be known as the “Global Conserva-
23 tion Strategy”.

24 (b) CONTENTS.—The Global Conservation Strategy
25 shall include, in addition to the elements required under

1 section 1019(b), plans for achieving the goal and objec-
2 tives of section 1502.

3 (c) GUIDELINES.—The Global Conservation Strategy
4 should—

5 (1) establish priority countries, regions or nat-
6 ural ecosystems for reducing environmental degrada-
7 tion;

8 (2) identify the economic, health, and conflict-
9 prevention benefits to be achieved through imple-
10 mentation of the strategy;

11 (3) establish policy guidance to link investments
12 in specific conservation programs to the broader
13 goals of reducing poverty and alleviating human suf-
14 fering, and to integrate environmental goals into
15 country-based and sector-based strategies;

16 (4) identify and improve United States policies
17 that affect the conservation of critical natural re-
18 sources and biodiversity abroad;

19 (5) seek to encourage and leverage participation
20 from the private sector, other donor governments,
21 governments of developing countries, international
22 financial institutions, and other international organi-
23 zations to implement the strategy;

24 (6) address the anticipated effects of climate
25 change on the achievement of key objectives; and

1 (7) include a review of all executive orders and
2 regulations that may have an impact on the strat-
3 egy.

4 **SEC. 1504. ASSISTANCE FOR ENVIRONMENTAL SUSTAIN-**
5 **ABILITY.**

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

10 (b) **ACTIVITIES.**—Assistance provided under sub-
11 section (a) shall include the following:

12 (1) **PROTECTING NATURAL ECOSYSTEMS.**—

13 (A) Conserving, sustainably managing, and
14 restoring natural ecosystems.

15 (B) Establishing, restoring, protecting, and
16 maintaining protected areas, parks and re-
17 serves.

18 (C) Developing and improving governance
19 structures to reduce degradation, destruction,
20 and illegal use of natural ecosystems.

21 (D) Reducing greenhouse gas emissions
22 from land use and land-use change and for-
23 estry, including deforestation and forest deg-
24 radation and enhancement of forest carbon
25 stocks.

1 (E) Studying and assessing the economic
2 value of natural ecosystems.

3 (2) CONSERVING BIOLOGICAL DIVERSITY.—

4 (A) Protecting and maintaining wildlife
5 and plant habitats.

6 (B) Developing sound wildlife management
7 and plant conservation policies and programs.

8 (C) Identifying, studying, and cataloging
9 animal and plant species.

10 (D) Establishing effective policies and reg-
11 ulations to reduce loss of biological diversity.

12 (E) Enacting and enforcing anti-poaching
13 measures.

14 (F) Educating local communities about the
15 importance of conserving biological diversity.

16 (3) ADAPTING TO CLIMATE CHANGE.—

17 (A) Researching and assessing climato-
18 logical and socioeconomic factors to identify
19 vulnerable populations and likely impacts.

20 (B) Developing national and regional cli-
21 mate change adaptation plans.

22 (C) Planning, financing and implementing
23 adaptation programs and activities.

1 (D) Increasing resilience to and prepared-
2 ness for climate change and its impacts among
3 highly vulnerable populations.

4 (4) REDUCING POLLUTION OF AIR, LAND AND
5 WATER.—

6 (A) Monitoring, regulating, and mitigating
7 pollutants to air, land and water.

8 (B) Designing, promoting and utilizing
9 clean technologies and practices.

10 (C) Increasing the quality, quantity, and
11 transparency of data regarding the monitoring,
12 regulation and mitigation of pollutants.

13 (D) Developing public awareness cam-
14 paigns and promoting civic participation in en-
15 vironmental stewardship.

16 **SEC. 1505. ASSISTANCE FOR SUSTAINABLE ENERGY AND**
17 **NATURAL RESOURCE MANAGEMENT.**

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

19 (1) Access to energy is essential for economic
20 growth, public health, clean water, sanitation, trans-
21 portation, communication, agricultural activities, and
22 the overall progress of developing countries.

23 (2) Many developing countries lack access to
24 the financial resources and technology necessary to

1 locate, explore, and develop indigenous natural re-
2 sources.

3 (3) Black carbon contributes to pollution,
4 health concerns, and significantly warms the Earth's
5 climate system by absorbing radiation, converting it
6 into heat, and releasing heat energy into the atmos-
7 phere.

8 (4) Clean, efficient and renewable energy
9 sources are vital to sustain economic growth and
10 protect human health.

11 (5) Energy must be accessible to the poor in
12 order to ensure that basic human needs are met.

13 (6) Title V of the Nuclear Non-Proliferation
14 Act of 1978 (22 U.S.C. 3261 et seq.) requires the
15 United States to work with developing countries in
16 assessing and finding ways to meet their energy
17 needs through alternatives to nuclear energy that
18 are consistent with economic factors, material re-
19 sources, and environmental protection.

20 (7) Proper management of natural resources
21 can provide the basis for sustainable development
22 while the mismanagement and unregulated exploi-
23 tation of natural resources has fueled conflict and
24 corruption in many countries around the world.

1 (b) AUTHORIZATION.—The Administrator is author-
2 ized to use funds made available under this chapter for
3 programs to promote clean energy technologies, respon-
4 sible stewardship of natural resources, and reliable access
5 by the poor to energy.

6 (c) ACTIVITIES.—Assistance authorized under sub-
7 section (b) shall include the following:

8 (1) INCREASING ENERGY EFFICIENCY.—

9 (A) Development of sound national energy
10 and electricity plans.

11 (B) Improving the efficiency of electricity
12 transmission, distribution, and consumption.

13 (C) Building local capacity to monitor and
14 regulate the energy sector.

15 (2) EXPANDING ACCESS TO CLEAN, RENEW-
16 ABLE ENERGY SOURCES AND TECHNOLOGIES.—

17 (A) Improving the availability of renewable
18 electricity generation from wind, solar,
19 sustainably and locally produced biomass, geo-
20 thermal, marine, or hydrokinetic sources.

21 (B) expanding the deployment of low or
22 zero emission technologies.

23 (C) increasing access to clean energy tech-
24 nologies, especially in rural areas.

1 (D) improving transportation system and
2 vehicle efficiency.

3 (E) reducing black carbon emissions, in-
4 cluding through the use of clean cookstoves.

5 (F) building local capacity to operate,
6 maintain and improve clean energy tech-
7 nologies.

8 (3) BUILDING CAPACITY FOR SOUND NATURAL
9 RESOURCE MANAGEMENT.—

10 (A) Enhancing the transparency of reve-
11 nues generated from natural resource extrac-
12 tion.

13 (B) Improving the security of land tenure
14 and property rights, especially for marginalized
15 groups.

16 (C) Building local capacity to assess, mon-
17 itor, and regulate access to natural resources
18 and to evaluate the social and environmental ef-
19 fects of extraction.

20 (D) Improving local capacity to assess the
21 value of environmental services.

22 **SEC. 1506. ENVIRONMENTAL RESTRICTIONS.**

23 (a) RESTRICTION.—Assistance authorized under this
24 subtitle shall not be provided for programs, projects, and
25 activities that—

1 (1) introduce invasive and nonnative plant spe-
2 cies;

3 (2) cause the destruction or degradation of ex-
4 isting natural ecosystems, natural parks, or similar
5 protected areas;

6 (3) result in or cause a loss of biological diver-
7 sity or adversely impact rare, threatened, or endan-
8 gered plant and animal species;

9 (4) involve destructive farming, fishing, and for-
10 est harvesting practices such as slash and burn agri-
11 culture; or

12 (5) provide for the construction of dams or
13 other water control structures that flood natural eco-
14 systems.

15 (b) WAIVER.—The Administrator may waive the re-
16 strictions contained in subsection (a) if the Administrator
17 determines and reports to the appropriate congressional
18 committees that the proposed program, project, or activity
19 is vital to improving the livelihoods of the rural poor and
20 will be conducted in an environmentally sound manner
21 that supports sustainable development.

22 **SEC. 1507. ENVIRONMENTAL IMPACT STATEMENTS AND AS-**
23 **SESSMENTS.**

24 (a) IN GENERAL.—In implementing programs,
25 projects, and activities under this subtitle, the Adminis-

1 trator shall take fully into account the impact of such pro-
2 grams and projects upon the environment and natural re-
3 sources of developing countries.

4 (b) REQUIRED STATEMENTS AND ASSESSMENTS.—
5 Subject to such procedures as the Administrator considers
6 appropriate, the Administrator shall require that all agen-
7 cies and officials responsible for programs, projects, and
8 activities under this subtitle prepare and take fully into
9 account—

10 (1) an environmental impact statement for any
11 proposed program, project, or activity significantly
12 affecting the environment of the global commons
13 outside the jurisdiction of any country, the environ-
14 ment of the United States, or other aspects of the
15 environment which the Administrator may specify;
16 and

17 (2) an environmental assessment of any pro-
18 posed program, project, or activity significantly af-
19 fecting the environment of any foreign country.

20 (c) MATTERS TO BE INCLUDED.—Environmental im-
21 pact statements and environmental assessments under-
22 taken pursuant to subsection (b) shall include—

23 (1) recommendations for possible alternatives
24 and mitigation measures;

1 (2) an estimate of greenhouse gas emissions at-
2 tributable to the program, project, or activity; and

3 (3) a special review of any project that will emit
4 more than 100,000 tons of carbon dioxide.

5 (d) LOCAL TECHNICAL RESOURCES.—Environmental
6 impact statements and environmental assessments under-
7 taken pursuant to paragraph (b) should, to the maximum
8 extent feasible, use local technical resources.

9 (e) EXCEPTIONS.—The Administrator may establish
10 exceptions from the requirements of this section for emer-
11 gency conditions and for cases in which the Administrator
12 determines that compliance with those requirements would
13 be seriously detrimental to the foreign policy interests of
14 the United States.

15 (f) PUBLIC AVAILABILITY.—

16 (1) IN THE UNITED STATES.—All environ-
17 mental impact statements and environmental assess-
18 ments shall be published on the Agency's website not
19 later than 30 days following their completion, and
20 may be accompanied by the Agency's response to the
21 findings therein.

22 (2) IN AFFECTED COUNTRIES.—To the extent
23 feasible, all environmental assessments shall be
24 translated into the local language(s) of the affected
25 communities and made available to the partner gov-

1 ernment, local and international nongovernmental
2 organizations, and affected communities.

3 **SEC. 1508. DEFINITIONS.**

4 In this chapter:

5 (1) ECOSYSTEM.—The term “natural eco-
6 system” means a dynamic set of living organisms,
7 including plants, animals, and microorganisms inter-
8 acting among themselves and with the environment
9 in which they live, and includes tropical forests,
10 coral reefs, natural grasslands, and mangrove for-
11 ests.

12 (2) GREENHOUSE GAS.—The term “greenhouse
13 gas” means carbon dioxide, methane, nitrous oxide,
14 sulfur hexafluoride, hydrofluorocarbons emitted from
15 a chemical manufacturing process at an industrial
16 stationary source, any perfluorocarbon, nitrogen
17 trifluoride, any other anthropogenic gas designated
18 as a greenhouse gas by the Administrator for pur-
19 poses of this chapter.

20 (3) MOST VULNERABLE DEVELOPING COUN-
21 TRIES.—The term “most vulnerable developing
22 countries” means, as determined by the Adminis-
23 trator, developing countries that are at risk of sub-
24 stantial adverse impacts of climate change and have
25 limited capacity to respond to such impacts, consid-

1 ering the approaches included in any international
2 treaties and agreements.

3 **CHAPTER 6—IMPROVING ACCESS TO SAFE**
4 **WATER, SANITATION, AND SHELTER**

5 **SEC. 1601. FINDINGS AND STATEMENT OF POLICY.**

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

7 (1) Clean water and sanitation are among the
8 most powerful drivers for human development. They
9 extend opportunity, enhance dignity, and help create
10 a virtuous cycle of improving health and rising
11 wealth.

12 (2) Unsafe drinking water, inadequate sanita-
13 tion, and poor hygiene exact an enormous toll on
14 human health in developing countries, particularly
15 for infants and children.

16 (3) Diseases linked to unsafe water and poor
17 sanitation, as well as the time and energy women
18 often devote to collecting water, significantly reduce
19 economic productivity in less developed countries
20 and promote lifecycles of disadvantage.

21 (4) Water scarcity has negative consequences
22 for agricultural productivity and food security, and
23 seriously threatens international ability to increase
24 food production at the rate required to meet the
25 needs of the world's growing population.

1 (5) The underlying cause of water scarcity in
2 the large majority of cases is institutional and polit-
3 ical, not a physical deficiency of supplies.

4 (6) Demand for water resources has contributed
5 to armed conflict in many parts of the world, while
6 conflict and civil strife often reduce access to clean
7 water and sanitation for displaced persons and other
8 innocent victims.

9 (7) The effects of climate change are expected
10 to produce severe consequences for water availability
11 and resource management in many developing coun-
12 tries, which could result in severe and chronic water
13 shortages.

14 (8) Rapid urbanization and future population
15 growth are expected to exacerbate already limited
16 access to water, particularly in agriculture-based
17 economies.

18 (9) Approximately half the world's population
19 lives in cities, often in slums characterized by unsafe
20 water, poor sanitation, lack of basic services, over-
21 crowding, inferior construction and insecure tenure.

22 (10) Inadequate laws, policies and enforcement
23 mechanisms to protect real property use, lease, and
24 ownership rights often subject slum dwellers to arbi-

1 trary, often supra-market rents, forced evictions,
2 threats, and harassment.

3 (11) Insecurity of tenure severely inhibits eco-
4 nomic development by undermining investment in-
5 centives and constraining the growth of credit mar-
6 kets, imperils the ability of families to achieve sus-
7 tainable livelihoods and assured access to shelter,
8 and often contributes to conflict over property
9 rights.

10 (12) Women are affected disproportionately by
11 forced evictions and insecure tenure as a result of
12 gender discrimination, often including gender-biased
13 laws that define women as legal minors or otherwise
14 prevent them from owning or leasing land, property,
15 and housing, making them more vulnerable to pov-
16 erty, violence, and sexual abuse.

17 (13) Expanding access to clean water, sanita-
18 tion, and shelter is essential for reducing the global
19 burden of disease, advancing economic and social de-
20 velopment, protecting basic human rights, and miti-
21 gating sources of conflict.

22 (b) STATEMENT OF POLICY.—It is the policy of the
23 United States to recognize that access to safe water and
24 living conditions is a basic human need and, therefore, a
25 human right.

1 **SEC. 1602. GOAL AND OBJECTIVES.**

2 (a) GOAL.—The goal of assistance under this chapter
3 is to improve living conditions and basic human dignity
4 for the world’s poorest people.

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

8 (1) Expanding access to sufficient, safe, and af-
9 fordable water for personal and domestic use.

10 (2) Upgrading basic sanitation, particularly for
11 those living in slums.

12 (3) Increasing access to basic shelter and af-
13 fordable housing.

14 (4) Improving the management of water re-
15 sources.

16 (5) Enhancing planning for sustainable urban
17 development.

18 **SEC. 1603. GLOBAL STRATEGY FOR WATER, SANITATION**
19 **AND SHELTER.**

20 (a) IN GENERAL.—The strategy required under sec-
21 tion 1019 with respect to improving access to safe water,
22 sanitation, and shelter shall be known as the “Global
23 Water, Sanitation and Shelter Strategy”.

24 (b) CONTENTS.—The Global Water, Sanitation and
25 Shelter Strategy shall include, in addition to the elements

1 required under section 1019(b), plans for achieving the
2 goal and objectives of section 1602.

3 (c) GUIDELINES.—The Global Water, Sanitation and
4 Shelter Strategy should—

5 (1) include targets for providing, on a sustain-
6 able basis, first-time access to safe water and basic
7 sanitation;

8 (2) integrate assistance provided under chapter
9 2 (promoting food security), chapter 3 (advancing
10 health), and chapter 5 (protecting and restoring the
11 natural environment) with assistance authorized
12 under this chapter;

13 (3) explain how programs and policies under
14 the strategy will contribute to meeting internation-
15 ally-agreed targets relating to access to safe drinking
16 water and basic sanitation and improving the lives
17 of slum dwellers;

18 (4) maximize efficiency in water use;

19 (5) identify and promote best practices for mo-
20 bilizing and leveraging public-private partnerships;

21 (6) address the effects of climate change on
22 water resources and shelter;

23 (7) evaluate the impact of urbanization and
24 general migration trends on shelter, water and sani-
25 tation; and

1 (8) utilize expertise within the United States
2 Government by improving policy and program co-
3 ordination among relevant Federal agencies, includ-
4 ing the Department of State, the United States
5 Agency for International Development, the Millen-
6 nium Challenge Corporation, the Centers for Disease
7 Control and Prevention, the National Oceanic and
8 Atmospheric Administration, the United States Geo-
9 logical Survey, and the Environmental Protection
10 Agency.

11 **SEC. 1604. ASSISTANCE FOR WATER, SANITATION AND**
12 **SHELTER.**

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

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

19 (1) **EXPANDING ACCESS TO CLEAN WATER AND**
20 **SANITATION.**—

21 (A) Assessing water and sanitation needs.

22 (B) Developing additional, reliable water
23 supplies.

1 (C) Expanding the coverage of existing
2 water and sanitation systems to reach pre-
3 viously underserved populations.

4 (D) Improving water and sanitation infra-
5 structure.

6 (E) Increasing the safety and reliability of
7 water supplies.

8 (F) Promoting more efficient use of water
9 supplies.

10 (G) Increasing awareness and use of
11 healthy hygiene practices.

12 (H) Building the capacity of partner coun-
13 tries to plan and manage water resources in an
14 efficient, transparent, inclusive and environ-
15 mentally sustainable manner.

16 (I) Promoting international and regional
17 cooperation to share technologies and best prac-
18 tices.

19 (J) Mitigating conflict over water re-
20 sources.

21 (K) Conducting research and developing
22 technology to further the goal and objectives of
23 this chapter.

24 (2) EXPANDING ACCESS TO BASIC SHELTER.—

1 (A) Assessing housing and infrastructure
2 needs.

3 (B) Upgrading existing shelter to meet
4 international humanitarian standards.

5 (C) Incentivizing the construction of af-
6 fordable housing units.

7 (D) Improving community infrastructure,
8 such as sidewalks, drainage ditches, latrines,
9 and public lighting.

10 (E) Enhancing recognition and protection
11 of legal rights to the ownership, lease and use
12 of real property.

13 (F) Reducing gender and other discrimina-
14 tion in housing, property ownership, and munic-
15 ipal services.

16 (G) Developing and enforcing housing and
17 construction codes to protect low-income resi-
18 dents and buyers.

19 (H) Encouraging the development and ex-
20 pansion of commercially-oriented housing mar-
21 kets in partner countries, including home mort-
22 gage and insurance markets and financing for
23 municipal infrastructure.

1 (I) Building the capacity of partner coun-
2 tries for improved urban planning and manage-
3 ment.

4 **CHAPTER 7—FOSTERING EQUAL**
5 **OPPORTUNITY**

6 **SEC. 1701. FINDINGS AND STATEMENT OF POLICY.**

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

8 (1) Women and girls are the majority of the
9 world's poor, unschooled, unhealthy, and underfed.

10 (2) Women around the world often work under
11 substandard conditions, for longer hours, and with
12 lower compensation, less income stability and fewer
13 economic opportunities than men.

14 (3) Women, along with persons belonging to
15 ethnic, racial, religious and linguistic minorities and
16 persons with disabilities, are often excluded by law
17 or practice from participating fully and equally in
18 the political, economic, and social life of their coun-
19 try.

20 (4) Displaced, refugee, and stateless women and
21 girls in humanitarian emergencies, conflict settings,
22 and natural disasters are at extreme risk of violence,
23 exploitation and intimidation.

24 (5) Violence against women dramatically im-
25 pedes progress in meeting global health goals, in-

1 including efforts to reduce maternal mortality and re-
2 verse the spread of HIV/AIDS.

3 (6) Studies have shown that investments in
4 women and girls have broad multiplier effects, par-
5 ticularly in the areas of health and education, which
6 over the long run can significantly improve the fu-
7 ture of communities and countries.

8 (7) Investments in women and other
9 marginalized groups can play a key role in reducing
10 poverty, countering violent extremism, promoting
11 stability, fostering tolerance and reconciliation, and
12 building strong and vibrant civil societies.

13 (8) Increasing women's access to economic op-
14 portunities is crucial to preventing and responding
15 to domestic and sexual violence.

16 (9) Fostering equal opportunity requires
17 strengthening rules, practices, and institutions that
18 protect the rights of marginalized groups, as well as
19 including such groups in the design, implementation,
20 and monitoring of programs to reduce poverty and
21 alleviate human suffering.

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

24 (1) invest in women and girls, as well as other
25 marginalized groups, in partner countries as a mat-

1 ter of justice and human rights as well as to pro-
2 mote sustainable development and achieve inter-
3 nationally agreed development goals;

4 (2) include marginalized groups and organiza-
5 tions that represent such groups in the design, im-
6 plementation, and monitoring of programs under
7 this title;

8 (3) mainstream into the design, implementa-
9 tion, and evaluation of policies and programs at all
10 levels an understanding of the distinctive impact
11 that such policies and programs may have on women
12 and girls; and

13 (4) promote equal opportunities for all people,
14 including marginalized groups, to achieve their per-
15 sonal potential and maximize their contributions to
16 the development of their families, economies, and so-
17 cieties.

18 **SEC. 1702. GOAL AND OBJECTIVES.**

19 (a) GOAL.—The goal of assistance under this chapter
20 is to promote equal opportunities for all people, including
21 marginalized groups, to achieve their personal potential
22 and maximize their contributions to the development of
23 their families, economies, and societies.

1 (b) OBJECTIVES.—In furtherance of the goal of sub-
2 section (a), assistance under this chapter shall be designed
3 to achieve the following objectives in partner countries:

4 (1) Increasing educational, economic, and polit-
5 ical opportunities for women and other marginalized
6 groups.

7 (2) Building the capacity of women and other
8 marginalized groups to participate fully in decisions
9 that affect their lives.

10 (3) Reducing legal and social barriers to the
11 participation of marginalized groups in economic ac-
12 tivity and political processes.

13 (4) Expanding the collection of gender-
14 disaggregated data and the use of gender analysis.

15 (5) Integrating gender considerations into all
16 international development policies and programs.

17 **SEC. 1703. GLOBAL STRATEGY FOR EQUALITY.**

18 (a) IN GENERAL.—The strategy required under sec-
19 tion 1019 with respect to fostering equal opportunity shall
20 be known as the “Global Strategy for Equality”.

21 (b) CONTENTS.—The Global Strategy for Equality
22 shall include, in addition to the elements required under
23 section 1019(b), plans for achieving goal and objectives
24 in section 1702.

1 (c) GUIDELINES.—The Global Strategy for Equality
2 should—

3 (1) be coordinated with the comprehensive
4 international strategy to prevent and respond to vio-
5 lence against women and girls, as required under
6 section 3203;

7 (2) include plans for preventing child marriage;

8 (3) address the ways in which exclusion and
9 discrimination hinder economic growth and heighten
10 the risks of conflict and instability;

11 (4) discuss exclusionary and discriminatory
12 practices that are particularly harmful for the
13 achievement of United States development goals and
14 identify the countries in which such practices occur;

15 (5) include plans for hiring, training, deploying
16 and retaining a diverse United States Agency for
17 International Development workforce with appro-
18 priate expertise and responsibility for promoting
19 equal opportunity around the world;

20 (6) ensure that the goal and objectives of this
21 chapter are reflected in the United States Agency
22 for International Development's procurement regula-
23 tions and procedures; and

24 (7) build accountability for gender integration
25 into monitoring and evaluation systems.

1 (d) PREPARATION.—The Global Strategy for Equal-
2 ity shall be prepared by the Director of the Office for
3 Women’s Global Development, in coordination with the
4 Ambassador-at-Large for Global Women’s Issues.

5 **SEC. 1704. ASSISTANCE FOR EQUAL OPPORTUNITY.**

6 (a) IN GENERAL.—The Administrator is authorized
7 to use funds made available under section 1015 to further
8 the goal and objectives of this chapter in partner coun-
9 tries.

10 (b) ACTIVITIES.—Assistance authorized under sub-
11 section (a) shall include—

12 (1) integrating women and marginalized groups
13 into the political, social, and economic systems of
14 partner countries;

15 (2) developing laws, regulations, and policies
16 that promote equal rights and prohibit discrimina-
17 tion in partner countries;

18 (3) providing leadership and technical training
19 that improves the capacity of women and
20 marginalized groups in partner countries to partici-
21 pate fully in decisions that affect their lives;

22 (4) enhancing the capacity of partner countries
23 to prevent and respond to violence against women
24 and girls; and

1 (5) research and innovation to improve the de-
2 sign, implementation, and monitoring and evaluation
3 of United States foreign assistance for greater effec-
4 tiveness in promoting gender equality and reducing
5 sexual and gender-based violence.

6 **SEC. 1705. OFFICE FOR WOMEN'S GLOBAL DEVELOPMENT.**

7 (a) ESTABLISHMENT.—There is established, within
8 the United States Agency for International Development,
9 an Office for Women's Global Development (referred to
10 in this section as the "Office").

11 (b) DIRECTOR.—The Office shall be headed by a Di-
12 rector (referred to in this section as the "Director"), who
13 shall report directly to the Administrator and shall consult
14 regularly with the Ambassador-at-Large for Global Wom-
15 en's Issues.

16 (c) DUTIES.—The Director shall—

17 (1) advise the Administrator on matters relat-
18 ing to the advancement of women's global develop-
19 ment;

20 (2) lead and coordinate all efforts of the United
21 States Agency for International Development to em-
22 power women and promote gender equality in devel-
23 oping countries, including efforts to prevent and re-
24 spond to gender-based violence;

1 (3) direct the preparation of the Global Strat-
2 egy for Equality under section 1703;

3 (4) mainstream into the design, implementa-
4 tion, and evaluation of policies and programs at all
5 levels an understanding of the distinctive impact
6 that such policies and programs may have on women
7 and girls;

8 (5) assist other bureaus, offices, and overseas
9 missions in designing and revising strategies, pro-
10 grams, projects and activities to empower women
11 and promote gender equality;

12 (6) monitor and evaluate the impact on women
13 and girls of programs carried out by the Agency;
14 and

15 (7) disseminate information about lessons
16 learned and best practices for advancing women's
17 global development throughout the Agency and other
18 relevant Federal agencies.

19 **SEC. 1706. PREVENTION OF CHILD MARRIAGE.**

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

21 (1) Child marriage, also known as “forced mar-
22 riage” or “early marriage”, is a harmful traditional
23 practice that deprives girls of their dignity and
24 human rights.

1 (2) Child marriage as a traditional practice, as
2 well as through coercion or force, is a violation of ar-
3 ticle 16 of the Universal Declaration of Human
4 Rights, which states, “Marriage shall be entered into
5 only with the free and full consent of intending
6 spouses”.

7 (3) Factors perpetuating child marriage include
8 poverty, a lack of educational or employment oppor-
9 tunities for girls, parental concerns to ensure sexual
10 relations within marriage, the dowry system, and the
11 perceived lack of value of girls.

12 (4) Child marriage has negative effects on the
13 health of girls, including significantly increased risk
14 of maternal death and morbidity, infant mortality
15 and morbidity, obstetric fistula, and sexually trans-
16 mitted diseases, including HIV/AIDS.

17 (5) Most countries with high rates of child mar-
18 riage have a legally established minimum age of
19 marriage, yet child marriage persists due to strong
20 traditional norms and the failure to enforce existing
21 laws.

22 (6) Investments in girls’ schooling, creating safe
23 community spaces for girls, and programs to build
24 skills for out-of-school girls are all effective and
25 demonstrated strategies for preventing child mar-

1 riage by addressing conditions of poverty, low status,
2 and social norms that contribute to child marriage.

3 (b) STATEMENT OF POLICY.—It is the policy of the
4 United States to seek the elimination of the practice of
5 child marriage.

6 (c) AUTHORIZATION.—The Administrator is author-
7 ized to use funds made available under this chapter for
8 programs to prevent the incidence of child marriage in
9 partner countries through the promotion of educational,
10 health, economic, social, and legal rights of girls and
11 women.

12 (d) PRIORITY.—In providing assistance authorized
13 under subsection (c), the Administrator should give pri-
14 ority to—

15 (1) areas or regions in developing countries in
16 which 40 percent or more of girls under the age of
17 18 are married; and

18 (2) activities to—

19 (A) expand and replicate existing commu-
20 nity-based programs that are successful in pre-
21 venting the incidence of child marriage;

22 (B) establish pilot projects to prevent child
23 marriage; and

1 (C) share evaluations of successful pro-
2 grams, program designs, experiences, and les-
3 sons.

4 **SEC. 1707. COORDINATION OF EFFORTS TO PREVENT**
5 **CHILD MARRIAGE.**

6 (a) DESIGNATION.—The Administrator shall des-
7 ignate an official to lead and coordinate policies, pro-
8 grams, projects, and activities of the Agency to prevent
9 child marriage.

10 (b) ADDITIONAL DUTIES.—In addition to the respon-
11 sibilities described in subsection (a), the official designated
12 under subsection (a) shall—

13 (1) ensure that efforts to prevent child mar-
14 riage are integrated into the relevant country and
15 sector strategies prepared in accordance with sec-
16 tions 1018 and 1019; and

17 (2) collect and disseminate information on—

18 (A) best practices for preventing and re-
19 ducing the incidence of child marriage;

20 (B) the incidence of child marriage in part-
21 ner countries where the practice of child mar-
22 riage is prevalent; and

23 (C) the relationship between prevalence of
24 child marriage and the achievement of develop-
25 ment goals.

1 (c) CONSULTATION.—In carrying out the duties
2 under this section, the official designated under subsection
3 (a) shall consult with a wide range of relevant stake-
4 holders.

5 **SEC. 1708. DEFINITIONS.**

6 In this chapter:

7 (1) CHILD MARRIAGE.—The term “child mar-
8 riage” means the marriage of a girl or a boy who
9 has not reached the minimum legal age for marriage
10 in the country of residence, or where there is no
11 such law, under the age of 18.

12 (2) GENDER ANALYSIS.—The term “gender
13 analysis” means the systematic examination of the
14 different roles, rights, resources, constraints, and op-
15 portunities of men and women, boys and girls, in a
16 society, economy, community or family;

17 (3) GENDER EQUALITY.—The term “gender
18 equality” means equal opportunities for all people,
19 regardless of sex, to achieve their personal potential
20 and maximize their contributions to the development
21 of their families, economies, and societies, commu-
22 nities, and countries.

23 (4) GENDER INTEGRATION.—The term “gender
24 integration” means incorporating gender analysis
25 and the resulting recommendations in all policies,

1 budgets, programming, and performance monitoring
2 and evaluation.

3 **CHAPTER 8—STRENGTHENING**
4 **DEMOCRATIC GOVERNANCE**

5 **SEC. 1801. FINDINGS AND STATEMENT OF POLICY.**

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

7 (1) Democratic development, political pluralism,
8 and respect for internationally recognized human
9 rights are intrinsically linked to economic and social
10 progress. Efforts to reduce poverty and promote
11 broad-based economic growth are more effective and
12 sustainable in a political environment in which fun-
13 damental freedoms and the rule of law are re-
14 spected, government institutions are broadly rep-
15 resentative, and corruption is held to a minimum.

16 (2) Violent extremism that threatens United
17 States national security flourishes where democratic
18 governance is weak, justice uncertain, and legal ave-
19 nues for change in short supply.

20 (3) Democracy can only be sustained in a soci-
21 ety in which the legitimacy of the government rests
22 firmly on the expressed consent of the governed; the
23 rights of all citizens, including minorities, are re-
24 spected and protected; and there is effective civilian
25 control over the military and security forces.

1 (4) There is a growing worldwide movement to-
2 ward more open, just and democratic societies. This
3 trend is essential to achieving the United States ulti-
4 mate objective of worldwide respect for human rights
5 and fundamental freedoms without distinction as to
6 race, sex, language, religion, sexual orientation, or
7 gender identity. At the same time, this trend holds
8 great promise for promoting the peace of the world
9 and the foreign policy, security, and general welfare
10 of the United States.

11 (5) Democracy cannot be imposed from with-
12 out. However, the United States should encourage
13 all states to meet their obligations under inter-
14 national law to uphold and protect human rights
15 and fundamental freedoms, and should support the
16 aspirations of those who seek through peaceful
17 means to make their governments more democratic
18 and accountable.

19 (6) Democracy takes time to become firmly
20 rooted in society and in the political system. While
21 short-term interventions can be important and effec-
22 tive means for preventing abuses and opening win-
23 dows of opportunity, democracy promotion generally
24 requires sustained effort and a comprehensive ap-
25 proach.

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

3 (1) support democratic aspirations and values,
4 foster the spread of democratic institutions, and en-
5 courage universal respect for internationally recog-
6 nized human rights, including civil and political lib-
7 erties;

8 (2) recognize that, to be successful, such sup-
9 port must not be defined narrowly in terms of par-
10 ties and elections and government institutional ca-
11 pacity building, but must include other, equally im-
12 portant, aspects of democratic development, includ-
13 ing—

14 (A) independent and balanced media;

15 (B) impartial and competent judicial proc-
16 esses that deliver access to justice;

17 (C) respect for human rights and funda-
18 mental freedoms; and

19 (D) a vibrant civil sector that engages
20 meaningfully with government; and

21 (3) take into consideration a country's commit-
22 ment to good governance, respect for the rule of law
23 and protection of internationally-recognized human
24 rights in providing assistance under this subtitle.

1 **SEC. 1802. GOAL AND OBJECTIVES.**

2 (a) GOAL.—The goal of assistance under this chapter
3 is to strengthen democratic institutions and practices and
4 promote human rights in partner countries.

5 (b) OBJECTIVES.—In furtherance of the goal of sub-
6 section (a), assistance under this chapter shall be designed
7 to achieve the following objectives:

8 (1) Improving government responsiveness, ac-
9 countability, transparency and effectiveness.

10 (2) Increasing the capacity and participation of
11 civil society.

12 (3) Strengthening the observance of inter-
13 nationally-recognized human rights and the rule of
14 law.

15 (4) Fostering political competition and con-
16 sensus-building.

17 **SEC. 1803. ASSISTANCE FOR DEMOCRATIC STRENGTH-**
18 **ENING.**

19 (a) IN GENERAL.—The Administrator is authorized
20 to use funds made available under section 1015 to further
21 the goal and objectives of this chapter in partner coun-
22 tries.

23 (b) ACTIVITIES.—Assistance authorized under sub-
24 section (a) shall include support for the following:

25 (1) Conducting free, legitimate, credible, and
26 fair national, state, and local elections.

1 (2) Developing and strengthening open, demo-
2 cratic, peaceful and effective political parties.

3 (3) Enhancing the responsiveness and effective-
4 ness of public administration.

5 (4) Building professional, transparent and re-
6 sponsible legislatures.

7 (5) Developing and strengthening free, inde-
8 pendent and professional media.

9 (6) Fostering inclusive and transparent legisla-
10 tive and regulatory processes at all levels of govern-
11 ment.

12 (7) Decentralization efforts and the develop-
13 ment of capable, representative local government in-
14 stitutions.

15 (8) Strengthening civilian, democratic control
16 over the military.

17 (9) Combating corruption and promoting finan-
18 cial integrity.

19 (10) Improving the independence, impartiality,
20 transparency and competence of judicial officials and
21 processes.

22 (11) Revising and modernizing laws, constitu-
23 tions, and legal frameworks.

24 (12) Expanding access of crime victims and
25 witnesses to legal information and services.

1 (13) Promoting official recognition of, and re-
2 spect in practice for, internationally recognized
3 human rights.

4 (14) Supporting and assisting international and
5 domestic courts and tribunals investigating and
6 prosecuting instances of war crimes, genocide, and
7 crimes against humanity.

8 (15) Rehabilitating victims of torture, including
9 activities specifically designed to treat the physical
10 and psychological effects of torture.

11 (16) Preventing and responding to abuses such
12 as human trafficking, sexual and gender-based vio-
13 lence, the conscription of children into armed forces,
14 the use of child labor and the practice of child mar-
15 riage.

16 (17) Strengthening the capacity of civil society
17 organizations to participate effectively in public life
18 and provide input into government decisions.

19 (18) Increasing citizen awareness of rights and
20 responsibilities, and encouraging greater participa-
21 tion in political processes.

22 (19) Promoting tolerance, dialogue, and peace-
23 ful dispute resolution.

24 (20) Expanding public access to information
25 and communications, including through the Internet.

1 (21) Implementing Action Plans for Human
2 Rights and Democracy prepared pursuant to section
3 3103.

4 **SEC. 1804. ADVISORY COMMITTEE ON DEMOCRACY PRO-**
5 **MOTION.**

6 (a) ESTABLISHMENT.—There is established an Advi-
7 sory Committee on Democracy Promotion (in this section
8 referred to as the “Advisory Committee”). The Advisory
9 Committee shall report to the Secretary and the Adminis-
10 trator.

11 (b) PURPOSE.—The purpose of the Advisory Com-
12 mittee is to review and make recommendations on how to
13 improve United States Government efforts to promote de-
14 mocracy internationally.

15 (c) DUTIES.—The duties of the Advisory Committee
16 shall include consulting with, providing information to,
17 and advising the Secretary and the Administrator on
18 issues relating to democracy promotion in the formulation
19 and implementation of United States foreign policy and
20 foreign assistance, including such matters as—

21 (1) the means by which the United States Gov-
22 ernment should promote democracy, depending on
23 circumstances in foreign countries;

1 (2) the integration of democracy considerations
2 into United States diplomatic and development ef-
3 forts;

4 (3) the special challenges of setting indicators
5 and measuring impact in the field of democracy and
6 governance;

7 (4) lessons learned and best practices in inter-
8 national democracy promotion;

9 (5) the balance between strengthening civil soci-
10 ety and strengthening governance;

11 (6) the application of principles of country own-
12 ership in undemocratic or democratic transition
13 countries;

14 (7) the application of marking and branding
15 rules to democracy programs;

16 (8) the consistency of democracy policies and
17 programs across Federal agencies; and

18 (9) the parameters for operating in undemo-
19 cratic and conflict settings.

20 (d) MEMBERSHIP.—

21 (1) NUMBER AND APPOINTMENT.—The Advi-
22 sory Committee shall be composed of 8 individuals
23 appointed by the Secretary and seven individuals ap-
24 pointed by the Administrator who are experts in var-

1 ious aspects of the field of international democracy,
2 human rights, and good governance.

3 (2) TERMS.—Members of the Advisory Com-
4 mittee shall serve a term of 2 years, and may be ap-
5 pointed to consecutive terms.

6 (3) INDIVIDUAL CAPACITY.—Members of the
7 Advisory Committee shall serve in an individual, not
8 a representative, capacity.

9 (4) CHAIRPERSON AND VICE CHAIRPERSON.—
10 The Chairperson of the Advisory Committee shall be
11 designated by the Secretary, and the Vice Chair-
12 person of the Advisory Committee shall be des-
13 ignated by the Administrator, at the time of their
14 appointment to the Advisory Committee.

15 (e) REPORT.—

16 (1) IN GENERAL.—The Advisory Committee
17 shall submit to the Secretary and the Administrator
18 on an annual basis a report that describes the activi-
19 ties of the Advisory Committee during the preceding
20 year.

21 (2) AVAILABILITY TO PUBLIC.—The report re-
22 quired by paragraph (1) shall be made publicly
23 available on the Internet.

24 (f) MEETINGS.—The Advisory Committee shall hold
25 not less than 4 meetings each year.

1 (g) SUBCOMMITTEES.—The Advisory Committee may
2 establish subcommittees and special task forces, as deter-
3 mined necessary by the Advisory Committee. Any such
4 subcommittee or special task force shall meet subject to
5 the call of the Chairperson of the subcommittee or special
6 task force, as the case may be.

7 **SEC. 1805. FOREIGN GOVERNMENT APPROVAL AND CONDI-**
8 **TIONALITY.**

9 (a) FOREIGN GOVERNMENT APPROVAL.—The Ad-
10 ministrator shall not require the approval or agreement
11 of a foreign government for—

12 (1) specific programs, projects, or activities au-
13 thORIZED under this chapter; or

14 (2) specific organizations carrying out assist-
15 ance authorized under this chapter.

16 (b) FOREIGN GOVERNMENT CONDITIONALITY.—The
17 Administrator shall not terminate assistance authorized
18 under this chapter for a country pursuant to, or in order
19 to conclude, an agreement to provide other forms of assist-
20 ance for such country.

21 **SEC. 1806. RELATIONSHIP TO OTHER LAWS.**

22 Assistance authorized under this chapter to promote
23 human rights, strengthen civil society, and foster free and
24 fair election, referendum, or vote may be made available

1 notwithstanding any provision of law that restricts assist-
2 ance to a foreign country.

3 **SEC. 1807. PROHIBITING ASSISTANCE TO INFLUENCE THE**
4 **OUTCOME OF ELECTIONS.**

5 No assistance authorized under this chapter shall be
6 used to influence the outcome of any elections in any coun-
7 try.

8 **Subtitle B—Alleviating Human**
9 **Suffering**

10 **SEC. 1901. FINDINGS AND STATEMENT OF POLICY.**

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

12 (1) Natural disasters can temporarily over-
13 whelm the capacity of countries, regardless of wealth
14 and technological advancement, to meet basic human
15 needs and protect people from harm. Such disasters
16 are likely to increase in number and severity along
17 with the changes in the world's climate and the ex-
18 pansion of the world's population.

19 (2) Conflict, weak and poor governance, corrup-
20 tion, and repression increase vulnerability to human-
21 itarian crisis, aggravate the impact of physical and
22 environmental shocks, complicate the ability to re-
23 spond effectively, and lengthen the recovery period.

24 (3) Conflicts, human rights violations, and nat-
25 ural disasters often uproot people within their own

1 countries. Forced to abandon their homes and liveli-
2 hoods, and without access to the rights and re-
3 sources available to those who cross an international
4 border, these internally displaced persons are among
5 the world's most vulnerable and neglected people.

6 (4) Persons affected by conflict are at greatly
7 heightened risk of sexual and gender-based violence.
8 Such risk can be mitigated through proper design
9 and implementation of humanitarian programs, es-
10 pecially those relating to water and sanitation,
11 health, shelter, food, energy, and livelihoods, as well
12 as through specific protection measures.

13 (5) In protracted crises, humanitarian resources
14 are often exhausted before the essential conditions
15 are in place for long-term, sustainable development.
16 Coordinated action is required to address basic
17 human needs at every stage of the transition, from
18 emergency relief to recovery, rehabilitation, recon-
19 struction, and development.

20 (6) The United Nations plays a central, unique,
21 and vital role in leading and coordinating inter-
22 national humanitarian assistance. Its organs and af-
23 filiated agencies have capabilities and expertise that
24 far exceed the ability of any single donor to respond
25 to humanitarian needs. The collective voice of these

1 partners frequently enhances United States bilateral
2 efforts and often plays a useful role in gaining ac-
3 cess and achieving results where United States influ-
4 ence might otherwise be limited.

5 (7) Multilateralism allows the United States to
6 leverage its humanitarian contributions as part of a
7 wider international donor effort and helps ensure
8 that United States efforts complement those of other
9 donors. To be effective, United States engagement
10 with multilateral humanitarian organizations re-
11 quires predictable funding and strong diplomatic en-
12 gagement in policy development and institutional
13 management.

14 (b) STATEMENT OF POLICY.—It is the policy of the
15 United States to save lives and to alleviate human suf-
16 fering wherever possible, taking action solely on the basis
17 of need, without discrimination between or within affected
18 populations, without regard to diplomatic, economic, mili-
19 tary, or other objectives of the United States, and without
20 favoring any side in an armed conflict or other dispute.

21 **SEC. 1902. GOAL AND OBJECTIVES.**

22 (a) GOAL.—The goal of assistance under this subtitle
23 is to save lives, alleviate suffering, maintain human dig-
24 nity, and protect and uphold the rights of extremely vul-
25 nerable people.

1 (b) OBJECTIVES.—In furtherance of the goal of sub-
2 section (a), assistance under this subtitle shall be designed
3 to achieve the following objectives:

4 (1) Provide quick and effective relief in the
5 aftermath of disasters, whether natural or human-
6 caused.

7 (2) Restore self-sufficiency and facilitate the re-
8 turn to normal lives and livelihoods.

9 (3) Protect civilians affected by conflict, dis-
10 aster, and displacement from physical harm, perse-
11 cution, exploitation, abuse, malnutrition and disease,
12 family separation, gender-based violence, forcible re-
13 cruitment and other threats to human rights.

14 (4) Build capacity to prevent and mitigate the
15 effects of conflict, disasters, and displacement.

16 **SEC. 1903. HUMANITARIAN PRINCIPLES.**

17 (a) IN GENERAL.—United States humanitarian ac-
18 tion shall be carried out in accordance with the following
19 principles:

20 (1) The central purpose of humanitarian action
21 is to save human lives and alleviate suffering wher-
22 ever possible.

23 (2) Humanitarian action should be impartial,
24 based solely on and in proportion to need, without
25 discrimination between or within affected popu-

1 lations, and without regard to the political views, na-
2 tional origin, or religious affiliation of the bene-
3 ficiaries.

4 (3) Humanitarian action should be neutral,
5 without favoring any side in an armed conflict or
6 other dispute where such humanitarian action is car-
7 ried out.

8 (4) Humanitarian action should be independent,
9 without regard to the political, economic, military, or
10 other objectives that any actor may hold in relation
11 to the affected areas and populations.

12 (5) Humanitarian action should be undertaken
13 in accordance with international human rights law,
14 international humanitarian law, refugee law, and the
15 United Nations Guiding Principles on Internal Dis-
16 placement.

17 (6) Humanitarian action should meet inter-
18 national standards, using the SPHERE Minimum
19 Standards for Disaster Response and the Inter-
20 Agency Standing Committee guidelines as bench-
21 marks, and should promote the principles and prac-
22 tices of Good Humanitarian Donorship.

23 (7) Protection of civilians affected by conflict,
24 disaster, and displacement from physical harm, per-
25 secution, exploitation, abuse, malnutrition and dis-

1 ease, family separation, sexual and gender-based vio-
2 lence, forcible recruitment, and other threats to
3 human rights is a core element of humanitarian ac-
4 tion.

5 (8) Humanitarian action should be primarily ci-
6 vilian in nature. The Department of Defense should
7 provide humanitarian assistance overseas only when
8 there is no comparable civilian alternative and only
9 when the use of military or civil defense assets can
10 uniquely meet a critical humanitarian need.

11 (9) When the military is required to support a
12 humanitarian response, civilian agencies should be in
13 the lead and should have the requisite capacity to
14 perform this leadership role.

15 (10) Humanitarian action should be undertaken
16 in a timely, flexible, and efficient manner on the
17 basis of assessed needs.

18 (11) In addition to providing funding for relief
19 efforts, the United States should use its leverage to
20 assist humanitarian agencies in obtaining secure,
21 unfettered access to survivors in crisis situations.

22 (12) To ensure impartiality, neutrality, inde-
23 pendence, and the appearance thereof, humanitarian
24 action should be implemented by intergovernmental
25 and nongovernmental international humanitarian or-

1 organizations, in partnership with local communities,
2 indigenous organizations, and affected governments
3 whenever possible.

4 (13) Individuals affected by conflict, disaster,
5 persecution, and displacement have the greatest
6 stake in the performance of humanitarian programs
7 and should, to the greatest possible extent, be in-
8 volved in the design, implementation, monitoring,
9 and evaluation of such programs.

10 (14) Humanitarian, reconstruction, and devel-
11 opment programs should be coordinated, planned,
12 and funded to ensure continuity of life-sustaining
13 services during transition phases.

14 (15) United States humanitarian action should
15 strive to ensure that refugees, internally displaced
16 persons, and other conflict-affected individuals and
17 communities are treated equally in the application of
18 policy and the allocation of resources.

19 (16) To promote learning, accountability, and
20 the efficient use of resources, the United States
21 should support independent monitoring and evalua-
22 tion of all humanitarian assistance.

23 (b) DEFINITION.—In this section, the term “United
24 States humanitarian action” or “humanitarian action”
25 means—

1 (1) humanitarian assistance as defined in sec-
2 tion 6;

3 (2) assistance under any provision of law to
4 save lives and alleviate human suffering in the after-
5 math of an international disaster; and

6 (3) diplomatic and military activities in support
7 of international disaster relief, recovery, and recon-
8 struction.

9 **SEC. 1904. INTERNATIONAL DISASTER ASSISTANCE.**

10 (a) **AUTHORIZATION.**—Notwithstanding any other
11 provision of this or any other Act, the Administrator is
12 authorized to provide assistance to any foreign country,
13 international organization, or private voluntary organiza-
14 tion, on such terms and conditions as the Administrator
15 may determine, for international disaster relief, recovery,
16 and reconstruction, including assistance relating to dis-
17 aster preparedness, and to the prediction of, and contin-
18 gency planning for, disasters and humanitarian crises
19 abroad.

20 (b) **AVAILABILITY OF FUNDS.**—Amounts made avail-
21 able under this section are authorized to remain available
22 until expended.

23 (c) **REIMBURSEMENT AUTHORITY.**—In addition to
24 amounts otherwise available to carry out this section, up
25 to \$100,000,000 of amounts made available under subtitle

1 A in any fiscal year may be obligated for the purposes
2 of, and in accordance with the authorities of, this section.
3 Amounts subsequently made available under this section
4 may be used to reimburse any account under which obliga-
5 tions were incurred under this subsection.

6 **SEC. 1905. EMERGENCY HUMANITARIAN RESPONSE FUND.**

7 (a) **AUTHORITY.**—Whenever the Administrator deter-
8 mines it to be important to the national interest of the
9 United States, the Administrator is authorized to provide,
10 on such terms and conditions as the Administrator may
11 determine appropriate, assistance under this section for
12 the purpose of meeting unexpected urgent humanitarian
13 and food assistance needs, notwithstanding any other pro-
14 vision of law.

15 (b) **ESTABLISHMENT.**—There is established a United
16 States Emergency Humanitarian Response Fund to carry
17 out the purposes of this section (in this section referred
18 to as the “Fund”).

19 (c) **TRANSFER AUTHORITY; AVAILABILITY OF**
20 **FUNDS.**—In addition to amounts otherwise available to
21 carry out this section, the President is authorized to trans-
22 fer to the Fund from amounts made available under any
23 other provision of this Act such sums as may be necessary
24 to carry out the purposes of this section, except that the
25 total amount in the Fund at any time shall not exceed

1 \$500,000,000. Amounts in the Fund are authorized to re-
2 main available until expended.

3 (d) NOTIFICATION.—The President shall keep the ap-
4 propriate congressional committees currently informed of
5 the use of funds and the exercise of functions authorized
6 in this section.

7 **SEC. 1906. HUMANITARIAN COORDINATION.**

8 (a) HUMANITARIAN COORDINATOR.—The President
9 shall designate, on a permanent basis or for the purposes
10 of a specific humanitarian crisis, a senior civilian official
11 as the Humanitarian Coordinator.

12 (b) RESPONSIBILITIES.—The responsibilities of the
13 Humanitarian Coordinator shall be to promote maximum
14 effectiveness and coordination in responses to foreign dis-
15 asters by Federal agencies and between the United States
16 and other donors.

17 (c) ROLE OF ADMINISTRATOR.—In the absence of a
18 designation under subsection (a), the Administrator shall
19 serve as the Humanitarian Coordinator.

20 **SEC. 1907. MONITORING AND EVALUATION OF HUMANI-
21 TARIAN ASSISTANCE.**

22 (a) ROLE OF THE OFFICE OF FOREIGN DISASTER
23 ASSISTANCE.—The Office of Foreign Disaster Assistance
24 (OFDA) of the Agency shall be responsible for monitoring

1 the adherence of assistance under this subtitle to inter-
2 national humanitarian standards.

3 (b) CONGRESSIONAL NOTIFICATION.—The Adminis-
4 trator shall notify the appropriate congressional commit-
5 tees if assistance made available under this subtitle is not
6 sufficient to meet international humanitarian standards.
7 Such notification shall include a description of the stand-
8 ards not being met, the resources that would be required
9 to meet such standards, and the reasons why such re-
10 sources are not available.

11 (c) ROLE OF THE OFFICE OF FOOD FOR PEACE.—
12 The Office of Food for Peace (FFP) of the Agency shall
13 be responsible for tracking and monitoring the nutritional
14 outcomes of emergency food assistance provided under
15 this Act and title II of the Agricultural Trade Develop-
16 ment and Assistance Act of 1954 (Public Law 83–480).

17 (d) MONITORING AND EVALUATION REQUIRED.—
18 The authorities of sections 1904 and 1905 shall not be
19 used to vitiate the requirement of section 9201 for moni-
20 toring and evaluation of foreign assistance.

21 **SEC. 1908. AUTHORITY TO PAY TRANSPORTATION COSTS.**

22 In order to further the efficient use of United States
23 voluntary contributions for alleviating human suffering,
24 the Administrator is authorized to use funds made avail-
25 able for the purposes of this subtitle to pay transportation

1 charges on shipments of humanitarian goods by United
2 States private and voluntary organizations.

3 **SEC. 1909. INCREASING FLEXIBILITY FOR THE EMERGENCY**
4 **REFUGEE AND MIGRATION ACCOUNT.**

5 Section 2(c) of the Migration and Refugee Assistance
6 Act of 1962 (22 U.S.C. 2601(c)) is amended—

7 (1) in paragraph (1), by striking “President”
8 and inserting “Secretary of State”; and

9 (2) in paragraph (2), by striking
10 “\$100,000,000” and inserting “\$200,000,000”.

11 **SEC. 1910. DEFINITIONS.**

12 In this subtitle:

13 (1) **DISASTER.**—The term “disaster” means an
14 unexpected occurrence, human-caused or natural,
15 that causes loss of life, health, property, or liveli-
16 hood, inflicting widespread destruction and distress.

17 (2) **INTERNATIONAL DISASTER RELIEF, RECOV-
18 ERY, AND RECONSTRUCTION.**—The term “inter-
19 national disaster relief, recovery, and reconstruc-
20 tion” means—

21 (A) immediate actions intended to save
22 lives and reduce suffering during and after a
23 disaster;

1 (B) short-term measures to restore self-
2 sufficiency and facilitate the return to normal
3 lives and livelihoods following a disaster; and

4 (C) actions to begin to reconstitute basic
5 services and facilities following a disaster.

6 **TITLE II—ADVANCING PEACE**
7 **AND MITIGATING CONFLICT**

8 **SEC. 2001. STATEMENTS OF POLICY; FINDINGS.**

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

10 (1) Peacebuilding involves the full range of ap-
11 proaches, processes, and stages of transforming vio-
12 lent conflict into stable, peaceful relationships.

13 (2) Because many of the greatest threats to
14 United States national security have emerged from
15 failed states, it is in the national security interest of
16 the United States to support peacebuilding efforts to
17 stabilize and secure fragile states.

18 (3) The United States is committed to working
19 with the international community, and to strength-
20 ening its internal capabilities, to prevent and stop
21 genocide, war crimes, ethnic cleansing, and crimes
22 against humanity.

23 (4) In the event that prevention fails, the
24 United States has an obligation to work both multi-
25 laterally and bilaterally to mobilize diplomatic, hu-

1 manitarian, financial, and when necessary and ap-
2 propriate, military resources to save lives and pro-
3 tect civilian populations.

4 (b) STATEMENT OF POLICY.—It is the policy of the
5 United States to promote human security and long-term
6 sustainable, secure, and stable communities.

7 **SEC. 2002. DEFINITION.**

8 In this title, the term “peacebuilding” means short-
9 term activities to prevent armed conflict, stabilize weak
10 and fragile states, protect civilians in conflict zones, miti-
11 gate crises, help countries to rebuild and recover after con-
12 flict, and support transitions to peace, stability, and de-
13 mocracy.

14 **Subtitle A—Crisis Prevention,**
15 **Mitigation, and Response**

16 **CHAPTER 1—CONFLICT PREVENTION**

17 **SEC. 2011. CONFLICT PREVENTION WORKING GROUP.**

18 (a) FINDINGS.—Congress makes the following find-
19 ings:

20 (1) Diplomacy, including mediation, support to
21 civil society, governance and democracy programs,
22 strategic communications, sanctions or the threat
23 thereof, and other forms of international pressure
24 are essential for conflict prevention.

1 (2) Preventing conflict is a key diplomatic ob-
2 jective of the United States.

3 (3) Critical to conflict prevention are assess-
4 ments to track potential conflicts and plan responses
5 appropriately.

6 (4) Although the United States Government
7 contains the analytic capabilities to track conflict,
8 there is no mechanism to coordinate analysis and en-
9 sure a coordinated response to potential conflicts.

10 (5) An integrated mechanism at the National
11 Security Council would help facilitate a comprehen-
12 sive approach towards conflict prevention.

13 (b) ESTABLISHMENT OF INTERAGENCY CONFLICT
14 PREVENTION WORKING GROUP.—The President shall es-
15 tablish an Interagency Conflict Prevention Working Group
16 (in this section referred to as the “Working Group”) with
17 the following responsibilities:

18 (1) Advise the President on conflict prevention
19 functions.

20 (2) Coordinate and synchronize the crisis pre-
21 vention activities of the agencies specified in sub-
22 section (d).

23 (3) Integrate the early-warning systems of na-
24 tional security agencies, including intelligence agen-

1 cies, with respect to conflict and coordinate the pol-
2 icy response to such conflicts.

3 (4) Conduct gaming and contingency planning
4 exercises regarding crisis prevention.

5 (5) Identify available resources and policy op-
6 tions necessary to prevent the emergence or esca-
7 lation of violent conflict.

8 (c) LEADERSHIP.—The Working Group shall be
9 headed by a senior director selected by the President, and
10 who shall report to the Assistant to the President for Na-
11 tional Security Affairs (commonly referred to as the “Na-
12 tional Security Advisor”).

13 (d) COMPOSITION.—The Working Group shall be
14 composed of representatives from the following agencies,
15 and such others as the President determines appropriate:

16 (1) The Department of Defense.

17 (2) The United States Agency for International
18 Development.

19 (3) The Department of State.

20 (4) The Department of Justice.

21 (5) The Department of the Treasury.

22 **SEC. 2012. REGIONAL CONFLICT RISK ASSESSMENT AND**
23 **CONFLICT MITIGATION STRATEGY.**

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

1 (1) Armed conflict and civil strife often stem
2 from dynamics that transcend traditional state bor-
3 ders and require cross-border and regional ap-
4 proaches.

5 (2) United States diplomacy is often conducted
6 on a bilateral, state-centric basis that fails to ad-
7 dress problems comprehensively or to identify and
8 assess the full range of issues and opportunities.

9 (3) A comprehensive approach towards conflict
10 prevention is required, incorporating cross border
11 and regional dynamics and non-state actors.

12 (b) CONFLICT ASSESSMENT.—The Secretary, acting
13 through the Under Secretary for Civilian Security, Democ-
14 racy, and Human Rights, shall be responsible for ensuring
15 that an annual regional conflict risk assessment is con-
16 ducted for each geographic region represented by an As-
17 sistant Secretary. Each assessment shall include the fol-
18 lowing:

19 (1) An identification of ongoing violent conflicts
20 in the region.

21 (2) An evaluation of the potential for outbreaks
22 of violent conflict in the region.

23 (3) A list of those conflicts determined to be at
24 high risk of outbreak of escalation.

1 (4) A description of new opportunities and chal-
2 lenges for conflict mitigation in the region.

3 (c) CONFLICT MITIGATION STRATEGY.—For each
4 conflict identified in subsection (b)(3), the relevant office
5 or diplomatic or consular post of the Department of State
6 shall develop a conflict mitigation strategy. Such strategy
7 shall include the following elements:

8 (1) An analysis of the key drivers of potential
9 conflict.

10 (2) An analysis of the impact of current United
11 States policies and programs on the drivers referred
12 to in paragraph (1).

13 (3) Specific objectives in mitigating conflict for
14 the next 12-month period, including indicators and
15 other measurements of progress.

16 (4) A description of policies and programs
17 needed to achieve the objectives identified in para-
18 graph (3).

19 (5) A description of how such policies and pro-
20 grams will be coordinated with the policies and pro-
21 grams of local partners and the international com-
22 munity.

23 (6) A description of the roles of each Federal
24 agency in carrying out the conflict mitigation strat-

1 egy, and the mechanisms for interagency coordina-
2 tion.

3 (7) The requirements for human and financial
4 resources to carry out the conflict mitigation strat-
5 egy over the next 12-month period.

6 (d) CONSULTATION.—In preparing each conflict miti-
7 gation strategy required under subsection (c), the relevant
8 office or diplomatic or consular post of the Department
9 of State shall consult with a wide range of local stake-
10 holders.

11 (f) TRANSMISSION TO CONGRESS.—Each conflict
12 mitigation strategy required under subsection (c) shall be
13 transmitted to the appropriate congressional committees.

14 **CHAPTER 2—CONFLICT MITIGATION AND**
15 **RESOLUTION**

16 **SEC. 2021. UNDER SECRETARY FOR CIVILIAN SECURITY,**
17 **DEMOCRACY, AND HUMAN RIGHTS.**

18 (a) IN GENERAL.—Section 1(b) of the State Depart-
19 ment Basic Authorities Act of 1956 (22 U.S.C. 2651a(b))
20 is amended—

21 (1) by redesignating paragraph (4) and para-
22 graph (5); and

23 (2) by inserting after paragraph (3) the fol-
24 lowing new paragraph:

1 “(4) There shall be in the Department of State,
2 among the Under Secretaries authorized by para-
3 graph (1), an Under Secretary for Civilian Security,
4 Democracy, and Human Rights, who shall have pri-
5 mary responsibility to assist the Secretary and the
6 Deputy Secretary in the formation and implementa-
7 tion of policy, activities, and oversight related to cri-
8 sis prevention and response, democracy, human
9 rights, and labor, and refugees and migration. The
10 Under Secretary for Civilian Security, Democracy,
11 and Human Rights shall—

12 “(A) coordinate and implement civilian re-
13 sponses to conflict, including deployment of the
14 Response Readiness Corps;

15 “(B) oversee the full spectrum of conflict-
16 related policies and programs in the Depart-
17 ment of State;

18 “(C) conduct strategic planning and budg-
19 eting for conflict-related activities within the
20 Department of State;

21 “(D) manage prevention and response to
22 refugee and humanitarian crises, including sup-
23 port for major international organizations in-
24 volved in aid to conflict affected populations;
25 and

1 “(E) advance human rights and demo-
2 cratic values.”.

3 (b) ABOLITION.—The position of Under Secretary for
4 Democracy and Global Affairs is hereby abolished.

5 (c) TRANSFER.—Responsibilities for the position of
6 Under Secretary for Democracy and Global Affairs shall
7 be transferred to the Under Secretary for Civilian Secu-
8 rity, Democracy and Human Rights, as appropriate. The
9 individual serving in the capacity of Under Secretary for
10 Democracy and Global Affairs as of the date of the enact-
11 ment of this Act may continue serve in the capacity of
12 the Under Secretary for Civilian Security, Democracy, and
13 Human Rights

14 (d) CONFORMING AMENDMENT.—Section 2113(a) of
15 the Implementing Recommendations of the 9/11 Commis-
16 sion Act of 2007 (22 U.S.C. 8213(a); Public Law 110–
17 53) is amended by striking “Under Secretary of State for
18 Democracy and Global Affairs” and inserting “Under Sec-
19 retary of State for Civilian Security, Democracy, and
20 Human Rights”.

21 **SEC. 2022. COMPLEX CRISIS, STABILIZATION, AND PREVEN-**
22 **TION FUND.**

23 (a) ESTABLISHMENT OF FUND.—

24 (1) IN GENERAL.—The Secretary is authorized
25 to establish a fund, to be known as the “Complex

1 Crisis, Stabilization, and Prevention Fund” (referred
2 to in this section as the “Fund”), to provide assist-
3 ance to a country or region designated by the Sec-
4 retary as a country at risk of, in, or in transition
5 from, conflict or civil strife and for other purposes
6 authorized in this section.

7 (2) CONGRESSIONAL NOTIFICATION.—The Sec-
8 retary shall notify the appropriate congressional
9 committees at least five days in advance of an obli-
10 gation of funds under this section.

11 (3) WAIVER.—The requirement for notification
12 under paragraph (2) may be waived if—

13 (A) failure to do so would pose a substan-
14 tial risk to human health or welfare;

15 (B) the appropriate congressional commit-
16 tees are notified not later than three days after
17 an obligation of funds; and

18 (C) such notification contains an expla-
19 nation of the emergency circumstances necessi-
20 tating such waiver.

21 (4) PURPOSE OF ASSISTANCE.—Assistance may
22 be provided under this section for the following pur-
23 poses:

24 (A) Fostering reconstruction or stabiliza-
25 tion.

1 (B) Mitigating or responding to emerging
2 or unforeseen complex crises, including urgent
3 political, social, or economic challenges that
4 threaten stability.

5 (C) Addressing systemic and immediate
6 causes of crises and conflict.

7 (D) Undertaking preventive measures to
8 reduce the likelihood of crises and conflict.

9 (b) LIMITATION.—The Secretary shall ensure that
10 assistance provided under this section is not used for—

11 (1) assistance of a military nature or for a mili-
12 tary purpose;

13 (2) participation by an officer or employee of
14 the United States in a foreign police action;

15 (3) humanitarian assistance; or

16 (4) long-term development activities.

17 (c) CONFLICT PREVENTION.—Not less than 25 per-
18 cent of amounts made available to carry out this section
19 may be used to support programs and activities to prevent
20 an outbreak or escalation of violence in a country at risk
21 of, in, or in transition from, conflict or civil strife.

22 (d) TRANSFER.—

23 (1) IN GENERAL.—The President may transfer
24 up to \$500,000,000 of amounts made available

1 under any other provision of law to be used to imple-
2 ment the purposes of this section.

3 (2) **ADDITIONAL AMOUNTS.**—Notwithstanding
4 any other provision of law, up to \$5,000,000 or five
5 percent, whichever is less, of any amounts that are
6 specifically designated by this or any other Act for
7 particular programs or activities may be transferred
8 to carry out the purposes of this section.

9 (e) **RELATIONSHIP TO OTHER LAWS.**—Assistance
10 provided from the Fund may be made available notwith-
11 standing any other provision of law.

12 **SEC. 2023. PEACEKEEPING.**

13 (a) **STATEMENT OF POLICY.**—It is the policy of the
14 United States to employ a variety of unilateral, bilateral,
15 and multilateral means to respond to international con-
16 flicts and crises, placing a high priority upon timely, pre-
17 ventive diplomatic efforts and exercising a leadership role
18 in promoting international efforts to end crises peacefully.

19 (b) **AUTHORIZATION.**—The Secretary is authorized to
20 provide assistance to foreign countries, international orga-
21 nizations, and regional arrangements, on such terms and
22 conditions as the Secretary may determine, for peace-
23 keeping operations in furtherance of the national security
24 interests of the United States.

1 (c) REIMBURSEMENT.—Such assistance may include
2 reimbursement for expenses incurred pursuant to section
3 7 of the United Nations Participation Act of 1945 (22
4 U.S.C. 287d-1), except that such reimbursements may not
5 exceed \$5,000,000 in any fiscal year unless a greater
6 amount is specifically authorized.

7 (d) DETERMINATION.—If the President determines
8 that, as the result of an unforeseen emergency, the provi-
9 sion of assistance under this section in amounts in excess
10 of amounts otherwise made available for such assistance
11 is important to the national interests of the United States,
12 the President may—

13 (1) exercise the authority of **【section 610(a)】**
14 to transfer amounts made available to carry out sub-
15 title A of title IV for use under this section without
16 regard to the 20 percent increase limitation con-
17 tained in **【section 610(a)】**, except that the total
18 amount so transferred in any fiscal year may not ex-
19 ceed \$15,000,000; and

20 (2) in the event the President also determines
21 that such unforeseen emergency requires the imme-
22 diate provision of assistance under this section, di-
23 rect the drawdown of commodities and services from
24 the inventory and resources of any agency of the

1 United States Government of an aggregate value not
2 to exceed \$25,000,000 in any fiscal year.

3 **SEC. 2024. DATA ON COSTS INCURRED IN SUPPORT OF**
4 **UNITED NATIONS PEACEKEEPING OPER-**
5 **ATIONS.**

6 (a) QUARTERLY REPORTS.—The Secretary of De-
7 fense shall submit, on a quarterly basis, to the Committee
8 on Armed Services of the House of Representatives, the
9 Committee on Armed Services of the Senate, the Com-
10 mittee on Foreign Affairs of the House of Representatives,
11 and the Committee on Foreign Relations of the Senate
12 a report setting forth all costs (including incremental
13 costs) incurred by the Department of Defense during the
14 preceding quarter in implementing or supporting resolu-
15 tions of the United Nations Security Council, including
16 any such resolution calling for international sanctions,
17 international peacekeeping operations, or humanitarian
18 missions undertaken by the Department of Defense. Each
19 quarterly report shall include an aggregate of all such De-
20 partment of Defense costs by operation or mission.

21 (b) UNITED STATES COSTS.—The President shall
22 annually transmit to the Secretary General of the United
23 Nations the information required under subsection (a).

24 (c) UNITED NATIONS MEMBER STATE COSTS.—The
25 President shall direct the permanent representative of the

1 United States to the United Nations to request that the
2 United Nations compile and publish information con-
3 cerning costs incurred by United Nations Member States
4 in support of the resolutions described in subsection (a).

5 **SEC. 2025. TRANSITION INITIATIVES.**

6 (a) **AUTHORIZATION.**—The Administrator is author-
7 ized to provide, notwithstanding any other provision of
8 law, assistance to support the transition to peace, democ-
9 racy, and sustainable development of a country or region
10 that is at risk of, in, or in transition from, conflict or civil
11 strife.

12 (b) **USE OF FUNDS.**—Assistance under this section
13 may include support for the following:

14 (1) Developing or strengthening democratic in-
15 stitutions and processes.

16 (2) Short-term economic and political stabiliza-
17 tion.

18 (3) Reconstructing or revitalizing basic infra-
19 structure.

20 (4) Fostering reconciliation and the peaceful
21 resolution of conflict.

22 (c) **TRANSFER AUTHORITY.**—If the Secretary deter-
23 mines that it is important to the national interests of the
24 United States to provide transition assistance in excess of
25 amounts appropriated or otherwise made available under

1 this section, up to \$25,000,000 of the funds made avail-
2 able under this Act may be used for purposes of this sec-
3 tion and under the authorities applicable to funds made
4 available under this section.

5 (d) NOTIFICATION.—The Administrator shall notify
6 the appropriate congressional committees not less than
7 five days before—

8 (1) beginning a new program of assistance
9 under this section; or

10 (2) making a transfer pursuant to subsection

11 (c).

12 **SEC. 2026. LIMIT ON PAYMENT TO UNITED NATIONS AND**
13 **AFFILIATED AGENCIES.**

14 Section 404(b) of the Foreign Relations Authoriza-
15 tion Act, Fiscal Years 1994 and 1995 (Public Law 103-
16 236; 22 U.S.C. 287e note) is amended—

17 (1) by striking “CONTRIBUTIONS.—” and all
18 that follows through “Funds authorized” and insert-
19 ing “CONTRIBUTIONS.—Funds authorized”; and

20 (2) by striking paragraph (2).

1 **CHAPTER 3—STABILIZATION AND**
2 **RECONSTRUCTION**

3 **SEC. 2031. STABILIZATION AND RECONSTRUCTION.**

4 (a) IN GENERAL.—Section 62 of the State Depart-
5 ment Basic Authorities Act of 1956 (22 U.S.C. 2734) is
6 amended to read as follows:

7 **“SEC. 62. RECONSTRUCTION AND STABILIZATION OPER-**
8 **ATIONS.**

9 “(a) OFFICE OF THE COORDINATOR FOR RECON-
10 STRUCTION AND STABILIZATION.—

11 “(1) ESTABLISHMENT.—There is established
12 within the Department of State the Office of the Co-
13 ordinator for Reconstruction and Stabilization.

14 “(2) COORDINATOR FOR RECONSTRUCTION AND
15 STABILIZATION.—The head of the Office shall be the
16 Coordinator for Reconstruction and Stabilization.
17 The Coordinator shall report directly to the Under
18 Secretary for Civilian Security, Democracy, and
19 Human Rights.

20 “(3) FUNCTIONS.—The functions of the Office
21 of the Coordinator for Reconstruction and Stabiliza-
22 tion shall include the following:

23 “(A) Training, equipping, and deploying
24 the Response Readiness Corps described in sub-
25 section (b)(1).

1 “(B) Developing, at the request of a Chief
2 of Mission, a strategy or plan, and designing
3 relevant programming, for stabilization and re-
4 construction, as appropriate to the local con-
5 text.

6 “(C) At the request of a Chief of Mission,
7 mobilizing and deploying members of the Re-
8 sponse Readiness Corps as needed.

9 “(D) Entering into appropriate arrange-
10 ments with agencies to carry out activities
11 under this section and the Reconstruction and
12 Stabilization Civilian Management Act of 2008
13 (title XVI of the Duncan Hunter National De-
14 fense Authorization Act for Fiscal Year 2009;
15 Public Law 110–417).

16 “(E) Identifying and recruiting personnel
17 in State and local governments, including law
18 enforcement personnel, and in the private sector
19 who are available to participate in the Reserve
20 Corps established under subsection (b)(1)(B) or
21 to otherwise participate in or contribute to re-
22 construction and stabilization activities.

23 “(F) Taking steps to ensure that training
24 and education of civilian personnel to perform
25 such reconstruction and stabilization operations

1 is adequate and is carried out, as appropriate,
2 with other offices in the Department of State
3 and the United States Agency for International
4 Development involved with reconstruction and
5 stabilization activities.

6 “(G) Maintaining the capacity to field on
7 short notice an evaluation team consisting of
8 personnel from all relevant agencies to under-
9 take on-site needs assessment.

10 “(H) Maintaining a staff of experts to pro-
11 vide technical support for crisis mitigation, in-
12 cluding mediation and negotiation support
13 teams.

14 “(I) Establishing and maintaining a cadre
15 of deployable personnel to conduct contingency
16 acquisition support.

17 “(J) Establishing and maintaining on ac-
18 tive status a contingency contracting office for
19 the purpose of procuring goods, equipment, and
20 services for use in contingency operations and
21 for assistance to support reconstruction and
22 stabilization activities.

23 “(b) RESPONSE READINESS CORPS.—

24 “(1) IN GENERAL.—The Secretary of State
25 shall establish and maintain a Response Readiness

1 Corps (referred to in this section as the ‘Corps’) to
2 provide assistance in support of reconstruction and
3 stabilization activities in countries or regions that are
4 at risk of, in, or are in transition from, conflict or
5 civil strife. The Corps shall be composed of active
6 and reserve components.

7 “(A) ACTIVE CORPS.—

8 “(i) IN GENERAL.—The Active Corps
9 shall be composed of not more than 500
10 positions identified by the Secretary of
11 State, in consultation with the Adminis-
12 trator, based on the skillsets identified by
13 the Coordinator.

14 “(ii) MEMBERSHIP.—The Active
15 Corps shall consist of United States Gov-
16 ernment personnel, including employees of
17 the Department of State, the United
18 States Agency for International Develop-
19 ment, and other agencies.

20 “(iii) DUTIES.—Members of the Ac-
21 tive Corps shall—

22 “(I) serve as liaisons between the
23 Office of the Coordinator for Recon-
24 struction and Stabilization and re-

1 regional bureaus of the Department of
2 State;

3 “(II) unless deployed abroad, be
4 employed by the Under Secretary for
5 Civilian Security, Democracy, and
6 Human Rights; and

7 “(III) deploy, within 72 hours,
8 anywhere outside the United States
9 where the Secretary of State directs.

10 “(iv) SURGE.—Members of the Active
11 Corps may be detailed by the Coordinator
12 to regional bureaus of the Department of
13 State to augment crisis and conflict plan-
14 ning and response.

15 “(B) RESERVE CORPS.—

16 “(i) IN GENERAL.—The Reserve
17 Corps shall consist of United States Gov-
18 ernment personnel, individuals employed
19 by State or local governments, or other ex-
20 perts who have the skills necessary for sup-
21 porting reconstruction and stabilization
22 activities, or who shall be trained and em-
23 ployed to carry out such activities, and
24 who have volunteered for such purpose.

1 “(ii) LIST.—The Secretary shall
2 maintain and continually update a data-
3 base composed of personnel who have vol-
4 unteered for the Reserve Corps.

5 “(iii) DUTIES.—Members of the Re-
6 serve Corps shall—

7 “(I) on a voluntary basis, deploy
8 within 72 hours, anywhere outside the
9 United States, where the Secretary of
10 State directs; and

11 “(II) maintain appropriate skills
12 and conditioning to deploy to assist in
13 reconstruction and stabilization activi-
14 ties.

15 “(2) MITIGATION OF DOMESTIC IMPACT.—The
16 establishment and deployment of any Reserve Corps
17 shall be undertaken in a manner that avoids sub-
18 stantively impairing the capacity and readiness of
19 the Federal Government or any State or local gov-
20 ernment from which Reserve Corps personnel may
21 be drawn.

22 “(3) EXISTING TRAINING AND EDUCATION PRO-
23 GRAMS.—The Secretary of State shall ensure that
24 personnel of the Department of State, and, in co-
25 ordination with the Administrator of the United

1 States Agency for International Development, that
2 personnel of USAID, have access to and make use
3 of the relevant existing training and education pro-
4 grams offered within the Federal Government, such
5 as those at the Center for Stabilization and Recon-
6 struction Studies at the Naval Postgraduate School
7 and the Interagency Training, Education, and After
8 Action Review Program at the National Defense
9 University.

10 “(4) IN GENERAL.—

11 “(A) APPOINTMENTS TO FOREIGN SERV-
12 ICE.—Individuals who serve in the Response
13 Readiness Corps shall be eligible to be ap-
14 pointed as a member of the Foreign Service
15 pursuant to section 303 of the Foreign Service
16 Act of 1980 (22 U.S.C. 3943) for a term of up
17 to three years.

18 “(B) DEPLOYMENT.—Not less than 60
19 percent of the Active Corps should be deployed
20 outside of the United States at any one time.

21 “(C) PROMOTION.—Individuals who are
22 career members of the Foreign Service shall be
23 considered for promotion on the same basis as
24 individuals who are assigned to diplomatic or
25 consular posts with one-year tours of duty.

1 “(D) CHAIN-OF-COMMAND.—Once de-
2 ployed abroad, a member of the Response Read-
3 iness Corps shall report to and serve under the
4 operational control of the chief of mission of the
5 country or region in which such member is de-
6 ployed.

7 “(E) LIMITATION ON DEPLOYMENT.—The
8 Secretary of State is authorized to deploy to a
9 foreign country members of the Active Corps
10 for a period of not longer than one year. Such
11 period may be extended on a voluntary basis.

12 “(5) TEMPORARY APPOINTMENTS FOR CERTAIN
13 INDIVIDUALS.—The Secretary of State, acting
14 through the Coordinator, is authorized to appoint in-
15 dividuals with acquisition backgrounds to the Active
16 or Reserve Corps on a one-year basis to implement
17 contracts for contingency operations.

18 “(c) EMPLOYMENT FOR CONTINGENCY OPER-
19 ATIONS.—

20 “(1) FOREIGN SERVICE LIMITED POSITIONS.—
21 Pursuant to the authority of section 309 of the For-
22 eign Service Act of 1980 (22 U.S.C. 3949), and not-
23 withstanding the limitation specified in section 305
24 of such Act (22 U.S.C. 3945), the Administrator of
25 the United States Agency for International Develop-

1 ment (USAID) may appoint to the Senior Foreign
2 Service up to ten individuals to be assigned to or
3 support contingency operations.

4 “(2) WAIVER.—The provisions of section 8344
5 or 8468 of title 5, United States Code, may be
6 waived on a case-by-case basis by—

7 “(A) the Administrator of USAID, with re-
8 spect to the employment in USAID, or

9 “(B) the Inspector General of USAID,
10 with respect to the employment in the Office of
11 Inspector General,

12 of an annuitant in a position for which there is ex-
13 ceptional difficulty in recruiting or retaining a quali-
14 fied employee, or when a temporary emergency hir-
15 ing need exists.

16 “(3) PROCEDURES.—If the authority referred
17 to in paragraph (1) is delegated, the Administrator
18 of USAID or the Inspector General of USAID, as
19 appropriate, shall prescribe criteria and procedures
20 for the exercise of any authority under this section.

21 “(4) STATUS OF EMPLOYMENT.—A Federal em-
22 ployee for whom a waiver under this section is in ef-
23 fect shall not be considered an employee for pur-
24 poses of subchapter III of chapter 83, or chapter 84
25 of title 5, United States Code.

1 “(d) EXCEPTION.—

2 “(1) IN GENERAL.—The Secretary of State may
3 select and appoint employees to carry out recon-
4 struction and stabilization activities without regard
5 to the provisions of title 5, United States Code, gov-
6 erning appointment in the competitive service and
7 may fix the basic compensation of such employees
8 without regard to chapter 51 and subchapter III of
9 chapter 53 of such title.

10 “(2) DELEGATION.—The Secretary of State
11 may authorize the head of any agency to exercise the
12 authority described in paragraph (1).

13 “(3) DEFINITION.—For the purpose of this
14 subsection, the term ‘employees’ means individuals
15 who qualify as an employee as defined in section
16 2105 of title 5, United States Code, and who are ap-
17 pointed on a time-limited basis solely to carry out
18 reconstruction and stabilization activities under or
19 consistent with this section.”.

20 (b) SPECIAL AUTHORITY.—Notwithstanding any
21 other provision of law, including section 304(c) of the Om-
22 nibus Diplomatic Security and Antiterrorism Act of 1986
23 (22 U.S.C. 4834(c); Public Law 99–399), personnel des-
24 ignated by the Secretary, including members of the Re-
25 sponse Readiness Corps, shall not be bound by the regula-

1 tions and guidance provided by the Bureau of Diplomatic
2 Security and shall deploy at the direction of the Secretary.

3 (c) PERSONNEL.—The Reconstruction and Stabiliza-
4 tion Civilian Management Act of 2008 (title XVI of Public
5 Law 110–417) is amended—

6 (1) in section 1603 (22 U.S.C. 2734a note), by
7 amending paragraph (5) to read as follows:

8 “(5) PERSONNEL.—The term ‘personnel’
9 means—

10 “(A) individuals serving in any service de-
11 scribed in section 2101 of title 5, United States
12 Code, other than in the legislative or judicial
13 branch;

14 “(B) individuals employed by personal
15 services contract, including individuals em-
16 ployed pursuant to—

17 “(i) section 2(c) of the State Depart-
18 ment Basic Authorities Act of 1956 (22
19 U.S.C. 2669(c)); or

20 “(ii) section 636(a)(3) of the Foreign
21 Assistance Act of 1961 (22 U.S.C.
22 2396(a)(3));

23 “(C) individuals appointed under section
24 303 of the Foreign Service Act of 1980 (22
25 U.S.C. 3943); and

1 “(D) locally employed staff who are em-
2 ployed by participating agencies.”; and

3 (2) in section 1606(b) (22 U.S.C. 2734a(b)), by
4 inserting “and to provide any related support” after
5 “assign personnel of such agency”.

6 **SEC. 2032. DANGER PAY.**

7 Section 151 of the Foreign Relations Authorization
8 Act, Fiscal Years 1990 and 1991 (5 U.S.C. 5928 note;
9 Public Law 101–246) is amended—

10 (1) by striking “or” after “Drug Enforcement
11 Administration” and inserting “, the”; and

12 (2) inserting “, or the Response Readiness
13 Corps” after “Federal Bureau of Investigation”.

14 **SEC. 2033. STABILITY POLICING COORDINATOR.**

15 The State Department Basic Authorities Act of 1956
16 is amended by adding after section 62 (as amended by
17 2031 of this Act) the following new section:

18 **“SEC. 63. OFFICE OF THE STABILITY POLICING COORDI-
19 NATOR.**

20 “(a) ESTABLISHMENT.—There is established within
21 the Department of State the Office of the Stability Polic-
22 ing Coordinator (in this section referred to as the ‘Office’).

23 “(b) COORDINATOR FOR POLICE TRAINING.—The
24 head of the Office shall be the Coordinator for Stability
25 Policing (in this section referred to as the ‘Coordinator’).

1 The Coordinator shall be appointed by the President and
2 report directly to the Under Secretary for Civilian Secu-
3 rity, Democracy, and Human Rights.

4 “(c) RESPONSIBILITIES.—The Coordinator shall be
5 responsible for developing a unified, coherent, comprehen-
6 sive, and effective program of law enforcement assistance
7 in support of reconstruction and stabilization activities in
8 countries or regions that are at risk of, in, or are in transi-
9 tion from, conflict or civil strife. Such program shall in-
10 clude the following elements:

11 “(1) Developing and overseeing curricula for
12 police training specifically oriented towards recon-
13 struction and stabilization activities.

14 “(2) Developing and implementing policies and
15 procedures to ensure that human rights, and in par-
16 ticular those of women and girls, are protected.

17 “(3) In coordination with the Office of the Co-
18 ordinator for Reconstruction and Stabilization, as
19 appropriate, recruiting, vetting, and training per-
20 sonnel to serve as police trainers.

21 “(4) Ensuring proper direction and oversight of
22 contractors hired to implement police training pro-
23 grams under this section.

1 “(5) Establishing benchmarks to measure the
2 progress of police training programs conducted
3 under this section.

4 “(6) Coordinating assistance carried out by the
5 Office with similar assistance provided by other Fed-
6 eral agencies and international donors.

7 “(7) Overseeing procurement and delivery of
8 supplies and equipment, and monitoring the end use
9 of such supplies and equipment.

10 “(8) Providing policy guidance and program
11 support to the United States diplomatic and con-
12 sular missions in the country or region undertaking
13 police training operations.

14 “(9) Providing guidance to the Office of the Co-
15 ordinator for Reconstruction and Stabilization re-
16 garding the selection and training of law enforce-
17 ment and judicial personnel for the Readiness Re-
18 sponse Corps.

19 “(d) RELATIONSHIP TO GLOBAL RULE OF LAW POL-
20 ICY COMMITTEE.—The Coordinator shall ensure that the
21 activities of the Office are consistent with the coordination
22 plan established pursuant to section 3202 of the Global
23 Partnerships Act of 2011.”.

1 **SEC. 2034. TRAINING IN CONFLICT MANAGEMENT AND**
2 **MITIGATION.**

3 Section 708 of the Foreign Assistance Act of 1980
4 (22 U.S.C. 4028) is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (2), by striking “and” at
7 the end;

8 (B) in paragraph (3), by striking the pe-
9 riod at the end and inserting “; and”; and

10 (C) by adding at the end the following new
11 paragraph:

12 “(4) instruction on methods for conflict man-
13 agement and mitigation and on the necessary skills
14 to be able to function successfully in countries or re-
15 gions that are at risk of, in, or are in transition
16 from, conflict or civil strife, including—

17 “(A) recognizing patterns of escalation and
18 early warning signs of potential atrocities or vi-
19 olence, including gender-based violence; and

20 “(B) methods of early action, prevention,
21 and response.”; and

22 (2) by adding at the end the following new sub-
23 section:

24 “(c) The training described in subsection (a)(4) shall
25 be mandatory for all Foreign Service officers assigned to
26 a position, or otherwise made available for service, in the

1 department or agency or at a post overseas with respon-
2 sibilities in the subject matters described in such sub-
3 section. Training opportunities should include, as appro-
4 priate for the department and agency, respectively, fellow-
5 ships, details, and exchanges with relevant Federal agen-
6 cies, international organizations, and nongovernmental or-
7 ganizations.”.

8 **SEC. 2035. AVAILABILITY OF AIRCRAFT.**

9 (a) IN GENERAL.—The Secretary of Defense is au-
10 thorized to make available, on a nonreimbursable basis,
11 aircraft maintained and operated by the Department of
12 Defense, to transport Department of State personnel to
13 prevent or respond to a conflict or civil strife, including
14 for use by Assistant Secretaries of State to conduct emer-
15 gency diplomatic missions in their regions of concern.
16 Such aircraft may include those aircraft assigned to com-
17 batant commanders in the Unified Command Plan.

18 (b) REQUEST.—A request to utilize the aircraft re-
19 ferred to in subsection (a) shall be provided to the Sec-
20 retary of Defense by the Secretary of State.

1 **SEC. 2036. ADDRESSING VIOLENCE AGAINST WOMEN AND**
2 **GIRLS IN HUMANITARIAN RELIEF, PEACE-**
3 **KEEPING, CONFLICT, AND POST-CONFLICT**
4 **SETTINGS.**

5 (a) ACTIVITIES OF THE DEPARTMENT OF STATE AND
6 AGENCY.—

7 (1) DUTIES.—The Secretary and the Adminis-
8 trator are authorized to—

9 (A) provide assistance to programs carried
10 out by international organizations, international
11 and local nongovernmental organizations, and
12 governments, as appropriate, that—

13 (i) prevent and respond to violence
14 against women and girls in humanitarian
15 relief, in a country or region at risk of, in,
16 or in transition from, conflict or civil strife;

17 (ii) build the capacity of humanitarian
18 organizations and government authorities,
19 as appropriate, to address the special pro-
20 tection needs of women and children;

21 (iii) support efforts to provide imme-
22 diate assistance to survivors of violence
23 and reintegrate such individuals through
24 education, psychosocial assistance, trauma
25 counseling, family and community reinser-

1 tion and reunification, medical assistance,
2 and economic opportunity programs; and

3 (iv) provide legal services for women
4 and girls who are victims of violence;

5 (B) work to incorporate activities to pre-
6 vent and respond to violence against women
7 and girls internationally into any multilateral or
8 bilateral disarmament, demobilization, rehabili-
9 tation, and reintegration efforts by—

10 (i) providing protection and suitable
11 separate facilities in demobilization and
12 transit centers for women and girls for-
13 merly involved in, or associated with, fight-
14 ing forces;

15 (ii) ensuring equitable reintegration
16 activities and opportunities for such
17 women and girls, including access to
18 schooling, vocational training, employment,
19 and childcare;

20 (iii) providing essential medical care
21 and psychosocial support for such women
22 and girls who are victims of violence; and

23 (iv) incorporating prevention and re-
24 sponse to violence against women and girls
25 into programs for former combatants;

1 (C) designate and deploy specialists in vio-
2 lence against women and girls, as appropriate,
3 as an integral part of the Agency's Disaster As-
4 sistance Response Teams to ensure the integra-
5 tion of prevention and response to violence
6 against women and girls internationally in
7 strategies and programming; and

8 (D) strive to ensure that all grantees de-
9 ployed in humanitarian relief in a country or re-
10 gion at risk of, in, or in transition from conflict
11 or civil strife—

12 (i) train all humanitarian workers in
13 preventing and responding to violence
14 against women and girls, including in the
15 use of mechanisms to report violence
16 against women and girls;

17 (ii) conduct appropriate public out-
18 reach to make known to the host commu-
19 nity the mechanisms to report violence
20 against women and girls; and

21 (iii) promptly and appropriately re-
22 spond to reports of violence against women
23 and girls and treat survivors in accordance
24 with best practices regarding confiden-
25 tiality.

1 (b) COORDINATION OF UNITED STATES GOVERN-
2 MENT EFFORTS.—The Secretary of State shall regularly
3 consult with the Secretary of Defense and the Attorney
4 General to coordinate, design, and implement programs
5 relevant to the purposes of this section.

6 (c) ENHANCING UNITED STATES LEADERSHIP AND
7 ADVOCACY IN THE UNITED NATIONS.—

8 (1) STRENGTHENING UNITED NATIONS PROCE-
9 DURES.—The Secretary, in consultation with the
10 Administrator and the United States Permanent
11 Representative to the United Nations, is authorized
12 to promote United Nations efforts to—

13 (A) develop and implement appropriate
14 training programs for peacekeeping and human-
15 itarian personnel in prevention and response to
16 violence against women and girls internation-
17 ally;

18 (B) meet staffing goals for women military
19 and police peacekeepers, including all-women
20 teams and units;

21 (C) enhance the deployment of civilian
22 women at all levels to serve in peacekeeping
23 missions, including through innovative staffing
24 formulas;

1 (D) institute effective protection mecha-
2 nisms in and around United Nations-managed
3 refugee and internally displaced persons camps;

4 (E) implement a zero tolerance policy for
5 sexual exploitation and abuse in United Nations
6 peacekeeping and humanitarian operations;

7 (F) support countries that contribute
8 troops and police in—

9 (i) taking appropriate actions to pre-
10 vent violence and abuse;

11 (ii) providing materials for pre-deploy-
12 ment and in-theater awareness training;
13 and

14 (iii) taking other actions to promote
15 full accountability in cases of abusive con-
16 duct involving the personnel of such coun-
17 tries;

18 (G) continue to expand appropriate mecha-
19 nisms to permit individuals to safely bring to
20 the attention of United Nations peacekeeping
21 commanders and heads of humanitarian mis-
22 sions allegations of violence against women and
23 girls internationally; and

24 (H) ensure the capacity of the United Na-
25 tions Office of Internal Oversight to investigate

1 in a timely and efficient manner all credible al-
2 legations of violence against women and girls
3 internationally, while protecting the whistle-
4 blower.

5 (d) EMERGENCY RESPONSE TO VIOLENCE AGAINST
6 WOMEN AND GIRLS.—

7 (1) EMERGENCY RESPONSE.—Not later than 45
8 days after receiving a credible report of serious or
9 widespread incidents of violence against women and
10 girls in a situation of armed conflict or civil strife,
11 the Secretary shall, in consultation with relevant
12 stakeholders, identify and implement emergency re-
13 sponse measures.

14 (2) CONSULTATION.—For the purposes of para-
15 graph (1), the term “relevant stakeholders” in-
16 cludes, as appropriate—

17 (A) affected populations;

18 (B) international, multilateral, and non-
19 governmental organizations operating in the af-
20 fected area;

21 (C) the government of the country in
22 which the violence is occurring;

23 (D) governments in the region in which the
24 violence is occurring; and

25 (E) donor governments.

1 (3) CONGRESSIONAL BRIEFINGS.—The Sec-
2 retary shall brief the appropriate congressional com-
3 mittees not less than quarterly on the status of inci-
4 dents of violence against women and girls in situa-
5 tions of armed conflict or civil strife, emergency re-
6 sponse measures taken, and consultations with rel-
7 evant stakeholders.

8 **Subtitle B—Conflict Recovery**

9 **CHAPTER 1—DEMINING**

10 **SEC. 2041. DEMINING.**

11 (a) IN GENERAL.—The Secretary is authorized, not-
12 withstanding any other provision of law, to provide assist-
13 ance to foreign countries for demining activities, includ-
14 ing—

- 15 (1) clearance of unexploded ordinance;
- 16 (2) the destruction of small arms; and
- 17 (3) related activities.

18 (b) SPECIAL AUTHORITY.—Subject to such terms
19 and conditions as the Secretary may prescribe, the Sec-
20 retary is authorized to make grants of demining equip-
21 ment to foreign countries and international organizations,
22 for the purposes identified in this section.

1 **CHAPTER 2—DISARMAMENT, DEMOBILI-**
2 **ZATION, REINTEGRATION, AND REHA-**
3 **BILITATION**

4 **SEC. 2051. FOREIGN PROGRAMS.**

5 (a) IN GENERAL.—The Secretary is authorized, in
6 coordination with the Administrator, to carry out pro-
7 grams in foreign countries to assist the disarmament, de-
8 mobilization, reintegration, and rehabilitation of former
9 combatants.

10 (b) COORDINATION.—The programs referred to in
11 subsection (a) shall be coordinated, as appropriate, with
12 international nongovernmental organizations and the gov-
13 ernment of the country in which any such program is car-
14 ried out.

15 **TITLE III—SUPPORTING HUMAN**
16 **RIGHTS AND DEMOCRACY**
17 **Subtitle A—General Provisions**

18 **SEC. 3101. FINDINGS AND STATEMENT OF POLICY.**

19 (a) FINDINGS.—Congress makes the following find-
20 ings:

21 (1) All human beings are born free and equal
22 in dignity and rights. Recognition of the inherent
23 dignity and of the equal and inalienable rights of all
24 members of the human family is the foundation of
25 freedom, justice and peace in the world.

1 (2) A democratic political system, in which the
2 will of the people, as expressed in periodic and gen-
3 uine elections, is the basis of the authority of gov-
4 ernment, is the best guarantor of freedom of speech
5 and belief and freedom from fear and want.

6 (3) Democracy is a necessary but insufficient
7 condition for the effective protection of human
8 rights. Majority rule must be tempered by guaran-
9 tees for the dignity and rights of minorities.

10 (4) The advancement of human rights and the
11 institutionalization of democracy are important to
12 the achievement of other United States foreign pol-
13 icy goals, such as reducing poverty, building peace,
14 expanding prosperity and sustaining the global envi-
15 ronment.

16 (5) Human rights and fundamental freedoms
17 can be effectively advanced by—

18 (A) bilateral and multilateral diplomatic
19 overtures;

20 (B) the development and implementation
21 of international norms and standards, including
22 voluntary codes of conduct;

23 (C) support for the establishment and
24 strengthening of laws, policies and institutions
25 that protect rights and freedoms, including

1 technical assistance and training to govern-
2 ments and civil society organizations;

3 (D) support for individuals and organiza-
4 tions who defend and exercise their human
5 rights and democratic freedoms;

6 (E) research and reporting on violations of
7 human rights, including identifying those who
8 commit such violations;

9 (F) the threat or imposition of sanctions
10 against violators, including criminal prosecution
11 where appropriate; and

12 (G) offering diplomatic and economic in-
13 centives for improved performance.

14 (6) United States support for human rights and
15 democracy should be open and explicit, with due re-
16 gard for the safety and independence of local part-
17 ners and impartiality among peaceful, democratic
18 political parties and factions.

19 (b) STATEMENT OF POLICY.—It is the policy of the
20 United States, in keeping with its constitutional heritage
21 and traditions and in accordance with its international ob-
22 ligations as set forth in the Charter of the United Nations,
23 to promote and encourage increased respect for human
24 rights and fundamental freedoms throughout the world

1 without distinction as to race, sex, language, religion, sex-
2 ual orientation or gender identity.

3 **SEC. 3102. COUNTRY REPORTS ON HUMAN RIGHTS PRAC-**
4 **TICES.**

5 (a) **REPORT REQUIRED.**—The Secretary shall submit
6 to the appropriate congressional committees, by February
7 25 of each year, a comprehensive report regarding the sta-
8 tus of internationally recognized human rights in each cov-
9 ered country.

10 (b) **CONTENTS.**—The report required under sub-
11 section (a) shall include, for each covered country, infor-
12 mation relating to—

13 (1) respect for the integrity of the person, in-
14 cluding freedom from—

15 (A) arbitrary or unlawful deprivation of
16 life;

17 (B) disappearance;

18 (C) torture and other cruel, inhuman or
19 degrading treatment or punishment;

20 (D) arbitrary arrest or detention;

21 (E) denial of fair public trial; and

22 (F) arbitrary interference with privacy,
23 family, home or correspondence;

24 (2) respect for civil liberties, including—

- 1 (A) freedom of speech and press, including
2 Internet freedom;
- 3 (B) freedom of peaceful assembly and as-
4 sociation;
- 5 (C) freedom of religion and conscience;
- 6 (D) freedom of movement; and
- 7 (E) provision of asylum and resettlement
8 of refugees;
- 9 (3) respect for political rights, including the
10 right of citizens—
- 11 (A) to change their government;
- 12 (B) to take part in the conduct of public
13 affairs; and
- 14 (C) to vote and be elected at genuine peri-
15 odic elections;
- 16 (4) respect for worker rights, including—
- 17 (A) the right of association;
- 18 (B) the right to organize and bargain col-
19 lectively;
- 20 (C) prohibition of forced or compulsory
21 labor;
- 22 (D) prohibition of child labor; and
- 23 (E) acceptable conditions of work;

1 (5) protection of all citizens, including
2 marginalized groups, against violence, intimidation
3 and discrimination, including, wherever applicable—

4 (A) genocide, war crimes, crimes against
5 humanity and ethnic cleansing;

6 (B) trafficking in persons;

7 (C) sexual and gender-based violence;

8 (D) criminalization of homosexuality or
9 deprivation of fundamental freedoms due to
10 sexual orientation or gender identity;

11 (E) coerced abortion or involuntary steri-
12 lization;

13 (F) child marriage; and

14 (G) compulsory recruitment and conscrip-
15 tion of individuals under the age of 18 by
16 armed forces of the government of the country,
17 government-supported paramilitaries, or other
18 armed groups;

19 (6) official accountability, including—

20 (A) government corruption and trans-
21 parency;

22 (B) government participation in, facilita-
23 tion of, or condoning of, violations of inter-
24 nationally recognized human rights;

1 (C) steps taken by such government to
2 prevent and respond to violations of inter-
3 nationally recognized human rights;

4 (D) the extent of cooperation by such gov-
5 ernment in permitting an unimpeded investiga-
6 tion by international organizations, including
7 nongovernmental organizations, of alleged viola-
8 tions of internationally recognized human
9 rights; and

10 (E) wherever applicable, such government's
11 votes in the United Nations Human Rights
12 Council.

13 (c) CONSULTATION.—In compiling data and making
14 assessments for purposes of subsection (b), United States
15 diplomatic mission personnel in each covered country shall
16 consult with relevant international and nongovernmental
17 organizations.

18 (d) TRANSLATION AND PUBLICATION.—For each
19 covered country, the report required by this section shall
20 be translated into the principal language of the country
21 and made available on the website of the United States
22 diplomatic mission to the country, or, where there is no
23 diplomatic mission, on the website of the Department of
24 State.

25 (e) DEFINITIONS.—In this section—

1 (1) the term “covered country” means a coun-
2 try that—

3 (A) receives assistance under this Act; or

4 (B) is a member of the United Nations;

5 and

6 (2) the term “child marriage” means the mar-
7 riage of a girl or a boy who has not reached the min-
8 imum legal age for marriage in the country of resi-
9 dence, or where there is no such law, under the age
10 of 18.

11 **SEC. 3103. ACTION PLANS FOR HUMAN RIGHTS AND DE-**
12 **MOCRACY.**

13 (a) ACTION PLAN REQUIRED.—

14 (1) IN GENERAL.—Except as provided in para-
15 graph (2), beginning 3 years after the date of enact-
16 ment of this Act and every 3 to 5 years thereafter,
17 the Secretary, in coordination with the Adminis-
18 trator as appropriate, shall develop an action plan
19 for human rights and democracy in each country
20 that is included in the report under section 3102.

21 (2) EXCEPTION.—The Secretary is not required
22 to develop an action plan under this subsection for
23 any country with respect to which the Secretary de-
24 termines, based on the information required in the

1 report under section 3102, that human rights and
2 fundamental freedoms are generally respected.

3 (b) PREPARATION OF PLANS.—The action plan re-
4 quired under subsection (a) shall be prepared—

5 (1) in each country with a United States diplo-
6 matic mission, by the Chief of Mission, in coordina-
7 tion with the Mission Director of the Agency, if a
8 Mission Director is assigned to such country; or

9 (2) in each country without a United States
10 diplomatic mission, by the Assistant Secretary of
11 State for Democracy, Human Rights, and Labor, in
12 coordination with the Assistant Administrator for
13 Democratic and Civic Development and the relevant
14 regional bureaus of the Department of State and
15 United States Agency for International Develop-
16 ment.

17 (c) ELEMENTS.—The action plan required under sub-
18 section (a) shall contain the following elements:

19 (1) A description of the major barriers in such
20 country to fundamental rights and freedoms.

21 (2) Specific improvements in the areas identi-
22 fied under paragraph (1) that the United States will
23 seek over the next 3 to 5 years.

1 (3) A description of the policies and programs,
2 including assistance, to be undertaken in order to
3 foster the improvements identified in paragraph (2).

4 (4) A description of the roles of each partici-
5 pating Federal agency in carrying out the policies
6 and programs identified in paragraph (3).

7 (5) A description of the budgetary and per-
8 sonnel resources needed to carry out the policies and
9 programs identified in paragraph (3).

10 (d) CONSULTATION.—In preparing the action plan
11 required under subsection (a), the relevant officials shall
12 consult with a wide range of nongovernmental organiza-
13 tions in the country, or where that is not possible, with
14 nongovernmental organizations having significant experi-
15 ence in or knowledge about the country.

16 (e) TRANSMISSION.—

17 (1) TO CONGRESS.—The action plan required
18 under subsection (a) shall be transmitted to the ap-
19 propriate congressional committees.

20 (2) PUBLIC AVAILABILITY.—At a minimum, the
21 elements of the action plan described in paragraphs
22 (1) and (2) of subsection (c) shall be published on
23 the website of the Department of State and, in coun-
24 tries in which a United States diplomatic mission is
25 established, on the mission's website.

1 (f) STRATEGIC COORDINATION.—In order to avoid
2 duplication and policy inconsistency, the Secretary shall
3 ensure that the action plan required under subsection (a)
4 is coordinated with all other relevant diplomatic and devel-
5 opment strategies, in particular the strategies prepared
6 pursuant to—

7 (1) section 1703, relating to Global Strategy for
8 Equality;

9 (2) section 1018, relating to Country Develop-
10 ment Cooperation Strategies;

11 (3) section 2012, relating to Conflict Mitigation
12 Strategy; and

13 (4) section 3203, relating to Comprehensive
14 International Strategy to Prevent and Respond to
15 Violence Against Women and Girls.

16 **SEC. 3104. HUMAN RIGHTS AND DEMOCRACY FUND.**

17 (a) ESTABLISHMENT.—There is established a
18 Human Rights and Democracy Fund (in this section re-
19 ferred to as the “Fund”) to be administered by the Assist-
20 ant Secretary of State for Democracy, Human Rights, and
21 Labor.

22 (b) PURPOSE.—The purpose of the Fund is to protect
23 and promote fundamental freedoms and internationally
24 recognized human rights by—

1 (1) supporting defenders of human rights and
2 advocates of democracy;

3 (2) assisting victims of human rights violations;

4 (3) preventing and responding to violence
5 against women and girls, in accordance with subtitle
6 A;

7 (4) carrying out child protection compacts in
8 accordance with section 3402; and

9 (5) responding to emergencies and unantici-
10 pated opportunities in the areas of human rights
11 and democracy.

12 (c) CONSULTATION.—In administering the Fund, the
13 Assistant Secretary of State for Democracy, Human
14 Rights, and Labor shall consult with the Assistant Admin-
15 istrator for Democratic and Civic Development of the
16 United States Agency for International Development.

17 (d) ADDITIONAL FUNDS.—Funds made available
18 under this section for a fiscal year are in addition to funds
19 otherwise available for such purposes.

20 (e) SPECIAL AUTHORITY.—Funds made available
21 under this section for a fiscal year are authorized to be
22 made available notwithstanding any provision of law that
23 restricts assistance to a foreign country.

1 **SEC. 3105. ROLE OF BUREAU OF DEMOCRACY, HUMAN**
2 **RIGHTS, AND LABOR.**

3 Section 1(c)(2) of the State Department Basic Au-
4 thorities Act of 1956 (22 U.S.C. 2651a(c)(2)) is amended
5 to read as follows:

6 “(2) ASSISTANT SECRETARY OF STATE FOR DE-
7 MOCRACY, HUMAN RIGHTS, AND LABOR.—

8 “(A) IN GENERAL.—There shall be in the
9 Department of State an Assistant Secretary of
10 State for Democracy, Human Rights, and
11 Labor who shall be responsible to the Secretary
12 of State for matters pertaining to human rights
13 and humanitarian affairs (including matters re-
14 lating to prisoners of war and members of the
15 United States Armed Forces missing in action)
16 in the conduct of foreign policy and such other
17 related duties as the Secretary may from time
18 to time designate. The Assistant Secretary shall
19 carry out the Secretary’s responsibilities under
20 section 3102 of the Global Partnerships Act of
21 2011.

22 “(B) DUTIES.—The Assistant Secretary of
23 State for Democracy, Human Rights, and
24 Labor shall maintain continuous observation
25 and review all matters pertaining to human
26 rights and humanitarian affairs (including mat-

1 ters relating to prisoners of war and members
2 of the United States Armed Forces missing in
3 action) in the conduct of foreign policy, includ-
4 ing the following:

5 “(i) Gathering detailed information
6 regarding humanitarian affairs and the ob-
7 servance of and respect for internationally
8 recognized human rights in each country
9 to which the requirements of sections 3102
10 and 3103, respectively, of the Global Part-
11 nerships Act of 2011 are relevant.

12 “(ii) Preparing the country reports
13 and action plans required under sections
14 3102 and 3103 of the Global Partnerships
15 Act of 2011.

16 “(iii) Making recommendations to the
17 Secretary of State and the Administrator
18 of the United States Agency for Inter-
19 national Development regarding implemen-
20 tation of the human rights policies, prin-
21 ciples, restrictions and authorities of the
22 Global Partnerships Act of 2011.

23 “(iv) Administering the Human
24 Rights and Democracy Fund established

1 under section 3104 of the Global Partner-
2 ships Act of 2011.

3 “(v) Performing other responsibilities
4 which serve to promote increased observ-
5 ance of internationally recognized human
6 rights by all countries.

7 “(C) CONSULTATION.—The Assistant Sec-
8 retary of State for Democracy, Human Rights,
9 and Labor shall be consulted in the determina-
10 tions of which countries shall receive United
11 States foreign assistance and the nature of the
12 assistance to be provided to each country.

13 “(D) CERTAIN ASSIGNMENTS.—Any as-
14 signment of an individual to a political officer
15 position at a United States mission abroad that
16 has the primary responsibility for monitoring
17 human rights developments in a foreign country
18 shall be made upon the recommendation of the
19 Assistant Secretary of State for Democracy,
20 Human Rights, and Labor in conjunction with
21 the head of the Department of State’s regional
22 bureau having primary responsibility for that
23 country.”.

1 **SEC. 3106. DISCRIMINATION RELATED TO SEXUAL ORI-**
2 **ENTATION.**

3 (a) DESIGNATION OF OFFICER.—The Assistant Sec-
4 retary of State for Democracy, Human Rights, and Labor
5 shall designate an officer or officers who shall be respon-
6 sible for tracking violence, criminalization, and restrictions
7 on the enjoyment of fundamental freedoms, consistent
8 with United States law, in foreign countries based on ac-
9 tual or perceived sexual orientation and gender identity.

10 (b) INTERNATIONAL EFFORTS.—The Secretary shall
11 work through appropriate United States Government em-
12 ployees at United States diplomatic and consular missions
13 to encourage the governments of other countries to reform
14 or repeal laws of such countries criminalizing homosex-
15 uality or consensual homosexual conduct, or restricting
16 the enjoyment of fundamental freedoms, consistent with
17 United States law, by homosexual individuals or organiza-
18 tions.

19 (c) TRAINING FOR FOREIGN SERVICE OFFICERS.—
20 Section 708(a) of the Foreign Service Act of 1980 (22
21 U.S.C. 4028(a)) is amended—

22 (1) in the matter preceding paragraph (1), by
23 inserting “the Assistant Secretary for Democracy,
24 Human Rights, and Labor,” before “the Amba-
25 sador at Large”;

1 (2) in paragraph (2), by striking “and” at the
2 end;

3 (3) in paragraph (3), by striking the period at
4 the end and inserting “; and”; and

5 (4) by adding at the end the following new
6 paragraph:

7 “(4) instruction, in courses covering human
8 rights reporting and advocacy work, on identifying
9 violence, discrimination, and restrictions on the en-
10 joyment of fundamental freedoms, consistent with
11 United States law, based on actual or perceived sex-
12 ual orientation and gender identity.”.

13 **SEC. 3107. PERSONNEL AWARDS AND INCENTIVES.**

14 Section 2143 of the ADVANCE Democracy Act of
15 2007 (22 U.S.C. 8243) is amended by striking the matter
16 preceding paragraph (1) and inserting the following:

17 “The Secretary shall expand the range of awards and
18 incentives to encourage members of the Foreign Service
19 and other employees of the Department to take assign-
20 ments relating to the promotion of democracy and the pro-
21 tection of human rights, which may include the fol-
22 lowing:”.

1 **Subtitle B—International Violence**
2 **Against Women and Girls**

3 **SEC. 3201. STATEMENT OF POLICY.**

4 It is the policy of the United States to—

5 (1) promote the equal participation of women in
6 the political, economic and social lives of their coun-
7 tries;

8 (2) build the capacity of foreign governments
9 and civil societies to prevent and respond to violence
10 against women and girls;

11 (3) ensure that all implementing partners under
12 this Act take appropriate steps to prevent and re-
13 spond to violence against women and girls; and

14 (4) systematically integrate efforts to prevent
15 and respond to violence against women and girls
16 into United States foreign policy and foreign assist-
17 ance programs.

18 **SEC. 3202. DUTIES OF THE SECRETARY OF STATE.**

19 (a) DESIGNATION.—The Secretary shall designate a
20 senior official in the Department of State to conduct the
21 activities of the Secretary under this subtitle.

22 (b) DUTIES.—The Secretary's designee shall work
23 with the heads of relevant bureaus and offices of the De-
24 partment of State and other Federal agencies to—

1 (1) prepare the comprehensive international
2 strategy required under section 3203;

3 (2) collect and analyze data about violence
4 against women and girls internationally; and

5 (3) compile and disseminate information about
6 effective methods of prevention and response, includ-
7 ing through the preparation of public reports.

8 **SEC. 3203. COMPREHENSIVE INTERNATIONAL STRATEGY**
9 **TO PREVENT AND RESPOND TO VIOLENCE**
10 **AGAINST WOMEN AND GIRLS.**

11 (a) DEVELOPMENT OF STRATEGY.—Not later than
12 1 year after the date of the enactment of this Act, and
13 every 5 years thereafter, the Secretary, with the assistance
14 of the Administrator, shall—

15 (1) develop a comprehensive, 5-year inter-
16 national strategy to prevent and respond to violence
17 against women and girls internationally;

18 (2) submit the strategy developed under para-
19 graph (1) to the appropriate congressional commit-
20 tees; and

21 (3) make the strategy available to the public.

22 (b) COLLABORATION AND COORDINATION.—In devel-
23 oping the strategy under subsection (a), the Secretary
24 shall consult with—

1 (1) Federal agencies with expertise preventing
2 and responding to violence against women and girls
3 or administering international programs;

4 (2) the Senior Policy Operating Group on Traf-
5 ficking in Persons; and

6 (3) representatives of civil society organizations
7 with demonstrated experience in combating violence
8 against women and girls or promoting women’s
9 health or women’s development issues internation-
10 ally.

11 (c) CONTENT.—The strategy developed under sub-
12 section (a) shall—

13 (1) identify 5 to 20 countries with significant
14 levels of violence against women and girls, including
15 within displaced communities, that have the govern-
16 ment or nongovernment organizational capacity to
17 manage and implement gender-based violence pre-
18 vention and response program activities;

19 (2) include individual, comprehensive plans for
20 prevention and response in each of the countries
21 identified under paragraph (1) (hereafter in this
22 chapter referred to as “country plans”);

23 (3) estimate the resource requirements for car-
24 rying out each country plan, including the proposed
25 sources of funding and amounts to be contributed by

1 or sought from partner countries and other public
2 and private donors;

3 (4) specify the role of each Federal agency in
4 carrying out each plan;

5 (5) ensure that the country plans are integrated
6 with Country Development Cooperation Strategies
7 required under section 1018 and action plans for
8 human rights and democracy required under section
9 3103, as appropriate; and

10 (6) describe the monitoring and evaluation
11 mechanisms to be used for each country plan.

12 (d) ACTIVITIES.—Each country plan should incor-
13 porate at least 2 of the following activities:

14 (1) Enhancing the capacity of the health sector
15 to prevent and respond to violence against women
16 and girls.

17 (2) Developing and enforcing civil and criminal
18 legal and judicial sanctions, protections, training,
19 and capacity.

20 (3) Supporting efforts to change social norms
21 and attitudes so that violence against women and
22 girls is neither condoned nor tolerated.

23 (4) Expanding access of women and girls to
24 quality education.

1 (5) Increasing economic opportunities for
2 women, including through access to credit, voca-
3 tional training, property ownership, and inheritance
4 rights.

5 **SEC. 3204. ASSISTANCE TO PREVENT AND RESPOND TO VIO-**
6 **LENCE AGAINST WOMEN AND GIRLS INTER-**
7 **NATIONALLY.**

8 (a) IN GENERAL.—The Secretary and the Adminis-
9 trator are authorized to use funds made available for eco-
10 nomic assistance to carry out the comprehensive inter-
11 national strategy and country plans developed under sec-
12 tion 3203 and to conduct research and collect and analyze
13 data in accordance with section 3202.

14 (b) COORDINATION OF ASSISTANCE.—The Secretary
15 and the Administrator shall seek to ensure that programs,
16 projects, and activities carried out under this subtitle are
17 coordinated with related programs, projects, and activities
18 carried out under other provisions of law.

19 **SEC. 3205. DEFINITIONS.**

20 In this subtitle:

21 (1) PREVENTION AND RESPONSE.—The term
22 “prevention and response” means activities designed
23 to prevent and respond to violence against women
24 and girls.

1 (2) VIOLENCE AGAINST WOMEN AND GIRLS.—
2 The term “violence against women and girls” means
3 any act of violence that results in, or is likely to re-
4 sult in, physical, sexual, or psychological harm or
5 suffering to women or girls, including threats of
6 such acts, coercion, or arbitrary deprivations of lib-
7 erty, whether occurring in public or private life.

8 **Subtitle C—Rule of Law**

9 **SEC. 3301. FINDINGS.**

10 Congress finds the following:

11 (1) Human security depends upon the existence
12 of a system under which citizens are protected
13 against arbitrary and abusive use of power, law and
14 order are consistently maintained, and justice is ef-
15 fectively administered.

16 (2) Responsible and effective criminal justice
17 systems not only build the foundations for democ-
18 racy and economic growth in developing countries,
19 but also help to stem illicit activities, such as drug
20 trafficking and terrorism, that threaten United
21 States national interests.

22 (3) Provision of rule of law assistance to for-
23 eign police and security forces is an inherently gov-
24 ernmental function, which should be performed by,

1 or under the direct supervision of, United States
2 Government employees.

3 (4) The United States should provide assistance
4 to foreign law enforcement agencies only—

5 (A) if such agencies have demonstrated a
6 commitment to improving protection of the se-
7 curity, human rights and dignity of the civilian
8 population;

9 (B) within the context of a comprehensive
10 program to strengthen the rule of law and im-
11 prove the administration of justice; and

12 (C) in conjunction with a system to mon-
13 itor and evaluate the impact of such advice,
14 training, and equipment.

15 **SEC. 3302. GLOBAL RULE OF LAW POLICY COMMITTEE.**

16 (a) ESTABLISHMENT.—The President shall establish
17 a Global Rule of Law Policy Committee (hereafter in this
18 section referred to as the “Committee”), to include the
19 Secretary of State, the Attorney General, the Secretary
20 of Homeland Security, the Secretary of the Treasury, the
21 Secretary of Defense, the Administrator, and the heads
22 of other Federal agencies engaged in rule of law assist-
23 ance.

24 (b) PURPOSE.—The purpose of the Committee shall
25 be to promote coordination among Federal agencies car-

1 rying out rule of law assistance and to build capacity to
2 provide such assistance effectively.

3 (c) REVIEW.—The Committee shall have the author-
4 ity to review any proposed legislative or legal advice to
5 be provided by private contractors to foreign law enforce-
6 ment agencies.

7 (d) COORDINATION PLAN.—Not later than 180 days
8 after the date of enactment of this Act, the Committee
9 shall establish a plan for the coordination of rule of law
10 assistance, including—

11 (1) building capacity within the United States
12 Government to provide expert, long-term advice and
13 training for foreign civilian law enforcement agencies
14 and judicial systems;

15 (2) utilizing such capacity currently existing
16 within other donor countries and international and
17 nongovernmental organizations;

18 (3) delineating the roles and responsibilities of
19 each Federal agency in carrying out rule of law as-
20 sistance;

21 (4) establishing general policies and principles
22 guiding the provision of rule of law assistance; and

23 (5) ensuring policy and program coordination
24 among Federal agencies carrying out rule of law as-
25 sistance.

1 (e) TRANSMISSION TO CONGRESS.—The coordination
2 plan required under subsection (d) shall be transmitted
3 to the appropriate congressional committees and made
4 publicly available on the Internet.

5 (f) DEFINITION.—In this section, the term “rule of
6 law assistance” means assistance under this or any other
7 Act to combat crime, improve law enforcement, and
8 strengthen the administration of justice in a foreign coun-
9 try, including assistance under sections 1803, 3303, and
10 5203.

11 **SEC. 3303. ASSISTANCE FOR RULE OF LAW.**

12 (a) NONLETHAL ASSISTANCE.—The President is au-
13 thorized to provide training, advice, and nonlethal equip-
14 ment to eligible foreign law enforcement agencies to im-
15 prove the capacity of such agencies to—

16 (1) protect the safety and security of civilian
17 populations, including through community policing;

18 (2) promote respect for human rights and due
19 process of law;

20 (3) prevent and respond to violence against
21 women and girls;

22 (4) reduce organized crime, corruption, and fi-
23 nancial crimes;

24 (5) carry out investigative and forensic func-
25 tions;

- 1 (6) bring penal institutions into conformity with
- 2 international humanitarian standards;
- 3 (7) develop training curricula;
- 4 (8) manage human and financial resources and
- 5 carry out administrative functions, including internal
- 6 discipline procedures;
- 7 (9) conduct strategic planning and institutional
- 8 reform consistent with civilian democratic control;
- 9 (10) institute effective mechanisms for account-
- 10 ability and oversight;
- 11 (11) develop constructive relationships with the
- 12 communities they serve;
- 13 (12) prevent disputes from escalating into vio-
- 14 lence;
- 15 (13) respond appropriately and effectively in
- 16 disasters and emergencies;
- 17 (14) control and protect land, air and maritime
- 18 borders, and enforce customs;
- 19 (15) participate in international peace support
- 20 operations;
- 21 (16) monitor and enforce sanctions regimes;
- 22 (17) detect and interdict trafficking in persons,
- 23 weapons, narcotics, and other contraband;
- 24 (18) conduct maritime law enforcement and
- 25 border control; and

1 (19) combat terrorism and violent extremism.

2 (b) ADMINISTRATION OF JUSTICE.—The President is
3 authorized to assist eligible foreign law enforcement agen-
4 cies to improve administration of justice, including
5 through—

6 (1) revision and modernization of legal codes
7 and procedures;

8 (2) improving transparency and efficiency of ju-
9 dicial processes;

10 (3) professional training, scholarships, and ex-
11 changes of lawyers, judges, and other judicial offi-
12 cials;

13 (4) programs to enhance protection of witnesses
14 and participants in judicial cases;

15 (5) strengthening professional organizations in
16 order to promote services to members and the role
17 of the bar in judicial selection, enforcement of eth-
18 ical standards, and legal reform;

19 (6) increasing the availability of legal materials
20 and publications;

21 (7) enhancing access of crime victims to legal
22 information and services; and

23 (8) programs to strengthen respect for the rule
24 of law and internationally recognized human rights.

1 (c) ELIGIBLE AGENCIES.—A foreign law enforcement
2 agency shall be eligible for assistance under this section
3 only if—

4 (1) the President determines, and reports to the
5 appropriate congressional committees not less than
6 15 days in advance of providing such assistance,
7 that such agency has demonstrated a commitment to
8 improving protection of the security, human rights,
9 and dignity of the civilian population;

10 (2) the assistance will be used to strengthen
11 democratic control over the police or prison author-
12 ity; and

13 (3) such agency is not otherwise prohibited by
14 any provision of this Act from receiving assistance.

15 (d) PARTICIPATION IN FOREIGN POLICE ACTIONS.—

16 (1) PROHIBITION ON EFFECTING AN ARREST.—
17 No officer or employee of the United States may di-
18 rectly effect an arrest in any foreign country as part
19 of any foreign police action, notwithstanding any
20 other provision of law.

21 (2) PARTICIPATION IN ARREST ACTIONS.—
22 Paragraph (1) does not prohibit an officer or em-
23 ployee of the United States, with the approval of the
24 United States chief of mission, from being present

1 when foreign officers are effecting an arrest or from
2 assisting foreign officers who are effecting an arrest.

3 (3) EXCEPTION FOR EXIGENT, THREATENING
4 CIRCUMSTANCES.—Paragraph (1) does not prohibit
5 an officer or employee from taking direct action to
6 protect life or safety if exigent circumstances arise
7 which are unanticipated and which pose an imme-
8 diate threat to United States officers or employees,
9 officers or employees of a foreign government, or
10 members of the public.

11 (4) EXCEPTION FOR MARITIME LAW ENFORCE-
12 MENT.—With the agreement of a foreign country,
13 paragraph (1) does not apply with respect to mari-
14 time law enforcement operations in the territorial
15 sea or archipelagic waters of that country.

16 (5) INTERROGATIONS.—No officer or employee
17 of the United States may interrogate or be present
18 during the interrogation of any United States person
19 arrested in any foreign country without the written
20 consent of such person.

21 (6) EXCEPTION FOR STATUS OF FORCES AR-
22 RANGEMENTS.—This subsection does not apply to
23 the activities of the United States Armed Forces in
24 carrying out their responsibilities under applicable
25 status of forces arrangements.

1 **SEC. 3304. DEFINITION.**

2 In this subtitle, the term “foreign law enforcement
3 agency” means an agency—

4 (1) with domestic arrest powers;

5 (2) responsible for internal security, including
6 the protection of life and property; and

7 (3) that does not report to a defense ministry
8 or similar or related entity of a foreign government
9 and is not a military force.

10 **Subtitle D—Child Protection**

11 **SEC. 3401. FINDINGS.**

12 Congress finds that—

13 (1) the Trafficking Victims Protection Act of
14 2000 (Public Law 106–386) and subsequent reau-
15 thorization Acts establish a comprehensive frame-
16 work for monitoring and combating human traf-
17 ficking, including that of children;

18 (2) under the Trafficking Victims Protection
19 Act of 2000, the Secretary annually identifies coun-
20 tries that do not comply with minimum standards
21 for the elimination of trafficking, some of which are
22 making significant efforts to bring themselves into
23 compliance;

24 (3) additional incentives should be provided to
25 encourage countries to protect and rescue children

1 subjected to severe forms of trafficking or sexual ex-
2 ploitation; and

3 (4) such incentives can be provided in the form
4 of assistance to countries that—

5 (A) have a significant prevalence of traf-
6 ficking in children;

7 (B) agree to address institutional weak-
8 nesses within the government that result in the
9 failure to protect vulnerable children and to res-
10 cue and properly rehabilitate victims; and

11 (C) agree to enhance efforts to apprehend
12 perpetrators who engage in severe forms of
13 trafficking in children and bring them to justice
14 in national courts of law.

15 **SEC. 3402. CHILD PROTECTION COMPACTS.**

16 (a) **AUTHORIZATION.**—The Secretary, acting through
17 the Office to Monitor and Combat Trafficking in Persons
18 and in consultation with relevant bureaus described in
19 subsection (b), is authorized to enter into a compact de-
20 scribed in subsection (c) with an eligible country described
21 in subsection (d) to protect and rescue children subjected
22 to severe forms of trafficking or sexual exploitation. Such
23 compact shall be known as a “Child Protection Compact”.

24 (b) **RELEVANT BUREAUS.**—A relevant bureau de-
25 scribed in this subsection is—

1 (1) the Bureau for Democracy, Human Rights
2 and Labor of the Department of State;

3 (2) the Bureau for Democratic and Civic Devel-
4 opment of the Agency; and

5 (3) the Bureau of International Labor Affairs
6 of the Department of Labor.

7 (c) COMPACT.—

8 (1) IN GENERAL.—A compact described in this
9 subsection is an agreement between the United
10 States and an eligible country that establishes a
11 multiyear plan to protect and rescue children sub-
12 jected to severe forms of trafficking or sexual exploi-
13 tation.

14 (2) ELEMENTS.—A compact shall contain—

15 (A) the specific objectives that the country
16 and the United States expect to achieve during
17 the term of the compact;

18 (B) the responsibilities of the country and
19 the United States in the achievement of such
20 objectives;

21 (C) the particular programs or initiatives
22 to be undertaken in the achievement of such ob-
23 jectives and the amount of funding to be allo-
24 cated to each program or initiative;

1 (D) regular outcome indicators to monitor
2 and measure progress toward achieving such
3 objectives, including indicators for each pro-
4 gram or initiative;

5 (E) a multi-year financial plan, including
6 the estimated amount of contributions by the
7 United States and the country; and

8 (F) the strategy of the country to sustain
9 progress made toward achieving such objectives
10 after expiration of the compact.

11 (3) PROGRAMS AND INITIATIVES.—Programs
12 and initiatives under a compact may include—

13 (A) evaluating legal standards and prac-
14 tices and recommending improvements that will
15 increase the likelihood of successful prosecu-
16 tions;

17 (B) training anti-trafficking police and in-
18 vestigators;

19 (C) increasing public awareness of the
20 risks and dangers of child trafficking;

21 (D) building cooperation between domestic
22 nongovernmental organizations and law enforce-
23 ment agencies to identify and rescue victims;

24 (E) making courts more friendly to vic-
25 tims;

1 (F) providing rehabilitation and reinte-gra-
2 tion services for rescued children;

3 (G) supporting innovative technology and
4 improved data collection to prevent child traf-
5 ficking, aid in the prosecution of criminals, and
6 rescue victims; and

7 (H) developing regional cooperative plans
8 with neighboring countries to prevent cross-bor-
9 der trafficking of children and child sex tour-
10 ism.

11 (d) ELIGIBLE COUNTRIES.—A country is eligible for
12 a compact if the country—

13 (1) is a developing country, in that term is de-
14 fined in section 1023;

15 (2) is a Tier II country or Tier II Watch List
16 country;

17 (3) has a documented high prevalence of traf-
18 ficking of children; and

19 (4) has demonstrated political will and sus-
20 tained commitment by the government to undertake
21 meaningful measures to address severe forms of
22 trafficking of children, including—

23 (A) enactment and enforcement of laws
24 criminalizing trafficking in children with pun-
25 ishments commensurate with the crime, includ-

1 ing, when necessary, against complicit govern-
2 ment officials;

3 (B) cooperation with local and inter-
4 national nongovernmental organizations with
5 demonstrated expertise in combating the traf-
6 ficking in children; and

7 (C) the treatment of child trafficking vic-
8 tims in accordance with Article 6(3) of the Pro-
9 tocol to Prevent, Suppress and Punish Traf-
10 ficking in Persons, Especially Women and Chil-
11 dren, Supplementing the United Nations Con-
12 vention Against Transnational Organized
13 Crime.

14 **SEC. 3403. AUTHORIZATION OF ASSISTANCE.**

15 (a) IN GENERAL.—The Secretary is authorized to use
16 funds made available under this Act for economic assist-
17 ance to—

18 (1) develop a Child Protection Compact between
19 the United States and an eligible country under sec-
20 tion 3402; and

21 (2) provide assistance to an eligible entity de-
22 scribed in subsection (b) to carry out a Child Protec-
23 tion Compact.

1 (b) ELIGIBLE ENTITIES.—In carrying out a Child
2 Protection Compact, the Secretary may provide assistance
3 to—

4 (1) the national government of the eligible
5 country under section 3402;

6 (2) regional or local governmental units of an
7 eligible country under section 3402;

8 (3) a regional or international organization; or

9 (4) a nongovernmental organization or a private
10 entity with expertise in the protection of vulnerable
11 children, the investigation and prosecution of those
12 who engage in or benefit from child trafficking, or
13 the rescue of child victims of trafficking.

14 **SEC. 3404. SUSPENSION AND TERMINATION OF ASSIST-**
15 **ANCE.**

16 (a) SUSPENSION AND TERMINATION OF ASSIST-
17 ANCE.—The Secretary shall suspend or terminate assist-
18 ance under section 3403 in whole or in part for an eligible
19 entity under section 3403 if the Secretary determines
20 that—

21 (1) the entity is engaged in activities that are
22 contrary to the national security interests of the
23 United States;

24 (2) the entity has engaged in a pattern of ac-
25 tions inconsistent with the criteria used to determine

1 the eligibility of the country or entity, as the case
2 may be; or

3 (3) the entity has failed to adhere to its respon-
4 sibilities under the Child Protection Compact.

5 (b) REINSTATEMENT.—The Secretary may reinstate
6 assistance that has been suspended or terminated under
7 subsection (a) only if the Secretary determines that the
8 entity has demonstrated a commitment to correcting each
9 condition for which assistance was suspended or termi-
10 nated.

11 (c) CONGRESSIONAL NOTIFICATION.—Not later than
12 3 days after the date on which the Secretary suspends or
13 terminates assistance under subsection (a) for an entity,
14 or reinstates assistance under subsection (b) for an entity,
15 the Secretary shall submit to the appropriate congres-
16 sional committees a report that contains the determination
17 of the Secretary under subsection (a) or subsection (b),
18 as the case may be.

19 **SEC. 3405. CONGRESSIONAL NOTIFICATION.**

20 (a) PRIOR CONSULTATION.—Not later than 15 days
21 prior to the start of negotiations of a Child Protection
22 Compact with a country, the Ambassador shall consult
23 with the appropriate congressional committees.

24 (b) CONGRESSIONAL NOTIFICATION.—Not later than
25 10 days after entering into a Child Protection Compact

1 with a country, the Ambassador shall notify the appro-
2 priate congressional committees, and shall provide a de-
3 tailed summary of the Compact and a copy of the text
4 of the Compact.

5 (c) MONITORING AND EVALUATION.—The Amba-
6 sador shall ensure that regular monitoring reports for
7 each compact are prepared and made available to the ap-
8 propriate congressional committees, and that an inde-
9 pendent impact evaluation is conducted upon the comple-
10 tion of a compact.

11 **SEC. 3406. DEFINITIONS.**

12 In this subtitle:

13 (1) AMBASSADOR.—The term “Ambassador”
14 means the Ambassador-at-Large of the Department
15 of State’s Office to Monitor and Combat Trafficking
16 in Persons.

17 (2) CHILD PROTECTION.—The term “child pro-
18 tection” means efforts to prevent and respond to vio-
19 lence, exploitation, and abuse against children.

20 (3) COMPACT.—The term “Child Protection
21 Compact” or “Compact” means a Child Protection
22 Compact described in section 3402.

23 (4) SEVERE FORMS OF TRAFFICKING.—The
24 term “severe forms of trafficking in persons”
25 means—

1 (A) sex trafficking in which a commercial
2 sex act is induced by force, fraud, or coercion,
3 or in which the person induced to perform such
4 act has not attained 18 years of age; or

5 (B) the recruitment, harboring, transpor-
6 tation, provision, or obtaining of a person for
7 labor or services, through the use of force,
8 fraud, or coercion for the purpose of subjection
9 to involuntary servitude, peonage, debt bondage,
10 or slavery.

11 (5) TIER II COUNTRIES AND TIER II WATCH
12 LIST COUNTRIES.—The terms “Tier II countries”
13 and “Tier II Watch List countries” mean those
14 countries designated by the Secretary as not meeting
15 minimum standards for the elimination of traf-
16 ficking.

17 **TITLE IV—BUILDING AND REIN-**
18 **FORCING STRATEGIC PART-**
19 **NERSHIPS**

20 **SEC. 4001. FINDINGS.**

21 Congress finds the following:

22 (1) The ultimate goal of the United States con-
23 tinues to be a world which is free from the scourge
24 of war and the dangers and burdens of armaments,
25 in which the use of force has been subordinated to

1 the rule of law, and in which international adjust-
2 ments to a changing world are achieved peacefully.

3 (2) In furtherance of that goal, it remains the
4 policy of the United States to encourage regional
5 arms control and disarmament agreements and to
6 discourage arms races.

7 (3) The efforts of the United States and other
8 friendly countries to promote peace and security con-
9 tinue to require measures of support based upon the
10 principle of effective self-help and mutual aid.

11 (4) The peace of the world and the security of
12 the United States are endangered so long as hostile
13 countries continue by threat of military action, by
14 the use of economic pressure, by their active or per-
15 missive support of terrorists, terrorist organizations
16 and extremism, and by internal subversion, or other
17 means to attempt to undermine the peace, security,
18 human rights, political freedoms, civil rights, or
19 prosperity of others.

20 (5) Peace and security for all is endangered by
21 the failure of countries to live up to their sovereign
22 responsibilities to protect civilian populations from
23 violence, reduce terrorism, halt the spread of dan-
24 gerous materials, and control transnational crime.

1 (6) It is in the interest of the United States to
2 help foreign countries build capable and accountable
3 military, police, customs, and other security forces,
4 under civilian democratic control, in order to exer-
5 cise their sovereign responsibilities.

6 (7) Extreme poverty and underdevelopment are
7 threats to peace. The provision of assistance under
8 this title to developing countries must take into ac-
9 count how the assistance will affect such countries'
10 social and economic development and whether the
11 assistance is diverting resources away from develop-
12 ment efforts that meet basic needs of the population
13 and address root causes of instability.

14 (8) Weapons and weapons systems are not and
15 should not be considered to be normal commodities
16 for international trade, and the United States should
17 permit such sales only to the extent that such sales
18 directly support United States foreign policy and na-
19 tional security objectives.

20 (9) Assistance under this title should not be
21 provided if such assistance will likely—

22 (A) contribute to an arms race or regional
23 instability;

1 (B) increase the possibility of outbreak or
2 escalation of conflict, either within or across the
3 borders of the recipient country;

4 (C) support international terrorism;

5 (D) prejudice the development of bilateral
6 or multilateral arms control arrangements;

7 (E) adversely affect the arms control or
8 nonproliferation policy of the United States; or

9 (F) undermine the objectives and purposes
10 to promote and protect human rights and de-
11 mocracy under title III of this Act.

12 **SEC. 4002. STATEMENT OF POLICY.**

13 It is the policy of the United States—

14 (1) to promote the peace of the world and the
15 foreign policy, security, and general welfare of the
16 United States by fostering an improved climate of
17 security, political independence and individual lib-
18 erty, improving the ability of friendly countries and
19 international organizations to deter or, if necessary,
20 defeat aggression in whatever form, facilitating ar-
21 rangements for individual and collective security, as-
22 sisting friendly countries to provide for their legiti-
23 mate defense needs, and creating an environment of
24 security and stability in the developing friendly

1 countries essential to their more rapid social, eco-
2 nomic, and political progress;

3 (2) to exert leadership in the world community
4 to bring about arrangements for reducing the inter-
5 national trade in implements of war and to lessen
6 the danger of outbreak of regional conflict and the
7 burdens of armaments;

8 (3) to exert maximum efforts to achieve uni-
9 versal control of weapons of mass destruction, the
10 securing and control of the means to produce and
11 deliver them, and universal regulation and reduction
12 of armaments, including armed forces, under ade-
13 quate safeguards to protect complying countries
14 against violation, aggression, and invasion;

15 (4) to administer United States programs for or
16 procedures governing the export, sale, and grant of
17 defense articles and defense services to foreign coun-
18 tries and international organizations in a manner
19 consistent with the goals described in section 4003;

20 (5) to achieve international peace and security
21 through the United Nations and the diplomatic set-
22 tlement of disputes so that armed force shall not be
23 used except for individual or collective self-defense;

1 (6) to encourage all other countries to join in
2 a common undertaking to meet the goals described
3 in section 4003; and

4 (7) to give priority for the provision of assist-
5 ance under this title to the needs of those countries
6 in danger of becoming victims of aggression, ter-
7 rorism, or intimidation by conventional or non-con-
8 ventional military means.

9 **SEC. 4003. GOALS OF ASSISTANCE.**

10 (a) **IN GENERAL .**—The provision of assistance under
11 this title to any country or organization shall be furnished
12 solely to achieve the following goals:

13 (1) To improve the ability of the country or or-
14 ganization to meet its legitimate defense and inter-
15 nal security needs.

16 (2) To assist and encourage the country or or-
17 ganization to recognize and effectively address prob-
18 lems that threaten United States security, including
19 terrorism, proliferation of weapons and dangerous
20 technologies, environmental destruction, the spread
21 of deadly disease, and transnational crime.

22 (3) To protect civilian populations from vio-
23 lence, including criminal violence.

24 (4) To permit the country or organization to
25 participate in regional or collective arrangements or

1 measures requested by the United Nations, or con-
2 sistent with the Charter of the United Nations, for
3 the purpose of maintaining or restoring international
4 peace and security.

5 (5) To increase the professionalization, trans-
6 parency, accountability, humanitarian and disaster
7 response capacity, or human rights record of the se-
8 curity forces of the country or organization, and the
9 effective control of such security forces by civilian
10 democratic authorities.

11 (6) To promote a social, economic, and political
12 environment conducive to stable peace in the country
13 or region.

14 (b) BIENNIAL REVIEW AND REPORT.—

15 (1) REVIEW.—Not later than 2 years after the
16 date of enactment of this Act, and every 2 years
17 thereafter, the President, acting through the Sec-
18 retary, shall carry out a review of the extent to
19 which assistance provided to countries and organiza-
20 tions under this title is achieving the goals described
21 in subsection (a).

22 (2) REPORT.—The President shall submit to
23 the appropriate congressional committees a report
24 on the results of the review conducted under para-

1 graph (1) as soon as possible after completion of the
2 review.

3 **Subtitle A—Economic Support**
4 **Fund**

5 **SEC. 4101. FINDINGS AND STATEMENT OF POLICY.**

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

7 (1) Conflict, violence, anarchy, and instability,
8 fueled by problems such as tyranny and oppression,
9 corruption and financial mismanagement, ethnic and
10 religious discrimination and discord, competition
11 over resources, and other sources of tension, are
12 among the greatest threats to United States national
13 security.

14 (2) Terrorism and violent extremism undermine
15 the stability and survival of states, the protection of
16 democratic freedoms, the vitality of economies and
17 markets, and the lives of civilian populations.

18 (3) United States leadership is essential to
19 countering terrorism and violent extremism, fos-
20 tering political and economic stability, and reaching
21 comprehensive, just and lasting peace agreements.

22 (4) To reduce the need for military force, the
23 United States must develop and maintain a broad
24 range of efficient and effective diplomatic and eco-
25 nomic tools to promote peaceful resolution of conflict

1 and to prevent the collapse of weak and fragile
2 states.

3 (5) Efforts to promote international peace and
4 stability are most effective when undertaken on a
5 multilateral basis, in concert with strategic partners.

6 (6) Prudent investment of United States re-
7 sources to assist, through bilateral and collective ef-
8 forts, in preventing or containing armed conflict, in
9 restoring peace and stability, and in addressing the
10 sources of conflict, is essential for achieving a peace-
11 ful world.

12 (7) While stability is a necessary precursor to
13 long-term development, stabilization programming
14 often has different objectives, beneficiaries, modali-
15 ties, and measurement tools than long-term develop-
16 ment programming, and should be justified, budg-
17 eted, and evaluated according to different criteria.

18 (b) STATEMENT OF POLICY.—It is the policy of the
19 United States to deepen engagement with close allies and
20 partners, and to develop relations with new partners, to
21 prevent violent conflict, resolve underlying grievances fair-
22 ly, and build sustainable peace.

23 **SEC. 4102. GOAL AND OBJECTIVES.**

24 (a) GOAL.—The goal of assistance under this subtitle
25 is to expand strategic partnerships to prevent violent con-

1 flict, resolve underlying grievances fairly, and build sus-
2 tainable peace.

3 (b) OBJECTIVES.—In furtherance of the goal de-
4 scribed in subsection (a), assistance under this subtitle
5 shall be designed to achieve the following objectives:

6 (1) Promoting and supporting peace agree-
7 ments.

8 (2) Increasing economic and political stability.

9 (3) Facilitating participation in collective diplo-
10 matic and security efforts.

11 (4) Strengthening democratic governance.

12 **SEC. 4103. ECONOMIC SUPPORT FUND.**

13 (a) AUTHORIZATION.—The President is authorized to
14 provide assistance under this subtitle to countries and or-
15 ganizations, on such terms and conditions as the President
16 may determine, in order to achieve the goal and objectives
17 of this subtitle. Such assistance shall be known as “Eco-
18 nomic Support Fund” assistance.

19 (b) RELATIONSHIP TO DEVELOPMENT ASSIST-
20 ANCE.—Assistance under this subtitle—

21 (1) should be designed to complement assist-
22 ance under title I and should be linked with subse-
23 quent medium-term and long-term development pro-
24 grams;

1 (2) shall be provided, to the maximum extent
2 feasible, consistent with the policy directions, pur-
3 poses, and programs of title I; and

4 (3) is authorized to be provided for countries in
5 amounts that could not be justified solely under as-
6 sistance under title I.

7 (c) **ROLE OF THE SECRETARY.**—The Secretary shall
8 be responsible for policy decisions and justifications for
9 assistance under this subtitle, including determinations of
10 whether to provide assistance to a country or organization
11 and the amount of such assistance. The Secretary shall
12 exercise this responsibility in coordination with the Admin-
13 istrator.

14 (d) **INFORMATION TO BE PROVIDED.**—The annual
15 congressional budget justification required under section
16 9302 and the database required under section 9301 shall
17 include information concerning the amounts and kinds of
18 cash grant transfers, the amounts and kinds of budgetary
19 and balance-of-payments support provided, and the
20 amounts and kinds of project assistance provided with
21 funds made available under this subtitle.

22 (e) **NON-MILITARY PURPOSES.**—Amounts made
23 available to carry out this subtitle may not be used for
24 military or paramilitary purposes and may not be carried
25 out by military forces.

1 (f) AVAILABILITY OF FUNDS.—Amounts made avail-
2 able to carry out this subtitle are authorized to remain
3 available until expended.

4 **SEC. 4104. CASH TRANSFER ASSISTANCE.**

5 (a) IN GENERAL.—The Secretary is authorized to
6 provide assistance under this subtitle in the form of cash
7 grant transfers, balance-of-payments support, or other
8 non-project assistance only to the extent and in the
9 amounts justified in the annual congressional budget jus-
10 tification required under section 9302 or as subsequently
11 notified to Congress pursuant to section 9401.

12 (b) SEPARATE ACCOUNTS.—A country or organiza-
13 tion receiving assistance in the form of cash transfers or
14 non-project sector assistance shall be required to maintain
15 such funds in a separate account and not commingle them
16 with any other funds.

17 (c) USE OF FUNDS.—Funds placed into a separate
18 account pursuant to subsection (b) may be obligated and
19 expended notwithstanding commodity restrictions (as de-
20 fined in section 11001).

21 **Subtitle B—Security Assistance**

22 **CHAPTER 1—GENERAL AUTHORITIES**

23 **SEC. 4211. AUTHORIZATION OF ASSISTANCE.**

24 (a) AUTHORIZATION.—

1 (1) IN GENERAL.—The President is authorized
2 to provide assistance under this subtitle to any coun-
3 try or organization that is eligible to receive such as-
4 sistance in order to promote security in the country
5 or region.

6 (2) TERMS AND CONDITIONS.—The President
7 may provide assistance under this subtitle on such
8 terms and conditions as the President may deter-
9 mine.

10 (b) TYPES OF ASSISTANCE.—Assistance provided
11 under subsection (a) includes—

12 (1) acquiring from any source and providing by
13 grant any defense article or defense service;

14 (2) assigning or detailing members of the
15 Armed Forces and other personnel of the Depart-
16 ment of Defense, the Department of State, or any
17 other Federal agency, to perform duties of a non-
18 combatant nature; or

19 (3) transferring such amounts made available
20 under this title as the President may determine for
21 assistance to the country or organization to the ac-
22 count in which amounts for the procurement of de-
23 fense articles and defense services under section
24 4311 and section 4312 have been deposited for the
25 country or organization, to be merged with such de-

1 posited funds, and to be used solely to meet obliga-
2 tions of the country or organization for payment for
3 sales of defense items and services under this title.

4 (c) **EXCLUSION OF CERTAIN COSTS.**—Sales that are
5 wholly paid from funds transferred under subsection
6 (b)(3) or from funds made available on a non-repayable
7 basis under section 4311 shall be priced to exclude the
8 costs of salaries of members of the Armed Forces (other
9 than the Coast Guard).

10 **SEC. 4212. CONDITIONS OF ASSISTANCE.**

11 (a) **IN GENERAL.**—Consistent with the requirements
12 of sections 4361 and 4362, assistance authorized under
13 this subtitle, including defense articles, defense services,
14 or related training, may be provided to any country or or-
15 ganization if the country or organization (as the case may
16 be) has agreed that—

17 (1) it will not transfer title to, or possession or
18 use of, any defense article, defense service, or related
19 training so provided to it, or produced pursuant to
20 a cooperative project agreement, to anyone who is
21 not an officer, employee, or agent of the country or
22 organization (as the case may be) or the specific
23 member countries (other than the United States) in
24 the case of a cooperative project agreement, without
25 the prior consent of the President;

1 (2) it will maintain the security of such articles,
2 services, or related training and will provide substan-
3 tially the same degree of security protection afforded
4 to such articles, services, or related training by the
5 United States Government;

6 (3) it will, as the President may require, permit
7 continuous observation and review by, and provide
8 necessary information to, representatives of the
9 United States Government with regard to the use of
10 such articles, services, or related training: and

11 (4) unless the President consents to other dis-
12 position, it will return to the United States Govern-
13 ment for such use or disposition as the President
14 considers in the best interests of the United States,
15 such articles, services, or related training which are
16 no longer needed for the purposes for which pro-
17 vided.

18 (b) CERTIFICATION.—

19 (1) IN GENERAL.—The Secretary may not give
20 consent under section 4361 to the retransfer of any
21 defense article or defense service that would be, if it
22 were a sale, subject to the requirements of section
23 4382 (regarding congressional certification of sen-
24 sitive foreign military sales and agreements), unless
25 the Secretary submits to the appropriate congres-

1 sional committees a written certification with respect
2 to such proposed retransfer containing—

3 (A) the name of the country or organiza-
4 tion proposing to make such retransfer;

5 (B) a description of such article or service
6 proposed to be retransferred, including its ac-
7 quisition cost;

8 (C) the name of the proposed recipient of
9 such article or service;

10 (D) the reasons for such proposed re-
11 transfer; and

12 (E) the date on which such retransfer is
13 proposed to be made.

14 (2) FORM.—Any certification submitted to the
15 appropriate congressional committees pursuant to
16 paragraph (1)—

17 (A) shall be submitted in unclassified form,
18 except that information regarding the dollar
19 value and number of defense articles or defense
20 services proposed to be retransferred may be
21 submitted in classified form if public disclosure
22 thereof would be clearly detrimental to the secu-
23 rity of the United States; and

24 (B) shall be subject to the requirements of
25 sections 4384.

1 (3) EXCEPTION.—Paragraph (1) shall not
2 apply to an export that has been exempted from the
3 licensing requirements of this title pursuant to an
4 agreement pursuant to section 4341.

5 (c) EXCEPTION FOR INCORPORATED COMPO-
6 NENTS.—The consent of the President under subsection
7 (a)(1) shall not be required for the transfer by a foreign
8 country or international organization of defense articles
9 sold by the United States under this Act if—

10 (1) such articles constitute components incor-
11 porated into foreign defense articles;

12 (2) the recipient is the government of a stra-
13 tegic United States ally;

14 (3) the recipient is not a country designated
15 under [section 620A , prohibition on assistance to
16 a state sponsor of terrorism];

17 (4) the United States-origin components are
18 not—

19 (A) significant military equipment;

20 (B) defense articles for which notification
21 to Congress is required under section 4382; and

22 (C) identified by regulation as Missile
23 Technology Control Regime items; and

24 (5) the foreign country or international organi-
25 zation provides notification of the transfer of the de-

1 fense articles to the United States Government not
2 later than 30 days after the date of such transfer.

3 **SEC. 4213. PROHIBITION ON ASSISTANCE.**

4 (a) PROHIBITION.—No assistance may be provided
5 under this subtitle, subtitle C, or predecessor Acts to any
6 country or organization if the Secretary determines and
7 notifies the appropriate congressional committees that,
8 based on credible information, the country or organization
9 (as the case may be) uses or has used assistance, including
10 defense articles or defense services, provided under this
11 title or predecessor Acts in substantial violation (either in
12 terms of quantities or in terms of the gravity of the con-
13 sequences regardless of the quantities involved) of any
14 agreement entered into pursuant to this title or any such
15 Act—

16 (1) by using such articles or services for a pur-
17 pose not authorized under section 4301 or, if such
18 agreement provides that such articles or services
19 may only be used for purposes more limited than
20 those authorized under section 4301, for a purpose
21 not authorized under such agreement; or

22 (2) by transferring such articles or services to,
23 or permitting any use of such assistance, including
24 such articles or services, by anyone not an officer,

1 employee, or agent of the country or organization
2 without the prior consent of the United States; or

3 (3) by failing to maintain the security of such
4 articles or services.

5 (b) CONGRESSIONAL NOTIFICATION.—

6 (1) IN GENERAL.—The Secretary shall notify
7 the appropriate congressional committees promptly
8 upon the receipt of credible information that a coun-
9 try or organization may have committed a violation
10 described in subsection (a). The President shall en-
11 sure that the appropriate United States Government
12 departments and agencies provide to the Secretary
13 without delay any and all information relating to a
14 violation described in subsection (a).

15 (2) TIMING.—The notification required under
16 paragraph (1) with respect to a country or organiza-
17 tion shall occur before a certification required under
18 chapter 6 of subtitle C relating to a proposed export
19 of a defense article or defense service to the country
20 or organization.

21 (c) REINSTATEMENT.—The prohibition on assistance
22 under subsection (a) shall cease to be effective for any
23 country or organization if the Secretary determines and
24 notifies the appropriate congressional committees that—

1 (1) the violation for which the prohibition was
2 imposed has ceased;

3 (2) the country or organization (as the case
4 may be) has given assurances satisfactory to the
5 Secretary that the violation will not recur; and

6 (3) the country or organization (as the case
7 may be) has taken sufficient steps to prevent a re-
8 currence of any similar violation.

9 (d) WAIVER.—The Secretary may waive the prohibi-
10 tion on assistance under subsection (a) for any country
11 or organization if the Secretary determines and notifies
12 the appropriate congressional committees that such prohi-
13 bition on assistance would have a significant adverse im-
14 pact on the security of the United States.

15 (e) REVIEW AND REPORT.—

16 (1) REVIEW.—Not later than 180 days after
17 the date of enactment of this Act, and every 3 years
18 thereafter, the Inspector General of the Department
19 of State shall conduct a review of investigations by
20 the Department of State of any and all possible oc-
21 casions of misuse of defense articles and defense
22 services by countries and organizations to determine
23 whether the Department of State has fully complied
24 with the requirements of this section, as well as with
25 the Department of State's internal procedures (and

1 whether such procedures are adequate), for report-
2 ing to Congress any information regarding the un-
3 lawful use or transfer of defense articles and defense
4 services by such countries and organizations.

5 (2) REPORT.—The Inspector General of the
6 Department of State shall submit to the appropriate
7 congressional committees for each of fiscal years
8 2012 through 2015 a report that contains the find-
9 ings and results of the review conducted under para-
10 graph (1). The report shall be submitted in unclassi-
11 fied form to the maximum extent possible, but may
12 include a classified annex.

13 **CHAPTER 2—DRAWDOWN AUTHORITY**

14 **SEC. 4221. AUTHORIZATION OF EMERGENCY ASSISTANCE.**

15 (a) AUTHORIZATION.—If the President determines
16 that—

17 (1) an unforeseen emergency exists which re-
18 quires the immediate provision of assistance author-
19 ized under this subtitle to a country or organization,
20 and

21 (2) the emergency requirement cannot be met
22 under the authority of any other provision of law ex-
23 cept this section,

24 the President may direct, in order to meet the goals de-
25 scribed in section 4003, the drawdown of articles and serv-

1 ices, including training, from any Federal agency of an
2 aggregate value of not to exceed \$250,000,000 in any fis-
3 cal year.

4 (b) CONGRESSIONAL NOTIFICATION.—The President
5 may exercise the authority of subsection (a) with respect
6 to an emergency described in subsection (a) only if the
7 President first notifies the appropriate congressional
8 committees.

9 **SEC. 4222. AUTHORIZATION OF NON-EMERGENCY ASSIST-**
10 **ANCE.**

11 (a) IN GENERAL.—If the President determines that
12 it is in the national interest of the United States to draw-
13 down articles and services from the inventory and re-
14 sources of any Federal agency, including military edu-
15 cation and training from the Department of Defense, the
16 President may direct the drawdown of such articles, serv-
17 ices, and military education and training—

18 (1) for purposes of providing assistance, as ad-
19 ministered by the Department of State, under this
20 Act;

21 (2) for purposes of providing assistance under
22 the Migration and Refugee Assistance Act of 1962;
23 or

24 (3) to support cooperative efforts with Vietnam,
25 Cambodia, or Laos to locate and repatriate members

1 of the Armed Forces and civilians employed directly
2 or indirectly by the United States Government who
3 remain unaccounted for from the Vietnam War, in-
4 cluding for purposes of—

5 (A) ensuring the safety of United States
6 Government personnel engaged in such coopera-
7 tive efforts; and

8 (B) supporting Department of Defense-
9 sponsored humanitarian projects associated
10 with such efforts.

11 (b) LIMITATION.—An aggregate value of not to ex-
12 ceed \$250,000,000 in any fiscal year of such articles, serv-
13 ices, and military education and training may be provided
14 pursuant to subsection (a).

15 (c) NOTIFICATION.—The authority contained in this
16 section shall be effective for any such drawdown only upon
17 notification to the appropriate congressional committees
18 at least 15 days prior to such drawdown in accordance
19 with the procedures applicable to reprogramming notifica-
20 tions.

21 **SEC. 4223. COMMERCIAL TRANSPORTATION AND RELATED**
22 **SERVICES.**

23 For purposes of this chapter, a drawdown of articles
24 or services may include the supply of commercial transpor-
25 tation and related services that are acquired by contract

1 for the purposes of the drawdown in question if the cost
2 to acquire such commercial transportation and related
3 services is less than the cost to the United States Govern-
4 ment of providing such services from existing assets of the
5 applicable Federal agency.

6 **SEC. 4224. REPORT.**

7 (a) IN GENERAL.—The Secretary shall keep the ap-
8 propriate congressional committees fully and currently in-
9 formed of assistance provided to a country or organization
10 under this chapter, including by submitting to the appro-
11 priate congressional committees a report describing such
12 assistance delivered to each country or organization upon
13 delivery of such articles or upon completion of such serv-
14 ices or education and training.

15 (b) PUBLICATION ON WEBSITE.—The Secretary shall
16 publish each report required under subsection (a) on the
17 website of the Department of State upon submission of
18 the report to the appropriate congressional committees.

19 **CHAPTER 3—LOANS OF DEFENSE**
20 **ARTICLES**

21 **SEC. 4231. LOAN REQUIREMENTS.**

22 In addition to such other terms and conditions as the
23 President may determine pursuant to section 4211, de-
24 fense articles and defense services may be loaned under
25 such section only if—

1 (1) there is a bona fide reason, other than the
2 shortage of funds, for providing such articles on a
3 loan basis rather than on a grant basis;

4 (2) there is a reasonable expectation that such
5 articles will be returned to the Federal agency mak-
6 ing the loan at the end of the loan period unless the
7 loan is then renewed;

8 (3) the loan period is of fixed duration not ex-
9 ceeding five years, during which such article may be
10 recalled for any reason by the United States;

11 (4) the agency making the loan is reimbursed
12 for the loan according to the provisions of section
13 4232; and

14 (5) the loan agreement provides that—

15 (A) if the defense article is damaged while
16 on loan, the country or organization to which it
17 was loaned will reimburse the United States for
18 the cost of restoring or replacing the defense
19 article; and

20 (B) if the defense article is lost or de-
21 stroyed while on loan, the country or organiza-
22 tion to which it was loaned will pay to the
23 United States an amount equal to the replace-
24 ment cost (less any depreciation in the value) of
25 the defense article.

1 **SEC. 4232. COST OF LOANS.**

2 (a) IN GENERAL.—In the case of any loan of a de-
3 fense article or defense service made under section 4211,
4 there shall be a charge to the appropriation for security
5 assistance for any fiscal year while such article or service
6 is on loan in an amount based on—

7 (1) the out-of-pocket expenses authorized to be
8 incurred in connection with such loan during such
9 fiscal year; and

10 (2) the depreciation which occurs during such
11 year while such article is on loan.

12 (b) INAPPLICABILITY.—The provisions of this chap-
13 ter shall not apply to any defense article or defense serv-
14 ice, or portion thereof, acquired with funds made available
15 for assistance under this title.

16 **CHAPTER 4—STOCKPILING OF DEFENSE**
17 **ARTICLES**

18 **SEC. 4241. GENERAL AUTHORITY.**

19 (a) IN GENERAL.—The President is authorized to set
20 aside, reserve, or otherwise earmark defense articles in the
21 inventory of the Department of Defense, consistent with
22 the provisions of this Act, for future use by any foreign
23 country that is a strategic United States ally.

24 (b) NOTIFICATION.—

25 (1) IN GENERAL.—Except as provided in para-
26 graph (2), not later than 15 days before making a

1 defense article that has been set aside, reserved, or
2 otherwise earmarked under the authority of section
3 4241 available to or for use by a foreign country de-
4 scribed in subsection (a), the President shall trans-
5 mit a notification of the proposed transfer to the ap-
6 propriate congressional committees and to the Com-
7 mittees on Armed Services of the House of Rep-
8 resentatives and the Senate. The notification shall
9 identify the items to be transferred and the conces-
10 sions to be received.

11 (2) EXCEPTION.—If the President determines
12 that an emergency exists that requires making a de-
13 fense article available to a foreign country described
14 in subsection (a), the President is authorized to
15 make such defense article available immediately
16 upon notification to the appropriate congressional
17 committees. The President shall set forth the rea-
18 sons for determining that such an emergency exists
19 that warrants the immediate use of this authority.

20 (c) RULE OF CONSTRUCTION.—No defense article
21 transferred from any stockpile which is made available to
22 or for use by any foreign country under this section may
23 be considered an excess defense article for the purpose of
24 determining the value thereof.

1 **SEC. 4242. VALUE OF DEFENSE ARTICLES.**

2 (a) IN GENERAL.—The value of defense articles to
3 be set aside, reserved, or earmarked or intended for use
4 under this chapter in stockpiles located in foreign coun-
5 tries may not exceed \$300,000,000 for a fiscal year, of
6 which up to \$200,000,000 may be made available for
7 stockpiles in the State of Israel.

8 (b) VALUE DEFINED.—For purposes of this section,
9 the term “value” means the acquisition cost plus crating,
10 packing, handling, and transportation costs incurred in
11 carrying out section 4241.

12 **CHAPTER 5—FOREIGN MILITARY**
13 **FINANCING**

14 **SEC. 4251. GENERAL AUTHORITY.**

15 The President is authorized to finance the procure-
16 ment of defense articles, defense services, and design and
17 construction services by foreign countries and inter-
18 national organizations, on such terms and conditions as
19 the President may determine consistent with the require-
20 ments of this chapter.

21 **SEC. 4252. RULE OF CONSTRUCTION.**

22 References in any law to credits extended under this
23 chapter or section 21 of the Arms Export Control Act
24 shall be deemed to include reference to participations in
25 credits.

1 **SEC. 4253. AUDITS.**

2 For each fiscal year, the Secretary of Defense, as re-
3 quested by the Director of the Defense Security Assistance
4 Agency, shall conduct audits on a nonreimbursable basis
5 of private firms that have entered into contracts with
6 countries or organizations under which defense articles,
7 defense services, or design and construction services are
8 to be procured by such firms for such countries or organi-
9 zations from financing under this chapter.

10 **SEC. 4254. CASH FLOW FINANCING.**

11 The Secretary may approve cash flow financing for
12 Israel and Egypt for the procurement of defense articles,
13 defense services, or design and construction services in ex-
14 cess of \$100,000,000.

15 **CHAPTER 6—INTERNATIONAL MILITARY**
16 **EDUCATION AND TRAINING**

17 **SEC. 4261. PURPOSE.**

18 The purpose of this chapter is to provide military
19 education and training activities under this chapter that
20 are designed—

21 (1) to encourage effective and mutually bene-
22 ficial relations and increased understanding between
23 the United States and foreign countries in further-
24 ance of the goals of international peace and security;

25 (2) to improve the ability of foreign countries to
26 utilize their resources, including defense articles and

1 defense services obtained by such countries from the
2 United States, with maximum effectiveness, thereby
3 contributing to greater self-reliance by such coun-
4 tries; and

5 (3) to increase the awareness of nationals of
6 foreign countries participating in such activities of
7 basic issues involving respect and observance of
8 internationally recognized human rights, the impor-
9 tance of civilian oversight and authority over secu-
10 rity and national defense forces, and of account-
11 ability of defense personnel to civilian governments
12 and courts.

13 **SEC. 4262. MILITARY EDUCATION AND TRAINING FOR FOR-**
14 **EIGN MILITARY AND DEFENSE PERSONNEL.**

15 (a) **AUTHORITY.**—The Secretary is authorized to pro-
16 vide, on such terms and conditions as the Secretary may
17 determine, military education and training to foreign mili-
18 tary and defense personnel.

19 (b) **REQUIREMENTS.**—Professional military edu-
20 cation and training provided under subsection (a) shall be
21 designed to—

22 (1) contribute to greater cooperation between
23 the United States and the government of such for-
24 eign military and defense personnel on United States

1 counternarcotics, counterterrorism, or counterpro-
2 liferation efforts; and

3 (2) foster greater respect for, and under-
4 standing of—

5 (A) democracy and the rule of law, includ-
6 ing the principle of civilian control of the mili-
7 tary; and

8 (B) internationally recognized human
9 rights.

10 (c) **SELECTION OF PARTICIPANTS.**—The selection of
11 foreign military and defense personnel for training under
12 this chapter shall be made in consultation with the Sec-
13 retary of Defense.

14 (d) **FOREIGN MILITARY AND DEFENSE PERSONNEL**
15 **DEFINED.**—In this section, the term “foreign military and
16 defense personnel” means members of the armed forces
17 and civilian personnel of the defense ministry of a foreign
18 country.

19 **SEC. 4263. MILITARY EDUCATION AND TRAINING FOR FOR-**
20 **EIGN CIVILIAN PERSONNEL.**

21 (a) **AUTHORITY.**—The Secretary is authorized to pro-
22 vide, on such terms and conditions as the Secretary may
23 determine, military education and training to foreign civil-
24 ian personnel, if such military education and training
25 would contribute to—

- 1 (1) civilian, democratic control of the military;
- 2 (2) responsible defense resource management;
- 3 (3) cooperation between military and law en-
4 forcement personnel with respect to counter-
5 narcotics, counterterrorism, or counterproliferation
6 activities; or
- 7 (4) improved military justice systems and pro-
8 cedures in accordance with internationally recog-
9 nized human rights.

10 (b) FOREIGN CIVILIAN PERSONNEL DEFINED.—In
11 this section, the term “foreign civilian personnel” includes
12 legislators, representatives of civil society, and foreign gov-
13 ernmental personnel of ministries other than defense.

14 **SEC. 4264. LOCATIONS OF INSTRUCTION.**

15 Military education and training activities carried out
16 under this chapter may be provided through—

- 17 (1) attendance at military educational and
18 training facilities in the United States (other than
19 Service academies) and abroad;
- 20 (2) attendance in special courses of instruction
21 at schools and institutions of learning or research in
22 the United States and abroad; and
- 23 (3) observation and orientation visits to military
24 facilities and related activities in the United States
25 and abroad.

1 **SEC. 4265. REIMBURSEMENT.**

2 The Secretary shall seek reimbursement for military
3 education and training provided under this chapter from
4 countries using assistance under section 4251 to purchase
5 such military education and training at a rate comparable
6 to the rate charged to countries receiving grant assistance
7 for military education and training under this chapter.

8 **SEC. 4266. EXCHANGE OF TRAINING AND RELATED SUP-**
9 **PORT.**

10 (a) **AUTHORITY.**—Subject to subsection (b), the Sec-
11 retary, in consultation with the Secretary of Defense, is
12 authorized to provide training and related support to for-
13 eign military and defense personnel (as defined in section
14 4262) and to foreign civilian personnel (as defined in sec-
15 tion 4263). Such training and related support shall be pro-
16 vided by the Secretary of Defense and may include the
17 provision of transportation, food services, health services,
18 and logistics and the use of facilities and equipment.

19 (b) **AGREEMENT OR OTHER ARRANGEMENT RE-**
20 **QUIRED.**—

21 (1) **IN GENERAL.**—Training and related sup-
22 port may be provided under this section only pursu-
23 ant to an agreement or other arrangements pro-
24 viding for the provision by the country or organiza-
25 tion, on a reciprocal basis, of comparable training
26 and related support to the United States.

1 (2) REASONABLE PERIOD OF TIME.—Such re-
2 reciprocal training and related support shall be pro-
3 vided within a reasonable period of time (which may
4 not be more than one year) of the provision of train-
5 ing and related support by the United States Gov-
6 ernment under this chapter.

7 (c) REIMBURSEMENT REQUIREMENT.—To the extent
8 that the country or organization to which training and re-
9 lated support is provided under this section does not pro-
10 vide such comparable training and related support to the
11 United States within a reasonable period of time, the Sec-
12 retary shall require the country or organization to reim-
13 burse the United States for the full costs of the training
14 and related support provided by the United States.

15 (d) REGULATIONS.—The President shall prescribe
16 regulations for the provision of training and related sup-
17 port under this section.

18 **CHAPTER 7—TRANSFER OF EXCESS**

19 **DEFENSE ARTICLES**

20 **SEC. 4271. TRANSFER OF EXCESS DEFENSE ARTICLES.**

21 (a) AUTHORITY.—To further the goals and objectives
22 of United States foreign policy and the goals of this Act,
23 the Secretary is authorized to transfer excess defense arti-
24 cles under this section that have been designated by the
25 Secretary of Defense as excess to the military needs of

1 the United States, except for naval vessels subject to sec-
2 tion 4275.

3 (b) LIMITATIONS ON TRANSFERS.—The Secretary
4 may authorize the transfer of excess defense articles under
5 this section only if—

6 (1) such articles are drawn from existing stocks
7 of the Department of Defense;

8 (2) funds available to the Department of De-
9 fense for the procurement of defense equipment are
10 not expended in connection with the transfer;

11 (3) the transfer of such articles will not have,
12 in the judgment of the Secretary of Defense, an ad-
13 verse impact on the military readiness of the United
14 States;

15 (4) with respect to a proposed transfer of such
16 articles on a grant basis, such a transfer is pref-
17 erable to a transfer on a sales basis, after taking
18 into account the potential proceeds from, and likeli-
19 hood of, such sales, and the comparative foreign pol-
20 icy benefits that may accrue to the United States as
21 the result of a transfer on either a grant or sales
22 basis; and

23 (5) the transfer of such articles will not have an
24 adverse impact on the national technology and in-
25 dustrial base and, particularly, will not reduce the

1 opportunities of entities in the national technology
2 and industrial base to sell new or used equipment to
3 the countries to which such articles are transferred.

4 **SEC. 4272. TERMS OF TRANSFERS.**

5 (a) NO COST TO RECIPIENT COUNTRY.—Excess de-
6 fense articles may be transferred under section 4271 with-
7 out cost to the recipient country.

8 (b) WAIVER OF REQUIREMENT FOR REIMBURSE-
9 MENT OF DEPARTMENT OF DEFENSE EXPENSES.—Sec-
10 tion 11504(c) shall not apply with respect to transfers of
11 excess defense articles (including transportation and re-
12 lated costs) under section 4271.

13 (c) TRANSPORTATION AND RELATED COSTS.—

14 (1) IN GENERAL.—Except as provided in para-
15 graph (2), funds available to the Department of De-
16 fense may not be expended for crating, packing,
17 handling, and transportation of excess defense arti-
18 cles transferred under the authority of section 4271.

19 (2) EXCEPTION.—Excess defense articles may
20 be transported to a recipient country without charge
21 if—

22 (A) the Secretary determines that it is in
23 the national interest of the United States to do
24 so;

1 (B) the total weight of the transfer does
2 not exceed 50,000 pounds; and

3 (C) such transportation is accomplished on
4 a space available basis.

5 **SEC. 4273. ADVANCE NOTIFICATION TO CONGRESS FOR**
6 **TRANSFER OF CERTAIN EXCESS DEFENSE AR-**
7 **TICLES.**

8 (a) IN GENERAL.—The Secretary may not transfer
9 excess defense articles that are significant military equip-
10 ment (as defined in section 4412) or excess defense arti-
11 cles valued (in terms of original acquisition cost) at
12 \$10,000,000 or more, under section 4271 until 30 days
13 after the date on which the Secretary has provided notice
14 of the proposed transfer to the appropriate congressional
15 committees in accordance with procedures applicable to re-
16 programming notifications under section 9401.

17 (b) CONTENTS.—Such notification shall include—

18 (1) a statement outlining the purposes for
19 which the article is being provided to the country,
20 including whether such article has been previously
21 provided to such country;

22 (2) an assessment of the impact of the transfer
23 on the military readiness of the United States;

24 (3) an assessment of the impact of the transfer
25 on the national technology and industrial base and,

1 particularly, the impact on opportunities of entities
2 in the national technology and industrial base to sell
3 new or used equipment to the countries to which
4 such articles are to be transferred;

5 (4) a statement describing the current value of
6 such article and the value of such article at acqui-
7 sition; and

8 (5) an assessment, if the article is a small arm
9 or light weapon, of the risk that such article or arti-
10 cle could be illicitly transferred to terrorist or crimi-
11 nal persons or groups or otherwise used for unau-
12 thorized purposes.

13 **SEC. 4274. AGGREGATE ANNUAL LIMITATION.**

14 The aggregate value of excess defense articles trans-
15 ferred to countries under section 4271 in any fiscal year
16 may not exceed \$500,000,000.

17 **SEC. 4275. RESTRICTIONS AND CONDITIONS ON TRANS-**
18 **FERS OF NAVAL VESSELS.**

19 (a) IN GENERAL.—A naval vessel that is in excess
20 of 3,000 tons or that is less than 20 years of age may
21 not be disposed of to another nation (whether by sale,
22 lease, grant, loan, barter, transfer, or otherwise) unless
23 the disposal of that vessel, or of a vessel of the class of
24 that vessel, is authorized by law. A lease or loan of such
25 a vessel under such a law may be made only in accordance

1 with the provisions of this title. In the case of an author-
2 ization by law for the disposal of such a vessel that names
3 a specific vessel as being authorized for such disposal, the
4 Secretary of Defense may substitute another vessel of the
5 same class, if the vessel substituted has virtually identical
6 capabilities as the named vessel.

7 (b) COSTS OF TRANSFERS.—Any expense incurred by
8 the United States in connection with a transfer authorized
9 by this section shall be charged to the recipient (notwith-
10 standing section 4272(c)).

11 (c) REPAIR AND REFURBISHMENT IN UNITED
12 STATES SHIPYARDS.—To the maximum extent prac-
13 ticable, the Secretary shall require, as a condition of the
14 transfer of a vessel covered by this chapter, that the recipi-
15 ent to which the vessel is transferred have such repair or
16 refurbishment of the vessel as is needed, before the vessel
17 joins the naval forces of the recipient, performed at a ship-
18 yard located in the United States, including a United
19 States Navy shipyard.

1 **CHAPTER 8—COOPERATIVE PROJECT**
2 **AGREEMENTS**

3 **SEC. 4281. AUTHORITY TO ENTER INTO COOPERATIVE**
4 **PROJECT AGREEMENTS.**

5 (a) **AUTHORITY.**—The President is authorized to
6 enter into a cooperative project agreement with 1 or more
7 foreign countries that is undertaken in order to—

8 (1) further the objectives of standardization, ra-
9 tionalization, and interoperability of the armed
10 forces of the foreign country and the United States;
11 or

12 (2) enhance an ongoing multinational effort of
13 the parties to the agreement to improve the conven-
14 tional defense capabilities of the parties.

15 (b) **MATTERS TO BE INCLUDED.**—

16 (1) **IN GENERAL.**—A cooperative project agree-
17 ment described in subsection (a) shall provide that
18 each of the parties to the agreement will contribute
19 to the cooperative project its equitable share of the
20 full costs of the cooperative project and will receive
21 an equitable share of the results of such cooperative
22 project.

23 (2) **FULL COSTS DESCRIBED.**— The full costs
24 of the cooperative project includes overhead costs,
25 administrative costs, and costs of claims.

1 (3) CONTRIBUTION OF FUNDS OR DEFENSE AR-
2 TICLES AND DEFENSE SERVICES.—A party to the
3 cooperative project agreement described in sub-
4 section (a) may contribute its equitable share of the
5 full cost of the cooperative project in funds or in de-
6 fense articles or defense services needed for the co-
7 operative project.

8 (4) LIMITATION ON ASSISTANCE.—Assistance
9 provided under this Act to a foreign country may
10 not be used by the foreign country to provide its eq-
11 uitable share of the full costs of the cooperative
12 project under this section.

13 (5) LIMITATION ON WORKSHARING, ETC.—A
14 cooperative project agreement described in sub-
15 section (a) may not impose a requirement on any
16 party to the agreement for worksharing or other in-
17 dustrial or commercial compensation that is not
18 specified in the terms of the agreement.

19 **SEC. 4282. COSTS.**

20 The President may enter into contracts or incur other
21 obligations for a cooperative project described in section
22 4281 on behalf of the other parties to the cooperative
23 project agreement described in section 4281, without
24 charge to any appropriation or contract authorization, if

1 each of the other parties to the cooperative project agree-
2 ment agrees—

3 (1) to pay its equitable share of the contract or
4 other obligation; and

5 (2) to make such funds available in such
6 amounts and at such times as may be required by
7 the contract or other obligation and to pay any dam-
8 ages and costs that may accrue from the perform-
9 ance of or cancellation of the contract or other obli-
10 gation in advance of the time such payments, dam-
11 ages, or costs are due.

12 **SEC. 4283. CHARGES.**

13 (a) IN GENERAL.—The President may reduce or
14 waive the charge or charges that would otherwise be con-
15 sidered appropriate under section 4314 in connection with
16 sales under sections 4311 and 4312 if—

17 (1) such sales are made as part of a cooperative
18 project described in section 4281; and

19 (2) the other parties to the cooperative project
20 agreement described in section 4281 agree to reduce
21 or waive corresponding charges.

22 (b) ADMINISTRATIVE SURCHARGES; REIMBURSE-
23 MENT.—Notwithstanding sections 4314(a)(1) and
24 4402(b), administrative surcharges shall not be increased
25 on other sales made under this title in order to compensate

1 for reductions or waivers of such surcharges under this
2 section. Funds received pursuant to such other sales shall
3 not be available to reimburse the costs incurred by the
4 United States Government for which reduction or waiver
5 is approved by the President under this section.

6 **SEC. 4284. CERTIFICATION.**

7 Not less than 30 days before a cooperative project
8 agreement described in section 4281 is signed on behalf
9 of the United States, the President shall transmit to the
10 appropriate congressional committees and the Committee
11 on Armed Services of the House of Representatives and
12 the Committee on Armed Services of the Senate, a num-
13 bered certification with respect to such proposed agree-
14 ment, setting forth—

15 (1) a detailed description of the cooperative
16 project with respect to which the certification is
17 made;

18 (2) an estimate of the quantity of the defense
19 articles expected to be produced in furtherance of
20 such cooperative project;

21 (3) an estimate of the full cost of the coopera-
22 tive project, with an estimate of the part of the full
23 cost to be incurred by the United States Govern-
24 ment, including an estimate of the costs as a result
25 of waivers of sections 4314(a)(1) and 4402(b), for

1 its participation in such cooperative project and an
2 estimate of that part of the full costs to be incurred
3 by the other participants;

4 (4) an estimate of the dollar value of the funds
5 to be contributed by the United States and each of
6 the other participants on behalf of such cooperative
7 project;

8 (5) a description of the defense articles and de-
9 fense services expected to be contributed by the
10 United States and each of the other participants on
11 behalf of such cooperative project;

12 (6) a statement of the foreign policy and na-
13 tional security benefits anticipated to be derived
14 from such cooperative project; and

15 (7) to the extent known, whether it is likely
16 that prime contracts will be awarded to particular
17 prime contractors or that subcontracts will be
18 awarded to particular subcontractors to comply with
19 the proposed agreement.

20 **SEC. 4285. AUTHORITY IN ADDITION TO OTHER AUTHORI-**
21 **TIES.**

22 The authority under this chapter is in addition to the
23 authority under sections 4311 and 4312 and under any
24 other provision of law.

1 **CHAPTER 9—GLOBAL SECURITY**
2 **CONTINGENCY FUND**

3 **SEC. 4291. GLOBAL SECURITY CONTINGENCY FUND.**

4 (a) **AUTHORITY.—**

5 (1) **IN GENERAL.—**The Secretary, with the con-
6 currence of the Secretary of Defense, is authorized
7 to establish a fund, to be known as the Global Secu-
8 rity Contingency Fund, which shall consist of such
9 amounts as may be contributed under paragraph (2)
10 to the fund, to provide assistance to a foreign coun-
11 try described in subsection (b) for the purposes de-
12 scribed in subsection (c). The program authorized
13 under this subsection shall be jointly financed and
14 carried out by the Department of State and the De-
15 partment of Defense in accordance with the require-
16 ments of this section.

17 (2) **CONTRIBUTIONS TO FUND.—**

18 (A) **IN GENERAL.—**For each of fiscal years
19 2012 through 2015, the Secretary and the Sec-
20 retary of Defense may contribute not more than
21 \$300,000,000 of amounts made available to
22 carry out the provisions of law described in sub-
23 section (d).

24 (B) **AVAILABILITY.—**Notwithstanding any
25 other provision of law, amounts contributed

1 under this paragraph to the fund shall be
2 merged with amounts in the fund and shall be
3 available for purposes of carrying out the pro-
4 gram authorized under this subsection.

5 (3) LIMITATION.—The authority of this sub-
6 section may not be exercised with respect to the first
7 fiscal year beginning after the date of the enactment
8 of this Act until—

9 (A) the Secretary contributes to the fund
10 not less than one-third of the total amount con-
11 tributed to the fund for the fiscal year; and

12 (B) the Secretary of Defense contributes to
13 the fund not more than two-thirds of the total
14 amount contributed to the fund for the fiscal
15 year.

16 (4) RULE OF CONSTRUCTION.—The ratios of
17 contributions described in paragraph (3) shall be de-
18 termined at the beginning of a fiscal year and may
19 not be determined on a project-by-project basis.

20 (b) ELIGIBLE FOREIGN COUNTRIES.—A foreign
21 country described in this subsection is a country that is
22 designated by the Secretary, with the concurrence of the
23 Secretary of Defense, and is eligible to receive assistance
24 under one or more of the provisions of law described in
25 subsection (d).

1 (c) PURPOSE OF PROGRAM.—The program author-
2 ized under subsection (a) may provide assistance—

3 (1) to enhance the capabilities of a foreign
4 country's national military forces, and other national
5 security forces that conduct border and maritime se-
6 curity, internal security, and counterterrorism oper-
7 ations, as well as the government agencies respon-
8 sible for such forces, in order to—

9 (A) conduct border and maritime security,
10 internal defense, and counterterrorism oper-
11 ations; and

12 (B) participate in or support military, sta-
13 bility, or peace support operations consistent
14 with United States foreign policy and national
15 security interests; and

16 (2) to enhance the capabilities of a foreign
17 country's justice sector (including law enforcement
18 and prisons), rule of law programs, and stabilization
19 efforts in those cases in which the Secretary, in con-
20 sultation with the Secretary of Defense, determines
21 that conflict or instability in a country or region
22 challenges the existing capability of civilian providers
23 to deliver such assistance.

24 (d) PROVISIONS OF LAW DESCRIBED.—The provi-
25 sions of law described in this subsection are the following:

1 (1) Section 1206 of the National Defense Au-
2 thorization Act for Fiscal Year 2006 (Public Law
3 109–163; 119 Stat. 3456; relating to program to
4 build the capacity of foreign military forces).

5 (2) Section 1033 of the National Defense Au-
6 thorization Act for Fiscal Year 1998 (Public Law
7 105–85; 111 Stat. 1881; relating to authority to
8 provide additional support for counter-drug activities
9 of other countries).

10 (3) Section 1004 of the National Defense Au-
11 thorization Act for Fiscal Year 1991 (Public Law
12 101–510; relating to authority to support counter-
13 drug activities).

14 (4) Amounts authorized to be appropriated by
15 section 301 for operation and maintenance, Defense-
16 wide activities, and available for the Defense Secu-
17 rity Cooperation Agency for the Warsaw Initiative
18 Funds (WIF) for the participation of the North At-
19 lantic Treaty Organization (NATO) members in the
20 exercises and programs of the Partnership for Peace
21 program of the North Atlantic Treaty Organization.

22 (5) Section 2022 (relating to Complex Crisis,
23 Stabilization, and Prevention Fund).

24 (6) Section 2023 (relating to assistance for
25 peacekeeping operations).

1 (7) Chapter 5 (relating to Foreign Military Fi-
2 nancing program).

3 (8) Chapter 6 (relating to International Mili-
4 tary Education and Training program).

5 (9) Subtitle B of title V (relating to counter-
6 narcotics authorities).

7 (10) Subtitle C of title V (relating to counter-
8 terrorism authorities).

9 (e) FORMULATION AND EXECUTION OF PROGRAM.—

10 (1) IN GENERAL.—The program authorized
11 under subsection (a)—

12 (A) shall be jointly formulated by the Sec-
13 retary and the Secretary of Defense; and

14 (B) shall, prior to its implementation, be
15 approved by the Secretary, with the concurrence
16 of the Secretary of Defense.

17 (2) REQUIRED ELEMENTS.—The program au-
18 thorized under subsection (a) shall include elements
19 that promote—

20 (A) observance of and respect for human
21 rights and fundamental freedoms; and

22 (B) respect for legitimate civilian author-
23 ity.

24 (f) RELATED AUTHORITIES.—

1 (1) IN GENERAL.—The program authorized
2 under subsection (a) shall be—

3 (A) jointly financed by the Secretary and
4 the Secretary of Defense through amounts con-
5 tributed to the fund under subsection (a)(2)
6 from one or more provisions of law described in
7 subsection (d) under which the foreign country
8 is eligible to receive assistance; and

9 (B) carried out under the authorities of
10 such provisions of law and the authorities of
11 this section.

12 (2) ADMINISTRATIVE AUTHORITIES.—Any ad-
13 ministrative authority that applies to the Secretary
14 in carrying out a program authorized under sub-
15 section (a) shall apply to the Secretary of Defense
16 in carrying out a program authorized under sub-
17 section (a).

18 (3) LIMITATION ON ELIGIBLE COUNTRIES.—
19 The program authorized under subsection (a) may
20 not include the provision of assistance to—

21 (A) any foreign country that is otherwise
22 prohibited from receiving such assistance under
23 any other provision of law; or

24 (B) Iraq, Afghanistan, or Pakistan.

25 (g) CONGRESSIONAL NOTIFICATION.—

1 (1) IN GENERAL.—Not less than 15 days before
2 implementing an activity under the program author-
3 ized under subsection (a), the Secretary, with the
4 concurrence of the Secretary of Defense, shall sub-
5 mit to the congressional committees specified in
6 paragraph (2) a notification of—

7 (A) the name of the country with respect
8 to which the activity will be implemented; and

9 (B) the budget, implementation timeline
10 with milestones, and completion date for the ac-
11 tivity.

12 (2) SPECIFIED CONGRESSIONAL COMMIT-
13 TEES.—The congressional committees specified in
14 this paragraph are—

15 (A) the Committee on Armed Services, the
16 Committee on Foreign Affairs, and the Com-
17 mittee on Appropriations of the House of Rep-
18 resentatives; and

19 (B) the Committee on Armed Services, the
20 Committee on Foreign Relations, and the Com-
21 mittee on Appropriations of the Senate.

22 (h) ADMINISTRATIVE EXPENSES.—Amounts made
23 available to carry out the program authorized under sub-
24 section (a) may be used for necessary administrative ex-
25 penses to carry out the purposes of this section.

1 (i) **AUTHORITY TO DETAIL.**—The head of any Fed-
2 eral agency may detail personnel to the Department of
3 State to carry out the purposes of this section with or
4 without reimbursement for all or part of the costs of sala-
5 ries and other expenses associated with such personnel.

6 (j) **RULE OF CONSTRUCTION.**—Nothing in this sec-
7 tion shall be construed to constitute an authorization or
8 extension of any of the provisions of law described in sub-
9 section (d).

10 (k) **TERMINATION OF PROGRAM.**—The authority to
11 carry out the program authorized under subsection (a) ter-
12 minates at the close of September 30, 2015. An activity
13 under the program directed before that date may be com-
14 pleted after that date, but only using funds made available
15 for fiscal years 2012 through 2015.

16 **Subtitle C—Arms Sales and** 17 **Related Assistance**

18 **SEC. 4301. CONTROL OF ARMS EXPORTS AND IMPORTS.**

19 (a) **IN GENERAL.**—The President is authorized to
20 control the import and the export of defense articles and
21 defense services and to provide foreign policy guidance to
22 persons of the United States involved in the export and
23 import of such articles and services. The President is au-
24 thorized to designate those items that shall be considered
25 as defense articles and defense services for the purposes

1 of this section and to promulgate regulations for the im-
2 port and export of such articles and services. The items
3 so designated shall constitute the United States Munitions
4 List.

5 (b) PURPOSES FOR WHICH U.S. MILITARY SALES
6 ARE AUTHORIZED.—Defense articles and defense services
7 shall be sold or leased by the United States Government
8 under this title to countries solely for the purposes of sec-
9 tion 4003.

10 (c) FACTORS.—Decisions on issuing export licenses
11 under this section shall ensure that the export of a defense
12 article or defense service—

13 (1) is justified in terms of its military utility re-
14 lated to the actual security threat by the recipient
15 country; and

16 (2) will not—

17 (A) contribute to an arms race or regional
18 instability;

19 (B) aid in the development of weapons of
20 mass destruction;

21 (C) support domestic or international ter-
22 rorism;

23 (D) increase the possibility of outbreak or
24 escalation of conflict, either within or across the
25 borders of the recipient country;

1 (E) prejudice the development of bilateral
2 or multilateral arms control arrangements;

3 (F) adversely affect the arms control or
4 nonproliferation policy of the United States;

5 (G) conflict with any international agree-
6 ments, treaties or arrangements to which the
7 United States is a party or adherent;

8 (H) support blackmarket or greymarket
9 trade in arms, either those transferred or obso-
10 late arms to be replaced by the arms sale; or

11 (I) undermine the objectives and purposes
12 to promote and protect human rights and de-
13 mocracy under title III.

14 (d) SALE REQUIREMENT.—In exercising the authori-
15 ties conferred by this section, the President may require
16 that any defense article or defense service be sold under
17 this title as a condition of its eligibility for export, and
18 may require that persons engaged in the negotiation for
19 the export of defense articles and defense services keep
20 the President fully and currently informed of the progress
21 and future prospects of such negotiations.

1 **CHAPTER 1—FOREIGN MILITARY SALES**
2 **AND COOPERATION**

3 **SEC. 4311. GENERAL AUTHORITY.**

4 (a) SALES FROM DEFENSE ARTICLES AND DEFENSE
5 SERVICES.—The President may sell defense articles and
6 defense services from the stocks of the Department of De-
7 fense and the Coast Guard, or design and construction
8 services, to a foreign country or international organization
9 if the country or international organization agrees to pay
10 in United States dollars—

11 (1) in the case of a defense article not intended
12 to be replaced at the time such agreement is entered
13 into, not less than the actual value thereof;

14 (2) in the case of a defense article intended to
15 be replaced at the time such agreement is entered
16 into, the estimated cost of replacement of such arti-
17 cle, including the contract or production costs less
18 any depreciation in the value of such article; or

19 (3) in the case of a defense service (other than
20 training covered in subsection (b)), or design and
21 construction services, the full cost to the United
22 States Government of providing such service.

23 (b) TRAINING.—

24 (1) IN GENERAL.—In the case of training sold
25 to a foreign country or international organization

1 that is concurrently receiving international military
2 education and training assistance under this title,
3 the country or international organization agrees to
4 pay in United States dollars only those additional
5 costs that are incurred by the United States Govern-
6 ment in providing such assistance.

7 (2) OTHER COUNTRIES.—The President may
8 provide training to a foreign country not receiving
9 assistance under chapter 6 of subtitle B if the Presi-
10 dent determines and so notifies the appropriate con-
11 gressional committees in each fiscal year for which
12 such training is to be provided that providing such
13 training to the country is in the national interest of
14 the United States and the reasons for such deter-
15 mination.

16 **SEC. 4312. PROCUREMENT FOR FOREIGN MILITARY CASH**
17 **SALES.**

18 (a) IN GENERAL.—

19 (1) CONTRACTS.—Except as otherwise provided
20 in this section, the President may, without require-
21 ment for charge to any appropriation or contract au-
22 thorization otherwise provided, enter into contracts
23 for the procurement of defense articles or defense
24 services or design and construction services for sale
25 for United States dollars to any foreign country or

1 international organization if such country or inter-
2 national organization provides the United States
3 Government with a dependable undertaking—

4 (A) to pay the full amount of such contract
5 which will assure the United States Government
6 against any loss on the contract; and

7 (B) to make funds available in such
8 amounts and at such times as may be required
9 to meet the payments required by the contract
10 and any damages and costs that may accrue
11 from the cancellation of such contract, in ad-
12 vance of the time such payments, damages, or
13 costs are due.

14 (2) INTEREST.—Interest shall be charged on
15 any net amount by which any such country or inter-
16 national organization is in arrears under all of its
17 outstanding unliquidated dependable undertakings,
18 considered collectively. The rate of interest charged
19 shall be a rate not less than a rate determined by
20 the Secretary of the Treasury taking into consider-
21 ation the current average market yield on out-
22 standing short-term obligations of the United States
23 as of the last day of the month preceding the net ar-
24 rearage and shall be computed from the date of net
25 arrearage.

1 (b) LETTERS OF OFFER.—

2 (1) IN GENERAL.—The President may, if the
3 President determines it to be in the national interest
4 of the United States, issue letters of offer under this
5 section that provide for billing upon delivery of the
6 defense article or rendering of the defense service
7 and for payment within 120 days after the date of
8 billing.

9 (2) REQUIREMENT.—The authority of para-
10 graph (1) may be exercised only if the President de-
11 termines that the emergency requirements of the
12 purchaser for acquisition of such defense articles
13 and defense services exceed the ready availability to
14 the purchaser of funds sufficient to make payments
15 on a dependable undertaking basis and submits both
16 determinations to Congress together with a special
17 emergency request for authorization and appropria-
18 tion of additional funds to finance such purchases
19 under this Act.

20 (3) APPROPRIATIONS.—Appropriations available
21 to the Department of Defense may be used to meet
22 the payments required by the contracts for the pro-
23 curement of defense articles and defense services
24 and shall be reimbursed by the amounts subse-

1 quently received from the country or international
2 organization to whom articles or services are sold.

3 (c) RENEGOTIATION ACT OF 1951.—The provisions
4 of the Renegotiation Act of 1951 do not apply to procure-
5 ment contracts entered into under this section or prede-
6 cessor provisions of law before, on, or after the date of
7 enactment of this Act.

8 (d) COMPETITIVE PRICING.—

9 (1) PROCUREMENT CONTRACTS.—Procurement
10 contracts made in implementation of sales under this
11 section for defense articles and defense services
12 wholly paid for from funds made available on a non-
13 repayable basis shall be priced on the same costing
14 basis with regard to profit, overhead, independent
15 research and development, bid and proposal, and
16 other costing elements, as is applicable to procure-
17 ments of like items purchased by the Department of
18 Defense for its own use.

19 (2) DIRECT COSTS.—Direct costs associated
20 with meeting additional or unique requirements of
21 the purchaser shall be allowable under contracts de-
22 scribed in paragraph (1). Loadings applicable to
23 such direct costs shall be permitted at the same
24 rates applicable to procurement of like items pur-

1 chased by the Department of Defense for its own
2 use.

3 **SEC. 4313. PAYMENTS.**

4 (a) IN GENERAL.—Except as provided in subsection
5 (b), payment for defense articles or defense services under
6 this chapter shall be made in advance or, if the President
7 determines it to be in the national interest of the United
8 States, upon delivery of the defense article or rendering
9 of the defense service.

10 (b) EXCEPTION.—If the President determines it to
11 be in the national interest of the United States pursuant
12 to subsection (a), billings for sales made under letters of
13 offer issued under this section after the date of the enact-
14 ment of this subsection may be dated and issued upon de-
15 livery of the defense article or rendering of the defense
16 service and shall be due and payable upon receipt thereof
17 by the purchasing country or international organization.

18 (c) INTEREST.—

19 (1) IN GENERAL.—Interest shall be charged on
20 any net amount due and payable which is not paid
21 within 60 days after the date of such billing. The
22 rate of interest charged shall be a rate not less than
23 a rate determined by the Secretary of the Treasury
24 taking into consideration the current average market
25 yield on outstanding short-term obligations of the

1 United States as of the last day of the month pre-
2 ceding the billing and shall be computed from the
3 date of billing.

4 (2) EXTENSION.—The President may extend
5 such 60-day period to 120 days if the President de-
6 termines that emergency requirements of the pur-
7 chaser for acquisition of such defense articles or de-
8 fense services exceed the ready availability to the
9 purchaser of funds sufficient to pay the United
10 States in full for such articles or services within
11 such 60-day period and submits that determination
12 to the Congress together with a special emergency
13 request for the authorization and appropriation of
14 additional funds to finance such purchases under
15 this Act.

16 **SEC. 4314. CHARGES.**

17 (a) IN GENERAL.—Letters of offer for the sale of de-
18 fense articles or defense services that are issued pursuant
19 to section 4311 or 4312 shall include appropriate charges
20 for—

21 (1) administrative services, calculated on an av-
22 erage percentage basis to recover the full estimated
23 costs (excluding a pro rata share of fixed base oper-
24 ations costs) of administration of sales made under

1 this Act to all purchasers of such articles and serv-
2 ices as specified in section 4211(b) and (c);

3 (2) a proportionate amount of any nonrecurring
4 costs of research, development, and production of
5 major defense equipment (except for equipment
6 wholly paid for either from funds transferred under
7 section 4211(b)(3) or from funds made available on
8 a nonrepayable basis under section 4251; and

9 (3) the recovery of ordinary inventory losses as-
10 sociated with the sale from stock of defense articles
11 that are being stored at the expense of the purchaser
12 of such articles.

13 (b) WAIVER.—

14 (1) ADMINISTRATIVE CHARGES.—The President
15 may waive the charges for administrative services
16 that would otherwise be required by—

17 (A) subsection (a)(1) in connection with
18 any sale to a foreign country, if the President
19 determines that a waiver—

20 (i) is in the national security interests
21 of the United States; and

22 (ii) will facilitate the ability of that
23 country to detect, deter, prevent, defeat, or
24 counter terrorist activities, or participate
25 in, or support, military operations, coali-

1 tion operations, or stability operations of
2 the United States; or

3 (B) subsection (a)(2) in connection with
4 any sale to the Maintenance and Supply Agency
5 of the North Atlantic Treaty Organization in
6 support of—

7 (i) a weapon system partnership
8 agreement; or

9 (ii) a NATO/SHAPE project.

10 (2) MAJOR DEFENSE EQUIPMENT.—The Presi-
11 dent may reduce or waive the charge or charges that
12 would otherwise be considered appropriate under
13 subsection (a)(2) for a particular sale or for sales if
14 the President determines that—

15 (A) the reduction or waiver would signifi-
16 cantly advance United States Government inter-
17 ests in standardization with the armed forces of
18 a foreign country that is a strategic United
19 States ally, or would promote foreign procure-
20 ment in the United States under coproduction
21 arrangements;

22 (B) imposition of the charge or charges
23 likely would result in the loss of the sale; or

24 (C) in the case of a sale of major defense
25 equipment that is also being procured for the

1 use of the Armed Forces, the waiver of the
2 charge or charges would (through a resulting
3 increase in the total quantity of the equipment
4 purchased from the source of the equipment
5 that causes a reduction in the unit cost of the
6 equipment) result in a savings to the United
7 States on the cost of the equipment procured
8 for the use of the Armed Forces that substan-
9 tially offsets the revenue foregone by reason of
10 the waiver of the charge or charges.

11 (3) INCREASE IN CHARGES.—The President
12 may waive, for particular sales of major defense
13 equipment, any increase in a charge or charges pre-
14 viously considered appropriate under subsection
15 (a)(2) if the increase results from a correction of an
16 estimate (reasonable when made) of the production
17 quantity base that was used for calculating the
18 charge or charges for purposes of such paragraph.

19 **SEC. 4315. NON-COMBAT DUTIES OF UNITED STATES PER-**
20 **SONNEL SUPPORTING FOREIGN MILITARY**
21 **SALES.**

22 (a) IN GENERAL.—United States personnel per-
23 forming defense services sold under this title may not per-
24 form any duties of a combatant nature, including any du-
25 ties related to training and advising that may engage

1 United States personnel in combat activities, outside the
2 United States in connection with the performance of those
3 defense services.

4 (b) REPORT.—Within 48 hours of the existence of,
5 or a change in status of significant hostilities or terrorist
6 acts or a series of such acts, that may endanger lives or
7 property of United States personnel, involving a country
8 in which United States personnel are performing defense
9 services pursuant to this title, the President shall submit
10 to the Speaker of the House of Representatives and to
11 the President pro tempore of the Senate a report, in writ-
12 ing, classified if necessary, setting forth—

13 (1) the identity of such country;

14 (2) a description of such hostilities or terrorist
15 acts; and

16 (3) the number of members of the Armed
17 Forces and the number of United States civilian per-
18 sonnel that may be endangered by such hostilities or
19 terrorist acts.

20 **SEC. 4316. PUBLIC INFORMATION.**

21 Any contract entered into between the United States
22 and a foreign country under the authority of section 4311
23 or section 4312 shall be prepared in a manner that will
24 permit the contract to be made available for public inspec-
25 tion to the fullest extent possible consistent with the na-

1 tional security of the United States. Such information
2 shall be posted upon the website of the Department of
3 State in a timely fashion.

4 **SEC. 4317. STANDARDIZATION AGREEMENTS.**

5 (a) IN GENERAL.—The President may enter into
6 North Atlantic Treaty Organization standardization
7 agreements in carrying out section 814 of the Department
8 of Defense Appropriation Authorization Act, 1976 (Public
9 Law 94–106), and may enter into similar agreements with
10 a country that is a strategic United States ally, for the
11 cooperative furnishing of training on a bilateral or multi-
12 lateral basis, if the financial principles of such agreements
13 are based on reciprocity.

14 (b) REIMBURSEMENT.—Each agreement shall in-
15 clude reimbursement for all direct costs but may exclude
16 reimbursement for indirect costs, administrative sur-
17 charges, and costs of billeting of trainees (except to the
18 extent that members of the Armed Forces occupying com-
19 parable accommodations are charged for such accommoda-
20 tions by the United States).

21 (c) CONGRESSIONAL NOTIFICATION.—Each agree-
22 ment shall be transmitted promptly to—

23 (1) the appropriate congressional committees;
24 and

1 (2) the Committees on Appropriations and the
2 Committees on Armed Services of the House of Rep-
3 resentatives and the Senate.

4 **SEC. 4318. QUALITY ASSURANCE AND RELATED SERVICES.**

5 (a) IN GENERAL.—The President is authorized to
6 provide, without charge, quality assurance, inspection,
7 contract administration services, and contract audit de-
8 fense services under this chapter—

9 (1) in connection with the placement or admin-
10 istration of any contract or subcontract for defense
11 articles, defense services, or design and construction
12 services entered into under this Act on behalf of, a
13 government that is a strategic United States ally, if
14 such government provides such services in accord-
15 ance with an agreement on a reciprocal basis, with-
16 out charge, to the United States Government; or

17 (2) in connection with the placement or admin-
18 istration of any contract or subcontract for defense
19 articles, defense services, or design and construction
20 services pursuant to the North Atlantic Treaty Or-
21 ganization's Security Investment program in accord-
22 ance with an agreement under which the foreign
23 governments participating in such program provide
24 such services, without charge, in connection with
25 similar contracts or subcontracts.

1 (b) CATALOGING DATA AND CATALOGING SERV-
2 ICES.—In carrying out the objectives of this section, the
3 President is authorized to provide, without charge, cata-
4 logging data and cataloging services to the North Atlantic
5 Treaty Organization or to any strategic United States ally
6 if that Organization or ally provides such data and serv-
7 ices in accordance with an agreement on a reciprocal basis,
8 without charge, to the United States Government.

9 **SEC. 4319. RESTRICTION ON SALE OF DEFENSE ARTICLES**
10 **AND DEFENSE SERVICES THAT WOULD AD-**
11 **VERSELY AFFECT UNITED STATES COMBAT**
12 **READINESS.**

13 (a) RESTRICTION.—The President may not sell de-
14 fense articles and defense services if the sale of such arti-
15 cles or services would have significant adverse effect on
16 the combat readiness of the Armed Forces.

17 (b) WAIVER AND CONGRESSIONAL NOTIFICATION.—

18 (1) IN GENERAL.—The President may waive
19 the restriction in subsection (a) if the President de-
20 termines that the possible significant adverse effect
21 on the combat readiness of the Armed Forces is out-
22 weighed by the benefits to United States national se-
23 curity and transmits such determination to the ap-
24 propriate congressional committees and to the Com-

1 mittees on Armed Services of the House of the Rep-
2 resentatives and the Senate.

3 (2) STATEMENT.—Each such determination
4 shall be accompanied with a statement that shall in-
5 clude the following information:

6 (A) The country or international organiza-
7 tion to which the sale is proposed to be made.

8 (B) The amount of the proposed sale.

9 (C) A description of the defense article or
10 service proposed to be sold.

11 (D) A full description of the impact which
12 the proposed sale will have on the Armed
13 Forces.

14 (E) A justification for such proposed sale,
15 including an explanation as to why, in the
16 President's judgment, benefits to United States
17 national security from the sale outweighs the
18 adverse impact on the readiness of the Armed
19 Forces.

20 **SEC. 4320. ACQUISITION OF FOREIGN-UNITED STATES ORI-**
21 **GIN DEFENSE ARTICLES.**

22 (a) IN GENERAL.—The President may acquire a re-
23 pairable defense article from a foreign country or inter-
24 national organization if such defense article—

1 (1) previously was transferred to such country
2 or organization under this Act or predecessor Act
3 (as in effect on the day before the date of the enact-
4 ment of this Act);

5 (2) is not an end item; and

6 (3) will be exchanged for a defense article of
7 the same type that is in the stocks of the Depart-
8 ment of Defense.

9 (b) LIMITATION.—The President may exercise the
10 authority provided in subsection (a) only to the extent that
11 the Department of Defense—

12 (1)(A) has a requirement for the defense article
13 being returned; and

14 (B) has available sufficient funds authorized
15 and appropriated for such purpose; or

16 (2)(A) is accepting the return of the defense ar-
17 ticle for subsequent transfer to another foreign gov-
18 ernment or international organization pursuant to a
19 letter of offer and acceptance implemented in ac-
20 cordance with this Act or predecessor Act (as in ef-
21 fect on the day before the date of the enactment of
22 this Act); and

23 (B) has available sufficient funds provided by
24 or on behalf of such other foreign government or
25 international organization pursuant to a letter of

1 offer and acceptance implemented in accordance
2 with this Act or predecessor Act (as in effect on the
3 day before the date of the enactment of this Act).

4 (c) REQUIREMENT.—

5 (1) IN GENERAL.—The foreign government or
6 international organization receiving a new or re-
7 paired defense article in exchange for a repairable
8 defense article pursuant to subsection (a) shall, upon
9 the acceptance by the United States Government of
10 the repairable defense article being returned, be
11 charged the total cost associated with the repair and
12 replacement transaction.

13 (2) COST.—The total cost charged pursuant to
14 paragraph (1) shall be the same as that charged the
15 Armed Forces for a similar repair and replacement
16 transaction, plus an administrative surcharge in ac-
17 cordance with section 4314(a)(1).

18 (d) RELATIONSHIP TO CERTAIN OTHER PROVISIONS
19 OF LAW.—The authority of the President to accept the
20 return of a repairable defense article as provided in sub-
21 section (a) shall not be subject to chapter 137 of title 10,
22 United States Code, or any other provision of law relating
23 to the conclusion of contracts.

1 **SEC. 4321. RETURN OF DEFENSE ARTICLES.**

2 (a) IN GENERAL.—The President may accept the re-
3 turn of a defense article from a foreign country or inter-
4 national organization if such defense article—

5 (1) previously was transferred to such country
6 or organization under this Act or predecessor Act
7 (as in effect on the day before the date of the enact-
8 ment of this Act);

9 (2) is not significant military equipment (as de-
10 fined in section 4412); and

11 (3) is in fully functioning condition without
12 need of repair or rehabilitation.

13 (b) LIMITATION.—The President may exercise the
14 authority provided in subsection (a) only to the extent that
15 the Department of Defense—

16 (1)(A) has a requirement for the defense article
17 being returned; and

18 (B) has available sufficient funds authorized
19 and appropriated for such purpose; or

20 (2)(A) is accepting the return of the defense ar-
21 ticle for subsequent transfer to another foreign gov-
22 ernment or international organization pursuant to a
23 letter of offer and acceptance implemented in ac-
24 cordance with this Act or predecessor Act (as in ef-
25 fect on the day before the date of the enactment of
26 this Act); and

1 **SEC. 4323. ANNUAL ESTIMATE AND JUSTIFICATION FOR**
2 **SALES PROGRAM.**

3 (a) REPORT.—Except as provided in subsection (d),
4 not later than February 1 of each year, the President shall
5 transmit to the appropriate congressional committees, as
6 a part of the annual presentation materials for security
7 assistance programs proposed for the next fiscal year, a
8 report which sets forth—

9 (1) an Arms Sales Proposal covering all sales
10 and licensed commercial exports under this title of
11 major weapons or weapons-related defense equip-
12 ment for \$7,000,000 or more, or of any other weap-
13 ons or weapons-related defense equipment for
14 \$25,000,000 or more, which are considered eligible
15 for approval during the current calendar year and
16 are deemed most likely actually to result in the
17 issuance of a letter of offer or of an export license
18 during such year;

19 (2) an estimate of the total amount of sales and
20 licensed commercial exports expected to be made to
21 each foreign country from the United States;

22 (3) the United States national security consid-
23 erations involved in expected sales or licensed com-
24 mercial exports to each country, an analysis of the
25 relationship between anticipated sales to each coun-
26 try and arms control efforts concerning such country

1 and an analysis of the impact of such anticipated
2 sales on the stability of the region that includes such
3 country;

4 (4) an estimate with regard to the international
5 volume of arms traffic to and from countries pur-
6 chasing arms as set forth in paragraphs (1) and (2),
7 together with best estimates of the sale and delivery
8 of weapons and weapons-related defense equipment
9 by all major arms suppliers to all major recipient
10 countries during the preceding calendar year;

11 (5)(A) an estimate of the aggregate dollar value
12 and quantity of defense articles and defense services,
13 military education and training, grant military as-
14 sistance, and credits and guarantees, to be furnished
15 by the United States to each foreign country and
16 international organization in the next fiscal year;
17 and

18 (B) for each country that is proposed to be fur-
19 nished credits or guaranties under this Act in the
20 next fiscal year and that has been approved for cash
21 flow financing in excess of \$100,000,000 as of Octo-
22 ber 1 of the current fiscal year—

23 (i) the amount of such approved cash flow
24 financing;

1 (ii) a description of administrative ceilings
2 and controls applied, and

3 (iii) a description of the financial resources
4 otherwise available to such country to pay such
5 approved cash flow financing;

6 (6) an analysis and description of the services
7 performed during the preceding fiscal year by offi-
8 cers and employees of the United States Government
9 carrying out functions on a full-time basis under this
10 Act for which reimbursement is provided under [sec-
11 tion 4360(b)] or [section 4302(a)], including the
12 number of personnel involved in performing such
13 services;

14 (7) the total amount of funds in the reserve
15 under [section 4223(c)] at the end of the fiscal year
16 immediately preceding the fiscal year in which a re-
17 port under this section is made, together with an as-
18 sessment of the adequacy of such total amount of
19 funds as a reserve for the payment of claims under
20 guaranties issued pursuant to [section 4223] in
21 view of the current debt servicing capacity of bor-
22 rowing countries;

23 (8) a list of all countries with respect to which
24 findings made by the Secretary pursuant to [section

1 4205(a)] are in effect on the date of such trans-
2 mission;

3 (9) the status of—

4 (A) each loan and each contract of guar-
5 anty or insurance theretofore made under this
6 title, predecessor Acts, or any Act authorizing
7 international security assistance, with respect to
8 which there remains outstanding any unpaid
9 obligation or potential liability; and

10 (B) each extension of credit for the pro-
11 curement of defense articles or defense services,
12 and of each contract of guaranty in connection
13 with any such procurement, theretofore made
14 under this title or predecessor Acts with respect
15 to which there remains outstanding any unpaid
16 obligation or potential liability;

17 (10)(A) a detailed accounting of all articles,
18 services, credits, guarantees, or any other form of
19 assistance furnished by the United States to each
20 country and international organization, including
21 payments to the United Nations, during the pre-
22 ceding fiscal year for the detection and clearance of
23 landmines, including activities relating to the fur-
24 nishing of education, training, and technical assist-

1 ance for the detection and clearance of landmines;
2 and

3 (B) for each provision of law making funds
4 available or authorizing appropriations for demining
5 activities described in subparagraph (A), an analysis
6 and description of the objectives and activities un-
7 dertaken during the preceding fiscal year, including
8 the number of personnel involved in performing such
9 activities;

10 (11) a list of weapons systems that are signifi-
11 cant military equipment, and numbers thereof, that
12 are believed likely to become available for transfer as
13 excess defense articles during the next 12 months;
14 and

15 (12) such other information as the President
16 may deem necessary.

17 (b) **ADDITIONAL INFORMATION.**—Not later than 30
18 days following the receipt of a request made by any of
19 the appropriate congressional committees for additional
20 information with respect to any information submitted
21 pursuant to subsection (a), the President shall submit
22 such information to such committees.

23 (c) **FORM.**—The President shall make every effort to
24 submit all of the information required by subsection (a)
25 or (b) wholly in unclassified form. Whenever the President

1 submits any such information in classified form, the Presi-
2 dent shall submit such classified information in an adden-
3 dum and shall also submit simultaneously a detailed sum-
4 mary, in unclassified form, of such classified information.

5 (d) ADDITIONAL REQUIREMENT.—The information
6 required by subsection (a)(4) of this section shall be trans-
7 mitted to Congress not later than April 1 of each year.

8 **SEC. 4324. SALES TO UNITED STATES COMPANIES FOR IN-**
9 **CORPORATION INTO END ITEMS.**

10 (a) GENERAL AUTHORITY.—

11 (1) IN GENERAL.—Subject to the conditions
12 specified in subsection (b), the President may, on a
13 negotiated contract basis, under cash terms—

14 (A) sell defense articles at not less than
15 their estimated replacement cost (or actual cost
16 in the case of services); or

17 (B) procure or manufacture and sell de-
18 fense articles at not less than their contract or
19 manufacturing cost to the United States Gov-
20 ernment, to any United States company for in-
21 corporation into end items (and for concurrent
22 or follow-on support) to be sold by such a com-
23 pany either—

24 (i) on a direct commercial basis to a
25 foreign country or international organiza-

1 tion pursuant to an export license or ap-
2 proval under section 4301; or

3 (ii) in the case of ammunition parts
4 subject to subsection (b), using commercial
5 practices which restrict actual delivery di-
6 rectly to a foreign country or international
7 organization pursuant to approval under
8 section 4301.

9 (2) **ADDITIONAL AUTHORITY.**—The President
10 may also sell defense services in support of such
11 sales of defense articles, subject to the requirements
12 of this chapter. Such services may be performed only
13 in the United States. The amount of reimbursement
14 received from such sales shall be credited to the cur-
15 rent applicable appropriation, fund, or account of
16 the selling agency of the United States Government.

17 (b) **ADDITIONAL REQUIREMENTS.**—Defense articles
18 and defense services may be sold, procured and sold, or
19 manufactured and sold, pursuant to subsection (a) only
20 if—

21 (1) the end item to which the articles apply is
22 to be procured for the armed forces of a country or
23 international organization;

24 (2) the articles would be supplied to the prime
25 contractor as government-furnished equipment or

1 materials if the end item were being procured for the
2 use of the Armed Forces; and

3 (3) the articles and services are available only
4 from United States Government sources or are not
5 available to the prime contractor directly from
6 United States commercial sources at such times as
7 may be required to meet the prime contractor's de-
8 livery schedule.

9 **SEC. 4325. FISCAL PROVISIONS RELATING TO FOREIGN**
10 **MILITARY SALES CREDITS.**

11 (a) IN GENERAL.—Cash payments received under
12 sections 4311 and funds received under section 4324 shall
13 be available solely for payments to suppliers (including the
14 military departments) and refunds to purchasers and shall
15 not be available for financing credits.

16 (b) REPAYMENTS FOR CREDITS, DISPOSITION OF
17 CERTAIN INSTRUMENTS, AND OTHER COLLECTIONS.—
18 Amounts received from foreign governments and inter-
19 national organizations as repayments for any credits ex-
20 tended pursuant to section 4251, and other collections (in-
21 cluding fees and interest) shall be transferred to the mis-
22 cellaneous receipts of the United States Treasury.

1 **CHAPTER 2—ARMS EXPORT CONTROLS**

2 **SEC. 4331. LICENSING REQUIREMENT FOR EXPORTING OR**
3 **IMPORTING DEFENSE ARTICLES AND DE-**
4 **FENSE SERVICES.**

5 (a) IN GENERAL.—Except as otherwise specifically
6 provided in regulations issued under section 4301, defense
7 articles, defense services, and design and construction
8 services designated by the President under section 4301
9 may only be licensed for export or import in accordance
10 with this title and regulations issued under this title.

11 (b) EXCEPTIONS.—No license may be required for ex-
12 ports or imports made by or for a Federal agency—

13 (1) for official use by personnel of a Federal
14 agency; or

15 (2) for carrying out any foreign assistance or
16 sales program authorized by law and subject to the
17 control of the President by other means.

18 **SEC. 4332. IMPACT OF MILITARY EXPENDITURES ON DE-**
19 **VELOPMENT.**

20 (a) ANNUAL REVIEW.—The Secretary shall conduct
21 an annual review of the military expenditures of devel-
22 oping countries and identify those which the Secretary has
23 credible evidence to believe—

24 (1) are diverting official development assistance
25 from any source to military purposes;

1 (2) are devoting budgetary resources to arms
2 purchases to a degree that materially interferes with
3 their development; or

4 (3) are accumulating unsustainable levels of
5 debt to finance arms purchases.

6 (b) CONGRESSIONAL NOTIFICATION.—The Secretary
7 shall inform the appropriate congressional committees not
8 later than 180 days after the date of enactment of this
9 Act, and annually thereafter, of the results of the annual
10 review under subsection (a).

11 (c) SUBSEQUENT ARMS TRANSFERS.—A letter of
12 offer shall not be made, and a license shall not be issued,
13 to export defense articles or defense services to a country
14 identified under subsection (a) unless—

15 (1) the Secretary determines, and reports to the
16 appropriate congressional committees, that such
17 country is no longer engaged in the actions which
18 caused it to be included on the list;

19 (2) the Secretary determines, and reports to the
20 appropriate congressional committees, that the iden-
21 tification was made upon faulty evidence; or

22 (3) the Secretary submits a numbered certifi-
23 cation to the appropriate congressional committees
24 in accordance with the procedures under section
25 **【4382】**.

1 **SEC. 4333. REQUIREMENT FOR REGISTRATION BY EXPORT-**
2 **ERS.**

3 (a) IN GENERAL.—As prescribed in regulations
4 issued under section 4301, every person (other than an
5 officer or employee of the United States Government act-
6 ing in an official capacity) who engages in the business
7 of manufacturing, exporting, or importing any defense ar-
8 ticles or defense services designated by the President
9 under section 4301 shall register with the Department of
10 State, and shall pay a registration fee which shall be pre-
11 scribed by such regulations.

12 (b) PROHIBITION.—

13 (1) IN GENERAL.—Such regulations shall pro-
14 hibit the return to the United States for sale in the
15 United States (other than for the Armed Forces or
16 its allies or for any State for local law enforcement
17 agency) of any military firearms or ammunition of
18 United States manufacture furnished to foreign gov-
19 ernments by the United States under this Act, or
20 predecessor Act, or any other foreign assistance or
21 sales program of the United States, whether or not
22 enhanced in value or improved in condition in a for-
23 eign country.

24 (2) EXCEPTION.—The prohibition in paragraph
25 (1) shall not extend to similar firearms that have

1 been so substantially transformed as to become, in
2 effect, articles of foreign manufacture.

3 **SEC. 4334. IDENTIFICATION OF ALL CONSIGNEES AND**
4 **FREIGHT FORWARDERS.**

5 The President shall require that each applicant for
6 a license to export an item on the United States Munitions
7 List identify in the application all consignees and freight
8 forwarders involved in the proposed export.

9 **SEC. 4335. BROKERING ACTIVITIES.**

10 (a) IN GENERAL.—As prescribed in regulations
11 issued under this section, every person (other than an offi-
12 cer or employee of the United States Government acting
13 in an official capacity) who engages in the business of
14 brokering activities with respect to the manufacture, ex-
15 port, import, or transfer of any defense article or defense
16 service designated by the President under section 4301,
17 or in the business of brokering activities with respect to
18 the manufacture, export, import, or transfer of any foreign
19 defense article or defense service (as defined in subsection
20 (c)), shall register with the United States Government
21 agency charged with the administration of this section,
22 and shall pay a registration fee which shall be prescribed
23 by such regulations.

24 (b) BROKERING ACTIVITIES DESCRIBED.—Such
25 brokering activities shall include the financing, transpor-

1 tation, freight forwarding, or taking of any other action
2 that facilitates the sale, manufacture, export, or import
3 of a defense article or defense service.

4 (c) LICENSING REQUIREMENT.—No person may en-
5 gage in the business of brokering activities described in
6 subsection (a) without a license, issued in accordance with
7 this title, except that no license shall be required for such
8 activities undertaken by or for a Federal agency—

9 (1) for use by a Federal agency; or

10 (2) for carrying out any foreign assistance or
11 sales program authorized by law and subject to the
12 control of the President by other means.

13 (d) REVIEW OF REGISTRATION.—A copy of each reg-
14 istration made under this section shall be transmitted to
15 the Secretary of the Treasury for review regarding law en-
16 forcement concerns. The Secretary shall report to the
17 President regarding such concerns as necessary.

18 (e) INAPPLICABILITY OF CERTAIN PROHIBITION.—
19 The prohibition under such regulations required by the
20 second sentence of subsection (e) shall not extend to any
21 military firearms (or ammunition, components, parts, ac-
22 cessories, and attachments for such firearms) of United
23 States manufacture furnished to any foreign government
24 by the United States under this title or any other foreign
25 assistance or sales program of the United States if—

1 (1) such firearms are among those firearms
2 that the Secretary of the Treasury is, or was at any
3 time, required to authorize the importation of by
4 reason of the provisions of section 925(e) of title 18,
5 United States Code (including the requirement for
6 the listing of such firearms as curios or relics under
7 section 921(a)(13) of that title); and

8 (2) such foreign government certifies to the
9 United States Government that such firearms are
10 owned by such foreign government.

11 **SEC. 4336. FOREIGN PERSONS.**

12 (a) IN GENERAL.—A license to export an item on the
13 United States Munitions List may not be issued to a for-
14 eign person (other than a foreign government or inter-
15 national organization).

16 (b) LICENSE REQUIREMENT.—The President may re-
17 quire a license or other form of authorization before any
18 item on the United States Munitions List is sold or other-
19 wise transferred to the control or possession of a foreign
20 person or a person acting on behalf of a foreign person.

21 **SEC. 4337. REVIEW OF UNITED STATES MUNITIONS LIST.**

22 (a) IN GENERAL.—The President shall periodically
23 review the items on the United States Munitions List to
24 determine what items, if any, no longer warrant export
25 controls under this title.

1 (b) CONGRESSIONAL NOTIFICATION.—The results of
2 such reviews shall be reported to the appropriate congres-
3 sional committees.

4 (c) CONGRESSIONAL REVIEW.—The President may
5 not remove any item from the Munitions List until 30
6 days after the date on which the President has provided
7 notice of the proposed removal to the appropriate congres-
8 sional committees in accordance with the procedures appli-
9 cable to reprogramming notifications under section 9401.
10 Such notice shall describe the nature of any controls to
11 be imposed on that item under any other provision of law.

12 **SEC. 4338. LICENSING OF MISSILES AND MISSILE EQUIP-**
13 **MENT OR TECHNOLOGY.**

14 (a) ESTABLISHMENT OF LIST OF CONTROLLED
15 ITEMS.—The Secretary, in consultation with the Secretary
16 of Defense and the heads of other appropriate Federal
17 agencies, shall establish and maintain, as part of the
18 United States Munitions List, a list of all items on the
19 MTCR Annex the export of which is not controlled under
20 section 6(l) of the Export Administration Act of 1979 (as
21 continued in effect under the International Emergency
22 Economic Powers Act) or similar provisions of any suc-
23 cessor Act.

24 (b) REFERRAL OF LICENSE APPLICATIONS.—

1 (1) IN GENERAL.—A determination of the Sec-
2 retary to approve a license for the export of an item
3 on the list established under subsection (a) may be
4 made only after the license application is referred to
5 the Secretary of Defense.

6 (2) REFERRAL.—Within 10 days after a license
7 is issued for the export of an item on the list estab-
8 lished under subsection (a), the Secretary shall pro-
9 vide to the Secretary of Defense and the Secretary
10 of Commerce the license application and accom-
11 panying documents issued to the applicant, to the
12 extent that the relevant Secretary indicates the need
13 to receive such application and documents.

14 (c) INFORMATION SHARING.—The Secretary shall es-
15 tablish a procedure for sharing information with appro-
16 priate officials of the intelligence community, as deter-
17 mined by the Director of National Intelligence, and with
18 other appropriate Federal agencies, that will ensure effec-
19 tive monitoring of transfers of MTCR equipment or tech-
20 nology and other missile technology.

21 (d) EXPORTS TO SPACE LAUNCH VEHICLE PRO-
22 GRAMS.—

23 (1) IN GENERAL.—Within 15 days after the
24 issuance of a license (including any brokering li-
25 cense) for the export of items valued at less than

1 \$50,000,000 that are controlled under this Act pur-
2 suant to United States obligations under the MTCR
3 and are goods or services that are intended to sup-
4 port the design, utilization, development, or produc-
5 tion of a space launch vehicle system listed in Cat-
6 egory I of the MTCR Annex, the Secretary shall
7 transmit to Congress a report describing the licensed
8 export and rationale for approving such export, in-
9 cluding the consistency of such export with United
10 States missile nonproliferation policy.

11 (2) **APPLICABILITY.**—The requirement con-
12 tained in paragraph (1) shall not apply to licenses
13 for exports to countries that are members of the
14 MTCR as of as of the date of enactment of this Act.

15 **SEC. 4339. SPECIAL LICENSING AUTHORIZATION FOR CER-**
16 **TAIN EXPORTS TO STRATEGIC UNITED**
17 **STATES ALLIES.**

18 (a) **AUTHORIZATION.**—The President may provide
19 for special licensing authorization for exports of United
20 States-manufactured spare and replacement parts or com-
21 ponents listed in an application for such special licensing
22 authorization in connection with defense items previously
23 exported to a strategic United States ally. A special licens-
24 ing authorization issued pursuant to this subsection shall
25 be effective for a period not to exceed 5 years.

1 (b) CERTIFICATION.—An authorization may be
2 issued under subsection (a) only if the applicable govern-
3 ment of the country described in subsection (a), acting
4 through the applicant for the authorization, certifies
5 that—

6 (1) the export of spare and replacement parts
7 or components supports a defense item previously
8 lawfully exported;

9 (2) the spare and replacement parts or compo-
10 nents will be transferred to a defense agency of the
11 country that is a previously approved end-user of the
12 defense item and not to a distributor or a foreign
13 consignee of the defense item;

14 (3) the spare and replacement parts or compo-
15 nents will not to be used to materially enhance, opti-
16 mize, or otherwise modify or upgrade the capability
17 of the defense item;

18 (4) the spare and replacement parts or compo-
19 nents relate to a defense item that is owned, oper-
20 ated, and in the inventory of the armed forces of the
21 country;

22 (5) the export of spare and replacement parts
23 or components will be effected using the freight for-
24 warder designated by the purchasing country's diplo-

1 matic mission as responsible for handling transfers
2 as required under regulations; and

3 (6) the spare and replacement parts or compo-
4 nents to be exported under the special licensing au-
5 thorization are specifically identified in the applica-
6 tion.

7 (c) LIMITATION.—An authorization may not be
8 issued under subsection (a) for purposes of establishing
9 offshore procurement arrangements or producing defense
10 articles offshore.

11 (d) DEFINITION.—

12 (1) IN GENERAL.—In this section, the term
13 “United States-manufactured spare and replacement
14 parts or components” or “spare and replacement
15 parts or components” means spare and replacement
16 parts or components—

17 (A) with respect to which—

18 (i) United States-origin content costs
19 constitute at least 85 percent of the total
20 content costs;

21 (ii) United States manufacturing costs
22 constitute at least 85 percent of the total
23 manufacturing costs; and

24 (iii) foreign content, if any, is limited
25 to content from countries eligible to receive

1 exports of items on the United States Mu-
2 nitions List (other than de minimis foreign
3 content);

4 (B) that were last substantially trans-
5 formed in the United States; and

6 (C) that are not—

7 (i) classified as significant military
8 equipment; or

9 (ii) listed on the MTCR Annex.

10 (2) ADDITIONAL RULE.—For purposes of para-
11 graph (1)(A)(i) and (ii), the costs of non-United
12 States-origin content and the costs of non-United
13 States manufacturing shall be determined using the
14 final price or final cost associated with the non-
15 United States-origin content and non-United States
16 manufacturing.

17 (e) INAPPLICABILITY PROVISIONS.—

18 (1) IN GENERAL.—The provisions of this sec-
19 tion shall not apply with respect to re-exports or re-
20 transfers of spare and replacement parts or compo-
21 nents and related services of defense items described
22 in subsection (a).

23 (2) CONGRESSIONAL NOTIFICATION.—The con-
24 gressional notification requirements contained in this

1 title shall not apply with respect to an authorization
2 issued under subsection (a).

3 **SEC. 4340. COUNTRY EXEMPTIONS FOR LICENSING OF DE-**
4 **FENSE ITEMS FOR EXPORT TO FOREIGN**
5 **COUNTRIES.**

6 (a) REQUIREMENT FOR BILATERAL AGREEMENT.—

7 (1) IN GENERAL.—The President may utilize,
8 subject to subsection (b), the regulatory or other au-
9 thority pursuant to this subtitle to exempt a foreign
10 country from the licensing requirements of this sub-
11 title with respect to exports of defense items only if
12 the United States Government has concluded a bind-
13 ing bilateral agreement with the foreign country as
14 described in subsection (c).

15 (2) ADDITIONAL REQUIREMENTS.—Such agree-
16 ment shall—

17 (A) meet the requirements set forth in sub-
18 section (c); and

19 (B) be implemented by the United States
20 and the foreign country in a manner that is le-
21 gally-binding under the domestic laws the for-
22 eign country.

23 (b) CONGRESSIONAL NOTIFICATION.—The authority
24 under subsection (a) may be utilized 30 days after the

1 date on which the President transmits to the appropriate
2 congressional committees a notification that includes—

3 (1) a certification that the United States has
4 entered into a bilateral agreement with the foreign
5 country that meets the requirements of subsection
6 (c);

7 (2) a description of the scope of the exemption,
8 including a detailed summary of the defense articles,
9 defense services, and related technical data covered
10 by the exemption; and

11 (3) a determination by the Attorney General
12 that the bilateral agreement requires the compilation
13 and maintenance of sufficient documentation relat-
14 ing to the export of defense articles, defense services,
15 and related technical data to facilitate law enforce-
16 ment efforts to detect, prevent, and prosecute crimi-
17 nal violations of any provision of this subtitle, in-
18 cluding the efforts on the part of countries and fac-
19 tions engaged in international terrorism to illicitly
20 acquire sophisticated defense items;

21 (4) a certification that the foreign country has
22 promulgated or enacted all necessary modifications
23 to its laws and regulations to comply with its obliga-
24 tions under the bilateral agreement with the United
25 States; and

1 (5) an assurance that the appropriate congres-
2 sional committees will continue to receive notifica-
3 tions pursuant to the authorities, procedures, and
4 practices of this subtitle for exports of defense items
5 to a foreign country to which that section would
6 apply.

7 (c) REQUIREMENTS OF BILATERAL AGREEMENT.—
8 A bilateral agreement referred to subsection (a)—

9 (1) shall, at a minimum, require the foreign
10 country, as necessary, to revise its policies and prac-
11 tices, and promulgate or enact necessary modifica-
12 tions to its laws and regulations to establish an ex-
13 port control regime that is at least comparable to
14 United States law, regulation, and policy requiring—

15 (A) conditions on the handling of all
16 United States-origin defense items exported to
17 the foreign country, including prior written
18 United States Government approval for any re-
19 exports to third countries;

20 (B) end-use and retransfer control commit-
21 ments, including securing binding end-use and
22 retransfer control commitments from all end-
23 users, including such documentation as is need-
24 ed in order to ensure compliance and enforce-

1 ment, with respect to such United States-origin
2 defense items;

3 (C) establishment of a procedure com-
4 parable to a “watchlist” (if such a watchlist
5 does not exist) and full cooperation with Fed-
6 eral law enforcement agencies to allow for shar-
7 ing of export and import documentation and
8 background information on foreign businesses
9 and individuals employed by or otherwise con-
10 nected to those businesses; and

11 (D) establishment of a list of controlled de-
12 fense items to ensure coverage of those items to
13 be exported under the exemption; and

14 (2) should, at a minimum, require the foreign
15 country, as necessary, to revise its policies and prac-
16 tices, and promulgate or enact necessary modifica-
17 tions to its laws and regulations to establish an ex-
18 port control regime that is at least comparable to
19 United States law, regulation, and policy regard-
20 ing—

21 (A) controls on the export of tangible or
22 intangible technology, including via fax, phone,
23 and electronic media;

1 (B) appropriate controls on unclassified in-
2 formation relating to defense items exported to
3 foreign nationals;

4 (C) controls on international arms traf-
5 ficking and brokering;

6 (D) cooperation with Federal agencies, in-
7 cluding intelligence agencies, to combat efforts
8 by third countries to acquire defense items, the
9 export of which to such countries would not be
10 authorized pursuant to the export control re-
11 gimes of the foreign country and the United
12 States; and

13 (E) violations of export control laws, and
14 penalties for such violations.

15 (d) EXCEPTION.—The requirement to conclude a bi-
16 lateral agreement in accordance with subsection (a) shall
17 not apply with respect to an exemption for Canada from
18 the licensing requirements of this chapter for the export
19 of defense items.

20 (e) LIMITATION OF SCOPE.—The President shall ex-
21 empt from the scope of a bilateral agreement referred to
22 in subsection (a)—

23 (1) complete rocket systems (including ballistic
24 missile systems, space launch vehicles, and sounding
25 rockets) or complete unmanned aerial vehicle sys-

1 tems (including cruise missile systems, target
2 drones, and reconnaissance drones) capable of deliv-
3 ering at least a 500 kilogram payload to a range of
4 300 kilometers, and associated production facilities,
5 software, or technology for these systems, as defined
6 in the Missile Technology Control Regime Annex
7 Category I, Item 1;

8 (2) individual rocket stages, re-entry vehicles
9 and equipment, solid or liquid propellant motors or
10 engines, guidance sets, thrust vector control systems,
11 and associated production facilities, software, and
12 technology, as defined in the Missile Technology
13 Control Regime Annex Category I, Item 2;

14 (3) defense articles and defense services listed
15 in the Missile Technology Control Regime Annex
16 Category II that are for use in rocket systems, as
17 that term is used in such Annex, including associ-
18 ated production facilities, software, or technology;

19 (4) toxicological agents, biological agents, and
20 associated equipment, as listed in the United States
21 Munitions List (part 121.1 of chapter I of title 22,
22 Code of Federal Regulations), Category XIV, sub-
23 categories (a), (b), (f)(1), (i), (j) as it pertains to
24 (f)(1), (l) as it pertains to (f)(1), and (m) as it per-

1 tains to all of the subcategories cited in this para-
2 graph;

3 (5) defense articles and defense services specific
4 to the design and testing of nuclear weapons which
5 are controlled under United States Munitions List
6 Category XVI(a) and (b), along with associated de-
7 fense articles in Category XVI(d) and technology in
8 Category XVI(e);

9 (6) with regard to the treaty cited in clause
10 (i)(I), defense articles and defense services that the
11 United States controls under the United States Mu-
12 nitions List that are not controlled by the United
13 Kingdom, as defined in the United Kingdom Mili-
14 tary List or Annex 4 to the United Kingdom Dual
15 Use List, or any successor lists thereto; and

16 (7) with regard to the treaty cited in clause
17 (i)(II), defense articles for which Australian laws,
18 regulations, or other commitments would prevent
19 Australia from enforcing the control measures speci-
20 fied in such treaty.

1 **CHAPTER 3—LEASES OF DEFENSE**
2 **ARTICLES**

3 **SEC. 4351. LEASING AUTHORITY.**

4 (a) IN GENERAL.—The President may lease defense
5 articles in the stocks of the Department of Defense to a
6 foreign country or international organization if—

7 (1) the President determines that there are
8 compelling foreign policy and national security rea-
9 sons for providing such articles on a lease basis
10 rather than on a sales basis under this subtitle;

11 (2) the President determines that the articles
12 are not for the time needed for public use;

13 (3) the President first considers the effects of
14 the lease of the articles on the national technology
15 and industrial base, particularly the extent, if any,
16 to which the lease reduces the opportunities of enti-
17 ties in the national technology and industrial base to
18 sell new equipment to the country or countries to
19 which the articles are leased; and

20 (4) the country or international organization
21 has agreed to pay in United States dollars all costs
22 incurred by the United States Government in leasing
23 such articles, including reimbursement for deprecia-
24 tion of such articles while leased, the costs of res-
25 toration or replacement if the articles are damaged

1 while leased, and, if the articles are lost or destroyed
2 while leased—

3 (A) in the event the United States intends
4 to replace the articles lost or destroyed, the re-
5 placement cost (less any depreciation in the
6 value) of the articles; or

7 (B) in the event the United States does
8 not intend to replace the articles lost or de-
9 stroyed, an amount not less than the actual
10 value (less any depreciation in the value) speci-
11 fied in the lease agreement.

12 (b) EXCEPTIONS.—

13 (1) IN GENERAL.—The requirement of sub-
14 section (a)(4) shall not apply to leases entered into
15 for purposes of cooperative research or development,
16 military exercises, or communications or electronics
17 interface projects.

18 (2) WAIVERS.—The President may waive the
19 requirement of subsection (a)(4)—

20 (A) for reimbursement of depreciation for
21 any defense article which has passed three-
22 quarters of its normal service life if the Presi-
23 dent determines that to do so is important to
24 the national security interest of the United
25 States;

1 (B) with respect to a lease which is made
2 in exchange with the lessee for a lease on sub-
3 stantially reciprocal terms of defense articles
4 for the Department of Defense, except that this
5 waiver authority—

6 (i) may be exercised only if the Presi-
7 dent submits to the appropriate congress-
8 sional committees, and in addition the
9 Committees on Appropriations of the
10 House of Representatives and the Senate,
11 a detailed notification for each lease with
12 respect to which the authority is exercised;
13 and

14 (ii) may be exercised only—
15 (I) on a fiscal year basis; and
16 (II) with respect to one country
17 or international organization for each
18 lease.

19 (3) RULE OF CONSTRUCTION.—Paragraph (2)
20 does not constitute authorization of appropriations
21 for payments by the United States for leased arti-
22 cles.

23 (c) DURATION.—

1 (1) IN GENERAL.—Each lease agreement under
2 this section shall be for a fixed duration which may
3 not exceed—

4 (A) 5 years; and

5 (B) a specified period of time required to
6 complete major refurbishment work of the
7 leased articles to be performed prior to the de-
8 livery of the leased articles, of not to exceed 5
9 years.

10 (2) TERMINATION.—Each lease agreement
11 under this section shall provide that, at any time
12 during the duration of the lease, the President may
13 terminate the lease and require the immediate re-
14 turn of the leased articles.

15 (3) DEFINITION.—In this subsection, the term
16 “major refurbishment work” means work for which
17 the period of performance is 6 months or more.

18 (d) LIMITATION.—Defense articles in the stocks of
19 the Department of Defense may be leased or loaned to
20 a foreign country or international organization only under
21 the authority of this chapter or chapter 3 of subtitle B,
22 and may not be leased to a foreign country or inter-
23 national organization under the authority of section 2667
24 of title 10, United States Code.

1 **SEC. 4352. CERTIFICATION FOR LEASING.**

2 (a) IN GENERAL.—Before entering into or renewing
3 any agreement with a foreign country or international or-
4 ganization to lease any defense article under this chapter,
5 or to loan any defense article this title for a period of 1
6 year or longer, the President shall transmit to the appro-
7 priate congressional committees and the Committees on
8 Armed Services of the House of Representatives and the
9 Senate, a written certification which specifies—

10 (1) the country or international organization to
11 which the article is to be leased or loaned;

12 (2) the type, quantity, and value (in terms of
13 replacement cost) of the article to be leased or
14 loaned;

15 (3) the terms and duration of the lease or loan;
16 and

17 (4) a justification for the lease or loan, includ-
18 ing an explanation of why the article is being leased
19 rather than sold under this subtitle.

20 (b) WAIVER.—

21 (1) IN GENERAL.—The President may waive
22 the requirements of this section (and in the case of
23 an agreement described in section 4353, may waive
24 the provisions of that section) if the President states
25 in the certification required by subsection (a) that
26 an emergency exists which requires that it is in the

1 national security interests of the United States to
2 enter into the lease or loan immediately.

3 (2) **JUSTIFICATION.**—If the President states in
4 the certification that such an emergency exists, the
5 President shall set forth in the certification a de-
6 tailed justification for the President’s determination,
7 including a description of the emergency cir-
8 cumstances that necessitate that the lease be entered
9 into immediately and a discussion of the national se-
10 curity interests involved.

11 (c) **DEADLINE.**—The certification required by sub-
12 section (a) shall be transmitted—

13 (1) not less than 15 calendar days before the
14 agreement is entered into or renewed in the case of
15 an agreement with a strategic United States ally; or

16 (2) not less than 30 calendar days before the
17 agreement is entered into or renewed in the case of
18 an agreement with any other country or organiza-
19 tion.

20 **SEC. 4353. CONGRESSIONAL REVIEW AND DISAPPROVAL.**

21 (a) **CONGRESSIONAL REVIEW AND DISAPPROVAL.**—

22 (1) **IN GENERAL.**—Subject to paragraph (2), in
23 the case of any agreement involving the lease or loan
24 under this title, to any foreign country or inter-

1 national organization for a period of 1 year or longer
2 of any defense articles that are either—

3 (A) major defense equipment valued (in
4 terms of its replacement cost less any deprecia-
5 tion in its value) at \$14,000,000 or more, or

6 (B) defense articles valued (in terms of
7 their replacement cost less any depreciation in
8 their value) at \$50,000,000 or more,

9 the agreement may not be entered into or renewed
10 if Congress, within the 15-day or 30-day period
11 specified in section 4352(c)(1) or (2), as the case
12 may be, enacts a joint resolution prohibiting the pro-
13 posed lease or loan.

14 (2) CERTAIN AGREEMENTS.—In the case of an
15 agreement described in paragraph (1) that is en-
16 tered into with a strategic United States ally, the
17 limitations in paragraph (1) shall apply only if the
18 agreement involves a lease or loan of—

19 (A) major defense equipment valued (in
20 terms of its replacement cost less any deprecia-
21 tion in its value) at \$25,000,000 or more; or

22 (B) defense articles valued (in terms of
23 their replacement cost less any depreciation in
24 their value) at \$100,000,000 or more.

1 (b) SENATE PROCEDURES.—Any joint resolution
2 under subsection (a) shall be considered in the Senate in
3 accordance with the provisions of section 601(b) of the
4 International Security Assistance and Arms Export Con-
5 trol Act of 1976.

6 (c) HOUSE PROCEDURES.—For the purpose of expe-
7 diting the consideration and enactment of joint resolutions
8 under subsection (a), a motion to proceed to the consider-
9 ation of any such resolution after it has been reported by
10 the appropriate committee shall be treated as highly privi-
11 leged in the House of Representatives.

12 **SEC. 4354. APPLICATION OF OTHER PROVISIONS OF LAW.**

13 Any reference to sales of defense articles under this
14 subtitle in any provision of law restricting the countries
15 or organizations to which such sales may be made shall
16 be deemed to include a reference to leases of defense arti-
17 cles under this chapter.

18 **SEC. 4355. LOAN OF MATERIALS, SUPPLIES, AND EQUIP-**
19 **MENT FOR RESEARCH AND DEVELOPMENT**
20 **PURPOSES.**

21 (a) AUTHORITY TO LOAN.—

22 (1) IN GENERAL.—Except as provided in sub-
23 section (c), the Secretary of Defense, with the con-
24 currence of the Secretary, may loan to a country
25 that is a strategic United States ally or a major

1 United States ally materials, supplies, or equipment
2 for the purpose of carrying out a program of cooper-
3 ative research, development, testing, or evaluation.
4 The Secretary of Defense may accept as a loan or
5 a gift from a country that is a strategic United
6 States ally or a major United States ally materials,
7 supplies, or equipment for such purpose.

8 (2) AGREEMENT.—Each loan or gift trans-
9 action entered into by the Secretary of Defense
10 under this section shall be provided for under the
11 terms of a written agreement between the Secretary
12 of Defense and the country concerned.

13 (3) TESTING OR EVALUATION.—A program of
14 testing or evaluation for which the Secretary of De-
15 fense may loan materials, supplies, or equipment
16 under this section includes a program of testing or
17 evaluation conducted solely for the purpose of stand-
18 ardization, interchangeability, or technical evaluation
19 if the country to which the materials, supplies, or
20 equipment are loaned agrees to provide the results
21 of the testing or evaluation to the United States
22 without charge.

23 (b) MATERIALS, SUPPLIES, OR EQUIPMENT.—The
24 materials, supplies, or equipment loaned to a country
25 under this section may be expended or otherwise consumed

1 in connection with any testing or evaluation program with-
2 out a requirement for reimbursement of the United States
3 if the Secretary of Defense—

4 (1) determines that the success of the research,
5 development, test, or evaluation depends upon ex-
6 pending or otherwise consuming the materials, sup-
7 plies, or equipment loaned to the country; and

8 (2) approves of the expenditure or consumption
9 of such materials, supplies, or equipment.

10 (c) STRATEGIC AND CRITICAL MATERIALS.—The
11 Secretary of Defense may not loan to a country under this
12 section any material if the material is a strategic and crit-
13 ical material and if, at the time the loan is to be made,
14 the quantity of the material in the National Defense
15 Stockpile (provided for under section 3 of the Strategic
16 and Critical Materials Stock Piling Act (50 U.S.C. 98b))
17 is less than the quantity of such material to be stockpiled,
18 as determined by the President under section 3(a) of such
19 Act.

20 **SEC. 4356. SPECIAL LEASING AUTHORITY.**

21 The authority of section 4251 may be used to provide
22 financing to Israel and Egypt for the procurement by leas-
23 ing (including leasing with an option to purchase) of de-
24 fense articles from United States commercial suppliers,
25 other than major defense equipment (other than heli-

1 copters and other types of aircraft having possible civilian
2 application), if the President determines that there are
3 compelling foreign policy or national security reasons for
4 the articles to be provided by commercial lease rather than
5 by government-to-government sale under this subtitle.

6 **CHAPTER 4—RETRANSFERS OF UNITED**
7 **STATES DEFENSE ARTICLES**

8 **SEC. 4361. AUTHORITY TO APPROVE RETRANSFERS.**

9 (a) **IN GENERAL.**—Subject to subsection (b), the Sec-
10 retary is authorized, consistent with the provisions of this
11 chapter, to approve a retransfer of any defense article or
12 defense service transferred to a foreign country pursuant
13 to the authority of this Act to another country.

14 (b) **ADDITIONAL REQUIREMENT.**—The Secretary
15 may not give consent to a retransfer of a defense article
16 or defense service to a foreign country under subsection
17 (a) if the United States is prohibited from transferring
18 the defense article or defense service to the country.

19 **SEC. 4362. DEMILITARIZATION FOR RETRANSFER OF SIG-**
20 **NIFICANT DEFENSE ARTICLES.**

21 The Secretary may not give consent to the retransfer
22 of any significant defense articles on the United States
23 Munitions List or successor list for controlling the export
24 of United States munitions and related items, unless the
25 foreign country requesting consent to retransfer—

1 (1) agrees to demilitarize the defense articles
2 prior to transfer; or

3 (2) commits in writing to the United States
4 Government that it will not transfer the defense ar-
5 ticles if not demilitarized to any other foreign coun-
6 try or person without first obtaining the consent of
7 the Secretary.

8 **SEC. 4363. PROCEEDS OF SALE OF RETRANSFERRED DE-**
9 **FENSE ARTICLES.**

10 The Secretary may not provide any defense article to
11 a foreign country or international organization on a grant
12 basis unless the country or organization has agreed that
13 in disposing or transferring the defense article—

14 (1) the disposition or transfer will be made on
15 a sales basis; and

16 (2) the net proceeds of the sale will be provided
17 to the United States Government.

18 **SEC. 4364. CERTIFICATION.**

19 (a) IN GENERAL.—The Secretary may not give con-
20 sent to a retransfer of a defense article or defense service
21 that would be, if it were a sale, subject to the requirements
22 of section 4382 (regarding congressional certification of
23 sensitive foreign military sales and agreements), unless
24 the Secretary submits to the appropriate congressional

1 committees a written certification with respect to such
2 proposed retransfer containing—

3 (1) the name of the country or organization
4 proposing to make such retransfer;

5 (2) a description of such article or service pro-
6 posed to be retransferred, including its acquisition
7 cost;

8 (3) the name of the proposed recipient of such
9 article or service;

10 (4) the reasons for such proposed retransfer;
11 and

12 (5) the date on which such retransfer is pro-
13 posed to be made.

14 (b) FORM.—Any certification submitted to the appro-
15 priate congressional committees pursuant to paragraph
16 (1)—

17 (1) shall be submitted in unclassified form, ex-
18 cept that information regarding the dollar value and
19 number of defense articles or defense services pro-
20 posed to be retransferred may be submitted in clas-
21 sified form if public disclosure thereof would be
22 clearly detrimental to the security of the United
23 States; and

24 (2) shall be subject to the requirements of sec-
25 tions 4384.

1 (c) EXCEPTION.—Paragraph (1) shall not apply to
2 an export that has been exempted from the licensing re-
3 quirements of this title pursuant to an agreement pursu-
4 ant to section 4341.

5 **CHAPTER 5—ENFORCEMENT AND**
6 **MONITORING OF ARMS SALES**

7 **SEC. 4371. GENERAL AUTHORITY.**

8 (a) IN GENERAL.—Except as provided in subsection
9 (b), in carrying out functions under this Act with respect
10 to the export of defense articles and defense services, the
11 President is authorized to exercise the same powers con-
12 cerning violations and enforcement that are conferred
13 upon departments, agencies and officials by subsections
14 (c), (d), (e), and (g) of section 11 of the Export Adminis-
15 tration Act of 1979 and by subsections (a) and (c) of sec-
16 tion 12 of such Act (as continued in effect under the Inter-
17 national Emergency Economic Powers Act), subject to the
18 same terms and conditions as are applicable to such pow-
19 ers under such Act.

20 (b) EXCEPTION.—Section 11(c)(2)(B) of the Export
21 Administration Act of 1979 (as continued in effect under
22 the International Emergency Economic Powers Act) shall
23 not apply, and instead, as prescribed in regulations issued
24 under this section, the Secretary may assess civil penalties
25 for violations of this Act and regulations prescribed there-

1 under and further may commence a civil action to recover
2 such civil penalties, and except further that the names of
3 the countries and the types and quantities of defense arti-
4 cles for which licenses are issued under this section shall
5 not be withheld from public disclosure unless the Presi-
6 dent determines that the release of such information would
7 be contrary to the national interest.

8 (c) **RULE OF CONSTRUCTION.**—Nothing in this sub-
9 section shall be construed as authorizing the withholding
10 of information from Congress.

11 **SEC. 4372. CRIMINAL AND CIVIL PENALTIES.**

12 (a) **IN GENERAL.**—Any person who willfully violates
13 any provision of this Act relating to the export of defense
14 articles and defense services, or any rule or regulation
15 issued thereunder, or who willfully, in a registration or li-
16 cense application or required report, makes any untrue
17 statement of a material fact or omits to state a material
18 fact required to be stated therein or necessary to make
19 the statements therein not misleading, shall upon convic-
20 tion be fined for each violation not more than \$1,000,000,
21 or imprisoned not more than 20 years, or both.

22 (b) **ILLICIT TRAFFICKING IN THE WESTERN HEMI-**
23 **SPHERE.**—Any person who willfully exports to a country
24 in the Western Hemisphere any small arm or light weapon
25 without a license in violation of the requirements of this

1 Act shall upon conviction be fined for each violation not
2 less than \$1,000,000 but not more than \$3,000,000 and
3 imprisoned for not more than 20 years, or both.

4 **SEC. 4373. IDENTIFICATION OF PERSONS OF CONCERN.**

5 (a) IN GENERAL.—The President shall develop ap-
6 propriate mechanisms to identify, in connection with the
7 export licensing process under this subtitle—

8 (1) persons who are the subject of an indict-
9 ment for, or have been convicted of, a violation
10 under—

11 (A) section 4372;

12 (B) section 11 of the Export Administra-
13 tion Act of 1979 (50 U.S.C. App. 2410) (as
14 continued in effect under the International
15 Emergency Economic Powers Act);

16 (C) section 793, 794, or 798 of title 18,
17 United States Code (relating to espionage in-
18 volving defense or classified information) or sec-
19 tion 2339A of such title (relating to providing
20 material support to terrorists);

21 (D) section 16 of the Trading with the
22 Enemy Act (50 U.S.C. App. 16);

23 (E) section 206 of the International Emer-
24 gency Economic Powers Act (relating to foreign
25 assets controls; 50 U.S.C. App. 1705);

1 (F) section 30A of the Securities Exchange
2 Act of 1934 (15 U.S.C. 78dd1) or section 104
3 of the Foreign Corrupt Practices Act (15
4 U.S.C. 78dd2);

5 (G) chapter 105 of title 18, United States
6 Code (relating to sabotage);

7 (H) section 4(b) of the Internal Security
8 Act of 1950 (relating to communication of clas-
9 sified information; 50 U.S.C. 783(b));

10 (I) section 57, 92, 101, 104, 222, 224,
11 225, or 226 of the Atomic Energy Act of 1954
12 (42 U.S.C. 2077, 2122, 2131, 2134, 2272,
13 2274, 2275, and 2276);

14 (J) section 601 of the National Security
15 Act of 1947 (relating to intelligence identities
16 protection; 50 U.S.C. 421);

17 (K) section 603(b) or (c) of the Com-
18 prehensive Anti-Apartheid Act of 1986 (22
19 U.S.C. 5113(b) or (c)); or

20 (L) section 3, 4, 5, and 6 of the Preven-
21 tion of Terrorist Access to Destructive Weapons
22 Act of 2004, relating to missile systems de-
23 signed to destroy aircraft (18 U.S.C. 2332g),
24 prohibitions governing atomic weapons (42
25 U.S.C. 2122), radiological dispersal devices (18

1 U.S.C. 2332h), and variola virus (18 U.S.C.
2 175b);

3 (2) persons who are the subject of an indict-
4 ment or have been convicted under section 371 of
5 title 18, United States Code, for conspiracy to vio-
6 late any of the provisions of law described in para-
7 graph (1); and

8 (3) persons who are ineligible—

9 (A) to contract with,

10 (B) to receive a license or other form of
11 authorization to export from, or

12 (C) to receive a license or other form of
13 authorization to import defense articles or de-
14 fense services from,

15 any Federal agency.

16 (b) DISAPPROVAL OF APPLICATION.—If the Presi-
17 dent determines that—

18 (1) an applicant for a license to export under
19 this subtitle is the subject of an indictment for a vio-
20 lation of any of the provisions of law described in
21 subsection (a),

22 (2) there is reasonable cause to believe that an
23 applicant for a license to export under this subtitle
24 has violated any of the provisions of law described
25 in subsection (a), or

1 (3) an applicant for a license to export under
2 this subtitle is ineligible to contract with, or to re-
3 ceive a license or other form of authorization to im-
4 port defense articles or defense services from, any
5 Federal agency,

6 the President may disapprove the export license applica-
7 tion. The President shall consider requests by the Sec-
8 retary of the Treasury to disapprove any export license
9 application based on these criteria.

10 (c) PROHIBITION ON ISSUANCE OF LICENSE TO EX-
11 PORT ITEMS ON THE USML.—

12 (1) IN GENERAL.—A license to export an item
13 on the United States Munitions List may not be
14 issued to a person—

15 (A) if the person, or any party to the ex-
16 port, has been convicted of violating a provision
17 of law described in subsection (a); or

18 (B) if the person, or any party to the ex-
19 port, is at the time of the license review ineli-
20 gible to receive export licenses (or other forms
21 of authorization to export) from any Federal
22 agency.

23 (2) EXCEPTION.—A license to export an item
24 on the United States Munitions List may be issued
25 to a person described in paragraph (1) if the Presi-

1 dent, after consultation with the Secretary of the
2 Treasury, and after a thorough review of the cir-
3 cumstances surrounding the conviction or ineligi-
4 bility to export, determines that appropriate steps
5 have been taken to mitigate any law enforcement
6 concerns.

7 **SEC. 4374. STANDARDS TO IDENTIFY HIGH-RISK EXPORTS.**

8 The Secretary shall, in coordination with the heads
9 of appropriate Federal agencies, develop standards for
10 identifying high-risk defense articles for regular end-use
11 verification.

12 **SEC. 4375. REQUIREMENT OF EXPORTERS TO REPORT**
13 **SHIPMENT.**

14 As prescribed in regulations issued under this chap-
15 ter, a person to whom a license has been granted to export
16 an item on the United States Munitions List shall, not
17 later than 15 days after the item is exported, submit to
18 the Department of State a report containing all shipment
19 information, including a description of the item and the
20 quantity, value, port of exit, and end-user and country of
21 destination of the item.

22 **SEC. 4376. END-USE MONITORING OF DEFENSE ARTICLES**
23 **AND DEFENSE SERVICES.**

24 (a) ESTABLISHMENT OF MONITORING PROGRAM.—

1 (1) IN GENERAL.—In order to improve account-
2 ability with respect to defense articles and defense
3 services sold, leased, or exported under this Act and
4 predecessor Acts, the President shall establish a pro-
5 gram which provides for the end-use monitoring of
6 the articles and services.

7 (2) REQUIREMENTS OF PROGRAM.—To the ex-
8 tent practicable, the program shall be—

9 (A) established and carried out in accord-
10 ance with the standards that apply for identi-
11 fying high-risk exports for regular end-use
12 verification developed under section 4374 (com-
13 monly referred to as the “Blue Lantern” pro-
14 gram); and

15 (B) designed to provide reasonable assur-
16 ance that—

17 (i) the recipient is complying with the
18 requirements imposed by the United States
19 Government with respect to use, transfers,
20 and security of defense articles and defense
21 services; and

22 (ii) the articles and services are being
23 used for the purposes for which they are
24 provided.

1 (b) CONDUCT OF PROGRAM.—In carrying out the
2 program established under subsection (a), the President
3 shall ensure that the program—

4 (1) provides for the end-use verification of de-
5 fense articles and defense services that incorporate
6 sensitive technology, defense articles and defense
7 services that are particularly vulnerable to diversion
8 or other misuse, or defense articles or defense serv-
9 ices whose diversion or other misuse could have sig-
10 nificant consequences; and

11 (2) prevents the diversion (through reverse en-
12 gineering or other means) of technology incorporated
13 in defense articles.

14 (c) REPORT TO CONGRESS.—As part of the annual
15 congressional budget justification submitted under section
16 9302, the President shall transmit to Congress a report
17 describing the actions taken to implement this section, in-
18 cluding a detailed accounting of the costs and number of
19 personnel associated with the monitoring program.

20 (d) THIRD COUNTRY TRANSFERS.—For purposes of
21 this section, defense articles and defense services sold,
22 leased, or exported under this Act includes defense articles
23 and defense services that are transferred to a third coun-
24 try or other third party and the numbers, range, and find-

1 ing of end-use monitoring of United States transfers of
2 small arms and light weapons.

3 **SEC. 4377. FEES OF MILITARY SALES AGENTS AND OTHER**
4 **PAYMENTS.**

5 (a) IN GENERAL.—In accordance with such regula-
6 tions as the Secretary may prescribe under subsection (b),
7 the Secretary shall require adequate and timely reporting
8 on political contributions, gifts, commissions and fees
9 paid, or offered or agreed to be paid, by any person in
10 connection with—

11 (1) sales of defense articles or defense services
12 under [section 4303], or of design and construction
13 services under [section 4315]; or

14 (2) commercial sales of defense articles or de-
15 fense services licensed or approved under [section
16 4301], to or for the armed forces of a foreign coun-
17 try or international organization in order to solicit,
18 promote, or otherwise to secure the conclusion of
19 such sales.

20 (b) REGULATIONS.—The regulations referred to in
21 subsection (a) shall specify the amounts and the kinds of
22 payments, offers, and agreements to be reported, and the
23 form and timing of reports, and shall require reports on
24 the names of sales agents and other persons receiving such

1 payments. The Secretary shall by regulation require such
2 recordkeeping as the Secretary determines is necessary.

3 (c) PROHIBITION, LIMITATION, CONDITIONS.—The
4 Secretary may, by regulation, prohibit, limit, or prescribe
5 conditions with respect to such contributions, gifts, com-
6 missions, and fees as the President determines will be in
7 furtherance of the purposes of this Act.

8 (d) REQUIREMENT FOR INCLUSION IN PROCUREMENT
9 CONTRACT.—

10 (1) IN GENERAL.—No such contribution, gift,
11 commission, or fee may be included, in whole or in
12 part, in the amount paid under any procurement
13 contract entered into under [section 4303 or section
14 4315], unless the amount thereof is reasonable, allo-
15 cable to such contract, and not made to a person
16 who has solicited, promoted, or otherwise secured
17 such sale, or has held himself out as being able to
18 do so, through improper influence.

19 (2) DEFINITION.—For the purposes of this sub-
20 section, the term “improper influence” means influ-
21 ence, direct or indirect, which induces or attempts to
22 induce consideration or action by any employee or
23 officer of a purchasing foreign government or inter-
24 national organization with respect to such purchase
25 on any basis other than such consideration of merit

1 as are involved in comparable United States procure-
2 ments.

3 (e) AVAILABILITY OF INFORMATION AND
4 RECORDS.—

5 (1) IN GENERAL.—All information reported to
6 the Secretary and all records maintained by any per-
7 son pursuant to regulations prescribed under this
8 section shall be available, upon request, to any
9 standing committee of Congress or any sub-
10 committee thereof and to any Federal agency au-
11 thorized by law to have access to the books and
12 records of the person required to submit reports or
13 to maintain records under this section.

14 (2) TERMS AND CONDITIONS.—Access by an
15 Federal agency to records maintained under this
16 section shall be on the same terms and conditions
17 that govern access by the agency to the books and
18 records of the person concerned.

19 **SEC. 4378. PROHIBITION ON INCENTIVE PAYMENTS.**

20 (a) PROHIBITION.—A United States person, or any
21 employee, agent, or subcontractor thereof, may not, with
22 respect to the sale or export of any defense article or de-
23 fense service to a foreign country, make any incentive pay-
24 ments for the purpose of satisfying, in whole or in part,
25 any offset agreement with the country.

1 (b) CIVIL PENALTIES.—Any person who violates the
2 provisions of subsection (a) shall be subject to the imposi-
3 tion of civil penalties as provided for in subsection (c).

4 (c) ENFORCEMENT.—In providing for the enforce-
5 ment of this section, the Secretary is authorized to exer-
6 cise the same powers concerning violations and enforce-
7 ment and imposition of civil penalties that are conferred
8 upon Federal agencies and officials by subsections (c), (d),
9 (e), and (f) of section 11 of the Export Administration
10 Act of 1979 and section 12(a) of such Act (as continued
11 in effect under the International Emergency Economic
12 Powers Act), subject to the same terms and conditions as
13 are applicable to such powers under such Act, except that
14 section 11(c)(2)(B) of such Act shall not apply, and in-
15 stead, as prescribed in regulations issued under this sec-
16 tion, the Secretary may assess civil penalties for violations
17 of this Act and regulations prescribed thereunder and fur-
18 ther may commence a civil action to recover such civil pen-
19 alties, and except further that notwithstanding section
20 11(c) of that Act, the civil penalty for each violation of
21 this section may not exceed \$500,000 or five times the
22 amount of the prohibited incentive payment, whichever is
23 greater.

1 **CHAPTER 6—CONGRESSIONAL REVIEW OF**
2 **ARMS SALES**

3 **SEC. 4381. REPORTS ON COMMERCIAL AND GOVERN-**
4 **MENTAL MILITARY EXPORTS; CONGRES-**
5 **SIONAL ACTION.**

6 (a) IN GENERAL.—The Secretary shall transmit to
7 the appropriate congressional committees not later than
8 60 days after the end of each calendar quarter an unclassi-
9 fied report (except that any material which was trans-
10 mitted in classified form under subsection (b)(1) or (c)(1)
11 may be contained in a classified addendum to such report,
12 and any letter of offer referred to in paragraph (1) may
13 be listed in such addendum unless such letter of offer has
14 been the subject of an unclassified certification pursuant
15 to subsection (b)(1), and any information provided under
16 paragraph (11) may also be provided in a classified adden-
17 dum) containing—

18 (1) a listing of all letters of offer to sell any
19 major defense equipment for \$1,000,000 or more
20 under this Act to each foreign country and inter-
21 national organization, by category, if such letters of
22 offer have not been accepted or canceled;

23 (2) a listing of all such letters of offer that have
24 been accepted during the fiscal year in which such
25 report is submitted, together with the total value of

1 all defense articles and defense services sold to each
2 foreign country and international organization dur-
3 ing such fiscal year;

4 (3) the cumulative dollar amounts, by foreign
5 country and international organization, of sales cred-
6 it agreements under [section 4216] and guaranty
7 agreements under [section 4223] made during the
8 fiscal year in which such report is submitted;

9 (4) a numbered listing of all licenses and ap-
10 provals for the export to each foreign country and
11 international organization during such fiscal year of
12 commercially sold major defense equipment, by cat-
13 egory, sold for \$1,000,000 or more, together with
14 the total value of all defense articles and defense
15 services so licensed for each foreign country and
16 international organization, setting forth, with respect
17 to the listed major defense equipment—

18 (A) the items to be exported under the li-
19 cense;

20 (B) the quantity and contract price of each
21 such item to be provided; and

22 (C) the name and address of the ultimate
23 user of each such item;

24 (5) projections of the dollar amounts, by foreign
25 country and international organization, of sales ex-

1 pected to be made under **【sections 4302 and 4303】**,
2 in the quarter of the fiscal year immediately fol-
3 lowing the quarter for which such report is sub-
4 mitted;

5 (6) a projection with respect to all sales ex-
6 pected to be made to each country and organization
7 for the remainder of the fiscal year in which such re-
8 port is transmitted;

9 (7) a description of each payment, contribution,
10 gift, commission, or fee reported to the Secretary
11 under **【section 4343】**, including—

12 (A) the name of the person who made such
13 payment, contribution, gift, commission, or fee;

14 (B) the name of any sales agent or other
15 person to whom such payment, contribution,
16 gift, commission, or fee was paid;

17 (C) the date and amount of such payment,
18 contribution, gift, commission, or fee;

19 (D) a description of the sale in connection
20 with which such payment, contribution, gift,
21 commission, or fee was paid; and

22 (E) the identification of any business infor-
23 mation considered confidential by the person
24 submitting it which is included in the report;

1 (8) a listing of each sale under **【section 4315】**
2 during the quarter for which such report is made,
3 specifying—

4 (A) the purchaser;

5 (B) the Federal agency responsible for im-
6 plementing the sale;

7 (C) an estimate of the dollar amount of the
8 sale; and

9 (D) a general description of the real prop-
10 erty facilities to be constructed pursuant to
11 such sale;

12 (9) a listing of each export of defense articles
13 under **【section 4242】** during the quarter for which
14 report is made, specifying the recipient, the defense
15 article, the dollar amount of the export, and a de-
16 scription of the cooperative agreement pursuant to
17 which the export was made;

18 (10) a listing of the consents to third-party
19 transfers of defense articles or defense services
20 which were granted, during the quarter for which
21 such report is submitted, for purposes of **【section**
22 **4108】**, or the regulations issued under **【section**
23 **4301】**, if the value (in terms of original acquisition
24 cost) of the defense articles or defense services to be
25 transferred is \$1,000,000 or more;

1 (11) a listing of all munitions items that were
2 sold, leased, or otherwise transferred by the Depart-
3 ment of Defense to any other Federal agency during
4 the quarter for which such report is submitted (in-
5 cluding the name of the recipient agency and a dis-
6 cussion of what the agency will do with those muni-
7 tions items) if—

8 (A) the value of the munitions items was
9 \$250,000 or more, and

10 (B) the value of all munitions items trans-
11 ferred to the Federal agency during that quar-
12 ter was \$250,000 or more,

13 excluding munitions items transferred (i) for disposi-
14 tion or use solely within the United States, or (ii)
15 for use in connection with intelligence activities sub-
16 ject to reporting requirements under title V of the
17 National Security Act of 1947 (50 U.S.C. 413 et
18 seq.; relating to congressional oversight of intel-
19 ligence activities);

20 (12) a report on all concluded government-to-
21 government agreements regarding foreign coproduc-
22 tion of defense articles of United States origin and
23 all other concluded agreements involving coproduc-
24 tion or licensed production outside of the United
25 States of defense articles of United States origin (in-

1 including coproduction memoranda of understanding
2 or agreement) that have not been previously re-
3 ported under this subsection, which shall include—

4 (A) the identity of the foreign countries,
5 international organizations, or foreign firms in-
6 volved;

7 (B) a description and the estimated value
8 of the articles authorized to be produced, and
9 an estimate of the quantity of the articles au-
10 thorized to be produced;

11 (C) a description of any restrictions on
12 third-party transfers of the foreign-manufac-
13 tured articles; and

14 (D) if any such agreement does not pro-
15 vide for United States access to and verification
16 of quantities of defense articles produced out-
17 side the United States and their disposition in
18 the foreign country, a description of alternative
19 measures and controls incorporated in the co-
20 production or licensing program to ensure com-
21 pliance with restrictions in the agreement on
22 production quantities and third-party transfers;

23 (13) a report on all exports of significant mili-
24 tary equipment for which information has been pro-
25 vided pursuant to **【section 4342】**; and

1 (14) copies of security assistance surveys con-
2 ducted by United States Government personnel for
3 the calendar quarter for which the report is trans-
4 mitted.

5 (b) **ADDITIONAL INFORMATION.**—For each letter of
6 offer to sell under paragraphs (1) and (2) of subsection
7 (a), the report shall specify—

8 (1) the foreign country or international organi-
9 zation to which the defense article or defense service
10 is offered or was sold, as the case may be;

11 (2) the dollar amount of the offer to sell or the
12 sale and the number of defense articles offered or
13 sold, as the case may be;

14 (3) a description of the defense article or de-
15 fense service offered or sold, as the case may be; and

16 (4) the Armed Forces or Federal agency that is
17 making the offer to sell or the sale, as the case may
18 be.

19 **SEC. 4382. CONGRESSIONAL CERTIFICATION OF SENSITIVE**
20 **FOREIGN MILITARY SALES AND AGREE-**
21 **MENTS.**

22 (a) **IN GENERAL.**—The Secretary shall submit to the
23 appropriate congressional committees a numbered certifi-
24 cation with respect to any letter of offer to sell, or an ap-
25 plication by a person for a license for the export of, the

1 following defense articles and defense services to a foreign
2 country or international organization:

3 (1) Major defense equipment of a type that
4 have not been sold to the country or organization for
5 \$25,000,000 or more.

6 (2) Major defense equipment of a type that
7 have been sold to the country or organization but
8 are significantly different in terms of capability from
9 those previously sold, for \$25,000,000 or more.

10 (3) Fixed- or rotary-wing aircraft, whether
11 flown remotely or by an onboard pilot; engines for
12 same and sensitive components of such engines.

13 (4) Radars.

14 (5) Guided or ballistic missiles, regardless of
15 mode of launch.

16 (6) Firearms, close assault weapons, and com-
17 bat shotguns over \$1,000,000.

18 (7) Night vision devices.

19 (8) Naval vessels, both surface vessels (above
20 3,000 tons) and submersibles.

21 (9) Toxicological Agents and associated equip-
22 ment, for \$25,000,000 or more.

23 (10) Tanks (including significant components)
24 and armored vehicles.

1 (11) Other defense articles and defense services
2 for \$100,000,000 or more.

3 (12) Design and construction services for
4 \$300,000,000 or more.

5 (b) CERTIFICATION.—The following requirements
6 shall apply with respect to the submission of a numbered
7 certification under subsection (a):

8 (1) Before a United States commercial tech-
9 nical assistance or manufacturing licensing agree-
10 ment that involves the manufacture outside the
11 United States of any sensitive military equipment is
12 approved under section 4301, the Secretary shall
13 transmit to the appropriate congressional commit-
14 tees an unclassified numbered certification with re-
15 spect to the agreement.

16 (2) Each numbered certification shall specify—

17 (A) the foreign country or international or-
18 ganization to which the defense article or de-
19 fense service is offered or was sold, as the case
20 may be;

21 (B) the dollar amount of the offer to sell
22 or the sale and the number of defense articles
23 offered or sold, as the case may be;

1 (C) a description of the defense article or
2 defense service offered or sold, as the case may
3 be; and

4 (D) the Armed Forces or Federal agency
5 that is making the offer to sell or the sale, as
6 the case may be.

7 (3) For commercial technical assistance or
8 manufacturing licensing agreements, each numbered
9 certification shall specify—

10 (A) the purchaser;

11 (B) the Federal agency responsible for im-
12 plementing the sale;

13 (C) an estimate of the dollar amount of the
14 sale; and

15 (D) a general description of the real prop-
16 erty facilities to be constructed pursuant to
17 such sale.

18 (c) **ADDITIONAL INFORMATION.**—Each numbered
19 certification submitted under subsection (a) shall also con-
20 tain information on the following:

21 (1) A description, containing the information
22 described in section 4381(a)(7), of any contribution,
23 gift, commission, or fee paid or offered or agreed to
24 be paid in order to solicit, promote, or otherwise to

1 secure the letter of offer relating to the numbered
2 certification.

3 (2) An item, classified if necessary, identifying
4 the sensitivity of technology contained in the defense
5 articles, defense services, or design and construction
6 services proposed to be sold, and a detailed justifica-
7 tion of the reasons necessitating the sale of the arti-
8 cles, services, or design and construction services in
9 view of the sensitivity of the technology.

10 (3) In a case in which the defeense articles or
11 defense services listed on the Missile Technology
12 Control Regime Annex are intended to support the
13 design, development, or production of a Category I
14 space launch vehicle system, the certification shall
15 also include a description of the proposed export and
16 rationale for approving such export, including the
17 consistency of such export with United States mis-
18 sile nonproliferation policy.

19 (4) Each numbered certification shall contain
20 an item indicating whether any offset agreement is
21 proposed to be entered into in connection with such
22 letter of offer to sell (if known on the date of trans-
23 mittal of such certification).

24 (d) FORM.—A numbered certification transmitted
25 pursuant to subsection (a) shall be in unclassified form,

1 except that the information specified in **【clause (ii)】** and
2 the details of the description specified in subsections (b)
3 and (c) may be classified if the public disclosure thereof
4 would be clearly detrimental to the security of the United
5 States, in which case the information shall be accompanied
6 by a description of the damage to the national security
7 that could be expected to result from public disclosure of
8 the information.

9 (e) CONSULTATION.—The Secretary shall consult
10 with the appropriate congressional committees prior to the
11 notification of a letter of offer, an application to export,
12 or the conclusion of an commercial technical assistance
13 agreement or a manufacturing license agreement.

14 (f) COMMITTEE INFORMATION REQUEST.—The Sec-
15 retary shall, upon the request of an appropriate congres-
16 sional committee, transmit promptly to both such commit-
17 tees a statement setting forth, to the extent specified in
18 such request—

19 (1) a detailed description of the defense articles,
20 defense services, or design and construction services
21 to be offered, including a brief description of the ca-
22 pabilities of any defense article to be offered;

23 (2) an estimate of the number of officers and
24 employees of the United States Government and of
25 United States civilian contract personnel expected to

1 be needed in such country to carry out the proposed
2 sale;

3 (3) the name of each contractor expected to
4 provide the defense article, defense service, or design
5 and construction services proposed to be sold and a
6 description of any offset agreement with respect to
7 such sale;

8 (4) an evaluation, prepared by the Secretary in
9 consultation with the Secretary of Defense and the
10 Director of Central Intelligence, of the manner, if
11 any, in which the proposed sale would—

12 (A) contribute to an arms race;

13 (B) support international terrorism;

14 (C) increase the possibility of an outbreak
15 or escalation of conflict;

16 (D) prejudice the negotiation of any arms
17 controls;

18 (E) adversely affect the arms control or
19 nonproliferation policy of the United States;

20 (F) support blackmarket or greymarket
21 trade in arms, either those transferred or obso-
22 lete arms to be replaced by the arms sale; or

23 (G) require the transfer of United States
24 arms sensitive technology or manufacturing
25 techniques as a condition of the arms sale, and

1 the impact of such transfer on the United
2 States manufacturing base, including on jobs
3 based in the United States;

4 (5) the reasons why the foreign country or
5 international organization to which the sale is pro-
6 posed to be made needs the defense articles, defense
7 services, or design and construction services which
8 are the subject of such sale and a description of how
9 such country or organization intends to use such de-
10 fense articles, defense services, or design and con-
11 struction services;

12 (6) an analysis of the impact of the proposed
13 sale on the military stocks and the military pre-
14 paredness of the United States;

15 (7) the reasons why the proposed sale is in the
16 national interest of the United States;

17 (8) an analysis of the impact of the proposed
18 sale on the military capabilities of the foreign coun-
19 try or international organization to which such sale
20 would be made;

21 (9) an analysis of how the proposed sale would
22 affect the relative military strengths of countries in
23 the region to which the defense articles, defense
24 services, or design and construction services which
25 are the subject of such sale would be delivered and

1 whether other countries in the region have com-
2 parable kinds and amounts of defense articles, de-
3 fense services, or design and construction services;

4 (10) an estimate of the levels of trained per-
5 sonnel and maintenance facilities of the foreign
6 country or international organization to which the
7 sale would be made which are needed and available
8 to utilize effectively the defense articles, defense
9 services, or design and construction services pro-
10 posed to be sold;

11 (11) an analysis of the extent to which com-
12 parable kinds and amounts of defense articles, de-
13 fense services, or design and construction services
14 are available from other countries;

15 (12) an analysis of the impact of the proposed
16 sale on United States relations with the countries in
17 the region to which the defense articles, defense
18 services, or design and construction services which
19 are the subject of such sale would be delivered;

20 (13) a detailed description of any agreement
21 proposed to be entered into by the United States for
22 the purchase or acquisition by the United States of
23 defense articles, defense services, design and con-
24 struction services or defense equipment, or other ar-
25 ticles, services, or equipment of the foreign country

1 or international organization in connection with, or
2 as consideration for, such letter of offer, including
3 an analysis of the impact of such proposed agree-
4 ment upon United States business concerns which
5 might otherwise have provided such articles, services,
6 or equipment to the United States, an estimate of
7 the costs to be incurred by the United States in con-
8 nection with such agreement compared with costs
9 which would otherwise have been incurred, an esti-
10 mate of the economic impact and unemployment
11 which would result from entering into such proposed
12 agreement, and an analysis of whether such costs
13 and such domestic economic impact justify entering
14 into such proposed agreement;

15 (14) the projected delivery dates of the defense
16 articles, defense services, or design and construction
17 services to be offered;

18 (15) a detailed description of weapons and lev-
19 els of munitions that may be required as support for
20 the proposed sale;

21 (16) an analysis of the relationship of the pro-
22 posed sale to projected procurements of the same
23 item, and

24 (17) an analysis, classified if necessary, of the
25 security to be provided by the proposed recipient of

1 the arms sale on the defense articles and defense
2 services, both against external and internal security
3 threats, including espionage.

4 **SEC. 4383. UPGRADE OR ENHANCEMENT.**

5 (a) IN GENERAL.—If, before the delivery of any
6 major defense article or major defense equipment, or the
7 furnishing of any defense service or design and construc-
8 tion service, sold pursuant to a letter of offer described
9 in [section 4348] or a contract described in [section
10 4349,] the sensitivity of technology or the capability of
11 the article, equipment, or service is enhanced or upgraded
12 from the level of sensitivity or capability described in the
13 numbered certification with respect to an offer to sell such
14 article, equipment, or service, then, at least 45 days before
15 the delivery of such article or equipment or the furnishing
16 of such service, the President shall prepare and transmit
17 to the chairman of the Committee on Foreign Affairs of
18 the House of Representatives and the chairman of the
19 Committee on Foreign Relations of the Senate a report—

20 (1) describing the manner in which the tech-
21 nology or capability has been enhanced or upgraded
22 and describing the significance of such enhancement
23 or upgrade; and

24 (2) setting forth a detailed justification for such
25 enhancement or upgrade.

1 (b) APPLICATION.—The provisions of subsection (a)
2 apply to an article or equipment delivered, or a service
3 furnished, within ten years after the transmittal to the
4 Congress of a numbered certification with respect to the
5 sale of such article, equipment, or service.

6 (c) NEW NUMBERED CERTIFICATION.—

7 (1) IN GENERAL.—If the enhancement or up-
8 grade in the sensitivity of technology or the capa-
9 bility of major defense equipment, defense articles,
10 defense services, or design and construction services
11 described in a numbered certification submitted
12 under this section costs \$14,000,000 or more in the
13 case of any major defense equipment, \$50,000,000
14 or more in the case of defense articles or defense
15 services, or \$200,000,000 or more in the case of de-
16 sign or construction services, then the Secretary
17 shall submit to the chairman of the Committee on
18 Foreign Affairs of the House of Representatives and
19 the chairman of the Committee on Foreign Relations
20 of the Senate a new numbered certification which re-
21 lates to such enhancement or upgrade and which
22 shall be considered for purposes of this section as if
23 it were a separate letter of offer to sell defense
24 equipment, articles, or services, subject to all of the

1 requirements, restrictions, and conditions set forth
2 in this section.

3 (2) **RULE OF CONSTRUCTION.**—For purposes of
4 this subsection, references in this section to sales
5 shall be deemed to be references to enhancements or
6 upgrades in the sensitivity of technology or the capa-
7 bility of major defense equipment, defense articles,
8 or defense services, as the case may be.

9 **SEC. 4384. CONGRESSIONAL REVIEW PERIOD AND DIS-**
10 **APPROVAL.**

11 (a) **REVIEW PERIOD.**—Any numbered certification
12 submitted to the appropriate congressional committees for
13 a letter of offer or a license to export under section 4348
14 may not be issued not earlier than—

15 (1) in the case of a strategic United States ally,
16 15 legislative days after the date of submission of
17 the certification;

18 (2) in the case of any other country, 30 legisla-
19 tive days after the date of submission of the certifi-
20 cation; and

21 (3) in the case of a license for export of a com-
22 mercial communications satellite for launch from,
23 and by nationals of, the Russian Federation,
24 Ukraine, or Kazakhstan, 15 legislative days after
25 the date of submission of the certification.

1 (b) DISAPPROVAL.—No letter of offer, or license to
2 export, may be issued for any proposed sale subject to the
3 provisions of this section if a joint resolution of dis-
4 approval is enacted providing for any such sale within the
5 respective time periods specified in subsection (a).

6 (c) PROCEDURES FOR CONSIDERATION OF JOINT
7 RESOLUTION.—

8 (1) SENATE.—Any such joint resolution shall
9 be considered in the Senate in accordance with the
10 provisions of section 601(b) of the International Se-
11 curity Assistance and Arms Export Control Act of
12 1976, except that for purposes of consideration of
13 any joint resolution with respect to a strategic
14 United States ally, it shall be in order in the Senate
15 to move to discharge a committee to which such
16 joint resolution was referred if such committee has
17 not reported such joint resolution at the end of 5
18 calendar days after its introduction.

19 (2) HOUSE OF REPRESENTATIVES.—For the
20 purpose of expediting the consideration and enact-
21 ment of joint resolutions under this subsection, a
22 motion to proceed to the consideration of any such
23 joint resolution after it has been reported by the ap-
24 propriate committee shall be treated as highly privi-
25 leged in the House of Representatives.

1 **SEC. 4385. NATIONAL SECURITY WAIVER OF CONGRES-**
2 **SIONAL REVIEW OF ARMS SALES.**

3 (a) **AUTHORITY.**—If the President informs the appro-
4 priate congressional committees that an emergency exists
5 that requires a sale of a defense article or service under
6 section 4348 in the national security interests of the
7 United States, the President may exempt the proposed
8 sale from the requirements of this chapter.

9 (b) **JUSTIFICATION.**—Before exercising such waiver,
10 the President shall set forth in a statement to the appro-
11 priate congressional committees a detailed justification for
12 the President's determination, including a description of
13 the emergency circumstances that necessitate the imme-
14 diate issuance of the letter of offer and a discussion of
15 the national security interests involved.

16 **SEC. 4386. PUBLICATION OF ARMS SALES NOTIFICATIONS.**

17 (a) **PUBLICATION.**—The Secretary shall publish in a
18 timely manner in the Federal Register, upon transmittal
19 to the Speaker of the House of Representatives and to
20 the chairman of the Committee on Foreign Relations of
21 the Senate, the full unclassified text of each numbered cer-
22 tification submitted pursuant to section 4348.

23 (b) **RULE OF CONSTRUCTION.**—Information relating
24 to offset agreements shall be treated as confidential infor-
25 mation in accordance with section 12(c) of the Export Ad-
26 ministration Act of 1979 (50 U.S.C. App. 2411(c)) (as

1 continued in effect under the International Emergency
2 Economic Powers Act).

3 **SEC. 4387. CERTIFICATION REQUIREMENT RELATING TO**
4 **ISRAEL'S QUALITATIVE MILITARY EDGE.**

5 (a) **IN GENERAL.**—Any certification relating to a
6 proposed sale or export of defense articles or defense serv-
7 ices under this chapter to any country in the Middle East
8 other than Israel shall include an unclassified determina-
9 tion that the sale or export of the defense articles or de-
10 fense services will not adversely affect Israel's qualitative
11 military edge over military threats to Israel, but may also
12 include a classified determination as well.

13 (b) **QUALITATIVE MILITARY EDGE DEFINED.**—In
14 this section, the term “qualitative military edge” means
15 the ability to counter and defeat any credible conventional
16 military threat from any individual state or possible coali-
17 tion of states or from non-state actors, while sustaining
18 minimal damages and casualties, through the use of supe-
19 rior military means, possessed in sufficient quantity, in-
20 cluding weapons, command, control, communication, intel-
21 ligence, surveillance, and reconnaissance capabilities that
22 in their technical characteristics are superior in capability
23 to those of such other individual or possible coalition of
24 states or non-state actors.

1 **CHAPTER 7—LANDMINES AND CLUSTER**
2 **MUNITIONS**

3 **SEC. 4391. LANDMINES.**

4 (a) **IN GENERAL.**—Notwithstanding any other provi-
5 sion of law, demining equipment available to the Agency
6 and the Department of State and used in support of the
7 clearance of landmines and unexploded ordnance for hu-
8 manitarian purposes may be disposed of on a grant basis
9 in foreign countries.

10 (b) **TERMS AND CONDITIONS.**—The exercise of the
11 authority under subsection (a) shall be subject to such
12 terms and conditions as the President may prescribe.

13 **SEC. 4392. CLUSTER MUNITIONS.**

14 No security assistance may be provided for cluster
15 munitions, no defense export license for cluster munitions
16 may be issued, and no cluster munitions or cluster muni-
17 tions technology shall be sold or transferred, unless—

18 (1) the submunitions of the cluster munitions,
19 after arming, do not result in more than 1 percent
20 unexploded ordnance across the range of intended
21 operational environments; and

22 (2) the agreement applicable to the assistance,
23 transfer, or sale of such cluster munitions or cluster
24 munitions technology specifies that—

1 (A) the cluster munitions will only be used
2 against clearly defined military targets and will
3 not be used where civilians are known to be
4 present or in areas normally inhabited by civil-
5 ians; and

6 (B) the recipient agrees to immediately re-
7 cover any unexploded submunitions, and to give
8 assistance as necessary to any civilian injuries,
9 that follow the use of such weapons in any area
10 in which civilians are present.

11 **Subtitle D—General Administrative** 12 **and Miscellaneous Provisions**

13 **SEC. 4401. GENERAL PROVISIONS.**

14 (a) PROCUREMENT IN THE UNITED STATES; CO-
15 PRODUCTION OR LICENSED PRODUCTION OUTSIDE THE
16 UNITED STATES.—

17 (1) IN GENERAL.—In carrying out this title,
18 special emphasis shall be placed on procurement in
19 the United States, but, subject to the provisions of
20 subsection (b), consideration shall also be given to
21 coproduction or licensed production outside the
22 United States of defense articles of United States
23 origin when such production best serves the foreign
24 policy, national security, and economy of the United
25 States.

1 (2) EVALUATION.—In evaluating any sale pro-
2 posed to be made pursuant to this title, there shall
3 be taken into consideration—

4 (A) the extent to which the proposed sale
5 damages or infringes upon licensing arrange-
6 ments whereby United States entities have
7 granted licenses for the manufacture of the de-
8 fense articles selected by the purchasing coun-
9 try to entities located in friendly foreign coun-
10 tries, which licenses result in financial returns
11 to the United States;

12 (B) the portion of the defense articles so
13 manufactured which is of United States origin;
14 and

15 (C) whether, and the extent to which, such
16 sale might contribute to an arms race, aid in
17 the development of weapons of mass destruc-
18 tion, support international terrorism, increase
19 the possibility of outbreak or escalation of con-
20 flict, or prejudice the development of bilateral
21 or multilateral arms control or nonproliferation
22 agreements or other arrangements.

23 (b) PROHIBITIONS.—No credit sale shall be extended
24 under **[section 4216]**, and no guarantee shall be issued
25 under **[section 4223]**, in any case involving coproduction

1 or licensed, production outside the United States of any
2 defense article of United States origin unless the Secretary
3 shall, in advance of any such transaction, advise the ap-
4 propriate congressional committees and furnish the Speak-
5 er of the House of Representatives and the President of
6 the Senate with full information regarding the proposed
7 transaction, including a description of the particular de-
8 fense article or articles which would be produced under
9 license or coproduced outside the United States, the esti-
10 mated value of such production or coproduction, and the
11 probable impact of the proposed transaction on employ-
12 ment and production within the United States.

13 (c) AVAILABILITY OF FUNDS.—Funds made available
14 under this title may be used for procurement outside the
15 United States only if the President determines that such
16 procurement will not result in adverse effects upon the
17 economy of the United States or the industrial mobiliza-
18 tion base, with special reference to any areas of labor sur-
19 plus or to the net position of the United States in its bal-
20 ance of payments with the rest of the world, which out-
21 weigh the economic or other advantages to the United
22 States of less costly procurement outside the United
23 States

24 (d) RESPONSIBILITIES OF SECRETARY OF DE-
25 FENSE.—

1 (1) IN GENERAL.—With respect to sales and
2 guaranties under [sections 4302, 4303, 4216, 4223,
3 4315, and 30] the Secretary of Defense shall, under
4 the direction of the President, have primary respon-
5 sibility for—

6 (A) the determination of military end-item
7 requirements;

8 (B) the procurement of military equipment
9 in a manner which permits its integration with
10 service programs;

11 (C) the supervision of the training of for-
12 eign military personnel;

13 (D) the movement and delivery of military
14 end-items; and

15 (E) within the Department of Defense, the
16 performance of any other functions with respect
17 to sales and guaranties.

18 (2) PRIORITIES.—The establishment of prior-
19 ities in the procurement, delivery, and allocation of
20 military equipment shall, under the direction of the
21 President, be determined by the Secretary of De-
22 fense.

23 (e) TERMINATION PROVISIONS.—

24 (1) CONTRACTS.—Each contract for sale en-
25 tered into under [sections [4315, 4168, 4168, and

1 30],**】** and each contract entered into under **【**section
2 4242**】**(d),**】** shall provide that such contract may be
3 canceled in whole or in part, or its execution sus-
4 pended, by the United States at any time under un-
5 usual or compelling circumstances if the national in-
6 terest of the United States so requires.

7 (2) EXPORT LICENSES.—Each export license
8 issued under **【**section 4331**】** shall provide that such
9 license may be revoked, suspended, or amended by
10 the Secretary, without prior notice, whenever the
11 Secretary deems such action to be advisable. Noth-
12 ing in this paragraph may be construed as limiting
13 the regulatory authority of the President under this
14 Act.

15 (3) AUTHORIZATION OF APPROPRIATIONS.—
16 There are authorized to be appropriated from time
17 to time such sums as may be necessary—

18 (A) to refund moneys received from pur-
19 chasers under contracts of sale entered into
20 under **【**sections [4168, 4168, 4168, and 30**】**,
21 or under contracts entered into under **【**section
22 27(d)**】**, that are canceled or suspended under
23 this subsection to the extent such moneys have
24 previously been disbursed to private contractors

1 and United States Government agencies for
2 work in progress; and

3 (B) to pay such damages and costs that
4 accrue from the corresponding cancellation or
5 suspension of the existing procurement con-
6 tracts or Federal agency work orders involved.

7 (f) CIVILIAN CONTRACT PERSONNEL.—The Presi-
8 dent shall, to the maximum extent possible and consistent
9 with the purposes of this title, use civilian contract per-
10 sonnel in any foreign country to perform defense services
11 sold under this title.

12 **SEC. 4402. ADMINISTRATIVE EXPENSES.**

13 (a) IN GENERAL.—Funds made available under other
14 provisions of law for the operations of Federal agencies
15 carrying out functions under this title shall be available
16 for the administrative expenses incurred by such agencies
17 under this title.

18 (b) RECOVERY OF EXPENSES.—Charges for adminis-
19 trative services calculated under **【section 4305(a)(1)】**
20 shall include recovery of administrative expenses and offi-
21 cial reception and representation expenses incurred by any
22 Federal agency, including any mission or group thereof,
23 in carrying out functions under this title if—

24 (1) such functions are primarily for the benefit
25 of any foreign country;

1 (2) such expenses are not directly and fully
2 charged to, and reimbursed from amounts received
3 for, sale of defense services under [section 4302];
4 and

5 (3) such expenses are neither salaries of the
6 Armed Forces nor represent unfunded estimated
7 costs of civilian retirement and other benefits.

8 (c) OFFICIAL RECEPTION AND REPRESENTATION
9 EXPENSES.—Not more than \$86,500 of the funds derived
10 from charges for administrative services pursuant to [sec-
11 tion 4305(a)(1)] may be used each fiscal year for official
12 reception and representation expenses.

13 **SEC. 4403. DETAIL OF APPROPRIATE PERSONNEL.**

14 The President may detail, as necessary, to the De-
15 partment of State appropriate personnel from any other
16 Federal agency on a nonreimbursable basis, to assist in
17 the initial screening of applications for export licenses
18 under this subtitle in order to determine the need for fur-
19 ther review of those applications for foreign policy, na-
20 tional security, and law enforcement concerns.

21 **SEC. 4404. RULE OF CONSTRUCTION.**

22 Nothing in this title shall be construed as modifying
23 in any way the provisions of the Atomic Energy Act of
24 1954 or section 7307 of title 10, United States Code.

1 **SEC. 4405. PERFORMANCE GOALS FOR PROCESSING OF AP-**
2 **PLICATIONS FOR LICENSES TO EXPORT**
3 **ITEMS ON UNITED STATES MUNITIONS LIST.**

4 (a) **IN GENERAL.**—The Secretary shall establish and
5 maintain the following goals:

6 (1) The processing time for review of each ap-
7 plication for a license to export items on the United
8 States Munitions List (other than a Manufacturing
9 License Agreement) shall be not more than 60 days
10 from the date of receipt of the application.

11 (2) The processing time for review of each ap-
12 plication for a commodity jurisdiction determination
13 shall be not more than 60 days from the date of re-
14 ceipt of the application.

15 (3) The total number of applications described
16 in paragraph (1) that are unprocessed shall be not
17 more than 7 percent of the total number of such ap-
18 plications submitted in the preceding calendar year.

19 (b) **ADDITIONAL REVIEW.**—

20 (1) **IN GENERAL.**—If an application described
21 in paragraph (1) or (2) of subsection (a) is not pro-
22 cessed within the time period described in the respec-
23 tive paragraph of such subsection, then the Sec-
24 retary shall ensure that the appropriate managing
25 official shall review the status of the application to

1 determine if further action is required to process the
2 application.

3 (2) ADDITIONAL REQUIREMENTS.—If an appli-
4 cation described in paragraph (1) or (2) of sub-
5 section (a) is not processed within 90 days from the
6 date of receipt of the application, then the appro-
7 priate managing official shall—

8 (A) review the status of the application to
9 determine if further action is required to proc-
10 ess the application; and

11 (B) submit to the appropriate congres-
12 sional committees a notification of the review
13 conducted under subparagraph (A), including a
14 description of the application, the reason for
15 delay in processing the application, and a pro-
16 posal for further action to process the applica-
17 tion.

18 (3) ANNUAL REVIEW.—For each calendar year,
19 the appropriate managing official shall review not
20 less than 2 percent of the total number of applica-
21 tions described in paragraphs (1) and (2) of sub-
22 section (a) to ensure that the processing of such ap-
23 plications, including decisions to approve, deny, or
24 return without action, is consistent with both the

1 foreign policy and regulatory requirements of the
2 United States.

3 (c) STATEMENTS OF POLICY.—

4 (1) UNITED STATES ALLIES.—Congress states
5 that—

6 (A) to ensure that, to the maximum extent
7 practicable, the processing time for review of
8 applications to export items to United States al-
9 lies in direct support of combat operations or
10 peacekeeping or humanitarian operations with
11 the Armed Forces is not more than 7 days from
12 the date of receipt of the application; and

13 (B) the Secretary shall ensure that, to the
14 maximum extent practicable, the processing
15 time for review of applications described in sub-
16 section (a)(1) to export items that are not sub-
17 ject to the requirements of chapter 6 to a stra-
18 tegic United States ally, and, as appropriate,
19 other major United States allies for any pur-
20 pose other than the purpose described in para-
21 graph (1) is not more than 30 days from the
22 date of receipt of the application.

23 (2) PRIORITY FOR APPLICATIONS FOR EXPORT
24 OF U.S.-ORIGIN EQUIPMENT.—In meeting the goals
25 established by this section, the Secretary shall

1 prioritize the processing of applications for licenses
2 and agreements necessary for the export of United
3 States-origin equipment over applications for Manu-
4 facturing License Agreements.

5 (d) REPORT.—Not later than 180 days after the date
6 of enactment of this Act, and not later than 1 year there-
7 after, the Secretary shall submit to the appropriate con-
8 gressional committees a report that contains a detailed de-
9 scription of—

10 (1)(A) the average processing time for and
11 number of applications described in subsection
12 (a)(1) to—

- 13 (i) a strategic United States ally;
14 (ii) a major United States ally; and
15 (iii) any other country; and

16 (B) to the extent practicable, the average proc-
17 essing time for and number of applications described
18 in subsection (b)(1) by item category;

19 (2) the average processing time for and number
20 of applications described in subsection (a)(2);

21 (3) the average processing time for and number
22 of applications for agreements described in part 124
23 of title 22, Code of Federal Regulations (relating to
24 the International Traffic in Arms Regulations),
25 other than Manufacturing License Agreements;

1 (4) the average processing times for applica-
2 tions for Manufacturing License Agreements;

3 (5) any management decisions of the Direc-
4 torate of Defense Trade Controls of the Department
5 of State that have been made in response to data
6 contained in paragraphs (1) through (3); and

7 (6) any advances in technology that will allow
8 the time-frames described in subsection (a)(1) to be
9 substantially reduced.

10 (e) CONGRESSIONAL BRIEFINGS.—If, at the end of
11 any month beginning after the date of enactment of this
12 Act, the total number of applications described in sub-
13 section (a)(1) that are unprocessed is more than 7 percent
14 of the total number of such applications submitted in the
15 preceding calendar year, then the Secretary shall ensure
16 that the Assistant Secretary for Political-Military Affairs
17 shall brief the appropriate congressional committees on
18 such matters and the corrective measures that will be
19 taken to comply with the requirements of subsection (a).

20 (f) TRANSPARENCY OF COMMODITY JURISDICTION
21 DETERMINATIONS.—

22 (1) IN GENERAL.—To the maximum extent
23 practicable, commodity jurisdiction determinations
24 made as the appropriate controls to be applied to
25 commodities shall be made public.

1 (2) PUBLICATION ON DEPARTMENT OF STATE'S
2 INTERNET WEBSITE.—The Secretary shall—

3 (A) publish a commodity jurisdiction deter-
4 mination referred to in paragraph (1) on the
5 Internet website of the Department of State not
6 later than 30 days after the date of the deter-
7 mination, which includes—

8 (i) the name of the manufacturer of
9 the item;

10 (ii) a brief general description of the
11 item;

12 (iii) the model or part number of the
13 item; and

14 (iv) the designation under which the
15 item has been designated, except that—

16 (I) the name of the person or
17 business organization that sought the
18 commodity jurisdiction determination
19 shall not be published if the person or
20 business organization is not the man-
21 ufacturer of the item; and

22 (II) the names of the customers,
23 the price of the item, and any propri-
24 etary information relating to the item
25 indicated by the person or business

1 organization that sought the com-
2 modity jurisdiction determination
3 shall not be published; and

4 (B) maintain on the Internet website of
5 the Department of State an archive, that is ac-
6 cessible to the general public and other depart-
7 ments and agencies of the United States, of the
8 information published under subparagraph (A).

9 (g) **RULE OF CONSTRUCTION.**—Nothing in this sec-
10 tion shall be construed to prohibit the President from un-
11 dertaking a thorough review of the national security and
12 foreign policy implications of a proposed export of items
13 on the United States Munitions List.

14 **SEC. 4406. AVAILABILITY OF INFORMATION ON THE STATUS**
15 **OF LICENSE APPLICATIONS.**

16 (a) **IN GENERAL.**—The Secretary shall make avail-
17 able to persons who have pending license applications
18 under this chapter and the appropriate congressional com-
19 mittees the ability to access electronically current informa-
20 tion on the status of each license application required to
21 be submitted under this chapter.

22 (b) **MATTERS TO BE INCLUDED.**—The information
23 referred to in subsection (a) shall be limited to the fol-
24 lowing:

25 (1) The case number of the license application.

1 (2) The date on which the license application is
2 received by the Department of State and becomes an
3 “open application”.

4 (3) The date on which the Directorate of De-
5 fense Trade Controls makes a determination with re-
6 spect to the license application or transmits it for
7 interagency review, if required.

8 (4) The date on which the interagency review
9 process for the license application is completed, if
10 such a review process is required.

11 (5) The date on which the Department of State
12 begins consultations with the appropriate congres-
13 sional committees with respect to the license applica-
14 tion.

15 (6) The date on which the license application is
16 sent to the appropriate congressional committees.

17 **SEC. 4407. REQUIREMENT TO ENSURE ADEQUATE STAFF**
18 **AND RESOURCES FOR THE DIRECTORATE OF**
19 **DEFENSE TRADE CONTROLS OF THE DEPART-**
20 **MENT OF STATE.**

21 (a) **REQUIREMENT.**—The Secretary shall ensure that
22 there are the necessary staff and resources to carry out
23 this subtitle.

24 (b) **MINIMUM NUMBER OF LICENSING OFFICERS.**—
25 The Secretary should ensure that there is at least 1 licens-

1 ing officer for every 1,250 applications for licenses and
2 other authorizations to export items on the United States
3 Munitions List or successor list.

4 (c) MINIMUM NUMBER OF STAFF FOR COMMODITY
5 JURISDICTION DETERMINATIONS.—The Secretary shall
6 ensure that the Directorate of Defense Trade Controls
7 has, to the extent practicable, not less than three individ-
8 uals assigned to review applications for commodity juris-
9 diction determinations.

10 **SEC. 4408. OVERSEAS MANAGEMENT OF ASSISTANCE AND**
11 **SALES PROGRAMS.**

12 (a) IN GENERAL.—In order to carry out the Presi-
13 dent's responsibilities for the management of international
14 security assistance programs conducted under this title,
15 the President may assign members of the Armed Forces,
16 personnel of the Department of Defense, the Department
17 of State, or any other Federal agency, to a foreign country
18 to perform one or more of the following functions:

- 19 (1) Equipment and services case management.
20 (2) Training management.
21 (3) Program monitoring.
22 (4) Evaluation and planning of the host govern-
23 ment's military capabilities and requirements.
24 (5) Administrative support.

1 (6) Promoting rationalization, standardization,
2 interoperability, and other defense cooperation meas-
3 ures.

4 (7) Liaison functions exclusive of advisory and
5 training assistance.

6 (b) ADVISORY AND TRAINING ASSISTANCE.—Advi-
7 sory and training assistance conducted by military per-
8 sonnel assigned under this section shall be kept to an ab-
9 solute minimum. It is the sense of Congress that advisory
10 and training assistance conducted in countries to which
11 military personnel are assigned under this section should
12 be provided primarily by other personnel who are not as-
13 signed under this section and who are detailed for limited
14 periods to perform specific tasks.

15 (c) LIMITATION ON NUMBER OF ARMED FORCES
16 MEMBERS.—

17 (1) LIMITATION.—

18 (A) IN GENERAL.—Except as provided in
19 subparagraph (C), the number of members of
20 the Armed Forces assigned to a foreign country
21 under this section in a fiscal year may not ex-
22 ceed 12 unless specifically authorized by Con-
23 gress.

24 (B) WAIVER.—The President may waive
25 the limitation in subparagraph (A) with respect

1 to the number of members of the Armed Forces
2 assigned to a foreign country if the President
3 determines and reports to the appropriate con-
4 gressional committees 30 days prior to the in-
5 troduction of the additional members of the
6 Armed Forces in the foreign country, that
7 United States national interests require that
8 more than 12 members of the Armed Forces be
9 assigned under this section to carry out inter-
10 national security assistance programs in the
11 foreign country.

12 (C) EXEMPTED COUNTRIES.—The limita-
13 tion in subparagraph (A) shall not apply with
14 respect to Pakistan, Tunisia, El Salvador, Hon-
15 duras, Israel, Colombia, Indonesia, the Republic
16 of Korea, the Philippines, Thailand, Egypt, Jor-
17 dan, Morocco, Saudi Arabia, Greece, Portugal,
18 Spain, and Turkey.

19 (2) CONGRESSIONAL BUDGET JUSTIFICA-
20 TION.—The total number of members of the Armed
21 Forces assigned to a foreign country under this sec-
22 tion in a fiscal year may not exceed the number jus-
23 tified to Congress for that country in the congres-
24 sional budget justification documents for that fiscal
25 year, unless the appropriate congressional commit-

1 tees are notified 30 days in advance of the introduc-
2 tion of the additional members of the Armed Forces.

3 (d) COSTS.—The entire costs (excluding salaries of
4 members of the Armed Forces (other than the Coast
5 Guard)) of overseas management of international security
6 assistance programs under this section shall be charged
7 to or reimbursed from funds made available to carry out
8 this chapter, other than any such costs which are either
9 paid directly for such defense services under [section
10 4302] or reimbursed from charges for services collected
11 from foreign governments pursuant to [section 4305 and
12 section [43](b) of that Act.]

13 (e) SUPERVISION OF CHIEF OF DIPLOMATIC MIS-
14 SION.—Members of the Armed Forces assigned to a for-
15 eign country under this section shall serve under the direc-
16 tion and supervision of the Chief of the United States Dip-
17 lomatic Mission to that country.

18 (f) GUIDANCE REGARDING PURCHASES.—The Presi-
19 dent shall continue to instruct United States diplomatic
20 and military personnel in United States missions that such
21 personnel should not encourage, promote, or influence the
22 purchase by any foreign country of United States-made
23 military equipment, unless such personnel are specifically
24 instructed to do so by an appropriate official of the execu-
25 tive branch.

1 **SEC. 4409. DESIGNATION OF MAJOR UNITED STATES AL-**
2 **LIES.**

3 (a) NOTICE TO CONGRESS.—The President shall no-
4 tify Congress in writing at least 30 days before—

5 (1) designating a country as a major United
6 States ally for purposes of this Act; or

7 (2) terminating such a designation.

8 (b) INITIAL DESIGNATIONS.—Egypt, Argentina,
9 Pakistan, Bahrain, the Philippines, Jordan, Thailand, Ku-
10 wait, and Morocco shall be deemed to have been so des-
11 igned by the President as of the date of the enactment
12 of this Act, and the President is not required to notify
13 Congress of such designation of those countries.

14 **SEC. 4410. DEPLETED URANIUM AMMUNITION.**

15 (a) PROHIBITION.—Except as provided in subsection
16 (b), none of the funds made available to carry out this
17 Act or any other Act may be made available to facilitate
18 in any way the sale of **[—833]** antitank shells or any
19 comparable antitank shells containing a depleted uranium
20 penetrating component to any country other than—

21 (1) a country that is a strategic United States
22 ally;

23 (2) a country that is a major United States
24 ally; or

25 (3) Taiwan.

1 (b) EXCEPTION.—The prohibition in subsection (a)
2 shall not apply with respect to the use of funds to facilitate
3 the sale of antitank shells to a country if the President
4 determines that to do so is in the national security interest
5 of the United States.

6 **SEC. 4411. DEFINITIONS.**

7 In this title:

8 (1) APPROPRIATE CONGRESSIONAL COMMIT-
9 TEES.—The term “appropriate congressional com-
10 mittees” means—

11 (A) the Committee on Foreign Affairs and
12 the Committee on Appropriations of the House
13 of Representatives; and

14 (B) the Committee on Foreign Relations
15 and the Committee on Appropriations of the
16 Senate.

17 (2) CASH FLOW FINANCING.—The term “cash
18 flow financing” means the dollar amount of the dif-
19 ference between the total estimated price of a Letter
20 of Offer and Acceptance or other purchase agree-
21 ment that has been approved for financing under
22 this title and the amount of the financing that has
23 been approved therefor.

24 (3) CATEGORY I SPACE LAUNCH VEHICLE SYS-
25 TEM.—The term “Category I space launch vehicle

1 system” means a category I system as defined in the
2 MTCR Annex for the launching of payloads into
3 outer space, as well as the specially designed produc-
4 tion facilities for these systems.

5 (4) DEFENSE ARTICLE.—

6 (A) IN GENERAL.—The term “defense arti-
7 cle”—

8 (i) includes—

9 (I) any weapon, weapons system,
10 munition, aircraft, vessel, boat, or
11 other implement of war and related
12 technical data;

13 (II) any property, installation,
14 commodity, material, equipment, sup-
15 ply, or goods used for the purposes of
16 making military sales;

17 (III) any machinery, facility, tool,
18 material, supply, or other item nec-
19 essary for the manufacture, produc-
20 tion, processing, repair, servicing,
21 storage, construction, transportation,
22 operation, or use of any article listed
23 in this paragraph; and

24 (IV) any significant component
25 or part of any article listed in this

1 paragraph that has been specifically
2 designed or significantly modified for
3 a military application; but

4 (ii) does not include—

5 (I) merchant vessels; or

6 (II) source material (except ura-
7 nium depleted in the isotope 235
8 which is incorporated in defense arti-
9 cles solely to take advantage of high
10 density or pyrophoric characteristics
11 unrelated to radioactivity), byproduct
12 material, special nuclear material,
13 production facilities, utilization facili-
14 ties, or atomic weapons or articles in-
15 volving Restricted Data, as defined by
16 the Atomic Energy Act of 1954.

17 (B) ADDITIONAL TERMS.—In subpara-
18 graph (A)(i)(IV)—

19 (i) the term “significant component or
20 part” means a component or part that is
21 essential to a military function; and

22 (ii) the term “significantly modified”
23 means a modification that constitutes an
24 alteration of 25 percent or greater of the

1 component or part from a non-military
2 version.

3 (5) DEFENSE SERVICE.—

4 (A) IN GENERAL.—The term “defense
5 service”—

6 (i) includes any service, test, inspec-
7 tion, repair, training, publication, technical
8 or other assistance, or defense information
9 used for the purposes of making military
10 sales; but

11 (ii) does not include design and con-
12 struction services under section 4311.

13 (B) ADDITIONAL TERM.—In subparagraph
14 (A)(i), the term “defense information” includes
15 any document, writing, sketch, photograph,
16 plan, model, specification, design, prototype, or
17 other recorded or oral information relating to
18 any defense article or defense service, but does
19 not include Restricted Data as defined by the
20 Atomic Energy Act of 1954 and data removed
21 from the Restricted Data category under sec-
22 tion 142d of that Act.

23 (6) DESIGN AND CONSTRUCTION SERVICES.—

24 The term “design and construction services” means,
25 with respect to sales under **【section 4168】**, the de-

1 sign and construction of real property facilities, in-
2 cluding necessary construction equipment and mate-
3 rials, engineering services, construction contract
4 management services relating thereto, and technical
5 advisory assistance in the operation and mainte-
6 nance of real property facilities provided or per-
7 formed by the Department of Defense or by a con-
8 tractor pursuant to a contract with such department
9 or agency.

10 (7) END ITEM.—The term “end item” means
11 an assembled article that is ready for its intended
12 use and for which only ammunition, fuel, or another
13 energy source is required to place the item in its op-
14 erating state.

15 (8) EXCESS DEFENSE ARTICLE.—The term
16 “excess defense article” means defense articles
17 (other than construction equipment, including trac-
18 tors, scrapers, loaders, graders, bulldozers, dump
19 trucks, generators, and compressors) owned by the
20 United States Government, and not procured in an-
21 ticipation of military assistance or sales require-
22 ments, or pursuant to a military assistance or sales
23 order, which is in excess of the Approved Force Ac-
24 quisition Objective and Approved Force Retention
25 Stock of all Department of Defense Components at

1 the time such articles are dropped from inventory by
2 the supplying agency for delivery to countries or
3 international organizations under this Act.

4 (9) INCENTIVE PAYMENTS.—The term “incen-
5 tive payments” means direct monetary compensation
6 made by a United States supplier of defense articles
7 or defense services or by any employee, agent, or
8 subcontractor thereof to any other United States
9 person to induce or persuade that United States per-
10 son to purchase or acquire goods or services pro-
11 duced, manufactured, grown, or extracted, in whole
12 or in part, in the foreign country which is pur-
13 chasing those defense articles or defense services
14 from the United States supplier.

15 (10) MAJOR DEFENSE EQUIPMENT.—The term
16 “major defense equipment” means any item of sig-
17 nificant military equipment on the United States
18 Munitions List having a nonrecurring research and
19 development cost of more than \$50,000,000 or a
20 total production cost of more than \$200,000,000.

21 (11) MAJOR UNITED STATES ALLY.—The term
22 “major United States ally” means a country that is
23 designated in accordance with section 4410 as a
24 major United States ally for purposes of this Act.

1 (12) NATO/SHAPE PROJECT.—The term
2 “NATO/SHAPE project” means a common-funded
3 project supported by allocated credits from North
4 Atlantic Treaty Organization bodies or by host na-
5 tions with NATO Infrastructure funds.

6 (13) NUCLEAR EXPLOSIVE DEVICE.—The term
7 “nuclear explosive device” has the meaning given
8 that term in section 830(4) of the Nuclear Prolifera-
9 tion Prevention Act of 1994.

10 (14) OFFSET AGREEMENT.—The term “offset
11 agreement” means an agreement, arrangement, or
12 understanding between a United States supplier of
13 defense articles or defense services and a foreign
14 country under which the supplier agrees to purchase
15 or acquire, or to promote the purchase or acquisition
16 by other United States persons of, goods or services
17 produced, manufactured, grown, or extracted, in
18 whole or in part, in that foreign country in consider-
19 ation for the purchase by the foreign country of de-
20 fense articles or defense services from the supplier.

21 (15) SECURITY ASSISTANCE SURVEY.—The
22 term “security assistance survey” means any survey
23 or study conducted in a foreign country by United
24 States Government personnel for the purpose of as-
25 sessing the needs of that country for security assist-

1 ance, and includes defense requirement surveys, site
2 surveys, general surveys or studies, and engineering
3 assessment surveys.

4 (16) SIGNIFICANT MILITARY EQUIPMENT.—The
5 term “significant military equipment” means arti-
6 cles—

7 (A) for which special export controls are
8 warranted because of the capacity of such arti-
9 cles for substantial military utility or capability;
10 and

11 (B) identified on the United States Muni-
12 tions List.

13 (17) SMALL ARM OR LIGHT WEAPON.—The
14 term “small arm or light weapon” means—

15 (A) an item listed in Category I(a) of the
16 United States Munitions List,

17 (B) an item listed in Category III (as it
18 applies to Category I(a)) of the United States
19 Munitions List, or

20 (C) a grenade listed in Category IV(a) of
21 the United States Munitions List,

22 that requires a license for international export under
23 this title.

24 (18) STRATEGIC UNITED STATES ALLY.—The
25 term “strategic United States ally” means any mem-

1 ber country of the North Atlantic Treaty Organiza-
2 tion (NATO), Australia, Israel, Japan, the Republic
3 of Korea, or New Zealand.

4 (19) TRAINING.—The term “training” includes
5 formal or informal instruction of foreign students in
6 the United States or overseas by officers or employ-
7 ees of the United States, contract technicians, or
8 contractors (including instruction at civilian institu-
9 tions), or by correspondence courses, technical, edu-
10 cational, or information publications and media of
11 all kinds, training aid, orientation, training exercise,
12 and military advice to foreign military units and
13 forces.

14 (20) UNITED STATES.—The term “United
15 States”, when used geographically, means the sev-
16 eral States, the District of Columbia, the Common-
17 wealth of Puerto Rico, the Commonwealth of the
18 Northern Mariana Islands, and any territory or pos-
19 session of the United States.

20 (21) VALUE.—The term “value” means, in the
21 case of an excess defense article, except as otherwise
22 provided in section 4311(a), not less than the great-
23 er of—

24 (A) the gross cost incurred by the United
25 States Government in repairing, rehabilitating,

1 or modifying such article, plus the scrap value;

2 or

3 (B) the market value, if ascertainable.

4 (22) WEAPON SYSTEM PARTNERSHIP AGREE-
5 MENT.—The term “weapon system partnership
6 agreement” means an agreement between two or
7 more member countries of the Maintenance and
8 Supply Agency of the North Atlantic Treaty Organi-
9 zation that—

10 (A) is entered into pursuant to the terms
11 of the Charter of the North Atlantic Treaty Or-
12 ganization; and

13 (B) is for the common logistic support of
14 a specific weapon system common to the par-
15 ticipating countries.

16 (23) WEAPONS OF MASS DESTRUCTION.—The
17 term “weapons of mass destruction” has the mean-
18 ing given such term in section 1403(1) of the De-
19 fense Against Weapons of Mass Destruction Act of
20 1996 (title XIV of Public Law 104–201; 110 Stat.
21 2717; 50 U.S.C. 2302(1)).

1 **TITLE V—COUNTERING**
2 **TRANSNATIONAL THREATS**
3 **Subtitle A—Nonproliferation**
4 **Authorities**

5 **CHAPTER 1—NUCLEAR**
6 **NONPROLIFERATION**

7 **SEC. 5111. AUTHORIZATION OF ASSISTANCE TO PROHIBIT**
8 **THE PROLIFERATION OF NUCLEAR, CHEM-**
9 **ICAL, AND BIOLOGICAL WEAPONS.**

10 (a) **AUTHORIZATION OF ASSISTANCE.**—The Presi-
11 dent is authorized to provide, on such terms and condi-
12 tions as the President may determine, assistance to any
13 country or organization in order to carry out the purposes
14 described in subsection (b).

15 (b) **PURPOSES.**—The purposes of assistance under
16 this section are to prohibit the proliferation of nuclear,
17 chemical, and biological weapons and the means to deliver
18 such weapons, through support of activities designed—

19 (1) to enhance the nonproliferation capabilities
20 of a country or organization by providing training
21 and equipment to detect, deter, monitor, interdict,
22 and counter proliferation;

23 (2) to strengthen the bilateral ties of the United
24 States with a country or organization by offering as-

1 sistance in this area of vital national security inter-
2 est;

3 (3) to accomplish the activities and objectives
4 set forth in sections 503 and 504 of the FREEDOM
5 Support Act (22 U.S.C. 5853 and 5854), without re-
6 gard to the limitation of those sections to the inde-
7 pendent states of the former Soviet Union; and

8 (4) to promote multilateral activities, including
9 cooperation with international organizations, relating
10 to nonproliferation.

11 (c) **ACTIVITIES SUPPORTED.**—Assistance under this
12 section may include training services and the provision of
13 funds, equipment, and other commodities related to the
14 detection, deterrence, monitoring, interdiction, and pre-
15 vention or countering of proliferation, the establishment
16 of effective nonproliferation laws and regulations, and the
17 apprehension of those individuals involved in acts of pro-
18 liferation of such weapons.

19 **SEC. 5112. EDUCATION AND TRAINING TO ENHANCE NON-**
20 **PROLIFERATION AND EXPORT CONTROL CA-**
21 **PABILITIES.**

22 (a) **IN GENERAL.**—The Secretary is authorized to
23 provide education and training to appropriate military and
24 civilian personnel of foreign countries for the purpose of
25 enhancing the nonproliferation and export control capa-

1 bilities of such personnel through their attendance in spe-
2 cial courses of instruction conducted by the United States.
3 Such education and training may be provided on such
4 terms and conditions as the Secretary may determine and
5 consistent with this subtitle but whenever feasible on a re-
6 imburseable basis.

7 (b) ADMINISTRATION OF COURSES.—The Secretary
8 shall have overall responsibility for the development and
9 conduct of international nonproliferation education and
10 training programs under this section, and may utilize
11 other Federal agencies, as appropriate, to recommend per-
12 sonnel for the education and training programs and to ad-
13 minister specific courses of instruction.

14 (c) PURPOSES.—Education and training activities
15 conducted under this section shall be—

16 (1) of a technical nature, emphasizing tech-
17 niques for detecting, deterring, monitoring, inter-
18 dicting, and countering proliferation;

19 (2) designed to encourage effective and mutu-
20 ally beneficial relations and increased understanding
21 between the United States and other countries; and

22 (3) designed to improve the ability of other
23 countries to utilize their resources with maximum ef-
24 fectiveness, thereby contributing to greater self-reli-
25 ance by such countries.

1 (d) PRIORITY TO CERTAIN COUNTRIES.—In selecting
2 personnel for education and training programs under this
3 section, priority should be given to personnel from coun-
4 tries determined by the Secretary to be countries fre-
5 quently transited by proliferation-related shipments of
6 cargo.

7 **SEC. 5113. OPPOSITION OF WITHDRAWAL FROM TREATY ON**
8 **THE NON-PROLIFERATION OF NUCLEAR**
9 **WEAPONS.**

10 (a) STATEMENT OF POLICY.—It is the policy of the
11 United States to oppose the withdrawal of any country
12 that is a party to the Treaty on the Non-Proliferation of
13 Nuclear Weapons (hereinafter in this section referred to
14 as the “Treaty”) and to use all political, economic, and
15 diplomatic means at its disposal to deter, prevent, and
16 sanction any such withdrawal from the Treaty.

17 (b) LIMITATION ON ASSISTANCE.—

18 (1) IN GENERAL.—Notwithstanding any other
19 provision of law, no assistance (other than humani-
20 tarian assistance) under any provision of law may be
21 provided to a country that has withdrawn from the
22 Treaty.

23 (2) WAIVER.—The President may waive the re-
24 quirements of paragraph (1) on a case-by-case basis
25 if the President determines and notifies the appro-

1 appropriate congressional committees that such waiver is
2 in the vital national security interest of the United
3 States.

4 (c) RETURN OF ALL UNITED STATES-ORIGIN MATE-
5 RIALS AND EQUIPMENT.—The United States shall seek
6 the return of any material, equipment or components
7 transferred under an Agreement for Civil Nuclear Co-
8 operation that is in force pursuant to the authority of sec-
9 tion 123 of the Atomic Energy Act of 1954 on or after
10 the date of enactment of this Act, and any special fission-
11 able material produced through the use of such material,
12 equipment or components, previously provided to a coun-
13 try that withdraws from the Treaty.

14 **SEC. 5114. MATTERS RELATING TO INTERNATIONAL ATOM-**
15 **IC ENERGY AGENCY.**

16 (a) PAYMENT OF UNITED STATES DUES.—Not later
17 than January 31, 2013, and January 31 of each suc-
18 ceeding year, the United States shall pay its full assessed
19 contribution to the regular operating budget of the Inter-
20 national Atomic Energy Agency.

21 (b) ADDITIONAL PROTOCOL AS A CRITERION FOR
22 UNITED STATES ASSISTANCE.—

23 (1) STATEMENT OF POLICY.—It is the policy of
24 the United States to ensure that each country that
25 is a party to the Treaty on the Non-Proliferation of

1 Nuclear Weapons should bring into force an Addi-
2 tional Protocol to its safeguards agreement with the
3 International Atomic Energy Agency (IAEA).

4 (2) CRITERION FOR ASSISTANCE.—The United
5 States shall, when considering the provision of as-
6 sistance under this Act, take into consideration
7 whether the proposed recipient has in force an Addi-
8 tional Protocol to its safeguards agreement with the
9 IAEA.

10 **SEC. 5115. ARMS CONTROL AND NONPROLIFERATION**
11 **SCHOLARSHIP PROGRAM.**

12 (a) ESTABLISHMENT.—

13 (1) IN GENERAL.—The Secretary shall establish
14 a scholarship program (to be known as the “Arms
15 Control and Nonproliferation Scholarship Program”)
16 to award scholarships for the purpose of recruiting
17 and preparing students for civilian careers in the
18 fields of nonproliferation, arms control, and inter-
19 national security to meet the critical needs of the
20 Department of State.

21 (2) SELECTION OF RECIPIENTS.—

22 (A) MERIT AND DEPARTMENT NEEDS.—
23 Individuals shall be selected to receive scholar-
24 ships under this section through a competitive
25 process primarily on the basis of academic

1 merit and the arms control and nonproliferation
2 needs of the Department of State.

3 (B) DEMONSTRATED COMMITMENT.—Indi-
4 viduals selected under this section shall have a
5 demonstrated interest in public service and a
6 commitment to the field of study for which the
7 scholarship is awarded.

8 (3) CONTRACTUAL AGREEMENTS.—In order to
9 carry out the scholarship program, the Secretary
10 shall enter into contractual agreements with individ-
11 uals selected under paragraph (2) pursuant to which
12 such individuals agree to serve as full-time employ-
13 ees of the Department of State following achieve-
14 ment of the specified degree, for a period to be de-
15 termined by the Secretary, not to exceed 6 years, in
16 arms control and nonproliferation positions needed
17 by the Department of State and for which the indi-
18 viduals are qualified, in exchange for receiving a
19 scholarship.

20 (b) ELIGIBILITY.—Except as provided in subsection
21 (f), in order to be eligible to participate in the scholarship
22 program, an individual shall—

23 (1) be enrolled or accepted for enrollment as a
24 full-time student at an institution of higher edu-
25 cation and be pursuing or intend to pursue an un-

1 dergraduate or graduate education degree in an aca-
2 demic field or discipline specified in the list made
3 available under subsection (d); and

4 (2) be a United States citizen.

5 (c) APPLICATION.—An individual seeking a scholar-
6 ship under this section shall submit to the Secretary an
7 application at such time, in such manner, and containing
8 such information, agreements, or assurances as the Sec-
9 retary may require.

10 (d) PROGRAMS AND FIELDS OF STUDY.—The Sec-
11 retary shall make publicly available a list of academic pro-
12 grams and fields of study for which scholarships under
13 this section may be awarded.

14 (e) SCHOLARSHIPS.—

15 (1) IN GENERAL.—The Secretary may award a
16 scholarship under this section for an academic year
17 if the individual applying for the scholarship has
18 submitted to the Secretary, as part of the applica-
19 tion required under subsection (c), a proposed aca-
20 demic program leading to a degree in a program or
21 field of study specified on the list made available
22 under subsection (d).

23 (2) LIMITATION ON YEARS.—An individual may
24 not receive a scholarship under this section for more

1 than 4 academic years, unless the Secretary grants
2 a waiver.

3 (3) STUDENT RESPONSIBILITIES.—A scholar-
4 ship recipient shall maintain satisfactory academic
5 progress for purposes of continued participation in
6 the scholarship program.

7 (4) AMOUNT.—The dollar amount of a scholar-
8 ship awarded under this section for an academic
9 year shall be determined under regulations issued by
10 the Secretary, but shall in no case exceed the cost
11 of tuition, fees, and other authorized expenses as de-
12 termined by the Secretary.

13 (5) USE OF SCHOLARSHIPS.—A scholarship
14 awarded under this section may be expended for tui-
15 tion, fees, and other authorized expenses as estab-
16 lished by the Secretary by regulation.

17 (6) PAYMENT TO INSTITUTION OF HIGHER
18 EDUCATION.—The Secretary may enter into a con-
19 tractual agreement with an institution of higher edu-
20 cation under which the amounts provided for a
21 scholarship under this section for tuition, fees, and
22 other authorized expenses are paid directly to the in-
23 stitution with respect to which such scholarship is
24 awarded.

1 (f) SPECIAL CONSIDERATION FOR CURRENT EM-
2 PLOYEES.—Notwithstanding subsection (b), up to 5 per-
3 cent of the scholarships awarded under this section may
4 be set aside for individuals who are Federal employees on
5 the date of the enactment of this Act to enhance the edu-
6 cation of such employees in areas of critical arms control
7 or nonproliferation needs of the Department of State, for
8 undergraduate or graduate education through enrollment
9 in a graduate degree program under the scholarship on
10 a full-time or part-time basis.

11 (g) REPAYMENT.—

12 (1) IN GENERAL.—A scholarship recipient who
13 fails to maintain a high level of academic standing,
14 as defined by the Secretary who is dismissed for dis-
15 ciplinary reasons from the educational institution
16 such recipient is attending, or who voluntarily termi-
17 nates academic training before graduation from the
18 educational program for which the scholarship was
19 awarded shall be in breach of the contractual agree-
20 ment under subsection (a)(3) and, in lieu of any
21 service obligation arising under such agreement,
22 shall be liable to the United States for repayment
23 within 1 year after the date of such default of all
24 scholarship funds paid to such recipient and to the
25 institution of higher education on the behalf of such

1 recipient under such agreement. The repayment pe-
2 riod may be extended by the Secretary if the Sec-
3 retary determines such extension to be necessary, as
4 established by regulation.

5 (2) LIABILITY.—A scholarship recipient who,
6 for any reason, fails to begin or complete the service
7 obligation under the contractual agreement under
8 subsection (a)(3) after completion of academic train-
9 ing, or fails to comply with the terms and conditions
10 of deferment established by the Secretary under
11 paragraph (1), shall be in breach of such contractual
12 agreement and shall be liable to the United States
13 for an amount equal to—

14 (A) the total amount of the scholarship re-
15 ceived by such recipient under this section; and

16 (B) the total amount of interest that would
17 have been payable under a direct unsubsidized
18 loan issued through the Department of Edu-
19 cation's Direct Loan Program.

20 (h) REGULATIONS.—The Secretary shall prescribe
21 regulations necessary to carry out this section.

22 (i) CONVERSION.—The Secretary is authorized to
23 convert the status of a scholarship recipient to a member
24 of the Foreign Service, as defined in section 103 of the
25 Foreign Service Act of 1980, following the successful com-

1 pletion of the 6-year period of service described in sub-
2 section (a)(3).

3 **SEC. 5116. ARMS CONTROL AND NONPROLIFERATION RO-**
4 **TATION PROGRAM.**

5 (a) ESTABLISHMENT.—The Secretary, in consulta-
6 tion with the heads of other relevant Federal agencies,
7 shall establish the Arms Control and Nonproliferation Ro-
8 tation Program (in this section referred to as the “Rota-
9 tion Program”) for personnel of such agencies. The Rota-
10 tion Program shall use applicable best practices, including
11 those prescribed by the Chief Human Capital Officers
12 Council. Personnel of a relevant Federal agency partici-
13 pating in the Rotation Program may be detailed to any
14 other relevant Federal agency on a nonreimbursable basis.

15 (b) GOALS.—The Rotation Program shall—

16 (1) be established in accordance with the
17 human capital strategic plan of the Department of
18 State;

19 (2) provide midlevel personnel of relevant Fed-
20 eral agencies the opportunity to broaden their
21 knowledge through exposure to other relevant Fed-
22 eral agencies, including to other bureaus and offices
23 of the Department of State;

24 (3) expand the knowledge base of the Depart-
25 ment of State and other relevant Federal agencies;

1 (4) build professional relationships and contacts
2 among employees of relevant Federal agencies;

3 (5) invigorate the Department of State's arms
4 control and nonproliferation workforce with profes-
5 sionally rewarding opportunities; and

6 (6) incorporate human capital strategic plans
7 and activities of the Department of State, and ad-
8 dress critical human capital deficiencies, professional
9 development, recruitment and retention efforts, and
10 succession planning within the Department of State.

11 (c) RESPONSIBILITIES.—The Secretary shall—

12 (1) provide oversight of the establishment and
13 implementation of the Rotation Program;

14 (2) establish a framework that supports the
15 goals of the Rotation Program and promotes cross
16 disciplinary rotational opportunities;

17 (3) establish eligibility for personnel of other
18 relevant agencies to participate in the Rotation Pro-
19 gram and select participants from among the appli-
20 cants;

21 (4) establish incentives for personnel to partici-
22 pate in the Rotation Program, including through
23 promotions and employment preferences;

24 (5) ensure that the Rotation Program provides
25 professional education and training;

1 (6) ensure that the Rotation Program develops
2 qualified employees and future leaders with broad
3 based experience throughout the Department of
4 State; and

5 (7) provide for greater interaction among em-
6 ployees of relevant Federal agencies.

7 (d) ALLOWANCES, PRIVILEGES, AND BENEFITS.—All
8 allowances, privileges, rights, seniority, and other benefits
9 of personnel participating in the Rotation Program shall
10 be preserved.

11 (e) REPORTING.—Not later than 1 year after the
12 date of the establishment of the Rotation Program, the
13 Secretary shall submit to the appropriate congressional
14 committees and the Committee on Armed Services of the
15 House of Representatives and the Committee on Armed
16 Services of the Senate a report on the status of the Rota-
17 tion Program, including a description of the Rotation Pro-
18 gram, the number of individuals participating, and how
19 the Rotation Program is used in succession planning and
20 leadership development.

21 (f) DEFINITION.—For the purposes of this section,
22 the term “relevant Federal agency” means the Depart-
23 ment of State and any other Federal agency that is in-
24 volved in United States arms control and nonproliferation
25 activities.

1 **CHAPTER 2—MISSILE**
2 **NONPROLIFERATION**

3 **SEC. 5121. LICENSING.**

4 (a) ESTABLISHMENT OF LIST OF CONTROLLED
5 ITEMS.—The Secretary, in consultation with the Secretary
6 of Defense and the heads of other appropriate Federal
7 agencies, shall establish and maintain, as part of the
8 United States Munitions List, a list of all items on the
9 Missile Technology Control Regime (MTCR) Annex the
10 export of which is not controlled under section 6(l) of the
11 Export Administration Act of 1979 (as continued in effect
12 under the International Emergency Economic Powers
13 Act).

14 (b) REFERRAL OF LICENSE APPLICATIONS.—

15 (1) IN GENERAL.—A determination of the Sec-
16 retary to approve a license for the export of an item
17 on the list established under subsection (a) may be
18 made only after the license application is referred to
19 the Secretary of Defense.

20 (2) COORDINATION.—Not later than 10 days
21 after a license is issued for the export of an item on
22 the list established under subsection (a), the Sec-
23 retary shall provide to the Secretary of Defense and
24 the Secretary of Commerce the license application
25 and accompanying documents issued to the appli-

1 cant, to the extent that the relevant Secretary indi-
2 cates the need to receive such application and docu-
3 ments.

4 (c) INFORMATION SHARING.—The Secretary shall es-
5 tablish a procedure for sharing information with appro-
6 priate officials of the intelligence community, as deter-
7 mined by the Director of National Intelligence, and with
8 other appropriate Federal departments and agencies, that
9 will ensure effective monitoring of transfers of MTCR
10 equipment or technology and other missile technology.

11 (d) EXPORTS TO SPACE LAUNCH VEHICLE PRO-
12 GRAMS.—Not later than 15 days after the issuance of a
13 license (including any brokering license) for the export of
14 items valued at less than \$50,000,000 that are controlled
15 under this Act pursuant to United States obligations
16 under the MTCR and are goods or services that are in-
17 tended to support the design, utilization, development, or
18 production of a space launch vehicle system listed in Cat-
19 egory I of the MTCR Annex, the Secretary shall transmit
20 to the Congress a report describing the licensed export and
21 rationale for approving such export, including the consist-
22 ency of such export with United States missile non-
23 proliferation policy. The requirement contained in the pre-
24 ceding sentence shall not apply to licenses for exports to

1 countries that were members of the MTCR as of April
2 17, 1987.

3 **SEC. 5122. DENIAL OF THE TRANSFER OF MISSILE EQUIP-**
4 **MENT OR TECHNOLOGY BY UNITED STATES**
5 **PERSONS. .**

6 (a) SANCTIONS.—

7 (1) IN GENERAL.—If the President determines
8 that a United States person knowingly—

9 (A) exports, transfers, or otherwise en-
10 engages in the trade of any item on the MTCR
11 Annex, in violation of the provisions of section
12 4311 of this Act, section 5 or 6 of the Export
13 Administration Act of 1979 (as continued in ef-
14 fect under the International Emergency Eco-
15 nomic Powers Act), or any regulations or orders
16 issued under any such provisions of law,

17 (B) conspires to or attempts to engage in
18 such export, transfer, or trade, or

19 (C) facilitates such export, transfer, or
20 trade by any other person,

21 then the President shall impose the applicable sanc-
22 tions described in paragraph (2).

23 (2) APPLICABLE SANCTIONS.—The sanctions
24 which apply to a United States person under para-
25 graph (1) are the following:

1 (A) If the item on the MTCR Annex in-
2 volved in the export, transfer, or trade is missile
3 equipment or technology within category II of
4 the MTCR Annex, then the President shall
5 deny to such United States person for a period
6 of 2 years—

7 (i) United States Government con-
8 tracts relating to missile equipment or
9 technology; and

10 (ii) licenses for the transfer of missile
11 equipment or technology controlled under
12 this Act.

13 (B) If the item on the MTCR Annex in-
14 volved in the export, transfer, or trade is missile
15 equipment or technology within category I of
16 the MTCR Annex, then the President shall
17 deny to such United States person for a period
18 of not less than 2 years—

19 (i) all United States Government con-
20 tracts, and

21 (ii) all export licenses and agreements
22 for items on the United States Munitions
23 List.

1 (b) DISCRETIONARY SANCTIONS.—In the case of any
2 determination made pursuant to subsection (a), the Presi-
3 dent may pursue any penalty provided in section 4372.

4 (c) PRESUMPTION.—In determining whether to apply
5 sanctions under subsection (a) to a United States person
6 involved in the export, transfer, or trade of an item on
7 the MTCR Annex, it should be a rebuttable presumption
8 that such item is designed for use in a missile listed in
9 the MTCR Annex if the President determines that the
10 final destination of the item is a country the government
11 of which the Secretary has determined, for purposes of
12 6(j)(1)(A) of the Export Administration Act of 1979 (as
13 continued in effect under the International Emergency
14 Economic Powers Act), has repeatedly provided support
15 for acts of international terrorism.

16 (d) WAIVER.—The President may waive the imposi-
17 tion of sanctions under subsection (a) with respect to a
18 product or service if the President certifies to Congress
19 that—

20 (1) the product or service is essential to the na-
21 tional security of the United States; and

22 (2) such person is a sole source supplier of the
23 product or service, the product or service is not
24 available from any alternative reliable supplier, and
25 the need for the product or service cannot be met in

1 a timely manner by improved manufacturing pro-
2 cesses or technological developments.

3 **SEC. 5123. TRANSFERS OF MISSILE EQUIPMENT OR TECH-**
4 **NOLOGY BY FOREIGN PERSONS.**

5 (a) SANCTIONS.—

6 (1) IN GENERAL.—Subject to subsections (c)
7 through (g), if the President determines that a for-
8 eign person, after the date of enactment of this Act,
9 knowingly—

10 (A) exports, transfers, or otherwise en-
11 gages in the trade of any MTCR equipment or
12 technology that contributes to the acquisition,
13 design, development, or production of missiles
14 in a country that is not an MTCR adherent and
15 would be, if it were United States-origin equip-
16 ment or technology, subject to the jurisdiction
17 of the United States under this Act,

18 (B) conspires to or attempts to engage in
19 such export, transfer, or trade, or

20 (C) facilitates such export, transfer, or
21 trade by any other person,

22 or if the President has made a determination with
23 respect to a foreign person under section 11B(b)(1)
24 of the Export Administration Act of 1979 (as con-
25 tinued in effect under the International Emergency

1 Economic Powers Act), then the President shall im-
2 pose on that foreign person the applicable sanctions
3 described in paragraph (2).

4 (2) APPLICABLE SANCTIONS.—The sanctions
5 which apply to a foreign person under paragraph (1)
6 are the following:

7 (A) If the item involved in the export,
8 transfer, or trade is within category II of the
9 MTCR Annex, then the President shall deny,
10 for a period of 2 years—

11 (i) United States Government con-
12 tracts relating to missile equipment or
13 technology; and

14 (ii) licenses for the transfer to such
15 foreign person of missile equipment or
16 technology controlled under this Act.

17 (B) If the item involved in the export,
18 transfer, or trade is within category I of the
19 MTCR Annex, then the President shall deny,
20 for a period of not less than 2 years—

21 (i) all United States Government con-
22 tracts with such foreign person; and

23 (ii) licenses for the transfer to such
24 foreign person of all items on the United
25 States Munitions List.

1 (C) If, in addition to actions taken under
2 subparagraphs (A) and (B), the President de-
3 termines that the export, transfer, or trade has
4 substantially contributed to the design, develop-
5 ment, or production of missiles in a country
6 that is not an MTCR adherent, then the Presi-
7 dent shall prohibit, for a period of not less than
8 2 years, the importation into the United States
9 of products produced by that foreign person.

10 (b) INAPPLICABILITY WITH RESPECT TO MTCR AD-
11 HERENTS.—

12 (1) IN GENERAL.—Except as provided in para-
13 graph (2), subsection (a) does not apply with respect
14 to—

15 (A) any export, transfer, or trading activ-
16 ity that is authorized by the laws of an MTCR
17 adherent, if such authorization is not obtained
18 by misrepresentation or fraud; or

19 (B) any export, transfer, or trade of an
20 item to an end user in a country that is an
21 MTCR adherent.

22 (2) LIMITATION.—Notwithstanding paragraph
23 (1), subsection (a) shall apply to an entity subordi-
24 nate to a government that engages in exports or
25 transfers described in **【section 498A(b)(3)(A)】**.

1 (c) EFFECT OF ENFORCEMENT ACTIONS BY MTCR
2 ADHERENTS.—Sanctions set forth in subsection (a) may
3 not be imposed under this section on a person with respect
4 to acts described in such subsection or, if such sanctions
5 are in effect against a person on account of such acts,
6 such sanctions shall be terminated, if an MTCR adherent
7 is taking judicial or other enforcement action against that
8 person with respect to such acts, or that person has been
9 found by the government of an MTCR adherent to be in-
10 nocent of wrongdoing with respect to such acts, and if the
11 President certifies to the appropriate congressional com-
12 mittees that—

13 (1) for any judicial or other enforcement action
14 taken by the MTCR adherent, such action has—

15 (A) been comprehensive; and

16 (B) been performed to the satisfaction of
17 the United States; and

18 (2) with respect to any finding of innocence of
19 wrongdoing, the United States is satisfied with the
20 basis for such finding.

21 (d) ADVISORY OPINIONS.—The Secretary, in con-
22 sultation with the Secretary of Defense and the Secretary
23 of Commerce, may, upon the request of any person, issue
24 an advisory opinion to that person as to whether a pro-
25 posed activity by that person would subject that person

1 to sanctions under this section. Any person who relies in
2 good faith on such an advisory opinion which states that
3 the proposed activity would not subject a person to such
4 sanctions, and any person who thereafter engages in such
5 activity, may not be made subject to such sanctions on
6 account of such activity.

7 (e) WAIVER AND REPORT TO CONGRESS.—

8 (1) IN GENERAL.—In any case other than one
9 in which an advisory opinion has been issued under
10 subsection (d) stating that a proposed activity would
11 not subject a person to sanctions under this section,
12 the President may waive the application of sub-
13 section (a) to a foreign person if the President deter-
14 mines that such waiver is essential to the national
15 security of the United States.

16 (2) NOTIFICATION.—In the event that the
17 President decides to apply the waiver described in
18 paragraph (1), the President shall so notify the
19 Committee on Armed Services and the Committee on
20 Foreign Relations of the Senate and the Committee
21 on Armed Services and the Committee on Foreign
22 Affairs of the House of Representatives not less
23 than 45 working days before issuing the waiver.
24 Such notification shall include a report fully articu-

1 lating the rationale and circumstances which led the
2 President to apply the waiver.

3 (f) PRESUMPTION.—In determining whether to apply
4 sanctions under subsection (a) to a foreign person involved
5 in the export, transfer, or trade of an item on the MTCR
6 Annex, it should be a rebuttable presumption that such
7 item is designed for use in a missile listed in the MTCR
8 Annex if the President determines that the final destina-
9 tion of the item is a country the government of which the
10 Secretary has determined, for purposes of 6(j)(1)(A) of
11 the Export Administration Act of 1979 (as continued in
12 effect under the International Emergency Economic Pow-
13 ers Act), has repeatedly provided support for acts of inter-
14 national terrorism.

15 (g) ADDITIONAL WAIVER.—The President may waive
16 the imposition of sanctions under subsection (a) on a per-
17 son with respect to a product or service if the President
18 certifies to the Congress that—

19 (1) the product or service is essential to the na-
20 tional security of the United States; and

21 (2) such person is a sole source supplier of the
22 product or service, the product or service is not
23 available from any alternative reliable supplier, and
24 the need for the product or service cannot be met in

1 a timely manner by improved manufacturing proc-
2 esses or technological developments.

3 (h) EXCEPTIONS.—The President shall not apply the
4 sanction under this section prohibiting the importation of
5 the products of a foreign person—

6 (1) in the case of procurement of defense arti-
7 cles or defense services—

8 (A) under existing contracts or sub-
9 contracts, including the exercise of options for
10 production quantities to satisfy requirements
11 essential to the national security of the United
12 States;

13 (B) if the President determines that the
14 person to which the sanctions would be applied
15 is a sole source supplier of the defense articles
16 and defense services, that the defense articles
17 or defense services are essential to the national
18 security of the United States, and that alter-
19 native sources are not readily or reasonably
20 available; or

21 (C) if the President determines that such
22 articles or services are essential to the national
23 security of the United States under defense co-
24 production agreements or NATO Programs of
25 Cooperation;

1 (2) to products or services provided under con-
2 tracts entered into before the date on which the
3 President publishes his intention to impose the sanc-
4 tions; or

5 (3) to—

6 (A) spare parts,

7 (B) component parts, but not finished
8 products, essential to United States products or
9 production,

10 (C) routine services and maintenance of
11 products, to the extent that alternative sources
12 are not readily or reasonably available; or

13 (D) information and technology essential
14 to United States products or production.

15 **SEC. 5124. NOTIFICATION OF ADMITTANCE OF MTCR AD-**
16 **HERENTS.**

17 (a) **POLICY REPORT.**—Following any action by the
18 United States that results in a country becoming a MTCR
19 adherent, the President shall transmit promptly to the
20 Congress a report which describes the rationale for such
21 action, together with an assessment of that country's non-
22 proliferation policies, practices, and commitments. Such
23 report shall also include the text of any agreements or un-
24 derstandings between the United States and such country

1 regarding the terms and conditions of the country's adher-
2 ence to the MTCR.

3 (b) INTELLIGENCE ASSESSMENT REPORT.—At such
4 times that a report is transmitted pursuant to subsection
5 (a), the Director of National Intelligence shall promptly
6 prepare and submit to Congress a separate report con-
7 taining any credible information indicating that the coun-
8 try described in subsection (a) has engaged in any activity
9 identified under [subparagraph (A), (B), or (C) of section
10 73(a)(1)] within the previous two years.

11 **SEC. 5125. AUTHORITY RELATING TO MTCR ADHERENTS.**

12 Notwithstanding section 5123(b), the President may
13 take the actions under section 5123(a)(2) under the cir-
14 cumstances described in section 5126(b)(2).

15 **SEC. 5126. DEFINITIONS.**

16 (a) IN GENERAL.—In this chapter—

17 (1) the term “missile” means a category I sys-
18 tem as defined in the MTCR Annex, and any other
19 unmanned delivery system of similar capability, as
20 well as the specially designed production facilities for
21 these systems;

22 (2) the term “Missile Technology Control Re-
23 gime” or “MTCR” means the policy statement, be-
24 tween the United States, the United Kingdom, the
25 Federal Republic of Germany, France, Italy, Can-

1 ada, and Japan, announced on April 16, 1987, to re-
2 strict sensitive missile-relevant transfers based on
3 the MTCR Annex, and any amendments thereto;

4 (3) the term “MTCR adherent” means a coun-
5 try that participates in the MTCR or that, pursuant
6 to an international understanding to which the
7 United States is a party, controls MTCR equipment
8 or technology in accordance with the criteria and
9 standards set forth in the MTCR;

10 (4) the term “MTCR Annex” means the Guide-
11 lines and Equipment and Technology Annex of the
12 MTCR, and any amendments thereto;

13 (5) the terms “missile equipment or tech-
14 nology” and “MTCR equipment or technology”
15 mean those items listed in category I or category II
16 of the MTCR Annex;

17 (6) the term “United States person” has the
18 meaning given that term in section 16(2) of the Ex-
19 port Administration Act of 1979 (as continued in ef-
20 fect under the International Emergency Economic
21 Powers Act);

22 (7) the term “foreign person” means any per-
23 son other than a United States person;

24 (8) the term “person”—

1 (A) means a natural person as well as a
2 corporation, business association, partnership,
3 society, trust, any other nongovernmental enti-
4 ty, organization, or group, and any govern-
5 mental entity operating as a business enter-
6 prise, and any successor of any such entity; and

7 (B) in the case of a country with a non-
8 market economy (excluding former members of
9 the Warsaw Pact), includes—

10 (i) all activities of that government re-
11 lating to the development or production of
12 any missile equipment or technology; and

13 (ii) all activities of that government
14 affecting the development or production of
15 electronics, space systems or equipment,
16 and military aircraft; and

17 (9) the term “otherwise engaged in the trade
18 of” means, with respect to a particular export or
19 transfer, to be a freight forwarder or designated ex-
20 porting agent, or a consignee or end user of the item
21 to be exported or transferred.

22 (b) INTERNATIONAL UNDERSTANDING DEFINED.—
23 For purposes of subsection (a)(3), as it relates to any
24 international understanding concluded with the United

1 States after January 1, 2000, the term “international un-
2 derstanding” means—

3 (1) any specific agreement by a country not to
4 export, transfer, or otherwise engage in the trade of
5 any MTCR equipment or technology that contributes
6 to the acquisition, design, development, or produc-
7 tion of missiles in a country that is not an MTCR
8 adherent and would be, if it were United States-ori-
9 gin equipment or technology, subject to the jurisdic-
10 tion of the United States under this Act; or

11 (2) any specific understanding by a country
12 that, notwithstanding [section 73(b)], the United
13 States retains the right to take the actions under
14 [section 73(a)(2)] in the case of any export or
15 transfer of any MTCR equipment or technology that
16 contributes to the acquisition, design, development,
17 or production of missiles in a country that is not an
18 MTCR adherent and would be, if it were United
19 States-origin equipment or technology, subject to the
20 jurisdiction of the United States under this Act.

21 **CHAPTER 3—CHEMICAL AND BIOLOGICAL**
22 **NONPROLIFERATION**

23 **SEC. 5131. SANCTIONS AGAINST CERTAIN FOREIGN PER-**
24 **SONS.**

25 (a) IMPOSITION OF SANCTIONS.—

1 (1) DETERMINATION BY THE PRESIDENT.—Ex-
2 cept as provided in subsection (b)(2), the President
3 shall impose both of the sanctions described in sub-
4 section (c) if the President determines that a foreign
5 person, on or after the date of the enactment of this
6 section, has knowingly and materially contributed—

7 (A) through the export from the United
8 States of any goods or technology that are sub-
9 ject to the jurisdiction of the United States,

10 (B) through the export from any other
11 country of any goods or technology that would
12 be, if they were United States goods or tech-
13 nology, subject to the jurisdiction of the United
14 States, or

15 (C) through any other transaction not sub-
16 ject to sanctions pursuant to the Export Ad-
17 ministration Act of 1979 (as continued in effect
18 under the International Emergency Economic
19 Powers Act),

20 to the efforts by any foreign country, project, or en-
21 tity described in paragraph (2) to use, develop,
22 produce, stockpile, or otherwise acquire chemical or
23 biological weapons.

1 (2) COUNTRIES, PROJECTS, OR ENTITIES RE-
2 CEIVING ASSISTANCE.—Paragraph (1) applies in the
3 case of—

4 (A) any foreign country that the President
5 determines has, at any time after January 1,
6 1980—

7 (i) used chemical or biological weap-
8 ons in violation of international law;

9 (ii) used lethal chemical or biological
10 weapons against its own nationals; or

11 (iii) made substantial preparations to
12 engage in the activities described in clause
13 (i) or (ii);

14 (B) any foreign country whose government
15 is determined for purposes of section 6(j) of the
16 Export Administration Act of 1979 (as contin-
17 ued in effect under the International Emer-
18 gency Economic Powers Act) to be a govern-
19 ment that has repeatedly provided support for
20 acts of international terrorism; or

21 (C) any other foreign country, project, or
22 entity designated by the President for purposes
23 of this section.

1 (3) PERSONS AGAINST WHOM SANCTIONS ARE
2 TO BE IMPOSED.—Sanctions shall be imposed pursu-
3 ant to paragraph (1) on—

4 (A) the foreign person with respect to
5 which the President makes the determination
6 described in that paragraph;

7 (B) any successor entity to that foreign
8 person;

9 (C) any foreign person that is a parent or
10 subsidiary of that foreign person if that parent
11 or subsidiary knowingly assisted in the activities
12 which were the basis of that determination; and

13 (D) any foreign person that is an affiliate
14 of that foreign person if that affiliate knowingly
15 assisted in the activities which were the basis of
16 that determination and if that affiliate is con-
17 trolled in fact by that foreign person.

18 (b) CONSULTATIONS WITH AND ACTIONS BY FOR-
19 EIGN GOVERNMENT OF JURISDICTION.—

20 (1) CONSULTATIONS.—If the President makes
21 the determinations described in subsection (a)(1)
22 with respect to a foreign person, the Congress urges
23 the President to initiate consultations immediately
24 with the government with primary jurisdiction over

1 that foreign person with respect to the imposition of
2 sanctions pursuant to this section.

3 (2) ACTIONS BY GOVERNMENT OF JURISDIC-
4 TION.—In order to pursue such consultations with
5 that government, the President may delay imposition
6 of sanctions pursuant to this section for a period of
7 up to 90 days. Following these consultations, the
8 President shall impose sanctions unless the Presi-
9 dent determines and certifies to Congress that such
10 government has taken specific and effective actions,
11 including appropriate penalties, to terminate the in-
12 volvement of the foreign person in the activities de-
13 scribed in subsection (a)(1). The President may
14 delay imposition of sanctions for an additional pe-
15 riod of up to 90 days if the President determines
16 and certifies to Congress that such government is in
17 the process of taking the actions described in the
18 preceding sentence.

19 (3) REPORT TO CONGRESS.—The President
20 shall report to Congress, not later than 90 days
21 after making a determination under subsection
22 (a)(1), on the status of consultations with the appro-
23 priate government under this subsection, and the
24 basis for any determination under paragraph (2) of

1 this subsection that such government has taken spe-
2 cific corrective actions.

3 (c) SANCTIONS.—

4 (1) DESCRIPTION OF SANCTIONS.—The sanc-
5 tions to be imposed pursuant to subsection (a)(1)
6 are, except as provided in paragraph (2) of this sub-
7 section, the following:

8 (A) PROCUREMENT SANCTION.—The
9 United States Government shall not procure, or
10 enter into any contract for the procurement of,
11 any goods or services from any person described
12 in subsection (a)(3).

13 (B) IMPORT SANCTIONS.—The importation
14 into the United States of products produced by
15 any person described in subsection (a)(3) shall
16 be prohibited.

17 (2) EXCEPTIONS.—The President shall not be
18 required to apply or maintain sanctions under this
19 section—

20 (A) in the case of procurement of defense
21 articles or defense services—

22 (i) under existing contracts or sub-
23 contracts, including the exercise of options
24 for production quantities to satisfy United
25 States operational military requirements;

1 (ii) if the President determines that
2 the person or other entity to which the
3 sanctions would otherwise be applied is a
4 sole source supplier of the defense articles
5 or defense services, that the defense arti-
6 cles or defense services are essential, and
7 that alternative sources are not readily or
8 reasonably available; or

9 (iii) if the President determines that
10 such articles or services are essential to the
11 national security under defense coproduc-
12 tion agreements;

13 (B) to products or services provided under
14 contracts entered into before the date on which
15 the President publishes his intention to impose
16 sanctions;

17 (C) to—

18 (i) spare parts,

19 (ii) component parts, but not finished
20 products, essential to United States prod-
21 ucts or production, or

22 (iii) routine servicing and mainte-
23 nance of products, to the extent that alter-
24 native sources are not readily or reason-
25 ably available;

1 (D) to information and technology essen-
2 tial to United States products or production; or

3 (E) to medical or other humanitarian
4 items.

5 (d) TERMINATION OF SANCTIONS.—The sanctions
6 imposed pursuant to this section shall apply for a period
7 of at least 12 months following the imposition of sanctions
8 and shall cease to apply thereafter only if the President
9 determines and certifies to the Congress that reliable in-
10 formation indicates that the foreign person with respect
11 to which the determination was made under subsection
12 (a)(1) has ceased to aid or abet any foreign government,
13 project, or entity in its efforts to acquire chemical or bio-
14 logical weapons capability as described in that subsection.

15 (e) WAIVER.—

16 (1) CRITERION FOR WAIVER.—The President
17 may waive the application of any sanction imposed
18 on any person pursuant to this section, after the end
19 of the 12-month period beginning on the date on
20 which that sanction was imposed on that person, if
21 the President determines and certifies to the Con-
22 gress that such waiver is important to the national
23 security interests of the United States.

24 (2) NOTIFICATION OF AND REPORT TO CON-
25 GRESS.—If the President decides to exercise the

1 waiver authority provided in paragraph (1), the
2 President shall so notify the Congress not less than
3 20 days before the waiver takes effect. Such notifica-
4 tion shall include a report fully articulating the ra-
5 tionale and circumstances which led the President to
6 exercise the waiver authority.

7 (f) DEFINITION OF FOREIGN PERSON.—For the pur-
8 poses of this section, the term “foreign person” means—

9 (1) an individual who is not a citizen of the
10 United States or an alien admitted for permanent
11 residence to the United States; or

12 (2) a corporation, partnership, or other entity
13 which is created or organized under the laws of a
14 foreign country or which has its principal place of
15 business outside the United States.

16 **Subtitle B—Counter-narcotics** 17 **Authorities**

18 **SEC. 5201. FINDINGS.**

19 Congress finds the following:

20 (1) International narcotics trafficking poses a
21 major transnational threat in today’s world, and its
22 suppression is among the most important foreign
23 policy objectives of the United States.

24 (2) International criminal activities, particularly
25 international narcotics trafficking, money laun-

1 dering, and corruption, endanger political and eco-
2 nomic stability and democratic development, and as-
3 sistance for the prevention and suppression of inter-
4 national criminal activities should be a priority for
5 the United States.

6 (3) Effective international cooperation is nec-
7 essary to control the illicit cultivation, production,
8 and smuggling of, trafficking in, and abuse of nar-
9 cotic and psychotropic drugs and other controlled
10 substances.

11 (4) In order for countries to effectively combat
12 narcotics trafficking and other transnational crimes,
13 they must have a strong rule of law system, to in-
14 clude an honest police force, independent courts, and
15 effective prisons.

16 (5) Given the magnitude of United States
17 counter-narcotics efforts, as well as its impact and
18 significance on other dimensions of United States bi-
19 lateral relations, it is essential that a process be put
20 into place that allows the periodic, comprehensive
21 evaluation of these efforts and their foreign policy
22 implications.

23 **SEC. 5202. STATEMENT OF POLICY.**

24 It shall be the policy of the United States to—

1 (1) support international narcotics control pro-
2 grams that have, as priority goals, the suppression
3 of the illicit manufacture of and trafficking in nar-
4 cotic and psychotropic drugs and other controlled
5 substances, money laundering, and the diversion of
6 precursor chemicals, and the progressive elimination
7 of the illicit cultivation of the crops from which nar-
8 cotic and psychotropic drugs and other controlled
9 substances are derived;

10 (2) encourage the international community to
11 provide assistance, where appropriate, to those pro-
12 ducer and transit countries that require assistance
13 in discharging these primary obligations;

14 (3) use its voice and vote in multilateral devel-
15 opment banks to promote the development and im-
16 plementation in the major illicit drug producing
17 countries of programs for the reduction and eventual
18 eradication of narcotic drugs and other controlled
19 substances, including appropriate assistance in con-
20 junction with effective programs of illicit crop eradi-
21 cation;

22 (4) ensure that countries adopt comprehensive
23 domestic measures against money laundering and
24 cooperate with each other in money laundering in-

1 investigations, prosecutions, and related forfeiture ac-
2 tions; and

3 (5) endeavor to develop and promote global, re-
4 gional, sub-regional, and bilateral cooperation among
5 judicial, law enforcement and financial regulatory
6 authorities in order to combat money-laundering,
7 narcotics trafficking, and other transnational crimes.

8 **SEC. 5203. GOAL AND OBJECTIVES.**

9 (a) GOAL.—The goal of assistance under this subtitle
10 is to help relevant countries build the capacity required
11 to combat and reduce narcotics trafficking, money laun-
12 dering, and other transnational crimes.

13 (b) OBJECTIVES.—In furtherance of the goal de-
14 scribed in subsection (a), assistance under this subtitle
15 shall be provided to achieve the following objectives:

16 (1) Increase the professionalization, trans-
17 parency, and accountability of law enforcement, judi-
18 cial and penal personnel in the relevant country.

19 (2) Improve the ability of law enforcement to
20 prevent crimes, pursue and apprehend criminals, and
21 increase security within their country.

22 (3) Strengthen the capacity of the judicial sys-
23 tem to hear and prosecute cases.

1 **SEC. 5204. GENERAL AUTHORITIES.**

2 (a) **AUTHORITIES OF THE PRESIDENT.**—The Presi-
3 dent is authorized to conclude agreements, including recip-
4 rocal maritime agreements, with United States State and
5 local governments and with other countries to facilitate
6 control of the production, processing, transportation, and
7 distribution of narcotic and psychotropic drugs and other
8 controlled substances.

9 (b) **AUTHORITIES OF THE SECRETARY.**—Notwith-
10 standing any other provision of law restricting assistance
11 to foreign countries except [sections 502B, 620A, and
12 620J], the Secretary is authorized to furnish assistance
13 to any country or international organization, on such
14 terms and conditions as the Secretary may determine, for
15 the control of narcotic and psychotropic drugs and other
16 controlled substances, or for related anticrime purposes.

17 (c) **COORDINATION OF ALL UNITED STATES**
18 **ANTINARCOTICS ASSISTANCE TO FOREIGN COUNTRIES.**—

19 (1) **RESPONSIBILITY OF SECRETARY OF**
20 **STATE.**—The Secretary shall be responsible for co-
21 ordinating and approving all assistance provided by
22 the United States Government to support inter-
23 national efforts to combat crime and illicit narcotics
24 production or trafficking.

25 (2) **RULE OF CONSTRUCTION.**—Nothing in
26 paragraph (1) shall be construed to limit or impair

1 the authority or responsibility of any other Federal
2 agency with respect to law enforcement, domestic se-
3 curity operations, or intelligence activities as defined
4 in Executive Order No.12333.

5 (d) USE OF HERBICIDES FOR AERIAL ERADI-
6 CATION.—

7 (1) MONITORING.—The Secretary, with the as-
8 sistance of the heads of other appropriate Federal
9 agencies, shall monitor any use under this subtitle of
10 a herbicide for aerial eradication in order to deter-
11 mine the impact of such use on the environment and
12 on the health of individuals.

13 (2) REPORT UPON DETERMINATION OF HARM
14 TO ENVIRONMENT OR HEALTH.—If the Secretary
15 determines that any such use is harmful to the envi-
16 ronment or the health of individuals, the Secretary
17 shall immediately report that determination to the
18 appropriate congressional committees, together with
19 such recommendations as the Secretary determines
20 appropriate.

21 **SEC. 5205. AUTHORIZATION OF BUREAU OF INTER-**
22 **NATIONAL NARCOTICS AND LAW ENFORCE-**
23 **MENT.**

24 (a) ESTABLISHMENT.—There is established in the
25 Department of State a Bureau of International Narcotics

1 and Law Enforcement (in this section referred to as the
2 “Bureau”).

3 (b) HEAD OF BUREAU.—The head of the Bureau
4 shall be an Assistant Secretary of International Narcotics
5 and Law Enforcement.

6 (c) RESPONSIBILITIES.—The Bureau shall be respon-
7 sible for supervision (including policy oversight of re-
8 sources), coordinating, and overseeing programs related to
9 international counternarcotics and law enforcement activi-
10 ties, including—

11 (1) strengthening criminal justice systems;

12 (2) countering the flow of illegal narcotics, in-
13 cluding through building interdiction capabilities of
14 partner countries and strengthening law enforcement
15 and judicial authorities; and

16 (3) minimizing transnational crime

17 **SEC. 5206. USE OF FUNDS.**

18 (a) TREATMENT OF FUNDS.—Funds transferred to
19 and consolidated with funds appropriated to carry out this
20 subtitle may be made available on such terms and condi-
21 tions as are applicable to funds appropriated to carry out
22 this subtitle. Funds so transferred or consolidated shall
23 be apportioned directly to the bureau within the Depart-
24 ment of State responsible for administering this subtitle.

25 (b) CONTRIBUTIONS.—

1 (1) IN GENERAL.—To ensure local commitment
2 to the activities assisted under this subtitle, a coun-
3 try receiving assistance under this subtitle should
4 bear an appropriate share of the costs of any nar-
5 cotics control program, project, or activity for which
6 such assistance is to be provided. A country may
7 bear such costs on an in kind basis.

8 (2) ACCEPTANCE.—The Secretary is authorized
9 to accept contributions from foreign governments to
10 carry out the purposes of this subtitle. Such con-
11 tributions shall be deposited as an offsetting collec-
12 tion to the applicable appropriation account and may
13 be used under the same terms and conditions as
14 funds appropriated to carry out this subtitle.

15 (c) ADMINISTRATIVE ASSISTANCE.—

16 (1) IN GENERAL.—Except as provided in para-
17 graph (2), personnel funded pursuant to this section
18 are authorized to provide administrative assistance
19 to personnel assigned to the Bureau of International
20 Narcotics and Law Enforcement.

21 (2) LIMITATION.—Paragraph (1) shall not
22 apply to the extent that it would result in a reduc-
23 tion in funds available for counter-narcotics and
24 antirime assistance to foreign countries.

1 (d) ADVANCE NOTIFICATION OF TRANSFER OF
2 SEIZED ASSETS.—The Secretary shall notify the appro-
3 priate congressional committees at least 10 days prior to
4 any transfer by the United States Government to a foreign
5 country for narcotics control purposes of any property or
6 funds seized by or otherwise forfeited to the United States
7 Government in connection with narcotics-related activity.

8 (e) EXCESS PROPERTY.—For purposes of this sub-
9 title, the Secretary may use the authority of section
10 11506, without regard to the restrictions of such section,
11 to receive nonlethal excess property from any United
12 States Government department or agency for the purpose
13 of providing such property to a foreign government under
14 the same terms and conditions as funds authorized to be
15 appropriated for the purposes of this subtitle.

16 **SEC. 5207. REQUIREMENTS RELATING TO AIRCRAFT AND**
17 **OTHER EQUIPMENT.**

18 (a) RETENTION OF TITLE TO AIRCRAFT.—

19 (1) IN GENERAL.—

20 (A) LEASE OR LOAN BASIS.—Except as
21 provided in paragraph (2), any aircraft made
22 available to a foreign country under this chap-
23 ter, or made available to a foreign country pri-
24 marily for narcotics-related purposes under any

1 other provision of law, shall be provided only on
2 a lease or loan basis.

3 (B) EFFECTIVE DATE.—Subparagraph (A)
4 applies to aircraft made available at any time
5 after the enactment of this Act.

6 (2) EXCEPTIONS.—

7 (A) CONTRARY TO NATIONAL INTEREST.—
8 The Secretary is authorized to transfer title of
9 aircraft by sale or grant if he or she—

10 (i) determines that the application of
11 paragraph (1) with respect to particular
12 aircraft would be contrary to the national
13 interest of the United States; and

14 (ii) the Secretary notifies the appro-
15 priate congressional committees in accord-
16 ance with the procedures applicable to re-
17 programming notifications under section
18 9401.

19 (B) FORFEITURE.—Paragraph (1) shall
20 not apply with respect to aircraft made avail-
21 able to a foreign country under any provision of
22 law that authorizes property that has been civ-
23 ily or criminally forfeited to the United States
24 to be made available to foreign countries.

25 (3) ASSISTANCE FOR LEASING OF AIRCRAFT.—

1 (A) IN GENERAL.—For purposes of satis-
2 fying the requirement of paragraph (1), funds
3 made available for the Foreign Military Financ-
4 ing Program under title IV may be used to fi-
5 nance the leasing of aircraft under that title.

6 (B) COST OF LEASE.—Section 4351(a)(3)
7 shall not apply with respect to leases so fi-
8 nanced, rather the entire cost of any such lease
9 (including any renewals) shall be an initial, one
10 time payment of the amount which would be
11 the sales price for the aircraft if they were sold
12 under section 4311(a)(2) or section 4312 (as
13 appropriate).

14 (b) PERMISSIBLE USES OF AIRCRAFT AND OTHER
15 EQUIPMENT.—

16 (1) IN GENERAL.—The Secretary shall take all
17 reasonable steps to ensure that aircraft and other
18 equipment made available to foreign countries under
19 this chapter are used only in ways that are con-
20 sistent with the purposes for which such equipment
21 was made available.

22 (2) EXCEPTION.—Paragraph (1) shall not
23 apply to aircraft or other equipment if the Secretary
24 makes a determination under section 11508(b) that

1 there is an emergency need which requires the use
2 of the aircraft or other equipment.

3 (c) REPORTS.—In the reports submitted pursuant to
4 section 5211, the Secretary shall discuss—

5 (1) the actions taken by the United States Gov-
6 ernment to prevent misuse of such equipment by
7 that foreign country; and

8 (2) any credible information indicating misuse
9 by a foreign country of aircraft or other equipment
10 made available under this chapter; and(3) the ac-
11 tions taken by the United States Government to pre-
12 vent future misuse of such equipment by that for-
13 eign country.

14 (d) RECORDS OF AIRCRAFT USE.—

15 (1) REQUIREMENT TO MAINTAIN RECORDS.—

16 The President shall maintain detailed records on the
17 use of any aircraft made available to a foreign coun-
18 try under this chapter, including aircraft made avail-
19 able before the enactment of this section.

20 (2) CONGRESSIONAL ACCESS TO RECORDS.—

21 The President shall make the records maintained
22 pursuant to paragraph (1) available upon request to
23 the appropriate congressional committees.

1 **SEC. 5208. RESTRICTIONS.**

2 (a) PARTICIPATION IN FOREIGN POLICE ACTIONS.—

3 Participation in foreign police actions under this subtitle
4 shall be subject to the requirements of section 3303(d).

5 (b) PROCUREMENT OF WEAPONS AND AMMUNI-
6 TION.—

7 (1) PROHIBITION.—Except as provided in para-
8 graph (2), funds made available to carry out this
9 subtitle shall not be made available for the procure-
10 ment of weapons or ammunition.

11 (2) EXCEPTIONS.—Paragraph (1) shall not
12 apply with respect to funds for the procurement of—

13 (A) weapons or ammunition provided only
14 for the defensive arming of aircraft used for
15 narcotics-related purposes; or

16 (B) firearms and related ammunition pro-
17 vided only for defensive purposes to employees
18 or contract personnel of the Department of
19 State engaged in activities under this subtitle,
20 if, at least 15 days before obligating those
21 funds, the President notifies the appropriate
22 congressional committees in accordance with
23 the procedures applicable to reprogramming no-
24 tifications under section 9401.

25 (c) LIMITATIONS ON ACQUISITION OF REAL PROP-
26 erty AND CONSTRUCTION OF FACILITIES.—

1 (1) ACQUISITION OF REAL PROPERTY.—

2 (A) PROHIBITION.—Funds made available
3 to carry out this subtitle may not be used to ac-
4 quire (by purchase or other means) any land or
5 other real property for use by foreign military,
6 paramilitary, or law enforcement forces.

7 (B) EXCEPTION FOR CERTAIN LEASES.—
8 Subparagraph (A) shall not apply to the acqui-
9 sition of real property by lease of a duration
10 not to exceed 2 years.

11 (C) EXCEPTION FOR INTERNATIONAL
12 TRAINING ACADEMIES.—Subparagraph (A)
13 shall not apply to the acquisition of land of real
14 property for use as a training facility for judi-
15 cial, prosecutorial, law enforcement, or regu-
16 latory officials.

17 (2) CONSTRUCTION OF FACILITIES.—

18 (A) LIMITATION.—Funds made available
19 to carry out this subtitle may not be used for
20 construction of facilities for use by foreign mili-
21 tary, paramilitary, or law enforcement forces
22 unless, at least 15 days before obligating funds
23 for such construction, the President notifies the
24 appropriate congressional committees in accord-

1 ance with procedures applicable to reprogram-
2 ming notifications under section 9401.

3 (B) EXCEPTION.—Paragraph (1) shall not
4 apply to the construction of facilities which
5 would require the obligation of less than
6 \$750,000 under this subtitle.

7 **SEC. 5209. INTERNATIONAL COUNTER-NARCOTICS STRAT-**
8 **EGY.**

9 (a) STRATEGY REQUIRED.—Not later than 1 year
10 after the date of the enactment of this Act, and every 4
11 years thereafter, the Secretary shall submit to the appro-
12 priate congressional committees a comprehensive counter-
13 narcotics strategy. The strategy shall include—

14 (1) defined objectives for the activities of the
15 Department of State relating to counter-narcotics,
16 for each region and country it plans to target;

17 (2) a description of how such objectives relate
18 to, are informed by, and will be coordinated with
19 those of relevant countries, as well as with those of
20 other bilateral and multilateral donors;

21 (3) a definition of the respective roles of each
22 Federal department and agency in carrying out the
23 strategy, and the mechanisms for coordination;

24 (4) a description of the types of policies and
25 programs needed to achieve such objectives;

1 (5) an analysis of the key opportunities and
2 challenges for achieving favorable results in the next
3 4-year period;

4 (6) a list of indicators and other measurements
5 of success to be used in assessing impact, to include
6 the indicators listed in [section 5209];

7 (7) the amounts devoted to similar purposes in
8 the previous 4-year period, the results achieved and
9 the lessons learned; and

10 (8) an estimate of the requirements for human
11 and financial resources and overseas infrastructure
12 to carry out the strategy over the next 4-year period.

13 (b) IMPLEMENTATION.—None of the funds made
14 available to provide assistance authorized under this title
15 may be obligated or expended for any programs, projects,
16 or activities to implement a strategy required under sub-
17 section (a) until at least 15 days after the strategy is
18 transmitted to the appropriate congressional committees
19 pursuant to subsection (a).

20 **SEC. 5210. ANNUAL NARCOTICS CONTROL REPORTS.**

21 (a) INTERNATIONAL NARCOTICS CONTROL RE-
22 PORT.—Not later than 1 year after the date of the enact-
23 ment of this Act, and every year thereafter, the President
24 shall transmit to the appropriate congressional committees

1 a report containing the identity of those countries that
2 are—

3 (1) determined to be major drug-transit coun-
4 tries, and which countries have been determined to
5 be major illicit drug-producing countries, for pur-
6 poses of this Act;

7 (2) major sources of precursor chemicals used
8 in the production of illicit narcotics; or

9 (3) major money laundering countries.

10 (b) UNITED STATES GOVERNMENT ASSISTANCE RE-
11 PORT.—

12 (1) IN GENERAL.—At the time that the report
13 required by subsection (a) is submitted each year,
14 the Secretary, in consultation with appropriate
15 United States Government departments and agen-
16 cies, shall submit to the appropriate congressional
17 committees a report on the assistance provided or
18 proposed to be provided by the United States Gov-
19 ernment during the preceding fiscal year, the cur-
20 rent fiscal year, and the next fiscal year to support
21 international efforts to combat illicit narcotics pro-
22 duction or trafficking.

23 (2) CONTENTS.—The report required by para-
24 graph (1) shall include, for each country receiving
25 counter-narcotics or anti-crime assistance from the

1 United States Government, information from the
2 Department of Justice, the Department of Home-
3 land Security, the Department of Defense, and the
4 Coast Guard describing in detail—

5 (A) the types and amounts of assistance
6 provided or to be provided to such country by
7 that agency during the preceding, current, and
8 next fiscal year; and

9 (B) all transfers, that were made by each
10 such United States Government department or
11 the Coast Guard during the preceding fiscal
12 year, to a foreign country for narcotics control
13 or anti-crime purposes of any property seized
14 by or otherwise forfeited to the United States
15 Government in connection with narcotics-related
16 activity, including an estimate of the fair mar-
17 ket value and physical condition of each item of
18 property transferred

19 (c) HERBICIDES FOR AERIAL ERADICATION RE-
20 PORT.—At the time the report required by subsection (a)
21 is submitted each year, the Secretary shall submit to the
22 appropriate congressional committees a report on—

23 (1) the impact on the environment and the
24 health of individuals of the use under this subtitle
25 of herbicides for aerial eradication; and

1 (2) the impact of aerial eradication on internal
2 displacement of citizens in the affected country.

3 (d) CONTRIBUTIONS REPORT.—At the time the re-
4 port required by subsection (a) is submitted each year, the
5 Secretary shall submit to the appropriate congressional
6 committees a report on any contributions under [section
7 5204(a)(2)] received in the preceding fiscal year, the
8 amount of such contributions, and the purposes for which
9 such contributions were used.

10 (e) DEFINITIONS.—In this section—

11 (1) the term “major illicit drug-producing coun-
12 try” means a country in which—

13 (A) 1,000 hectares or more of illicit opium
14 poppy is cultivated or harvested during a year;

15 (B) 1,000 hectares or more of illicit coca
16 is cultivated or harvested during a year; or

17 (C) 5,000 hectares or more of illicit can-
18 nabis is cultivated or harvested during a year,
19 unless the President determines that such illicit
20 cannabis production does not significantly affect
21 the United States; and

22 (2) the term “precursor chemical” has the same
23 meaning as the term “listed chemical” has under
24 paragraph (33) of section 102 of the Controlled Sub-
25 stances Act (21 U.S.C. 802(33)).

1 **SEC. 5211. NARCOTICS STRATEGY EVALUATION.**

2 (a) IN GENERAL.—The Comptroller General of the
3 United States shall conduct an impact evaluation of pro-
4 grams carried out by the Bureau of International Nar-
5 cotics and Law Enforcement, using rigorous quantitative
6 data analysis. The evaluation shall measure progress made
7 on the following indicators, as appropriate:

8 (1) Supply Side Factors, such as—

9 (A) estimated illicit drug production;

10 (B) estimated illicit drug transshipment;

11 (C) estimated illicit drug production and
12 transshipment as a percentage of GDP;

13 (D) number of individuals and households
14 estimated to be involved in illicit drug produc-
15 tion and transshipment;

16 (E) number and average size of illicit
17 drug-crop cultivation plots;

18 (F) farm-gate price of illicit drug crop; and

19 (G) in-country price and purity of illicit
20 drug.

21 (2) Disruption of Networks, such as—

22 (A) drug seizures as a percentage of total
23 estimated drug production and transshipment;
24 and

25 (B) arrests and convictions of major nar-
26 cotics-related organized crime figures.

1 (3) Economic well-being and governance, such
2 as—

3 (A) presence of government institutions
4 (such as security forces, civilian ministries, local
5 government, justice system) in zones of greatest
6 drug production;

7 (B) perceptions of police competence;

8 (C) number of individuals and households
9 formerly involved in drug production and trans-
10 shipment who are now benefitting from develop-
11 ment and alternative income programs;

12 (D) level of drug-related violence as a per-
13 centage of overall violence; and

14 (E) poverty and unemployment rates in de-
15 partments, States or provinces with the greatest
16 drug production and transshipment.

17 (b) SUBMISSION.—The results of the evaluation re-
18 quired under subsection (a) shall be submitted to the ap-
19 propriate congressional committees not later than 4 years
20 after the date of the enactment of this Act and every 4
21 years thereafter.

22 **SEC. 5212. DEFINITION.**

23 In this subtitle, the term “narcotic and psychotropic
24 drugs and other controlled substances” has the same
25 meaning as is given by any applicable international nar-

1 coties control agreement or domestic law of the country
2 or countries concerned.

3 **Subtitle C—Counter-terrorism**
4 **Authorities**

5 **SEC. 5301. PURPOSES.**

6 Activities conducted under this subtitle shall be de-
7 signed to—

8 (1) build the capacity of foreign law enforce-
9 ment and security personnel to detect, deter and
10 counter terrorism;

11 (2) counter and ameliorate the conditions and
12 circumstances that foster terrorist and violent ex-
13 tremist ideologies, activity and recruitment;

14 (3) increase respect for human rights by shar-
15 ing with foreign civil authorities modern, humane,
16 and effective antiterrorism techniques; and

17 (4) enhance bilateral and multilateral partner-
18 ships to counter terrorism and violent extremism.

19 **SEC. 5302. ASSISTANCE TO COUNTRIES AND MULTILAT-**
20 **ERAL ORGANIZATIONS FOR COUNTER-TER-**
21 **RORISM ACTIVITIES.**

22 (a) ASSISTANCE TO COUNTRIES.—

23 (1) IN GENERAL.—Notwithstanding any other
24 provision of law that restricts assistance to foreign
25 countries (other than [sections 502B, 620A, 620H,

1 and 620J)], the Secretary, acting through the As-
2 sistant Secretary for Counterterrorism or other ap-
3 propriate senior official, is authorized to provide, on
4 such terms and conditions as the Secretary may de-
5 termine—

6 (A) assistance to foreign countries in order
7 to enhance the ability of their law enforcement
8 and security personnel to deter terrorists and
9 terrorist groups from engaging in international
10 terrorist acts such as bombing, kidnapping, as-
11 sassination, hostage taking, and hijacking; and

12 (B) in coordination with the Adminis-
13 trator, assistance to foreign countries, including
14 nongovernmental organizations, to enhance
15 their ability to counter violent extremism and
16 radicalization and to counter the appeal of ter-
17 rorist and other extremist organizations.

18 (2) ASSISTANCE.—Assistance under paragraph
19 (1)(A) may include the following:

20 (A) Consistent with section 3303, the pro-
21 vision of equipment, supplies, and training to
22 build the capacity of foreign law enforcement or
23 security forces to conduct counter-terrorist op-
24 erations and respect human rights.

1 (B) Training services and the provision of
2 equipment and other commodities related to de-
3 tection and disposal of bombs (including impro-
4 vised explosive devices), management of hostage
5 situations, physical security, and other matters
6 relating to the detection, deterrence, and pre-
7 vention of acts of terrorism, the resolution of
8 terrorist incidents, and the apprehension of
9 those involved in such acts.

10 (C) Support and cooperation with foreign
11 banking, regulatory, and other officials to
12 counter the financing of terrorist activities.

13 (b) ASSISTANCE TO MULTILATERAL ORGANIZA-
14 TIONS.—The Secretary is authorized to provide, on such
15 terms and conditions as the Secretary may determine, sup-
16 port to multilateral organizations for international and re-
17 gional counterterrorism cooperation programs, including
18 the Regional Strategic Initiative. Such support may be
19 provided in the form of grants, contracts, or voluntary
20 contributions to such organizations.

21 (c) PAYMENT.—

22 (1) IN GENERAL.—If the Secretary determines
23 it to be consistent with and in furtherance of the
24 purposes of this subtitle, and on such terms and
25 conditions consistent with this Act as the Secretary

1 may determine, any Federal agency is authorized to
2 provide services and commodities, without charge to
3 funds available to carry out this subtitle, to an eligi-
4 ble foreign country, subject to payment in advance
5 of the value thereof (within the meaning of section
6 4411) in United States dollars by the foreign coun-
7 try.

8 (2) CREDITING.—Collections under this subtitle
9 shall be credited to the currently applicable appro-
10 priation, account, or fund of the agency providing
11 such services and commodities and shall be available
12 for the purposes for which such appropriation, ac-
13 count, or fund is authorized to be used.

14 (3) VALUE.—The value in terms of original ac-
15 quisition cost of all equipment and commodities pro-
16 vided under this subtitle in any fiscal year shall not
17 exceed 30 percent of the funds made available to
18 carry out this subtitle for that fiscal year.

19 (d) CONSULTATION.—Consistent with section
20 1(c)(2)(C) of the State Department Basic Authorities Act
21 of 1956 (as added by section 3105), the Assistant Sec-
22 retary of State for Democracy, Human Rights and Labor
23 shall be consulted in determinations of foreign countries
24 that will be provided assistance under this subtitle and de-

1 terminations of the nature of assistance to be provided to
2 each such country.

3 (e) LIMITATION.—Arms and ammunition may be pro-
4 vided under this subtitle only if such arms and ammuni-
5 tion are directly related to counterterrorism assistance.

6 (f) RULE OF CONSTRUCTION.—Nothing in this sub-
7 title shall apply to information exchange activities con-
8 ducted by Federal agencies under any other authority for
9 such purposes

10 **SEC. 5303. COUNTER-TERRORISM RESPONSIBILITIES OF**
11 **THE DEPARTMENT OF STATE.**

12 (a) IN GENERAL.—Section 1 of the State Depart-
13 ment Basic Authorities Act of 1956 (22 U.S.C. 2651a)
14 is amended—

15 (1) in subsection (c)(1), by striking “24” and
16 inserting “25”; and

17 (2) in subsection (e) to read as follows:

18 “(e) COUNTERTERRORISM RESPONSIBILITIES.—

19 “(1) IN GENERAL.—The Secretary of State
20 shall be responsible for the overall supervision (in-
21 cluding policy oversight of resources) of counterter-
22 rorism activities and may designate an Assistant
23 Secretary or other senior official, who may report di-
24 rectly to the Secretary as appropriate, to assist in
25 such activities.

1 “(2) TRANSFER AUTHORITY.—The Secretary of
2 State may transfer any authority, duty, or function
3 assigned to the Coordinator for Counterterrorism or
4 to the Office of the Coordinator for Counterter-
5 rorism to the Assistant Secretary or other senior of-
6 ficial designated by the Secretary of State under
7 paragraph (1) or to the Bureau of Counterterrorism
8 (as the case may be).”.

9 (b) CONFORMING AMENDMENT.—Section 5315 of
10 title 5, United States Code, is amended in the item relat-
11 ing to Assistant Secretaries of State, by striking “(24)”
12 and inserting “(25)”.

13 **TITLE VI—SUSTAINING THE**
14 **GLOBAL ENVIRONMENT**
15 **Subtitle A—Debt-for-Nature**
16 **Exchanges**

17 **SEC. 6101. FINDINGS AND STATEMENT OF POLICY.**

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

19 (1) Poverty and economic pressures on the pop-
20 ulations of developing countries have led to environ-
21 mental degradation that exacerbate existing chal-
22 lenges and imperil long-term, sustainable develop-
23 ment.

1 (2) Debt reduction can reduce economic pres-
2 sures on developing countries and provide funds for
3 environmental conservation and development.

4 (3) Identifying and developing economic bene-
5 fits to local communities from sustainable use of the
6 environment is critical to the protection of eco-
7 systems and to overall development.

8 (4) Tropical forests provide a wide range of
9 benefits to humankind by—

10 (A) harboring a major share of the Earth's
11 biological and terrestrial resources, which are
12 the basis for developing pharmaceutical prod-
13 ucts and revitalizing agricultural crops;

14 (B) playing a critical role as carbon sinks
15 in reducing greenhouse gases in the atmos-
16 phere, thus moderating potential global climate
17 change; and

18 (C) regulating hydrological cycles on which
19 far-flung agricultural and coastal resources de-
20 pend.

21 (5) Coral reefs and associated coastal marine
22 ecosystems provide a wide range of benefits to hu-
23 mankind by—

24 (A) harboring more species per unit area
25 than any other marine habitat, providing the

1 basis for developing pharmaceutical products
2 and fostering a growing marine tourism sector;

3 (B) providing a major source of food and
4 jobs for hundreds of millions of coastal resi-
5 dents; and

6 (C) serving as natural storm barriers, thus
7 protecting vulnerable shorelines and commu-
8 nities from storm waves and erosion.

9 (b) STATEMENT OF POLICY.—It is the policy of the
10 United States to work in cooperation with partner coun-
11 tries and nongovernmental organizations to protect and
12 sustainably manage tropical forests, coral reefs, and other
13 natural ecosystems, including through debt-for-nature ex-
14 changes.

15 **SEC. 6102. DEFINITIONS.**

16 As used in this subtitle:

17 (1) ADMINISTERING BODY.—The term “admin-
18 istering body” means the entity provided for in sec-
19 tion 6107(c).

20 (2) PARTNER COUNTRY.—The term “partner
21 country” means an eligible country with respect to
22 which the authority of paragraph (1) or (2) of sec-
23 tion 6105(a) or section 6106(a)(1) is exercised.

24 (3) DEBT-FOR-NATURE AGREEMENT.—The
25 term “Debt-for-Nature Agreement” or “Agreement”

1 means a Debt-for-Nature Agreement provided for in
2 section 6107.

3 (4) DEBT-FOR-NATURE FACILITY.—The term
4 “Debt-for-Nature Facility” or “Facility” means the
5 Debt-for-Nature Facility established in the Depart-
6 ment of the Treasury by section 6103.

7 (5) DEBT-FOR-NATURE FUND.—The term
8 “Debt-for-Nature Fund” or “Fund” means a Debt-
9 for-Nature Fund provided for in section 6109.

10 (6) ELIGIBLE COUNTRY.—The term “eligible
11 country” means a country described in section 6104.

12 **SEC. 6103. ESTABLISHMENT OF THE FACILITY.**

13 There is established in the Department of the Treas-
14 ury an entity to be known as the “Debt-for-Nature Facil-
15 ity” for the purpose of providing for the administration
16 of debt reduction in accordance with this subtitle.

17 **SEC. 6104. ELIGIBILITY FOR BENEFITS.**

18 To be eligible for benefits from the Facility under this
19 subtitle, a country shall be a developing country the gov-
20 ernment of which—

21 (1) is democratically elected;

22 (2) does not support acts of international ter-
23 rorism;

1 (3) does not engage in a consistent pattern of
2 gross violations of internationally-recognized human
3 rights;

4 (4) has in effect, has received approval for, or,
5 as appropriate in exceptional circumstances, is mak-
6 ing significant progress toward—

7 (A) an International Monetary Fund
8 standby arrangement, extended International
9 Monetary Fund arrangement, or an arrange-
10 ment under the structural adjustment facility or
11 enhanced structural adjustment facility, or in
12 exceptional circumstances, an International
13 Monetary Fund-monitored program or its
14 equivalent, unless the President determines that
15 such an arrangement or program (or its equiva-
16 lent) could reasonably be expected to have sig-
17 nificant adverse social or environmental effects;
18 and

19 (B) as appropriate, structural or sectoral
20 adjustment loans from the International Bank
21 for Reconstruction and Development or the
22 International Development Association, unless
23 the President determines that the resulting ad-
24 justment requirements could reasonably be ex-

1 pected to have significant adverse social or envi-
2 ronmental effects; and

3 (5) if appropriate, has agreed with its commer-
4 cial bank lenders on a satisfactory financing pro-
5 gram, including, as appropriate, debt or debt service
6 reduction.

7 **SEC. 6105. AUTHORITY TO ENGAGE IN DEBT-FOR-NATURE**
8 **SWAPS AND DEBT BUYBACKS.**

9 (a) LOANS AND CREDITS ELIGIBLE FOR SALE, RE-
10 DUCTION, OR CANCELLATION.—

11 (1) DEBT-FOR-NATURE SWAPS.—

12 (A) IN GENERAL.—Notwithstanding any
13 other provision of law, the President may, in
14 accordance with this section, sell to any eligible
15 purchaser described in subparagraph (B) any
16 concessional loans described in section 6106 or
17 any credits described in section 6106, or on re-
18 ceipt of payment from an eligible purchaser de-
19 scribed in subparagraph (B), reduce or cancel
20 such loans (or credits) or portion thereof under
21 an Agreement, only for the purpose of facili-
22 tating a debt-for-nature swap to support eligible
23 activities described in section 6108.

24 (B) ELIGIBLE PURCHASER.—A loan or
25 credit may be sold, reduced, or canceled under

1 subparagraph (A) only to a purchaser who pre-
2 sents plans satisfactory to the President for
3 using the loan or credit for the purpose of en-
4 gaging in debt-for-nature swaps to support eli-
5 gible activities described in section 6108.

6 (2) DEBT BUYBACKS.—Notwithstanding any
7 other provision of law, the President may, in accord-
8 ance with this section, sell to any eligible country
9 any concessional loans described in section 6106 or
10 any credits described in section 6106, or on receipt
11 of payment from an eligible country, reduce or can-
12 cel such loans (or credits) or portion thereof under
13 an Agreement, only for the purpose of facilitating a
14 debt buyback by an eligible country of its own quali-
15 fied debt, only if the eligible country uses an addi-
16 tional amount of the local currency of the eligible
17 country, equal to not less than the lesser of 40 per-
18 cent of the price paid for such debt by such eligible
19 country, or the difference between the price paid for
20 such debt and the face value of such debt, to sup-
21 port eligible activities described in section 6108.

22 (3) LIMITATION.—The authority provided by
23 paragraphs (1) and (2) shall be available only to the
24 extent that appropriations for the cost (as defined in
25 section 502(5) of the Federal Credit Reform Act of

1 1990) of the modification of any debt pursuant to
2 such paragraphs are made in advance.

3 (4) TERMS AND CONDITIONS.—Notwithstanding
4 any other provision of law, the President shall, in ac-
5 cordance with this section, establish the terms and
6 conditions under which loans and credits may be
7 sold, reduced, or canceled pursuant to this section.

8 (5) ADMINISTRATION.—

9 (A) IN GENERAL.—When the President de-
10 termines a purchaser to be an eligible purchaser
11 pursuant to paragraph (1)(B), the Adminis-
12 trator or the Secretary of Agriculture, as the
13 case may be, shall carry out the sale, reduction,
14 or cancellation of a loan pursuant to such para-
15 graph.

16 (B) ADDITIONAL REQUIREMENT.—The Ad-
17 ministrator or Secretary of Agriculture, as the
18 case may be, shall make an adjustment in its
19 accounts to reflect the sale, reduction, or can-
20 cellation.

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

1 **SEC. 6106. REDUCTION OF DEBT OWED TO THE UNITED**
2 **STATES AS A RESULT OF CONCESSIONAL**
3 **LOANS OR CREDITS UNDER THIS ACT AND**
4 **CERTAIN OTHER PROVISIONS OF LAW.**

5 (a) **AUTHORITY TO REDUCE DEBT.—**

6 (1) **AUTHORITY.**—The President may reduce
7 the amount owed to the United States (or any Fed-
8 eral agency) that is outstanding as of the date of the
9 enactment of this Act as a result of concessional
10 loans or credits made to an eligible country by the
11 United States under this Act, the Foreign Assist-
12 ance Act of 1961 (as such Act was in effect on the
13 day before the date of the enactment of this Act),
14 title I of the Agricultural Trade Development and
15 Assistance Act of 1954 (7 U.S.C. 1701 et seq.), or
16 predecessor foreign economic assistance legislation.

17 (2) **CERTAIN PROHIBITIONS INAPPLICABLE.**—A
18 reduction of debt pursuant to this section shall not
19 be considered assistance for purposes of any provi-
20 sion of law limiting assistance to a country.

21 (b) **IMPLEMENTATION OF DEBT REDUCTION.**—

22 (1) **IN GENERAL.**—Any debt reduction pursuant
23 to subsection (a) shall be accomplished at the direc-
24 tion of the Facility under an Agreement by the ex-
25 change of a new obligation for obligations of the

1 type referred to in subsection (a) outstanding as of
2 the date specified in subsection (a)(1).

3 (2) EXCHANGE OF OBLIGATIONS.—

4 (A) IN GENERAL.—The Facility shall no-
5 tify the Administrator or the Secretary of Agri-
6 culture of an agreement entered into under
7 paragraph (1) with an eligible country to ex-
8 change a new obligation for outstanding obliga-
9 tions.

10 (B) ADDITIONAL REQUIREMENT.—At the
11 direction of the Facility, the old obligations that
12 are the subject of the Agreement shall be can-
13 celed and a new debt obligation for the country
14 shall be established relating to the Agreement,
15 and the Administrator or the Secretary of Agri-
16 culture, as the case may be, shall make an ad-
17 justment in the respective agency's accounts to
18 reflect the debt reduction.

19 (c) ADDITIONAL TERMS AND CONDITIONS.—

20 (1) REPAYMENT OF PRINCIPAL.—The principal
21 amount of each new obligation issued pursuant to
22 subsection (b) shall be repaid in United States dol-
23 lars.

24 (2) DEPOSIT OF PAYMENTS.—Principal repay-
25 ments of new obligations shall be deposited in the

1 United States Government account established for
2 principal repayments of the obligations for which
3 those obligations were exchanged.

4 (d) INTEREST.—Principal repayments of new obliga-
5 tions shall be deposited in the United States Government
6 account established for principal repayments of the obliga-
7 tions for which those obligations were exchanged.

8 (1) RATE OF INTEREST.—Each new obligation
9 issued by a partner country pursuant to subsection
10 (b) shall bear interest at a concessional rate.

11 (2) CURRENCY OF INTEREST PAYMENT; DEPOS-
12 ITS.—

13 (A) LOCAL CURRENCY.—If the partner
14 country has entered into a Debt-for-Nature
15 Agreement, interest shall be paid in the local
16 currency of the partner country and deposited
17 in the Debt-for-Nature Fund of such country.
18 Such interest shall be the property of the part-
19 ner country, until such time as it is disbursed
20 pursuant to section 6109(b)(3). Such local cur-
21 rencies shall be used for the purposes specified
22 in the Agreement.

23 (B) UNITED STATES DOLLARS.—If the
24 partner country has not entered into a Debt-
25 for-Nature Agreement, interest shall be paid in

1 United States dollars and deposited in the
2 United States Government account established
3 for interest payments of the obligations for
4 which the new obligations were exchanged.

5 (3) INTEREST ALREADY PAID.—If a partner
6 country enters into a Debt-for-Nature Agreement
7 subsequent to the date on which interest first be-
8 came due on the newly issued obligation, any inter-
9 est already paid on such new obligation shall not be
10 redeposited into the Debt-for-Nature Fund estab-
11 lished for that country.

12 **SEC. 6107. DEBT-FOR-NATURE AGREEMENT.**

13 (a) AUTHORITY.—The Secretary of State is author-
14 ized to enter into a Debt-for-Nature Agreement with any
15 eligible country concerning the operation and use of the
16 Debt-for-Nature Fund for the country.

17 (b) CONTENTS OF AGREEMENT.—An Agreement
18 with an eligible country shall—

19 (1) require—

20 (A) the establishment of a Fund for the
21 country; and

22 (B) in the case of a country with respect
23 to which a fund has been established under part
24 IV (relating to Enterprise for the Americas Ini-
25 tiative) or part V (relating to debt reduction for

1 developing countries with tropical forests) of the
2 Foreign Assistance Act of 1961 (as such Act
3 was in effect on the day before the date of the
4 enactment of this Act), the continued utilization
5 of such fund;

6 (2) require the country to make prompt dis-
7 bursements from the Fund to the administering
8 body described in subsection (c);

9 (3) when appropriate, seek to maintain the
10 value of the local currency resources of the Fund in
11 terms of United States dollars;

12 (4) contain reasonable provisions for the en-
13 forcement of the terms of the Agreement; and

14 (5) establish criteria and priorities guiding the
15 disbursement of grants consistent with the eligible
16 activities in section 6108.

17 (c) ADMINISTERING BODY.—

18 (1) IN GENERAL.—Amounts disbursed from the
19 Fund in each partner country shall be administered
20 by a body constituted under the laws of that coun-
21 try.

22 (2) COMPOSITION.—

23 (A) IN GENERAL.—The administering body
24 shall consist of—

1 (i) one or more individuals appointed
2 by the United States Government;

3 (ii) one or more individuals appointed
4 by the government of the partner country;
5 and

6 (iii) individuals who represent a broad
7 range of—

8 (I) environmental nongovern-
9 mental organizations of, or active in,
10 the partner country;

11 (II) local community development
12 nongovernmental organizations of the
13 partner country; and

14 (III) scientific, academic, or in-
15 stitutions of the partner country.

16 (B) ADDITIONAL REQUIREMENT.—A ma-
17 jority of the members of the administering body
18 shall be individuals described in subparagraph
19 (A)(iii).

20 (3) RESPONSIBILITIES.—The administering
21 body—

22 (A) shall receive proposals for grant assist-
23 ance from eligible grant recipients (as deter-
24 mined under subsection (d)) and make grants
25 to eligible grant recipients in accordance with

1 the priorities agreed upon in the Agreement,
2 consistent with section 6108;

3 (B) shall be responsible for the manage-
4 ment of the program and oversight of grant ac-
5 tivities funded from resources of the Fund;

6 (C) shall consult with local communities on
7 the planning, development, and implementation
8 of plans, programs, and activities associated
9 with the disbursements of grants;

10 (D) shall be subject, on an annual basis, to
11 an audit of financial statements conducted in
12 accordance with generally accepted auditing
13 standards by an independent auditor;

14 (E) shall be required to grant to represent-
15 atives of the United States Government Ac-
16 countability Office such access to books and
17 records associated with operations of the Fund
18 as the Comptroller General of the United States
19 may request; and

20 (F) shall present an annual plan on activi-
21 ties for the upcoming year for review and an
22 annual report on the activities the admin-
23 istering body undertook during the previous
24 year to the Secretary of State, the Secretary of
25 the Treasury, the Administrator, the govern-

1 ment of the partner country, and, if appro-
2 priate, the nongovernmental organization.

3 (d) GRANT RECIPIENTS.—

4 (1) IN GENERAL.—Grants made from the Fund
5 shall be made to—

6 (A) nongovernmental environmental, for-
7 estry, conservation, and indigenous peoples or-
8 ganizations of, or active in, the partner country;

9 (B) other appropriate local or regional en-
10 tities of, or active in, the partner country; or

11 (C) in exceptional circumstances, the gov-
12 ernment of the partner country.

13 (2) PRIORITY.—In providing grants under
14 paragraph (1), priority shall be given to projects
15 that are run by local nongovernmental organizations
16 and other private entities and that involve local com-
17 munities in their planning and execution.

18 (e) REVIEW OF LARGER GRANTS.—Any grant of
19 more than \$250,000 from a Fund shall be subject to ap-
20 proval by the Government of the United States and the
21 government of the partner country.

22 (f) ELIGIBILITY CRITERIA.—In the event that a
23 country ceases to meet the eligibility requirements set
24 forth in section 6104, then grants from the Fund for that
25 country may only be made to nongovernmental organiza-

1 tions until such time as the country meets the eligibility
2 requirements set forth in section 6104.

3 (g) USE OF FUNDS TO CONDUCT PROGRAM AUDITS
4 AND EVALUATION.—Of the amounts made available to
5 carry out this subtitle for a fiscal year, up to one percent
6 is authorized to be made available to carry out audits,
7 evaluations, monitoring, and administration of programs
8 under this subtitle, including personnel costs associated
9 with such audits, evaluations, monitoring, and administra-
10 tion.

11 (h) CONGRESSIONAL NOTIFICATION.—The President
12 shall notify the appropriate congressional committees of
13 the President's intention to enter into an Agreement with
14 an eligible country at least 15 days in advance of entering
15 into such Agreement.

16 **SEC. 6108. ELIGIBLE ACTIVITIES.**

17 (a) IN GENERAL.—Grants made from the Fund shall
18 be used for—

19 (1) restoration, conservation, or sustainable use
20 of terrestrial and marine animal and plant species;

21 (2) establishment, restoration, protection, and
22 maintenance of parks, protected areas, and reserves;

23 (3) development and implementation of scientif-
24 ically sound systems of natural resource manage-

1 ment, including land and water and ecosystem man-
2 agement practices.

3 (4) development and implementation of pro-
4 grams to address the effects of climate change on
5 environmental resources;

6 (5) training programs to strengthen conserva-
7 tion institutions and increase scientific, technical,
8 and managerial capabilities of local individuals and
9 organizations involved in conservation efforts; or

10 (6) research and identification of medicinal uses
11 of plant life to treat human diseases, illnesses, and
12 health related concerns.

13 (b) **PRIORITIZING ACTIVITIES.**—In cooperation with
14 the partner country and nongovernmental organizations,
15 the President shall seek to identify those areas, which be-
16 cause of an imminent threat, are in particular need of im-
17 mediate attention to prevent the loss of unique biological
18 life or valuable ecosystem.

19 **SEC. 6109. DEBT-FOR-NATURE FUND.**

20 (a) **ESTABLISHMENT.**—Each partner country that
21 enters into a Debt-for-Nature Agreement under section
22 6107 shall be required to establish a Debt-for-Nature
23 Fund to receive payments of interest and principal on new
24 obligations undertaken by the partner country under this
25 subtitle.

1 (b) REQUIREMENTS RELATING TO OPERATION OF
2 FUND.—The following terms and conditions shall apply
3 to the Fund:

4 (1) DEPOSITS.—Local currencies deposited in
5 the Fund shall not be considered assistance for pur-
6 poses of any provision of law limiting assistance to
7 a country.

8 (2) INVESTMENT.—Deposits made in the Fund
9 shall be invested until disbursed. Any return on such
10 investment may be retained by the Fund, without
11 deposit in the Treasury of the United States and
12 without further appropriation by Congress.

13 (3) DISBURSEMENTS.—Funds in the Fund
14 shall be disbursed pursuant to a Debt-for-Nature
15 Agreement authorized under section 6107.

16 **SEC. 6110. RESPONSIBILITIES TO THE CONGRESS.**

17 (a) CONSULTATIONS WITH THE CONGRESS.—The
18 President shall consult with the appropriate congressional
19 committees on a periodic basis to review the operation of
20 the Facility under this subtitle and the eligibility of coun-
21 tries for benefits from the Facility under this subtitle.

22 (b) REPORT TO CONGRESS.—Not later than Decem-
23 ber 31 of each year, the President shall prepare and trans-
24 mit to Congress an annual report concerning the oper-

1 ations of the Debt-for-Nature Facility under this subtitle
2 for the prior fiscal year. Such report shall include—

3 (1) a description of the activities undertaken by
4 such Facility during the previous fiscal year;

5 (2) a description of any Agreement entered into
6 under this subtitle;

7 (3) a report on Debt-for-Nature Funds that
8 have been established under this subtitle and on the
9 operations of such Funds; and

10 (4) a description of any grants that have been
11 provided by administering bodies pursuant to Debt-
12 for-Nature Agreements under this subtitle.

13 **SEC. 6111. GENERAL SAVINGS CLAUSE.**

14 An agreement in effect on the day before the date
15 of the enactment of this Act under part IV (relating to
16 Enterprise for the Americas Initiative) or part V (relating
17 to debt reduction for developing countries with tropical
18 forests) of the Foreign Assistance Act of 1961 (as such
19 parts were in effect on the day before the date of the en-
20 actment of this Act) shall remain in effect subject to the
21 terms and conditions under such agreement.

1 **Subtitle B—Commercial Debt-for-**
2 **Nature Exchanges**

3 **SEC. 6201. COMMERCIAL DEBT-FOR-NATURE EXCHANGE**
4 **DEFINED.**

5 For purpose of this subtitle, the term “commercial
6 debt-for-nature exchange” means the cancellation or re-
7 demption of the foreign debt of the government of a coun-
8 try in exchange for—

9 (1) the government’s making available local cur-
10 rencies (including through the issuance of bonds)
11 that are used only for eligible projects involving the
12 conservation or protection of the environment in that
13 country (as described in section 6203);

14 (2) the government’s financial resource or pol-
15 icy commitment to take certain specified actions to
16 ensure the restoration, protection, or sustainable use
17 of natural resources within that country; or

18 (3) a combination of assets and actions under
19 both paragraphs (1) and (2).

20 **SEC. 6202. AUTHORIZATION FOR COMMERCIAL DEBT EX-**
21 **CHANGES.**

22 (a) IN GENERAL.—The Administrator is authorized
23 to provide grants, on such terms and conditions as the
24 Administrator may determine, to nongovernmental organi-
25 zations for the purchase on the open market of discounted

1 commercial debt of a foreign government of an eligible
2 country described in section 6204 which will be canceled
3 or redeemed under agreed upon terms with that govern-
4 ment as part of a commercial debt-for-nature exchange.

5 (b) INTEREST.—Notwithstanding any other provision
6 of law, a grantee (or any subgrantee) of the grants re-
7 ferred to in subsection (a) may retain, without deposit in
8 the Treasury of the United States and without further ap-
9 propriation by Congress, interest earned on the proceeds
10 of any resulting commercial debt-for-nature exchange
11 pending the disbursements of such proceeds and interest
12 for approved program purposes, which may include the es-
13 tablishment of an endowment, the income of which is used
14 for such purposes.

15 **SEC. 6203. ELIGIBLE PROJECTS.**

16 (a) IN GENERAL.—The Administrator shall seek to
17 ensure that commercial debt-for-nature exchanges under
18 this subtitle support one or more of the eligible activities
19 listed in section 6108 by either the relevant government,
20 a local private conservation group, or a combination there-
21 of.

22 (b) IDENTIFICATION OF CERTAIN AREAS.—In co-
23 operation with nongovernmental organizations and the rel-
24 evant country, the Administrator shall seek to identify
25 those areas, which because of an imminent threat, are in

1 particular need of immediate attention to prevent the loss
2 of unique biological life or valuable ecosystem.

3 **SEC. 6204. ELIGIBLE COUNTRIES.**

4 In order for a foreign country to be eligible to partici-
5 pate in a commercial debt-for-nature exchange under this
6 subtitle the foreign country shall be a developing country
7 that—

8 (1) meets the requirements of section 6104; and
9 (2) the Administrator determines—

10 (A) is fully committed to the long-term via-
11 bility of the program or project that is to be un-
12 dertaken through the commercial debt-for-na-
13 ture exchange;

14 (B) has prepared a long-term plan, or a
15 private conservation group has prepared a long-
16 term plan for the country, which adequately
17 provides for the long-term viability of the pro-
18 gram or project that is to be undertaken
19 through the commercial debt-for-nature ex-
20 change or that such a plan will be prepared in
21 a timely manner; and

22 (C) has a government agency or a local
23 nongovernmental organization, or combination
24 thereof, with the capability, commitment, and
25 record of environmental concern to oversee the

1 long-term viability of the program or project
2 that is to be undertaken through the commer-
3 cial debt-for-nature exchange.

4 **SEC. 6205. PROHIBITION.**

5 The United States Government is prohibited from ac-
6 cepting title or interest in any land in a foreign country
7 as a condition on the commercial debt-for-nature ex-
8 change.

9 **TITLE VII—EXPANDING PROS-**
10 **PERITY THROUGH TRADE**
11 **AND INVESTMENT**

12 **SEC. 7001. FINDINGS.**

13 Congress finds the following:

14 (1) Fostering economic growth is essential to
15 sustaining the impact of United States development
16 assistance.

17 (2) United States development assistance must
18 be supplemented by developmentally beneficial pri-
19 vate investment, which can be stimulated by United
20 States-sponsored programs.

21 (3) Attracting and retaining private investment
22 requires improvements in the investment climate of
23 developing countries, which require United States
24 technical assistance.

1 (4) Increasing exports is necessary for sus-
2 tained economic growth in most developing coun-
3 tries, because domestic consumption is usually inad-
4 equate to stimulate and sustain increases in gross
5 domestic product, employment, and personal income.

6 (5) For most developing countries, receipt of
7 additional loans would be counterproductive, exacer-
8 bating existing high debt levels that consume scarce
9 domestic financial resources.

10 **SEC. 7002. AUTHORITY FOR COORDINATION.**

11 (a) DETERMINATION BY DEVELOPMENT POLICY
12 COMMITTEE.—As part of the process of making country
13 plans as required under title I, the Development Policy
14 Committee shall determine which countries would benefit
15 from United States programs to stimulate private invest-
16 ment flows and to provide technical assistance to attract
17 and sustain such investment.

18 (b) ASSESSMENT OF COUNTRIES' ABILITIES.—

19 (1) IN GENERAL.—For each country deter-
20 mined under subsection (a), the Development Policy
21 Committee shall undertake an assessment of the
22 country's ability to attract and retain private invest-
23 ment, the improvements necessary to increase pri-
24 vate investment, and the United States Government

1 programs and resources that could be used to make
2 such improvements.

3 (2) INCLUSION IN COUNTRY PLAN.—The as-
4 sessment of a country under paragraph (1) shall be
5 included in the plan for that country referred to in
6 subsection (a).

7 (c) DIRECTION OF RESOURCES.—The Development
8 Policy Committee may direct the resources of the United
9 States Agency for International Development, the Over-
10 seas Private Investment Corporation, the Trade and De-
11 velopment Agency, and the Millennium Challenge Cor-
12 poration to be made available to carry out the country
13 plan.

14 **Subtitle A—Overseas Private** 15 **Investment Corporation**

16 **SEC. 7101. CREATION AND PURPOSE.**

17 (a) CREATION.—In order to mobilize and facilitate
18 the participation of United States private capital in the
19 economic and social development of less developed coun-
20 tries, thereby complementing the foreign policy and devel-
21 opment assistance objectives of the United States, there
22 is established the Overseas Private Investment Corpora-
23 tion (in this subtitle referred to as the “Corporation”),
24 which shall be an agency of the United States under the

1 policy guidance of the Secretary of State and the Develop-
2 ment Policy Committee.

3 (b) PURPOSE.—

4 (1) IN GENERAL.—The primary purpose of the
5 Corporation shall be to carry out the strategies and
6 country plans established under title I, under the di-
7 rection of the Secretary of State and the Develop-
8 ment Policy Committee.

9 (2) RESPONSIBILITIES.—In carrying out its
10 purpose, the Corporation shall undertake—

11 (A) to conduct financing, insurance, and
12 reinsurance operations on a self-sustaining
13 basis, taking into account in its financing oper-
14 ations the economic and financial soundness of
15 projects;

16 (B) to use private credit and investment
17 institutions and the Corporation's guaranty au-
18 thority as the principal means of mobilizing
19 capital investment funds;

20 (C) to broaden private participation and
21 revolve its funds through selling its direct loans
22 to private investors whenever it can appro-
23 priately do so on satisfactory terms;

24 (D) to conduct its insurance operations
25 with due regard to principles of risk manage-

1 ment, including efforts to share its insurance
2 risks and reinsurance risks;

3 (E) to support the expansion of private en-
4 terprise and market-based economies;

5 (F) to conduct its activities in coordination
6 with the Development Policy Committee, so as
7 to carry out the foreign policy and development
8 strategy of the United States; and

9 (G) to advise and assist agencies of the
10 United States and other organizations, both
11 public and private, national and international,
12 with respect to projects and programs relating
13 to the development of private enterprise in less
14 developed countries.

15 **SEC. 7102. PROHIBITIONS AND RESTRICTIONS.**

16 (a) PROHIBITIONS.—The Corporation shall—

17 (1) decline to issue any contract of insurance or
18 reinsurance, or any guaranty, or to enter into any
19 agreement to provide financing for a proposed in-
20 vestment, if the Corporation determines that such
21 investment is likely to cause a reduction in the em-
22 ployment of United States persons;

23 (2) decline to insure, reinsure, guarantee, or fi-
24 nance any investment that would reduce exports of
25 goods or services of United States origin or other-

1 wise negatively affect the balance of trade of the
2 United States;

3 (3) decline to insure, reinsure, guarantee, or fi-
4 nance any investment in connection with a project
5 that the Corporation determines will negatively af-
6 fect the environment, or cause a health or safety
7 hazard; and

8 (4) decline to insure, reinsure, guarantee, or fi-
9 nance any investment in connection with a project
10 that the Corporation determines will negatively af-
11 fect the human rights, employment, living standard,
12 social welfare, or culture of any persons in the coun-
13 try where the project is to be located.

14 (b) WORKER RIGHTS.—

15 (1) PROTECTION OF WORKER RIGHTS.—The
16 Corporation may insure, reinsure, guarantee, or fi-
17 nance a project only if the country in which the
18 project is to be undertaken is taking steps to adopt
19 and implement laws that extend internationally rec-
20 ognized worker rights, as defined in section 507(4)
21 of the Trade Act of 1974, to workers in that country
22 (including any designated zone in that country). The
23 Corporation shall also include the following lan-
24 guage, in substantially the following form, in all con-
25 tracts that the Corporation enters into with eligible

1 investors to provide financial support under this sub-
2 title: “The investor and all parties involved in the
3 project agree to protect the right of employees of the
4 foreign enterprise to exercise their right of associa-
5 tion and their right to organize and bargain collec-
6 tively. The investor and all parties involved in the
7 project further agree to comply with International
8 Labor Organization core labor standards and United
9 Nations declarations on workers and worker rights
10 relating to a minimum age for employment of chil-
11 dren, acceptable conditions of work with respect to
12 minimum wages, hours of work, and occupational
13 health and safety, and a prohibition on the use of
14 forced labor.”.

15 (2) USE OF ANNUAL REPORTS ON WORKERS
16 RIGHTS.—The Corporation shall, in making its de-
17 terminations under paragraph (1), use the reports
18 submitted to the Congress pursuant to section 504
19 of the Trade Act of 1974.

20 (3) WAIVER.—Paragraph (1) shall not prohibit
21 the Corporation from providing any insurance, rein-
22 surance, guaranty, or financing with respect to a
23 country if the President determines that such activi-
24 ties by the Corporation would be in the national eco-
25 nomic interests of the United States. Any such de-

1 termination shall be reported in writing to the Con-
2 gress, together with the reasons for the determina-
3 tion.

4 (c) ENVIRONMENTAL IMPACT.—

5 (1) IN GENERAL.—The Board of Directors of
6 the Corporation shall not consider or approve any
7 action proposed to be taken by the Corporation that
8 is likely to have adverse environmental impacts, un-
9 less for a period of at least 60 days before the date
10 of the vote—

11 (A) an environmental impact assessment
12 or initial environmental audit, analyzing the en-
13 vironmental impacts of the proposed action and
14 of alternatives to the proposed action has been
15 completed by the project applicant and made
16 available to the Board of Directors; and

17 (B) such assessment or audit has been
18 made available to the public of the United
19 States, locally affected groups in the host coun-
20 try, and host country nongovernmental organi-
21 zations.

22 (2) COMPLIANCE WITH EXTRACTIVE INDUS-
23 TRIES TRANSPARENCY INITIATIVE.—The Board of
24 Directors shall ensure that the projects for which
25 the Corporation provides insurance, reinsurance, a

1 guaranty, or financing are in compliance with the
2 Extractive Industries Transparency Initiative, or any
3 successor international standard.

4 **SEC. 7103. CAPITAL OF THE CORPORATION.**

5 The capital stock of the Corporation issued before the
6 date of the enactment of this Act and held by the Sec-
7 retary of the Treasury as of such date of enactment shall
8 continue to be the capital stock of the Corporation on and
9 after such date of enactment.

10 **SEC. 7104. ORGANIZATION AND MANAGEMENT.**

11 (a) STRUCTURE OF THE CORPORATION.—The Cor-
12 poration shall have a Board of Directors, a President, an
13 Executive Vice President, and such other officers and staff
14 as the Board of Directors may determine.

15 (b) BOARD OF DIRECTORS.—

16 (1) IN GENERAL.—All powers of the Corpora-
17 tion shall vest in and be exercised by or under the
18 authority of its Board of Directors (hereinafter in
19 this subtitle referred to as the “Board”), which shall
20 consist of 15 Directors, including the Chairman,
21 with 8 Directors constituting a quorum for the
22 transaction of business.

23 (2) MEMBERSHIP.—

24 (A) PRESIDENTIAL APPOINTEES.—Eight
25 Directors shall be appointed by the President of

1 the United States, by and with the advice and
2 consent of the Senate, and may not be officers
3 or employees of the United States Government.
4 Two of the 8 Directors appointed under the
5 preceding sentence shall be experienced in inter-
6 national development, 2 shall be experienced in
7 international labor and human rights, 2 shall be
8 experienced in environmental protection, and 2
9 shall be experienced in insurance and inter-
10 national finance. Each such Director shall be
11 appointed for a term of not more than 3 years.
12 The terms of not more than 3 such Directors
13 may expire in any one year. Such Directors
14 shall serve until their successors are appointed
15 and qualified and may be reappointed.

16 (B) OFFICERS OF THE GOVERNMENT.—
17 The remaining Directors shall be principal offi-
18 cers of the United States Government, includ-
19 ing the President of the Corporation, the Ad-
20 ministrator of the Agency for International De-
21 velopment, and one such officer of the Depart-
22 ment of State, the Department of the Treasury,
23 the Environmental Protection Agency, the De-
24 partment of Labor, and the Department of
25 Commerce, who are designated by and serve at

1 the pleasure of the President of the United
2 States.

3 (3) CHAIR AND VICE CHAIR.—There shall be a
4 Chair and a Vice Chair of the Board, both of whom
5 shall be designated by the President of the United
6 States from among the Directors of the Board des-
7 ignated under paragraph (2)(B).

8 (4) COMPENSATION.—All Directors who are not
9 officers of the Corporation or officers of the United
10 States Government shall be compensated at a rate
11 equivalent to that of level IV of the Executive Sched-
12 ule under section 5315 of title 5, United States
13 Code, when actually engaged in the business of the
14 Corporation, and may be paid per diem in lieu of
15 subsistence at the applicable rate prescribed in the
16 standardized Government travel regulations, while
17 away from their homes or usual places of business.

18 (c) PRESIDENT OF THE CORPORATION.—The Presi-
19 dent of the Corporation shall be appointed by the Presi-
20 dent of the United States, by and with the advice and con-
21 sent of the Senate, and shall serve at the pleasure of the
22 President. The President of the Corporation shall be its
23 Chief Executive Officer and shall be responsible for the
24 operations and management of the Corporation, subject
25 to bylaws and policies established by the Board.

1 (d) OFFICERS AND STAFF.—

2 (1) IN GENERAL.—The Executive Vice Presi-
3 dent of the Corporation shall be appointed by the
4 President of the United States, by and with the ad-
5 vice and consent of the Senate, and shall serve at
6 the pleasure of the President. Other officers, attor-
7 neys, employees, and agents shall be selected and
8 appointed by the Corporation, and shall be vested
9 with such powers and duties as the Corporation may
10 determine.

11 (2) APPLICABILITY OF CIVIL SERVICE LAWS.—
12 Of the persons employed by the Corporation under
13 paragraph (1), not more than 20 may be appointed,
14 compensated, or removed without regard to the civil
15 service laws and regulations, except that under such
16 regulations as the President of the United States
17 may prescribe, officers and employees of the United
18 States Government who are appointed to any of such
19 positions may be entitled, upon removal from such
20 position, except for cause, to reinstatement to the
21 position occupied at the time of appointment or to
22 a position of comparable grade and salary. Such po-
23 sitions shall be in addition to those otherwise au-
24 thorized by law, including those authorized by sec-
25 tion 5108 of title 5, United States Code.

1 **SEC. 7105. INVESTMENT INSURANCE AND OTHER PRO-**
2 **GRAMS.**

3 (a) INVESTMENT INSURANCE.—

4 (1) IN GENERAL.—The Corporation may issue
5 insurance, upon such terms and conditions as the
6 Corporation may determine, to eligible investors, as-
7 suring protection in whole or in part against any or
8 all of the following risks with respect to projects
9 which the Corporation has approved:

10 (A) Inability to convert into United States
11 dollars other currencies, or credits in such cur-
12 rencies, received as earnings or profits from the
13 approved project, as repayment or return of the
14 investment therein, in whole or in part, or as
15 compensation for the sale or disposition of all
16 or any part thereof.

17 (B) Loss of investment, in whole or in
18 part, in the approved project due to expropria-
19 tion or confiscation by action of a foreign gov-
20 ernment or any political subdivision thereof.

21 (C) Loss due to war, revolution, insurrec-
22 tion, or civil strife.

23 (D) Loss due to business interruption
24 caused by any of the risks set forth in subpara-
25 graphs (A), (B), and (C).

1 (2) SHARED LIABILITIES.—Recognizing that
2 major private investments in less developed friendly
3 countries or areas are often made by enterprises in
4 which there is multinational participation, including
5 significant United States private participation, the
6 Corporation may make arrangements with foreign
7 governments (including agencies, instrumentalities,
8 or political subdivisions thereof) or with multilateral
9 organizations and institutions for sharing liabilities
10 assumed under investment insurance for such invest-
11 ments and may in connection therewith issue insur-
12 ance to investors that do not otherwise qualify as eli-
13 gible investors, except that—

14 (A) liabilities assumed by the Corporation
15 under the authority of this paragraph shall be
16 consistent with the purposes of this subtitle;
17 and

18 (B) the maximum share of liabilities so as-
19 sumed may not exceed the proportionate par-
20 ticipation by eligible investors in the project.

21 (3) LIMITATION ON SINGLE INVESTORS.—Not
22 more than 10 percent of the maximum contingent li-
23 ability of investment insurance that the Corporation
24 is permitted to have outstanding under section
25 7106(a)(1) may be issued to a single investor.

1 (4) REPORTS TO CONGRESS ON CERTAIN
2 RISKS.—Before issuing insurance for the first time
3 for loss due to business interruption, and in each
4 subsequent instance in which a significant expansion
5 is proposed in the type of risk to be insured under
6 the definition of “civil strife” or “business interrup-
7 tion”, the Corporation shall, at least 60 days before
8 such insurance is issued, submit to the Committee
9 on Foreign Relations of the Senate and the Com-
10 mittee on Foreign Affairs of the House of Rep-
11 resentatives a report with respect to such insurance,
12 including a thorough analysis of the risks to be cov-
13 ered, anticipated losses, and proposed rates and re-
14 serves and, in the case of insurance for loss due to
15 business interruption, an explanation of the under-
16 writing basis upon which the insurance is to be of-
17 fered. Any such report with respect to insurance for
18 loss due to business interruption shall be considered
19 in accordance with the procedures applicable to re-
20 programming notifications pursuant to section 9401
21 of this Act.

22 (b) INVESTMENT GUARANTIES.—The Corporation
23 may issue to eligible investors guaranties of loans and
24 other investments made by such investors assuring against
25 loss due to such risks and upon such terms and conditions

1 as the Corporation may determine, subject to the fol-
2 lowing:

3 (1) Such guaranties on other than loan invest-
4 ments may not exceed 75 percent of such invest-
5 ment.

6 (2) Except for loan investments for credit
7 unions made by eligible credit unions or credit union
8 associations, the aggregate amount of investment
9 (exclusive of interest and earnings) so guaranteed
10 with respect to any project may not exceed, at the
11 time of issuance of any such guaranty, 75 percent
12 of the total investment committed to any such
13 project as determined by the Corporation, such de-
14 termination to be conclusive for purposes of the Cor-
15 poration's authority to issue any such guaranty.

16 (3) Not more than 15 percent of the maximum
17 contingent liability of investment guaranties that the
18 Corporation is permitted to have outstanding under
19 section 7106(a)(1) may be issued to a single inves-
20 tor.

21 (c) DIRECT LOANS.—

22 (1) IN GENERAL.—

23 (A) AUTHORITY.—The Corporation may
24 make loans in United States dollars repayable
25 in dollars or loans in foreign currencies (includ-

1 ing, without regard to section 1306 of title 31,
2 United States Code, such foreign currencies
3 that the Secretary of the Treasury may deter-
4 mine to be excess to the normal requirements of
5 the United States and the Director of the Of-
6 fice of Management and Budget may allocate)
7 to firms privately owned or of mixed private
8 and public ownership, upon such terms and
9 conditions as the Corporation may determine.

10 (B) LOANS LIMITED TO SMALL CON-
11 CERNS.— Loans may be made under this sub-
12 section only for projects that are sponsored by
13 or significantly involve United States small
14 business or cooperatives.

15 (2) PORTION OF LOAN FOR TECHNOLOGIES AND
16 PROJECTS IN THE UNITED STATES.—The Corpora-
17 tion may designate up to 25 percent of any loan
18 under this subsection for use in the development or
19 adaptation in the United States of new technologies
20 or new products or services that are to be used in
21 the project for which the loan is made and are likely
22 to contribute to the economic or social development
23 of less developed countries.

24 (3) RESTRICTION ON EXTRACTION OF OIL, GAS,
25 AND MINERALS.—No loan may be made under this

1 subsection to finance any operation for the extrac-
2 tion of oil or gas. The aggregate amount of loans
3 under this subsection to finance operations for the
4 mining or other extraction of any deposit of ore or
5 other nonfuel minerals may not in any fiscal year ex-
6 ceed \$4,000,000.

7 (d) INVESTMENT ENCOURAGEMENT.—The Corpora-
8 tion may initiate and support through financial participa-
9 tion, incentive grant, or otherwise, and on such terms and
10 conditions as the Corporation may determine, the identi-
11 fication, assessment, surveying, and promotion of private
12 investment opportunities, using wherever feasible and ef-
13 fective the facilities of private investors, except that—

14 (1) the Corporation may not finance any survey
15 to ascertain the existence, location, extent, or quality
16 of, or to determine the feasibility of undertaking op-
17 erations for the extraction of, oil or gas; and

18 (2) expenditures financed by the Corporation
19 during any fiscal year on surveys to ascertain the ex-
20 istence, location, extent, or quality of, or to deter-
21 mine the feasibility of undertaking operations for the
22 extraction of, nonfuel minerals may not exceed
23 \$200,000.

24 (e) SPECIAL ACTIVITIES.—The Corporation may ad-
25 minister and manage special projects and programs, in-

1 cluding programs of financial and advisory support that
2 provide private technical, professional, or managerial as-
3 sistance in the development of human resources, skills,
4 technology, capital savings, and intermediate financial and
5 investment institutions and cooperatives and including the
6 initiation of incentives, grants, and studies for renewable
7 energy and other small business activities. The funds for
8 such projects and programs may, with the Corporation's
9 concurrence, be transferred to it for such purposes under
10 the authority of section 11504(a) or from other sources,
11 public or private. Administrative funds may not be made
12 available for incentives, grants, and studies for renewable
13 energy and other small business activities.

14 (f) OTHER INSURANCE FUNCTIONS.—

15 (1) REINSURANCE, ETC.—The Corporation may
16 make and carry out contracts of insurance or rein-
17 surance, or agreements to associate or share risks,
18 with insurance companies, financial institutions, any
19 other persons, or groups thereof, and employing
20 such companies, institutions, persons, or groups
21 where appropriate, as its agent, or acting as their
22 agent, in the issuance and servicing of insurance, the
23 adjustment of claims, the exercise of subrogation
24 rights, the ceding and accepting of reinsurance, and
25 in any other matter incident to an insurance busi-

1 ness, except that such agreements and contracts
2 shall be consistent with the purposes of the Corpora-
3 tion set forth in section 7101 and shall be on equi-
4 table terms.

5 (2) RISK SHARING.—The Corporation may
6 enter into pooling or other risk-sharing agreements
7 with multinational insurance or financing agencies
8 or groups of such agencies.

9 (3) HOLDING OWNERSHIP INTERESTS.—The
10 Corporation may hold an ownership interest in any
11 association or other entity established for the pur-
12 poses of sharing risks under investment insurance.

13 (4) REINSURANCE OF CERTAIN LIABILITIES.—
14 The Corporation may issue, upon such terms and
15 conditions as it may determine, reinsurance of liabil-
16 ities assumed by other insurers or groups thereof
17 with respect to risks referred to in subsection (a)(1).

18 (5) LIMIT ON REINSURANCE.—The amount of
19 reinsurance of liabilities under this subtitle that the
20 Corporation may issue may not in the aggregate ex-
21 ceed at any one time an amount equal to the amount
22 authorized for the maximum contingent liability out-
23 standing at any one time under section 7106(a)(1).
24 All reinsurance issued by the Corporation under this
25 subsection shall require that the reinsured party re-

1 tain for that party's own account specified portions
2 of liability, whether first loss or otherwise.

3 (g) LOCAL CURRENCY GUARANTIES FOR ELIGIBLE
4 INVESTORS.—The Corporation may issue to eligible inves-
5 tors, or to local financial institutions, guaranties, denomi-
6 nated in currencies other than United States dollars, of
7 loans and other investments made to projects sponsored
8 by or significantly involving eligible investors, assuring
9 against loss due to such risks and upon such terms and
10 conditions as the Corporation may determine, for projects
11 that the Corporation determines to have significant devel-
12 opmental effects or as the Corporation determines to be
13 necessary or appropriate to carry out the purposes of this
14 subtitle.

15 (h) PUBLIC HEARINGS.—

16 (1) ANNUAL PUBLIC HEARINGS.—The Board
17 shall hold at least one public hearing each year in
18 order to afford an opportunity for any person to
19 present views as to whether the Corporation is car-
20 rying out its activities in accordance with section
21 7101 and this section or whether any investment in
22 a particular country should have been or should be
23 extended insurance, reinsurance, guaranties, or fi-
24 nancing under this subtitle.

1 (2) HEARINGS IN CONNECTION WITH BOARD
2 MEETINGS.—In conjunction with each meeting of its
3 Board, the Corporation shall hold a public hearing
4 in order to afford an opportunity for any person to
5 present views regarding the activities of the Cor-
6 poration. Such views shall be made part of the
7 record.

8 **SEC. 7106. ISSUING AUTHORITY; DIRECT LOAN AUTHORITY;**
9 **DISCHARGE OF LIABILITIES.**

10 (a) ISSUING AUTHORITY.—

11 (1) MAXIMUM CONTINGENT LIABILITY.—The
12 maximum contingent liability outstanding at any one
13 time pursuant to insurance issued under section
14 7105(a), and the amount of financing issued under
15 subsections (b) and (c) of section 7105, may not ex-
16 ceed in the aggregate \$50,000,000,000.

17 (2) PAYMENT OF SUBSIDY AND ADMINISTRA-
18 TIVE COSTS.—Subject to spending authority pro-
19 vided in appropriations Acts pursuant to section
20 504(b) of the Federal Credit Reform Act of 1990,
21 the Corporation may transfer such sums as are nec-
22 essary from its noncredit activities to pay for the
23 subsidy and administrative costs of the investment
24 guaranties and direct loan programs under sub-
25 sections (b) and (c) of section 7105.

1 (b) NONCREDIT ACCOUNT REVOLVING FUND.—

2 There is established in the Treasury of the United States

3 a noncredit account revolving fund, which shall be avail-

4 able for discharge of liabilities, as provided in subsection

5 (c), until such time as all such liabilities have been dis-

6 charged or have expired or until all of the fund has been

7 expended in accordance with the provisions of this section.

8 Such fund shall be funded by—

9 (1) the funds remaining, on the day before the

10 date of the enactment of this Act, in the noncredit

11 account revolving fund established under section

12 235(e) of the Foreign Assistance Act of 1961;

13 (2) such sums as are appropriated pursuant to

14 subsection (e) for such purpose; and

15 (3) additional amounts as may be transferred

16 to such fund pursuant to section 7107.

17 (c) ORDER OF PAYMENTS TO DISCHARGE LIABIL-

18 ITIES.—Any payment made to discharge liabilities under

19 investment insurance or reinsurance issued under section

20 7105 or under similar predecessor guaranty authority,

21 shall be paid first out of the noncredit account revolving

22 fund, as long as such fund remains available, and there-

23 after out of funds made available pursuant to subsection

24 (d) of this section. Any payments made to discharge liabil-

25 ities under guaranties issued under subsection (b) or (c)

1 of section 7105 shall be paid in accordance with the Fed-
2 eral Credit Reform Act of 1990.

3 (d) AUTHORIZATION OF APPROPRIATIONS.—

4 (1) IN GENERAL.—There are authorized to be
5 appropriated to the Corporation, to remain available
6 until expended, such amounts as may be necessary
7 from time to time to replenish or increase the non-
8 credit account revolving fund, to discharge the liabil-
9 ities under insurance, reinsurance, or guaranties
10 issued by the Corporation or issued under prede-
11 cessor guaranty authority, or to discharge obliga-
12 tions of the Corporation purchased by the Secretary
13 of the Treasury pursuant to this subsection.

14 (2) LIMITATION ON APPROPRIATIONS.—No ap-
15 propriations may be made to augment the noncredit
16 account revolving fund until the amount of funds in
17 the noncredit account revolving fund is less than
18 \$25,000,000. Any appropriations to augment the
19 noncredit account revolving fund shall then only be
20 made either pursuant to specific authorization en-
21 acted after the date of the enactment of this Act, or
22 to satisfy the full faith and credit provision of sec-
23 tion 7108(c).

24 (3) ISSUANCE OF TREASURY INSTRUMENTS.—

25 In order to discharge liabilities under investment in-

1 surance or reinsurance, the Corporation may issue
2 from time to time for purchase by the Secretary of
3 the Treasury its notes, debentures, bonds, or other
4 obligations, except that the aggregate amount of
5 such obligations outstanding at any one time shall
6 not exceed \$100,000,000. Any such obligation shall
7 be repaid to the Treasury within one year after the
8 date of issue of such obligation. Any such obligation
9 shall bear interest at a rate determined by the Sec-
10 retary of the Treasury, taking into consideration the
11 current average market yield on outstanding market-
12 able obligations of the United States of comparable
13 maturities during the month preceding the issuance
14 of any obligation authorized by this subsection. The
15 Secretary of the Treasury shall purchase any obliga-
16 tion of the Corporation issued under this subsection,
17 and for such purchase the Secretary may use as a
18 public debt transaction the proceeds of the sale of
19 any securities issued under chapter 31 of title 31,
20 United States Code, after the date of the enactment
21 of the Overseas Private Investment Corporation
22 Amendments Act of 1974. The purpose for which se-
23 curities may be issued under such chapter shall in-
24 clude any such purchase.

1 **SEC. 7107. INCOME AND REVENUES.**

2 In order to carry out the purposes of the Corporation,
3 all revenues and income transferred to or earned by the
4 Corporation, from whatever source derived, shall be held
5 by the Corporation and shall be available to carry out its
6 purposes, including without limitation—

7 (1) payment of all expenses of the Corporation,
8 including investment promotion expenses;

9 (2) transfers and additions to the insurance or
10 guaranty reserves, noncredit account revolving fund,
11 and such other funds or reserves as the Corporation
12 may establish, at such time and in such amounts as
13 the Board may determine; and

14 (3) payment of dividends, on capital stock,
15 which shall consist of and be paid from net earnings
16 of the Corporation after payments, transfers, and
17 additions under paragraphs (1) and (2).

18 **SEC. 7108. GENERAL PROVISIONS RELATING TO INSUR-**
19 **ANCE, GUARANTY, AND FINANCING PRO-**
20 **GRAM.**

21 (a) **AGREEMENT WITH HOST COUNTRY.**—Insurance,
22 guaranties, and reinsurance issued under this subtitle
23 shall cover investment made in connection with projects
24 in any less developed country with the government to
25 which the President of the United States has agreed to

1 institute a program for insurance, guaranties, or reinsur-
2 ance.

3 (b) PROTECTION OF INTERESTS OF CORPORATION.—

4 The Corporation shall determine that suitable arrange-
5 ments exist for protecting the interest of the Corporation
6 in connection with any insurance, guaranty, or reinsurance
7 issued under this subtitle, including arrangements con-
8 cerning ownership, use, and disposition of the currency,
9 credits, assets, or investments on account of which pay-
10 ment under such insurance, guaranty, or reinsurance is
11 to be made, and right, title, claim, or cause of action exist-
12 ing in connection therewith.

13 (c) FULL FAITH AND CREDIT OF THE UNITED

14 STATES.—All insurance, reinsurance, and guaranties
15 issued under this subtitle shall constitute obligations, in
16 accordance with the terms of such insurance, reinsurance,
17 or guaranties, of the United States of America and the
18 full faith and credit of the United States of America is
19 hereby pledged for the full payment and performance of
20 such obligations.

21 (d) FEES.—

22 (1) IN GENERAL.—Fees may be charged for
23 providing insurance, reinsurance, guaranties, financ-
24 ing, and other services under this subtitle in
25 amounts to be determined by the Corporation. In

1 the event fees charged for insurance, reinsurance,
2 guaranties, financing, or other services are reduced,
3 fees to be paid under existing contracts for the same
4 type of insurance, reinsurance, guaranties, financing,
5 or services and for similar guaranties issued under
6 predecessor guaranty authority may be reduced.

7 (2) CREDIT TRANSACTION COSTS.—Project-spe-
8 cific transaction costs incurred by the Corporation
9 relating to loan obligations or loan guaranty commit-
10 ments covered by the provisions of the Federal Cred-
11 it Reform Act of 1990, including the costs of
12 project-related travel and expenses for legal rep-
13 resentation provided by persons outside the Corpora-
14 tion and other similar expenses that are charged to
15 the borrower, shall be paid out of the appropriate fi-
16 nance account established pursuant to section
17 505(b) of that Act.

18 (3) NONCREDIT TRANSACTION COSTS.—Fees
19 paid for the project-specific transaction costs and
20 other direct costs associated with services provided
21 to specific investors or potential investors pursuant
22 to section 7105 (other than those covered in para-
23 graph (2)), including financing, insurance, reinsur-
24 ance, missions, seminars, conferences, and other
25 preinvestment services, shall be available for obliga-

1 tion for the purposes for which they were collected,
2 notwithstanding any other provision of law.

3 (e) LIMITATION ON TERM OF ASSISTANCE.—No in-
4 surance, guaranty, or reinsurance of any equity invest-
5 ment may extend beyond 20 years from the date of
6 issuance.

7 (f) LIMITATION ON COMPENSATION.—

8 (1) IN GENERAL.—Compensation for any insur-
9 ance, reinsurance, or guaranty issued under this
10 subtitle may not exceed the dollar value, as of the
11 date of the investment, of the investment made in
12 the project with the approval of the Corporation,
13 plus interest, earnings, or profits actually accrued on
14 such investment to the extent provided by such in-
15 surance, reinsurance, or guaranties, except that the
16 Corporation may provide that—

17 (A) appropriate adjustments in the insured
18 dollar value be made to reflect the replacement
19 cost of project assets;

20 (B) compensation for a claim of loss under
21 insurance of an equity investment may be com-
22 puted on the basis of the net book value attrib-
23 utable to such equity investment on the date of
24 loss; and

1 (C) compensation for loss due to business
2 interruption may be computed on a basis to be
3 determined by the Corporation that reflects
4 amounts lost.

5 (2) LIMITATION ON RISK OF LOSS.—Notwith-
6 standing paragraph (1), the Corporation shall limit
7 the amount of direct insurance and reinsurance
8 issued by it under section 7105 so that risk of loss
9 as to at least 10 percent of the total investment of
10 the insured and its affiliates in the project is borne
11 by the insured and such affiliates, except that limita-
12 tion shall not apply to direct insurance or reinsur-
13 ance of loans by banks or other financial institutions
14 to unrelated parties.

15 (g) NO PAYMENT WHEN FRAUD INVOLVED.—No
16 payment may be made under any guaranty, insurance, or
17 reinsurance issued under this subtitle for any loss arising
18 out of fraud or misrepresentation for which the party seek-
19 ing payment is responsible.

20 (h) LIMITATION ON INVESTMENT IN FOREIGN INSTI-
21 TUTIONS.—Insurance, guaranties, or reinsurance issued
22 under this subtitle of a loan or equity investment of an
23 eligible investor in a foreign bank, finance company, or
24 other credit institution shall extend only to such loan or
25 equity investment and not to any individual loan or equity

1 investment made by such foreign bank, finance company,
2 or other credit institution.

3 (i) SETTLEMENT OF CLAIMS.—Claims arising as a
4 result of insurance, reinsurance, or guaranty operations
5 under this subtitle or under predecessor guaranty author-
6 ity may be settled, and disputes arising as a result thereof
7 may be arbitrated with the consent of the parties, on such
8 terms and conditions as the Corporation may determine.
9 Payment made pursuant to any such settlement, or as a
10 result of an arbitration award, shall be final and conclu-
11 sive, notwithstanding any other provision of law.

12 (j) PRESUMPTION OF COMPLIANCE OF CON-
13 TRACTS.—Each guaranty contract executed by such offi-
14 cer or officers as may be designated by the Board shall
15 be conclusively presumed to be issued in compliance with
16 the requirements of this subtitle.

17 (k) CONSIDERATION OF EFFECT ON BALANCE OF
18 PAYMENTS.—In making a determination to issue insur-
19 ance, guaranties, or reinsurance under this subtitle, the
20 Corporation shall consider the possible adverse effect of
21 the dollar investment under such insurance, guaranty, or
22 reinsurance upon the balance of payments of the United
23 States.

24 (l) VIOLATION OF FOREIGN CORRUPT PRACTICES
25 ACT.—

1 (1) IN GENERAL.—No payment may be made
2 under any insurance or reinsurance that is issued
3 under this subtitle for any loss occurring with re-
4 spect to a project, if the preponderant cause of such
5 loss was an act by the investor seeking payment
6 under this subtitle, by a person possessing majority
7 ownership and control of the investor at the time of
8 the act, or by any agent of such investor or control-
9 ling person, and a court of the United States has en-
10 tered a final judgment that such act constituted a
11 violation under the Foreign Corrupt Practices Act of
12 1977 or section 30A of the Securities Exchange Act
13 of 1934.

14 (2) REGULATIONS TO BAR ELIGIBILITY.—The
15 Corporation shall adopt regulations setting forth ap-
16 propriate conditions under which any person con-
17 victed under the Foreign Corrupt Practices Act of
18 1977 or section 30A of the Securities Exchange Act
19 of 1934 for an offense related to a project insured
20 or otherwise supported by the Corporation shall be
21 suspended, for a period of not more than 5 years,
22 from eligibility to receive any insurance, reinsurance,
23 guaranty, loan, or other financial support authorized
24 by this subtitle.

1 (m) NOTIFICATION OF HOST COUNTRY OF HEALTH,
2 SAFETY, AND ENVIRONMENTAL STANDARDS.—

3 (1) NOTIFICATION.—

4 (A) IN GENERAL.—Before finally providing
5 insurance, reinsurance, guaranties, or financing
6 under this subtitle for any environmentally sen-
7 sitive investment in connection with a project in
8 a country, the Corporation shall notify appro-
9 priate government officials of that country of—

10 (i) all guidelines and other standards
11 adopted by the International Bank for Re-
12 construction and Development and any
13 other international organization relating to
14 the public health or safety or the environ-
15 ment that are applicable to the project;
16 and

17 (ii) to the maximum extent prac-
18 ticable, any restriction under any law of
19 the United States relating to public health
20 or safety or the environment that would
21 apply to the project if the project were un-
22 dertaken in the United States.

23 (B) CONTENTS OF NOTIFICATION.—The
24 notification under the subparagraph (A) shall
25 include a summary of the guidelines, standards,

1 and restrictions referred to in clauses (i) and
2 (ii) of subparagraph (A).

3 (2) CONSIDERATION OF COMMENTS.—Before fi-
4 nally providing insurance, reinsurance, guaranties,
5 or financing for any investment subject to paragraph
6 (1), the Corporation shall take into account any
7 comments it receives on the project involved that the
8 Corporation considers relevant to such project.

9 (n) PENALTIES FOR FRAUD.—Whoever knowingly
10 makes any false statement or report, or willfully over-
11 values any land, property, or security, for the purpose of
12 influencing in any way the action of the Corporation with
13 respect to any insurance, reinsurance, guaranty, loan, eq-
14 uity investment, or other activity of the Corporation under
15 section 7105, or any change or extension of any such in-
16 surance, reinsurance, guaranty, loan, equity investment,
17 or activity, by renewal, deferment of action, or otherwise,
18 or the acceptance, release, or substitution of security
19 therefor, shall be fined not more than \$1,000,000 or im-
20 prisoned not more than 30 years, or both.

21 (o) USE OF LOCAL CURRENCIES.—Direct loans or in-
22 vestments made in order to preserve the value of funds
23 received in inconvertible foreign currency by the Corpora-
24 tion as a result of activities conducted pursuant to section
25 7105(a) shall not be considered in determining whether

1 the Corporation has made or has outstanding loans or in-
2 vestments to the extent of any limitation on obligations
3 and equity investment imposed by or pursuant to this sub-
4 title. The provisions of section 504(b) of the Federal Cred-
5 it Reform Act of 1990 shall not apply to direct loan obliga-
6 tions made with funds described in this subsection.

7 **SEC. 7109. GENERAL PROVISIONS AND POWERS.**

8 (a) **PRINCIPAL OFFICE AND RESIDENCE.**—The Cor-
9 poration shall have its principal office in the District of
10 Columbia and shall be deemed, for purposes of venue in
11 civil actions, to be resident thereof.

12 (b) **APPLICABILITY OF TITLE 31 PROVISIONS.**—

13 (1) **IN GENERAL.**—The Corporation shall be
14 subject to the applicable provisions of chapter 91 of
15 title 31, United States Code, except as otherwise
16 provided in this subtitle.

17 (2) **AUDITS.**—An independent certified public
18 accountant shall perform a financial and compliance
19 audit of the financial statements of the Corporation
20 at least once every 3 years, in accordance with gen-
21 erally accepted Government auditing standards for a
22 financial and compliance audit, as issued by the
23 Comptroller General. The independent certified pub-
24 lic accountant shall report the results of such audit
25 to the Board. The financial statements of the Cor-

1 poration shall be presented in accordance with gen-
2 erally accepted accounting principles. These financial
3 statements and the report of the accountant shall be
4 included in a report that contains, to the extent ap-
5 plicable, the information identified in section 9106
6 of title 31, United States Code, and that the Cor-
7 poration shall submit to the Congress not later than
8 6½ months after the end of the last fiscal year cov-
9 ered by the audit. The Comptroller General may re-
10 view the audit conducted by the accountant and the
11 report to the Congress in the manner and at such
12 times as the Comptroller General considers nec-
13 essary.

14 (3) AUDIT BY GAO.—In lieu of the financial and
15 compliance audit required by paragraph (2), the
16 Comptroller General shall, if the Comptroller Gen-
17 eral considers it necessary or upon the request of the
18 Congress, audit the financial statements of the Cor-
19 poration in the manner provided in paragraph (2).
20 The Corporation shall reimburse the Government
21 Accountability Office for the full cost of any audit
22 conducted under this paragraph.

23 (4) AVAILABILITY OF OPIC RECORDS.—All
24 books, accounts, financial records, reports, files,
25 workpapers, and property belonging to or in use by

1 the Corporation and the accountant who conducts
2 the audit under paragraph (2), that are necessary
3 for purposes of this subsection, shall be made avail-
4 able to the representatives of the Government Ac-
5 countability Office.

6 (c) GENERAL AUTHORITIES.—To carry out the pur-
7 poses of this subtitle, the Corporation may—

8 (1) adopt and use a corporate seal, which shall
9 be judicially noticed;

10 (2) sue and be sued in its corporate name;

11 (3) adopt, amend, and repeal bylaws governing
12 the conduct of its business and the performance of
13 the powers and duties granted to or imposed upon
14 it by law;

15 (4) acquire, hold or dispose of, upon such terms
16 and conditions as the Corporation may determine,
17 any property, real, personal, or mixed, tangible or
18 intangible, or any interest therein;

19 (5) invest funds derived from fees and other
20 revenues in obligations of the United States and use
21 the proceeds therefrom, including earnings and prof-
22 its, as it considers appropriate;

23 (6) indemnify directors, officers, employees and
24 agents of the Corporation for liabilities and expenses

1 incurred in connection with their Corporation activi-
2 ties;

3 (7) require bonds of officers, employees, and
4 agents and pay the premiums therefor;

5 (8) notwithstanding any other provision of law,
6 represent itself or contract for representation in all
7 legal and arbitral proceedings;

8 (9) enter into limited-term contracts with na-
9 tionals of the United States for personal services to
10 carry out activities in the United States and abroad
11 under subsections (d) and (e) of section 7105;

12 (10) purchase, discount, rediscount, sell, and
13 negotiate, with or without its endorsement or guar-
14 anty, and guarantee notes, participation certificates,
15 and other evidence of indebtedness (except that the
16 Corporation may not issue its own securities, except
17 participation certificates for the purpose of carrying
18 out section 7101(b)(2)(C) or participation certifi-
19 cates as evidence of indebtedness held by the Cor-
20 poration in connection with settlement of claims
21 under section 7108(i));

22 (11) make and carry out such contracts and
23 agreements as are necessary and advisable in the
24 conduct of its business;

1 (12) exercise the priority of the United States
2 Government in collecting debts from bankrupt, insol-
3 vent, or decedents' estates;

4 (13) determine the character of and the neces-
5 sity for its obligations and expenditures, and the
6 manner in which they shall be incurred, allowed, and
7 paid, subject to provisions of law specifically applica-
8 ble to Government corporations;

9 (14) collect or compromise any obligations as-
10 signed to or held by the Corporation, including any
11 legal or equitable rights accruing to the Corporation;
12 and

13 (15) take such actions as may be necessary or
14 appropriate to carry out its powers.

15 (d) DEVELOPMENT IMPACT PROFILES.—In order to
16 carry out the purpose set forth in section 7101, the Cor-
17 poration shall prepare and maintain for each investment
18 project it insures, finances, or reinsures, a development
19 impact profile consisting of data appropriate to measure
20 the projected and actual effects of such project on develop-
21 ment. Criteria for evaluating projects shall be developed
22 in consultation with the United States Agency for Inter-
23 national Development.

24 (e) HUMAN RIGHTS.—The Corporation shall take
25 into account in the conduct of its programs in a country,

1 in consultation with the Secretary of State, all available
2 information about observance of and respect for human
3 rights and fundamental freedoms in such country and the
4 effect the operation of such programs will have on human
5 rights and fundamental freedoms in such country.

6 (f) TAXATION.—The Corporation, including its fran-
7 chise, capital, reserves, surplus, advances, intangible prop-
8 erty, and income, shall be exempt from all taxation at any
9 time imposed by the United States, by any territory, de-
10 pendency, or possession of the United States, or by any
11 State, the District of Columbia, or any county, munici-
12 pality, or local taxing authority.

13 (g) PUBLICATION OF POLICY GUIDELINES.—The
14 Corporation shall publish, and make available to appli-
15 cants for insurance, reinsurance, guaranties, financing, or
16 other assistance made available by the Corporation under
17 this subtitle, the policy guidelines of the Corporation relat-
18 ing to its programs.

19 **SEC. 7110. REPORTS TO THE CONGRESS.**

20 (a) ANNUAL REPORT.—After the end of each fiscal
21 year, the Corporation shall submit to the Congress a com-
22 plete and detailed report of its operations during such fis-
23 cal year. Such report shall include—

24 (1) an assessment, based upon the development
25 impact profiles required by section 7109(d), of the

1 economic and social development impact and benefits
2 of the projects with respect to which such profiles
3 are prepared, and of the extent to which the oper-
4 ations of the Corporation complement or are com-
5 patible with the development assistance programs of
6 the United States and other donors; and

7 (2) a description of any project for which the
8 Corporation—

9 (A) refused to provide any insurance, rein-
10 surance, guaranty, financing, or other financial
11 support, on account of information received
12 under section 7109(e); or

13 (B) notwithstanding such violations, pro-
14 vided such insurance, reinsurance, guaranty, fi-
15 nancing, or financial support, on the basis of a
16 determination that the national security interest
17 so requires.

18 (b) PROJECTIONS ON U.S. EMPLOYMENT.—

19 (1) IN ANNUAL REPORTS.—Each annual report
20 required by subsection (a) shall contain projections
21 of the effects on employment in the United States
22 of all projects for which, during the preceding fiscal
23 year, the Corporation initially issued any insurance,
24 reinsurance, or guaranty or made any direct loan.
25 Each such report shall include projections of—

1 (A) the amount of United States exports to
2 be generated by those projects, both during the
3 startup phase and over a period of years;

4 (B) the final destination of the products to
5 be produced as a result of those projects; and

6 (C) the impact such production will have
7 on the production of similar products in the
8 United States with regard to both domestic
9 sales and exports.

10 (2) ANALYSIS OF EACH PROJECT REQUIRED.—

11 The projections required by this subsection shall be
12 based on an analysis of each of the projects de-
13 scribed in paragraph (1).

14 (3) INFORMATION TO BE INCLUDED.—

15 (A) IN GENERAL.—In reporting the projec-
16 tions on employment required by this sub-
17 section, the Corporation shall specify, with re-
18 spect to each project—

19 (i) any loss of jobs in the United
20 States caused by the project, whether or
21 not the project itself creates other jobs;

22 (ii) any jobs created by the project;
23 and

1 (iii) the country in which the project
2 is located, and the economic sector involved
3 in the project.

4 (B) PROTECTION OF PROPRIETARY INFOR-
5 MATION.—No proprietary information may be
6 disclosed under subparagraph (A).

7 (c) RECORDS TO BE MAINTAINED BY CORPORA-
8 TION.—The Corporation shall maintain as part of its
9 records a copy of the analysis done of each project in pre-
10 paring the reports required by subsection (b).

11 (d) PROTECTION OF CONFIDENTIAL INFORMA-
12 TION.—Subsection (b) does not require the inclusion in
13 any report submitted pursuant to that subsection of any
14 information that would not be required to be made avail-
15 able to the public pursuant to section 552 of title 5,
16 United States Code (relating to freedom of information).

17 **SEC. 7111. DEFINITIONS.**

18 In this subtitle:

19 (1) ELIGIBLE INVESTOR.—The term “eligible
20 investor” means—

21 (A) a United States citizen; and

22 (B) a corporation, partnership, or other as-
23 sociation, including a nonprofit association, that
24 is created under the laws of the United States,

1 any State or territory thereof, or the District of
2 Columbia.

3 (2) EXPROPRIATION.—The term “expropria-
4 tion” includes any abrogation, repudiation, or im-
5 pairment by a foreign government, a political sub-
6 division of a foreign government, or a corporation
7 owned or controlled by a foreign government, of its
8 own contract with an investor with respect to a
9 project, if such abrogation, repudiation, or impair-
10 ment is not caused by the investor’s own fault or
11 misconduct, and materially adversely affects the con-
12 tinued operation of the project.

13 (3) INVESTMENT.—The term “investment” in-
14 cludes any contribution or commitment of funds,
15 commodities, services, patents, processes, or tech-
16 niques, in the form of—

17 (A) a loan or loans to an approved project;

18 (B) the purchase of a share of ownership
19 in any such project;

20 (C) participation in royalties, earnings, or
21 profits of any such project; and

22 (D) the furnishing of commodities or serv-
23 ices pursuant to a lease or other contract.

24 (4) LOCAL FINANCIAL INSTITUTION.—The term
25 “local financial institution”—

1 (A) means any bank or financial institu-
2 tion that is organized under the laws of any
3 country or area in which the Corporation oper-
4 ates; but

5 (B) does not include a branch, however or-
6 ganized, of a bank or other financial institution
7 that is organized under the laws of a country
8 in which the Corporation does not operate.

9 (5) NONCREDIT ACCOUNT REVOLVING FUND.—
10 The term “noncredit account revolving fund” means
11 the noncredit account revolving fund established
12 under section 7106(b).

13 (6) NONCREDIT ACTIVITIES.—The term “non-
14 credit activities” means all activities of the Corpora-
15 tion other than its loan guaranty program under
16 section 7105(b) and its direct loan program under
17 section 7105(c).

18 (7) PREDECESSOR GUARANTY AUTHORITY.—
19 The term “predecessor guaranty authority” means
20 prior guaranty authorities (other than housing guar-
21 anty authorities) repealed by the Foreign Assistance
22 Act of 1969, section 202(b) and 413(b) of the Mu-
23 tual Security Act of 1954, section 111(b)(3) of the
24 Economic Cooperation Act of 1948 (exclusive of au-
25 thority relating to informational media guaranties),

1 and authorities of the Corporation under title IV of
2 chapter 2 of part I of the Foreign Assistance Act of
3 1961.

4 (8) UNITED STATES PERSON.—The term
5 “United States person” means—

6 (A) a United States citizen or national;

7 and

8 (B) any other entity that qualifies as an el-
9 igible investor.

10 **Subtitle B—United States Trade** 11 **and Development Agency**

12 **SEC. 7201. UNITED STATES TRADE AND DEVELOPMENT** 13 **AGENCY.**

14 (a) PURPOSE.—The United States Trade and Devel-
15 opment Agency (in this subtitle referred to as the “Agen-
16 cy”) shall be an agency of the United States under the
17 policy guidance of the Secretary of State and the Develop-
18 ment Policy Committee. The primary purpose of the Agen-
19 cy is to facilitate United States private sector participation
20 in development projects in developing countries, consistent
21 with Country Development Cooperation Strategies pre-
22 pared under section 1018.

23 (b) AUTHORITY TO PROVIDE ASSISTANCE.—

24 (1) AUTHORITY.—The Director of the Agency
25 may, under the direction of the Development Policy

1 Committee, carry out this subtitle by providing
2 funds for technical assistance, feasibility studies, ar-
3 chitectural and engineering design, and other activi-
4 ties related to the goals of the United States to at-
5 tract and retain private sector investment in coun-
6 tries that are receiving United States development
7 assistance under this Act.

8 (2) USE OF FUNDS.—Funds under this section
9 may be used to provide support for feasibility studies
10 for the planning, development, and management of,
11 and procurement for, bilateral and multilateral de-
12 velopment projects, including training activities un-
13 dertaken in connection with a project, for the pur-
14 pose of promoting the use of United States-origin
15 goods and services in such projects. Funds under
16 this section may also be used for architectural and
17 engineering design, including—

18 (A) concept design, which establishes the
19 basic technical and operational criteria for a
20 project, such as architectural drawings for a
21 proposed facility, evaluation of site constraints,
22 procurement requirements, and equipment spec-
23 ifications;

24 (B) detail design, which sets forth specific
25 dimensions and criteria for structural, mechan-

1 ical, electrical, and architectural operations, and
2 identifies other resources required for project
3 operations; and

4 (C) technical assistance to facilitate the at-
5 traction and retention of private sector invest-
6 ment to sustain economic development.

7 (3) INFORMATION DISSEMINATION.—

8 (A) BY THE AGENCY.—The Agency shall
9 disseminate information about its project activi-
10 ties to the private sector.

11 (B) COOPERATION OF OTHER AGENCIES.—
12 Other Federal agencies shall cooperate with the
13 Agency in order for the Agency to provide more
14 effectively informational services to persons in
15 the private sector concerning trade development
16 and export promotion related to development
17 projects.

18 (4) CONTRIBUTIONS TO COSTS.—The Agency
19 shall, to the maximum extent practicable, require
20 corporations and other entities to—

21 (A) share the costs of technical assistance,
22 feasibility studies, and other project planning
23 services funded under this section; and

24 (B) reimburse the Agency for those funds
25 provided under this section, if the corporation

1 or entity concerned succeeds in implementing
2 the project.

3 (c) DIRECTOR AND PERSONNEL.—

4 (1) DIRECTOR.—There shall be at the head of
5 the Agency a Director who shall be appointed by the
6 President, by and with the advice and consent of the
7 Senate.

8 (2) OFFICERS AND EMPLOYEES.—

9 (A) IN GENERAL.—The Director may ap-
10 point such officers and employees of the Agency
11 as the Director considers appropriate.

12 (B) FUNCTIONS.—The officers and em-
13 ployees appointed under this paragraph shall
14 have such functions as the Director may deter-
15 mine.

16 (C) INAPPLICABILITY OF CIVIL SERVICE
17 LAWS.—Of the officers and employees ap-
18 pointed under this paragraph, 2 may be ap-
19 pointed without regard to the provisions of title
20 5, United States Code, governing appointments
21 in the competitive service, and may be com-
22 pensated without regard to the provisions of
23 chapter 51 or subchapter III of chapter 53 of
24 such title.

1 (D) REINSTATEMENT OF CERTAIN EM-
2 PLOYEES.—Under such regulations as the
3 President may prescribe, any individual ap-
4 pointed under subparagraph (C) may be enti-
5 tled, upon removal (except for cause) from the
6 position to which the appointment was made, to
7 reinstatement to the position occupied by that
8 individual at the time of appointment or to a
9 position of comparable grade and pay.

10 (d) ANNUAL REPORT.—The President shall, not later
11 than December 31 of each year, submit to the appropriate
12 congressional committees a report on the activities of the
13 Agency during the preceding fiscal year.

14 (e) AUDITS.—

15 (1) IN GENERAL.—The Agency shall be subject
16 to the provisions of chapter 35 of title 31, United
17 States Code, except as otherwise provided in this
18 section.

19 (2) INDEPENDENT AUDIT.—An independent
20 certified public accountant shall perform a financial
21 and compliance audit of the financial statements of
22 the Agency each year, in accordance with generally
23 accepted Government auditing standards for a finan-
24 cial and compliance audit, taking into consideration
25 any standards recommended by the Comptroller

1 General. The independent certified public accountant
2 shall report the results of such audit to the Director
3 of the Agency. The financial statements of the Agen-
4 cy shall be presented in accordance with generally
5 accepted accounting principles. These financial state-
6 ments and the report of the accountant shall be in-
7 cluded in a report that contains, to the extent appli-
8 cable, the information identified in section 3512 of
9 title 31, United States Code, and that the Agency
10 shall submit to the Congress not later than 6½
11 months after the end of the last fiscal year covered
12 by the audit. The Comptroller General may review
13 the audit conducted by the accountant and the re-
14 port to the Congress in the manner and at such
15 times as the Comptroller General considers nec-
16 essary.

17 (3) AUDIT BY COMPTROLLER GENERAL.—In
18 lieu of the financial and compliance audit required
19 by paragraph (2), the Comptroller General shall, if
20 the Comptroller General considers it necessary or
21 upon the request of the Congress, audit the financial
22 statements of the Agency in the manner provided in
23 paragraph (2).

24 (4) AVAILABILITY OF INFORMATION.—All
25 books, accounts, financial records, reports, files,

1 workpapers, and property belonging to or in use by
2 the Agency and the accountant who conducts the
3 audit under paragraph (2), that are necessary for
4 purposes of this subsection, shall be made available
5 to the representatives of the Government Account-
6 ability Office designated by the Comptroller General.

7 (f) FUNDING FOR TECHNICAL ASSISTANCE GRANTS
8 BY MULTILATERAL DEVELOPMENT BANKS.—

9 (1) IN GENERAL.—The Agency, in carrying out
10 its program, may provide, as appropriate, funds to
11 multilateral development banks for technical assist-
12 ance grants.

13 (2) DEFINITIONS.—As used in paragraph (1)—

14 (A) the term “technical assistance grants”
15 means funding by multilateral development
16 banks of services from the United States in
17 connection with projects and programs sup-
18 ported by such banks, including engineering,
19 design, and consulting services; and

20 (B) the term “multilateral development
21 bank” has the meaning given that term in sec-
22 tion 1701(c) of the International Financial In-
23 stitutions Act (22 U.S.C. 262r(c)).

1 **Subtitle C—Enterprise Funds**

2 **SEC. 7301. FINDINGS.**

3 Congress makes the following findings:

4 (1) Enterprise funds are an effective mecha-
5 nism to foster economic growth in support of United
6 States foreign policy and development goals, by
7 stimulating private capital flows and expanding fi-
8 nancing for free market-based private enterprise.

9 (2) Enterprise funds provide incentives for im-
10 provements in legal systems, commercial and tax
11 codes, and accounting practices, as essential founda-
12 tions for sustained economic growth.

13 **SEC. 7302. PURPOSES.**

14 The purposes of this subtitle are—

15 (1) to promote the private sector of partner
16 countries while considering the development impact
17 of investments and profitability of those investments,
18 particularly in small- and medium-sized enterprises;

19 (2) to promote policies and practices conducive
20 to strengthening the private sector through loans,
21 microloans, equity investments, insurance, guaran-
22 ties, grants, feasibility studies, technical assistance,
23 training for businesses receiving investment capital,
24 and other measures;

1 (3) to promote good corporate governance and
2 transparency, foster competition, catalyze produc-
3 tivity improvements in existing businesses, and
4 strengthen local capital markets;

5 (4) to promote stability and security through
6 job creation in the private sector and by fostering
7 upward economic mobility; and

8 (5) to promote fiscal sustainability through ex-
9 panded private sector adherence to tax codes and,
10 where appropriate, foster improvements in the tax
11 code and regulatory environment in order to support
12 economic development.

13 **SEC. 7303. AUTHORITY TO DESIGNATE ENTERPRISE FUNDS.**

14 (a) **AUTHORITY.**—

15 (1) **IN GENERAL.**—The Administrator is au-
16 thorized to designate private, nonprofit organizations
17 to operate pursuant to this subtitle as enterprise
18 funds, as eligible to receive funds and support pur-
19 suant to this subtitle after determining that such or-
20 ganizations have been established for the purposes
21 specified in section 7302.

22 (2) **CONSULTATION.**—The Administrator shall
23 consult with the appropriate congressional commit-
24 tees before designating an organization under para-
25 graph (1).

1 (b) BOARD OF DIRECTORS.—

2 (1) NUMBER AND APPOINTMENT.—Each enter-
3 prise fund shall be governed by a board of directors.
4 Subject to paragraph (3), the board of directors
5 shall be composed of 9 members appointed by the
6 Administrator as follows:

7 (A) Five individuals who are private citi-
8 zens of the United States.

9 (B) Three individuals who are private citi-
10 zens of the country in which the enterprise fund
11 will operate, to be appointed by the Adminis-
12 trator in consultation with the government of
13 such country.

14 (C) One individual who is an officer or em-
15 ployee of the United States Agency for Inter-
16 national Development.

17 (2) QUALIFICATIONS.—Each member of the
18 board of directors appointed under paragraph (1)
19 shall be selected from among individuals who have
20 demonstrated expertise in one or more of the fol-
21 lowing areas: business development, commerce, inter-
22 national markets, capital investment, banking, and
23 finance.

24 (3) NONVOTING MEMBERS.—The Administrator
25 may appoint not more than 2 additional members of

1 the board of directors, who may not vote on matters
2 before the board of directors. If appointed, such ad-
3 ditional members shall be representatives of non-
4 governmental organizations that have demonstrated
5 expertise in the development needs of the country
6 served by the enterprise fund.

7 (c) USE OF AMOUNTS.—

8 (1) IN GENERAL.—The Administrator may use
9 funds appropriated by Congress to carry out the
10 purposes specified in section 7302, including pay-
11 ment of the administrative expenses of the enterprise
12 fund.

13 (2) GRANTS.—The Administrator may use
14 funds appropriated by Congress to make grants to
15 enterprise funds designated under subsection (a), ex-
16 cept that such appropriated funds may be used only
17 for the purposes set forth in section 7302.

18 (3) COMPLIANCE REQUIREMENTS.—

19 (A) IN GENERAL.—The Administrator not
20 award a grant to an enterprise fund under
21 paragraph (2) unless the Administrator and en-
22 terprise fund enter into a grant agreement
23 under which the enterprise fund agrees to com-
24 ply with the requirements under this section.

1 (B) TERMINATION DATE.—Such grant
2 agreement shall state that the enterprise fund
3 shall liquidate its assets and dissolve not later
4 than a date determined by the Administrator,
5 unless the Administrator determines, after con-
6 sultation with the appropriate congressional
7 committees, that the enterprise fund should be
8 extended.

9 (C) DISPOSITION OF ASSETS.—At the time
10 the enterprise fund is dissolved, the assets of
11 the enterprise fund shall be transferred to the
12 General Fund of the United States Treasury.

13 (d) NOTIFICATION TO CONGRESS.—

14 (1) IN GENERAL.—Not less than 15 days before
15 designating an organization to operate as an enter-
16 prise fund under subsection (a), the Administrator
17 shall provide the information described in paragraph
18 (2) to the appropriate congressional committees.

19 (2) INFORMATION.—The information described
20 in this paragraph is—

21 (A) the identity of the organization to be
22 designated to operate as the enterprise fund
23 under subsection (a);

1 (B) the names and qualifications of the in-
2 dividuals who will comprise the board of direc-
3 tors of the enterprise fund; and

4 (C) a copy of the grant agreement between
5 the Administrator and the enterprise fund.

6 (e) PUBLIC DISCLOSURE.—Not later than 1 year
7 after the entry into force of the grant agreement between
8 the Administrator and an enterprise fund under this sec-
9 tion, and annually thereafter, the enterprise fund shall
10 prepare and make available to the public on an Internet
11 website administered by the enterprise fund a report on
12 the enterprise fund's activities during the previous year,
13 including—

14 (1) a description of each investment supported
15 by the enterprise fund, including each type of assist-
16 ance provided in accordance with section 7303(e);

17 (2) the amounts invested by the enterprise fund
18 in each company or project;

19 (3) the amounts of additional private invest-
20 ments made in each company or project;

21 (4) the amounts of any profits or losses realized
22 by the enterprise fund in connection with each such
23 company or project;

24 (5) the nature and amounts of administrative
25 expenses incurred by the enterprise fund; and

1 (6) the annual independent audit of the enter-
2 prise fund, as required under this subtitle.

3 **SEC. 7304. GAO REPORTS.**

4 Not later than 3 years after the establishment of an
5 enterprise fund under this subtitle, and every 3 years
6 thereafter until the enterprise fund is dissolved, the Comp-
7 troller General of the United States shall submit to the
8 appropriate congressional committees a report assessing
9 the activities of the enterprise fund in achieving the pur-
10 poses of enterprise funds under this subtitle, identifying
11 obstacles to achieving such purposes, and recommending
12 such operational improvements in the enterprise fund that
13 the Comptroller General determines are necessary.

14 **SEC. 7305. OPERATION PROVISIONS.**

15 (a) PRIVATE CHARACTER OF ENTERPRISE FUNDS.—
16 Nothing in this subtitle shall be construed to make an en-
17 terprise fund an agency or establishment of the United
18 States Government, or to make the officers, employees, or
19 members of the board of directors of an enterprise fund
20 officers or employees of the United States for purposes
21 of title 5, United States Code.

22 (b) MATTERS TO BE CONSIDERED BY ENTERPRISE
23 FUNDS .—In carrying out this subtitle, each enterprise
24 fund shall take into account such considerations as inter-
25 nationally recognized worker rights and other internation-

1 ally recognized human rights, environmental factors,
2 United States economic and employment effects, and the
3 likelihood of commercial viability of the activity receiving
4 assistance from the enterprise fund.

5 (c) RETENTION OF INTEREST.—An enterprise fund
6 may hold funds granted to it pursuant to this subtitle in
7 interest-bearing accounts, prior to the disbursement of
8 such funds for purposes specified in section 7302, and
9 may retain for such program purposes any interest earned
10 on such deposits without returning such interest to the
11 Treasury of the United States and without further appro-
12 priation by the Congress.

13 (d) USE OF UNITED STATES PRIVATE VENTURE
14 CAPITAL.—In order to maximize the effectiveness of the
15 activities of the enterprise funds, each enterprise fund may
16 conduct public offerings or private placements for the pur-
17 pose of soliciting and accepting United States venture cap-
18 ital which may be used, separately or together with funds
19 made available pursuant to this subtitle, for any lawful
20 investment purpose that the board of directors of the en-
21 terprise fund may determine in carrying out this subtitle.
22 Financial returns on enterprise fund investments that in-
23 clude a component of private venture capital may be dis-
24 tributed, at such times and in such amounts as the board

1 of directors of the enterprise fund may determine, to the
2 investors of such capital.

3 (e) NONAPPLICABILITY OF OTHER LAWS.—Executive
4 branch agencies may conduct programs and activities and
5 provide services in support of the activities of the enter-
6 prise funds notwithstanding any other provision of law.

7 (f) LIMITATION ON PAYMENTS TO ENTERPRISE
8 FUND PERSONNEL.—

9 (1) BENEFITS BARRED.—No part of the funds
10 of an enterprise fund shall inure to the benefit of
11 any board member, officer, or employee of that en-
12 terprise fund, except as salary or reasonable com-
13 pensation for services, subject to paragraph (2).

14 (2) CERATIN COMPENSATION BARRED.—An en-
15 terprise fund may not pay compensation for services
16 to—

17 (A) any board member of the enterprise
18 fund, except for services as a board member; or

19 (B) any firm, association, or entity in
20 which a board member of the enterprise fund
21 serves as partner, director, officer, or employee.

22 (3) EXCEPTION FOR PRIOR SERVICES.—Noth-
23 ing in paragraph (2) shall preclude payment for
24 services performed before the date of the enactment
25 of this subsection, nor for arrangements approved by

1 the grantor and notified in writing to the Commit-
2 tees on Appropriations of the House of Representa-
3 tives and the Senate.

4 (g) INDEPENDENT PRIVATE AUDITS.—The accounts
5 of each enterprise fund shall be audited annually in ac-
6 cordance with generally accepted auditing standards by
7 independent certified public accountants or independent li-
8 censed public accountants certified or licensed by a regu-
9 latory authority of a State or other political subdivision
10 of the United States. The report of each such independent
11 audit shall be included in the annual report required by
12 this section.

13 (h) GAO AUDITS.—The financial transactions under-
14 taken pursuant to this subtitle by each enterprise fund
15 may be audited by the Government Accountability Office
16 in accordance with such principles and procedures and
17 under such rules and regulations as may be prescribed by
18 the Comptroller General of the United States, so long as
19 the enterprise fund is in receipt of United States Govern-
20 ment grants.

21 (i) RECORDKEEPING REQUIREMENTS.—The enter-
22 prise funds shall ensure—

23 (1) that each recipient of assistance provided
24 through the enterprise funds under this subtitle
25 keeps—

1 (A) separate accounts with respect to such
2 assistance;

3 (B) such records as may be reasonably
4 necessary to disclose fully the amount and the
5 disposition by such recipient of the proceeds of
6 such assistance, the total cost of the project or
7 undertaking in connection with which such as-
8 sistance is given or used, and the amount and
9 nature of that portion of the cost of the project
10 or undertaking supplied by other sources; and

11 (C) such other records as will facilitate an
12 effective audit; and

13 (2) that the enterprise funds, or any of their
14 duly authorized representatives, have access for the
15 purpose of audit and examination to any books, doc-
16 uments, papers, and records of the recipient that are
17 pertinent to assistance provided through the enter-
18 prise funds under this section.

19 (j) ANNUAL REPORTS.—Each enterprise fund shall
20 publish an annual report, which shall include a com-
21 prehensive and detailed description of the enterprise
22 fund's operations, activities, financial condition, and ac-
23 complishments under this subtitle for the preceding fiscal
24 year. This report shall be published not later than January
25 31 each year, beginning in the calendar year after the cal-

1 endar year in which the enterprise fund is designated
2 under this subtitle.

3 (k) REINVESTMENT.—Returns on investments of an
4 enterprise fund and other payments to the fund may be
5 reinvested in projects carried out by the fund without fur-
6 ther appropriation by Congress.

7 **SEC. 7306. BEST PRACTICES AND PROCEDURES.**

8 To the maximum extent practicable, the board of di-
9 rectors of each enterprise fund established under this sub-
10 title should adopt the best practices and procedures used
11 by enterprise funds, including those for which funding was
12 made available pursuant to section 201 of the Support for
13 East European Democracy (SEED) Act of 1989 (22
14 U.S.C. 5421).

15 **SEC. 7307. EXPERIENCE OF OTHER ENTERPRISE FUNDS.**

16 In implementing this subtitle, the Administrator shall
17 ensure that the articles of incorporation of each enterprise
18 fund (including provisions specifying the responsibilities of
19 the board of directors of the enterprise fund), the terms
20 of United States Government grant agreements with the
21 enterprise fund, and United States Government oversight
22 of the enterprise fund are, to the maximum extent prac-
23 ticable, consistent with the Articles of Incorporation of,
24 the terms of grant agreements with, and the oversight of
25 the Enterprise Funds established pursuant to section 201

1 of the Support for East European Democracy (SEED)
2 Act of 1989 (22 U.S.C. 5421) and comparable provisions
3 of law.

4 **TITLE VIII—REGIONAL ISSUES**
5 **[TO BE SUPPLIED]**

6 **TITLE IX—STRATEGIC PLAN-**
7 **NING, MONITORING AND**
8 **EVALUATION, AND REPORT-**
9 **ING**

10 **Subtitle A—Strategic Planning**

11 **SEC. 9101. QUADRENNIAL DIPLOMACY AND DEVELOPMENT**

12 **REVIEW.**

13 (a) REVIEW OF DIPLOMACY AND DEVELOPMENT.—

14 (1) IN GENERAL.—Not later than December 15,
15 2014, and every 4 years thereafter, the Secretary
16 and the Administrator shall complete a comprehen-
17 sive examination (to be known as a “Quadrennial
18 Diplomacy and Development Review”) of United
19 States diplomacy and development efforts.

20 (2) KEY ELEMENTS OF REVIEW.—The review
21 described in paragraph (1) shall include information
22 on the following:

23 (A) The nature of the global challenges
24 and opportunities facing the United States and

1 the changes in such challenges and opportuni-
2 ties over the previous four-year period.

3 (B) Key objectives and missions for United
4 States foreign policy and foreign assistance, in-
5 cluding a clear statement of United States ob-
6 jectives for development assistance.

7 (C) The roles and responsibilities of Fed-
8 eral agencies in carrying out United States di-
9 plomacy and promoting global development, and
10 the mechanisms for cooperation between such
11 departments and agencies, including any re-
12 forms needed in such agencies and mechanisms
13 to adapt to changing circumstances.

14 (D) The roles of international organiza-
15 tions and multilateral institutions in advancing
16 United States diplomatic and development ob-
17 jectives, including the mechanisms for coordi-
18 nating and harmonizing development policies
19 and programs with partner countries and
20 among donors.

21 (E) The requirements for overseas infra-
22 structure necessary to carry out United States
23 diplomatic and development objectives, includ-
24 ing major changes in diplomatic presence and
25 new investments in technology and facilities.

1 (F) A plan, budget, and timetable for im-
2 plementing the recommendations of the review,
3 including any legislative requests and executive
4 orders to be issued.

5 (3) INTERAGENCY COORDINATION AND CON-
6 SULTATION.—In conducting each Quadrennial Diplo-
7 macy and Development Review, the Secretary and
8 the Administrator shall take into account the views
9 of the Secretary of Defense, the Secretary of the
10 Treasury, the Attorney General, and the heads of all
11 other Federal agencies carrying out international
12 policies and programs under this Act.

13 (b) CONSULTATIVE PROCESS.—In conducting the re-
14 view required under subsection (a), the Secretary and the
15 Administrator shall consult with—

16 (1) the appropriate congressional committees;
17 (2) a variety of civil society groups, including
18 private businesses, nongovernmental organizations
19 involved in diplomacy and development, and experts
20 at academic institutions or institutions involved in
21 the study of foreign policy or development matters;
22 and

23 (3) appropriate international organizations and
24 partner countries.

25 (c) REPORT.—

1 (1) ADDITIONAL ELEMENTS.—The Secretary
2 and the Administrator shall transmit to the appro-
3 priate congressional committees a report upon com-
4 pletion of each Quadrennial Diplomacy and Develop-
5 ment Review. The report shall include, in addition to
6 all the elements identified in subsection (a)(2)—

7 (A) the assumptions used to inform the re-
8 view, including those regarding—

9 (i) key global challenges and opportu-
10 nities facing the United States over the
11 next 10-year period;

12 (ii) the capacity of United States dip-
13 lomatic and development personnel to re-
14 spond to such challenges and opportuni-
15 ties;

16 (iii) the cooperation and capacity of
17 partner countries and international institu-
18 tions in addressing such challenges and op-
19 portunities;

20 (iv) the levels of engagement in oper-
21 ations other than war and smaller-scale
22 contingencies and withdrawal from such
23 operations and contingencies;

24 (v) the intensity, duration, and mili-
25 tary and political end-states of conflicts

1 and smaller-scale contingencies that arise
2 in the diplomatic and development context;

3 (vi) the anticipated roles and missions
4 of the reserve components available to ci-
5 vilian agencies, including capabilities and
6 resources necessary to assure that such re-
7 serve components can capably discharge
8 such roles and missions; and

9 (vii) the extent to which diplomatic
10 and development personnel need to be
11 shifted to different regions to successfully
12 carry out the full range of missions called
13 for in the review;

14 (B) a description of the process by which
15 the review was conducted, including participa-
16 tion of personnel of the Department of State
17 and the United States Agency for International
18 Development, coordination and consultation
19 with other Federal agencies, and consultations
20 as required under subsection (b); and

21 (C) lessons learned during the review proc-
22 ess and recommendations for improvements in
23 future years.

24 (2) PUBLIC AVAILABILITY.—The report re-
25 quired under this subsection shall be made publicly

1 available on the Internet upon transmission to the
2 appropriate congressional committees.

3 **SEC. 9102. COMPREHENSIVE WORKFORCE AND HUMAN RE-**
4 **SOURCES STRATEGY.**

5 (a) PLAN REQUIRED.—The Administrator shall, not
6 later than 1 year after the date of enactment of this Act
7 and every 5 years thereafter, develop a comprehensive
8 workforce and human resources strategy, or review and
9 modify as necessary the existing strategy, to strengthen
10 the capacity of the United States Agency for International
11 Development to carry out its mandate under section
12 11201.

13 (b) CONTENTS.—The strategy required under sub-
14 section (a) shall include—

15 (1) an assessment of the implications of current
16 development strategies and foreign policy priorities
17 for technical and policy expertise;

18 (2) the number, types, and level of specialists
19 and generalists projected to be needed in each func-
20 tional and geographic area, including support, man-
21 agement, and administrative functions;

22 (3) the number, types, and level of specialists
23 and generalists currently employed by the United
24 States Agency for International Development, by bu-
25 reau and office and by employment category;

1 (4) an analysis of the workloads and com-
2 petencies of existing staff, by bureau and office and
3 by employment category;

4 (5) the impact on paragraphs (3) and (4) of
5 projected retirement and attrition rates over the
6 next 5 years;

7 (6) the steps needed to recruit, retain, and de-
8 velop the necessary professional expertise, including
9 through education and training, details, fellowships,
10 scholarships and exchanges;

11 (7) an assessment of the suitability of overseas
12 facilities, including security, space, health and safe-
13 ty, physical integrity, access and location consider-
14 ations;

15 (8) a prioritized plan for capital improvements;

16 (9) projected human resource challenges, in-
17 cluding bureaucratic and legislative constraints, and
18 recommended options for meeting such challenges;
19 and

20 (10) the assumptions regarding program and
21 policy priorities and budget levels on which the
22 strategy is based.

23 (c) EMPLOYMENT CATEGORY.—For the purposes of
24 this section, the term “employment category” means the
25 statutory authority under which an individual is employed,

1 and includes civil service, Foreign Service, excepted serv-
2 ice, personal services contractors, detailees, and locally-
3 employed staff.

4 (d) TRANSMISSION TO CONGRESS.—The plan re-
5 quired under subsection (a) shall be transmitted to the
6 appropriate congressional committees not later than 180
7 days after the date of the enactment of this Act, and every
8 5 years thereafter. Such plan may be updated at any time,
9 and such update shall be transmitted accordingly.

10 (e) MID-LEVEL HIRING AUTHORITY.—If the Admin-
11 istrator certifies that such hiring is necessary to meet the
12 workforce requirements of the United States Agency for
13 International Development as set forth in the plan re-
14 quired under subsection (a), the Administrator is author-
15 ized, notwithstanding section 307 of the Foreign Service
16 Act of 1980, to hire up to 30 mid-career professionals,
17 which may include individuals currently employed as per-
18 sonal services contractors, in each of the 3 fiscal years
19 following the date of the enactment of this Act.

1 **Subtitle B—Monitoring and**
2 **Evaluation**

3 **SEC. 9201. MONITORING AND EVALUATION OF UNITED**
4 **STATES FOREIGN ASSISTANCE.**

5 (a) **IN GENERAL.**—The President shall develop and
6 implement a rigorous system to evaluate the effectiveness
7 and efficiency of United States foreign assistance.

8 (b) **COMPONENTS OF SYSTEM.**—In order to avoid du-
9 plication, ensure comprehensive coverage, promote high
10 and uniform standards, and facilitate comparability of re-
11 sults and the development of a strong body of evidence,
12 the system required under subsection (a) shall include—

13 (1) a method of coordinating evaluation activi-
14 ties among all Federal agencies carrying out United
15 States foreign assistance; and

16 (2) a process for consulting with relevant stake-
17 holders and subject matter experts, as appropriate,
18 on the planning, design, and implementation of eval-
19 uation activities and dissemination of evaluation
20 findings.

21 (c) **REQUIRED ACTIONS.**—In carrying out subsection
22 (a), the President shall ensure that the head of each Fed-
23 eral agency takes the following actions with regard to
24 United States foreign assistance carried out by that agen-
25 cy:

1 (1) Establish measurable and meaningful per-
2 formance objectives, including disaggregation by sex
3 where appropriate.

4 (2) Establish criteria for the selection of pro-
5 grams, projects, and activities to be subject to var-
6 ious evaluation methodologies, with a particular em-
7 phasis on impact evaluation.

8 (3) Establish or designate an organizational
9 unit with adequate staff and resources to oversee
10 and provide technical support for evaluation activi-
11 ties.

12 (4) Develop a plan for improving the capacity
13 of the agency to conduct rigorous, relevant, and ob-
14 jective program monitoring and evaluation, including
15 by—

16 (A) providing relevant education and train-
17 ing opportunities;

18 (B) encouraging the adoption of improved
19 methodologies for data collection and analysis;
20 and

21 (C) ensuring that best practices are shared
22 within and between agencies.

23 (5) Establish guidelines for enhancing, in co-
24 operation with other donors, the capacity of partner

1 countries to monitor the use of and evaluate the im-
2 pact of donor assistance.

3 (6) Establish a process for applying the find-
4 ings and results of monitoring and evaluation activi-
5 ties, including impact evaluation research, into fu-
6 ture program planning, budgeting, design, and im-
7 plementation.

8 (7) Establish a policy for the publication of pro-
9 gram evaluations.

10 (8) Develop, in consultation with relevant stake-
11 holders an annual evaluation plan that describes how
12 the agency will meet the requirements of this sec-
13 tion.

14 (9) Identify the source or mechanism of funding
15 to conduct monitoring and evaluation of United
16 States foreign assistance carried out by such agency.

17 (d) SUBMISSION OF EVALUATION PLANS.—The
18 President shall ensure that the evaluation plans required
19 by subsection (c)(8) are submitted to the appropriate con-
20 gressional committees each year along with the annual
21 budget presentation, and are published on a government
22 website.

23 (e) LOCAL PERFORMANCE.—To the extent feasible
24 and appropriate, evaluation activities carried out pursuant
25 to the requirements of this section shall be carried out by,

1 or with the participation of, organizations in the partner
2 country.

3 (f) DEFINITIONS.—In this section:

4 (1) EVALUATION.—The term “evaluation”
5 means the systematic and objective determination
6 and assessment of the design, implementation, and
7 results of an on-going or completed program,
8 project, or activity, including an explanation of the
9 reasons or causes for the observed results.

10 (2) IMPACT.—The term “impact” means a
11 long-term effect of a program, project, or activity,
12 whether positive or negative, direct or indirect, in-
13 tended or unintended.

14 (3) IMPACT EVALUATION RESEARCH.—The
15 term “impact evaluation research” means the appli-
16 cation of research methods and statistical analysis to
17 measure the extent to which an impact can be at-
18 tributed to a United States foreign assistance pro-
19 gram, project, or activity rather than to other fac-
20 tors.

21 **SEC. 9202. HUMAN RIGHTS IMPACT OF UNITED STATES SE-**
22 **CURITY ASSISTANCE.**

23 (a) RESEARCH AND DATA COLLECTION.—In order to
24 ensure that defense articles, defense services, and military
25 education and training provided under this Act are used

1 in accordance with international humanitarian law and
2 internationally-recognized human rights standards, the
3 Secretary shall—

4 (1) monitor the use of such articles, services,
5 and training transferred under this Act;

6 (2) collect and analyze data about specific
7 equipment, technology, and units and individuals im-
8 plicated in violations of human rights in partner
9 countries;

10 (3) evaluate the human rights impact of United
11 States security assistance; and

12 (4) incorporate the results of such monitoring,
13 data collection and analysis, and evaluation into—

14 (A) action plans for human rights and de-
15 mocracy under section 3103;

16 (B) Country Reports on Human Rights
17 Practices under section 3102; and

18 (C) decisions regarding the provision of
19 United States foreign assistance.

20 (b) RECORDKEEPING.—The Secretary of Defense
21 shall develop and maintain a database containing records
22 for each foreign military and defense participant in mili-
23 tary education and training activities conducted under this
24 or any other Act. Such database shall be made available
25 to the Secretary of State and shall include the type of in-

1 instruction received, the dates and location of such instruc-
2 tion, whether such instruction was completed successfully,
3 and, to the extent practicable, the person's subsequent
4 military or defense ministry career and current position
5 and location.

6 (c) TRACKING OF VIOLATIONS.—

7 (1) REPORT TO CONGRESS.—Not later than
8 March 1 of each year, the Secretary of State shall
9 submit to the appropriate congressional committees
10 a report describing any involvement of a foreign
11 military or defense participant in military education
12 and training activities under this or any other Act
13 in a violation of internationally recognized human
14 rights subsequent to such participation. Such report
15 shall be in unclassified form, but may include a clas-
16 sified annex.

17 (2) ADDITION TO DATABASE.—The Secretary of
18 Defense shall ensure that the database required
19 under subsection (b) is updated to include the infor-
20 mation reported to Congress pursuant to paragraph
21 (1).

22 (d) AUTHORIZATION OF FUNDS.—The Secretary is
23 authorized to use up to 1 percent of the funds made avail-
24 able under titles IV and V of this Act for purposes of car-

1 rying out this section, which shall be in addition to
2 amounts otherwise available for such purposes.

3 **Subtitle C—Reporting** 4 **Requirements**

5 **SEC. 9301. TRANSPARENCY AND ACCOUNTABILITY IN** 6 **BUDGETING.**

7 (a) IN GENERAL.—The Secretary, the Administrator,
8 and the Chief Executive Officer of the Millennium Chal-
9 lenge Corporation shall maintain an online database of in-
10 formation, easily accessible to the public, which contains
11 the information described in subsection (b) for each
12 project and activity within their respective areas of respon-
13 sibility, including for any project or activity for which
14 funds are transferred to another Federal agency for obli-
15 gation.

16 (b) DATABASE REQUIREMENTS.—

17 (1) CONTENT.—Each project and activity shall
18 be identified separately in such database, and for
19 each project and activity the database shall include,
20 at a minimum—

21 (A) a brief description of the nature of the
22 project or activity;

23 (B) the geographic location or locations in
24 which the project or activity is being carried
25 out;

1 (C) the specific objectives and timetable of
2 the project or activity;

3 (D) the indicators (to the maximum extent
4 possible such indicators shall be quantitative in-
5 dicators) used to define the successful achieve-
6 ment of the goals of the project or activity;

7 (E) the number and demographic charac-
8 teristics of the intended beneficiaries of the
9 project or activity;

10 (F) each sector, theme, goal and objective
11 toward which the project or activity will be
12 counted;

13 (G) names and descriptions of the imple-
14 menting partners of the project or activity;

15 (H) the amount of United States foreign
16 assistance funds obligated for each such project
17 or activity and the source of those funds;

18 (I) expenditures of funds for the project or
19 activity on a quarterly basis;

20 (J) the contributions toward the project or
21 activity provided by the partner country;

22 (K) any conditions placed on the use of
23 United States Government funds obligated for
24 the project or activity, and whether those condi-
25 tions have been met;

1 (L) the evaluation and monitoring plan for
2 each such project or activity;

3 (M) semiannual updates on results
4 achieved to date for each such project or activ-
5 ity; and

6 (N) if a project or activity has been ex-
7 tended, suspended, terminated, or significantly
8 modified, the reasons for such action.

9 (2) ADMINISTRATIVE COSTS.—In addition to
10 the information relating to specific projects and ac-
11 tivities as required under paragraph (1), the data-
12 base shall contain, for each overseas mission, infor-
13 mation on all overhead and administrative costs, in-
14 cluding—

15 (A) for the previous fiscal year, numbers of
16 staff in each employment category, housing and
17 facilities operation and maintenance expenses,
18 salaries and benefits, travel and transportation
19 expenses, and other support costs; and

20 (B) for the coming fiscal year, planned
21 capital investments and projected staff in-
22 creases or reductions.

23 (3) TIMING.—

24 (A) EXISTING PROJECTS AND ACTIVI-
25 TIES.—For each project and activity in effect

1 on the date of the enactment of this Act, the
2 database shall be operative within 6 months of
3 such date of enactment.

4 (B) NEW PROJECTS AND ACTIVITIES.—For
5 each project and activity that has not received
6 United States Government funding as of the
7 date of the enactment of this Act, the depart-
8 ment or agency (as the case may be) shall enter
9 into the database the information required by
10 paragraph (2) within 30 days from the date of
11 the initial obligation of funds for the project or
12 activity.

13 (4) MODIFICATIONS.—In the event of any
14 changes or modifications in any of the elements of
15 the database for a project or activity, the database
16 shall be updated as soon as possible but in no event
17 later than 30 days from the date on which such
18 changes or modifications have been approved and,
19 where applicable, agreed to by the partner country.

20 (5) REPORTS IN LIEU OF INCLUSION.—If the
21 Secretary, the Administrator, or the Chief Executive
22 Officer of the Millennium Challenge Corporation, as
23 the case may be, makes a determination that the in-
24 clusion of a required item of information in the
25 database would jeopardize the health or security of

1 an implementing partner or program beneficiary or
2 would be detrimental to the national interests of the
3 United States, such item of information may be sub-
4 mitted to the appropriate congressional committees
5 in a written report in lieu of including it in the data-
6 base, along the reasons for not including it in the
7 database.

8 (6) STRUCTURE.—The database required under
9 this section shall be structured so that users may
10 search the data by word and sort the data by field.

11 (c) HARMONIZATION OF DATA.—

12 (1) SENSE OF CONGRESS.—The President
13 should fully engage with and participate in the
14 International Aid Transparency Initiative, estab-
15 lished on September 4, 2008, at the Accra High
16 Level Forum on Aid Effectiveness.

17 (2) ADDITIONAL REQUIREMENT.—The informa-
18 tion contained in the database required under sub-
19 section (b) shall include all information provided to
20 the Development Assistance Committee of the Orga-
21 nization for Economic Cooperation and Development
22 and the International Aid Transparency Initiative,
23 and should, to the maximum extent possible, be har-
24 monized with the types, categories and formats of

1 information requested by such organization and such
2 initiative.

3 (d) DEFINITION.—In this section, the terms
4 “project” and “activity” mean a discrete assistance activ-
5 ity for which funds are made available, including activities
6 encompassed within a strategy, compact, agreement, ac-
7 count or program of assistance.

8 **SEC. 9302. CONGRESSIONAL BUDGET JUSTIFICATION.**

9 (a) REQUIREMENT FOR SUBMISSION.—The President
10 shall prepare, and submit to the Congress not later than
11 February 1 of each year, a report justifying the resources
12 requested for all United States foreign assistance pro-
13 grams.

14 (b) MATERIALS TO BE INCLUDED.—The report sub-
15 mitted pursuant to subsection (a) shall include—

16 (1) a description of each planned country, re-
17 gional, or centrally-funded program for the coming
18 fiscal year, and the rationale for each such program;

19 (2) the dollar amount of each program—

20 (A) as proposed for the coming fiscal year;

21 (B) as estimated for the current fiscal
22 year; and

23 (C) as allocated for the previous fiscal
24 year; and

1 (3) wherever possible, a description of the re-
2 sults achieved for each such program in the previous
3 1 to 5 fiscal years.

4 **SEC. 9303. REPORT ON ALLOCATION OF ASSISTANCE**
5 **UNDER THIS ACT.**

6 (a) REPORT ON ALLOCATIONS OF ASSISTANCE.—Not
7 later than 30 days after the date of the enactment of any
8 law appropriating funds to carry out any provision of this
9 Act, the President shall notify Congress of—

10 (1) each foreign country, international organi-
11 zation, regional program, and centrally-funded pro-
12 gram for which the United States Government in-
13 tends to provide any portion of the funds under such
14 law; and

15 (2) the amount of funds under such law, by cat-
16 egory of assistance, that the United States Govern-
17 ment intends to provide to each such country, orga-
18 nization, and program.

19 (b) EXCEPTION.—Subsection (a) does not apply with
20 respect to any law making continuing appropriations.

21 (c) USE OF SPECIAL AUTHORITY.—The authority of
22 **[section 614]** of this Act may not be used to waive the
23 provisions of this section.

1 **SEC. 9304. SECURITY ASSISTANCE DATABASE.**

2 (a) DATABASE REQUIRED.—The Secretary shall
3 maintain an online database which contains the informa-
4 tion described in subsection (b). Such database may be
5 combined with the database required under section 9301.

6 (b) CONTENT.—The database required under sub-
7 section (a) shall include—

8 (1) the dollar value and quantity of defense ar-
9 ticles (including excess defense articles), defense
10 services, and international military education and
11 training furnished by the United States to each for-
12 eign country and international organization;

13 (2) the provision of law under which such arti-
14 cle, service, and education or training was furnished;

15 (3) the dollar value, quantity, and end user of
16 semiautomatic assault weapons, or spare parts for
17 such weapons, the manufacture, transfer, or posses-
18 sion of which is unlawful under section 922 of title
19 18, United States Code, receiving a license for ex-
20 port; and

21 (4) for military education and training provided
22 to foreign military personnel, the type of training,
23 the number of foreign military personnel trained,
24 their units of operation, and the location of the
25 training.

1 (c) **TIMING.**—The Secretary shall ensure that the
2 database required under this section is operative not later
3 than 180 days after the date of the enactment of this Act,
4 and shall prescribe such procedures as are necessary to
5 ensure that the required information is entered into the
6 database in a timely manner and continuously updated.

7 (d) **PUBLIC AVAILABILITY.**—The database required
8 under this section shall be made publicly available on the
9 Internet and shall be structured so that users may search
10 the data by word and sort the data by field.

11 (e) **FORM.**—The database described in subsection (a)
12 shall be in unclassified form and shall exclude any activity
13 that is reportable under title V of the National Security
14 Act of 1947.

15 **SEC. 9305. CLASSIFICATION OF REPORTS.**

16 (a) **IN GENERAL.**—Unless otherwise specifically pro-
17 vided by law, all information contained in any report re-
18 quired to be provided to Congress under this Act shall be
19 in unclassified form and shall be made available to the
20 public.

21 (b) **EXCEPTION.**—If the President determines that
22 publication of a specific item of information in any such
23 report would be detrimental to the security of the United
24 States, such item of information may be provided to Con-
25 gress in a supplemental report in classified form along

1 with an explanation of why publication of such specific
2 item would be detrimental to the security of the United
3 States.

4 **Subtitle D—Congressional** 5 **Notification Procedures**

6 **SEC. 9401. NOTIFICATION OF PROGRAM CHANGES.**

7 (a) NOTIFICATION OF PROGRAM CHANGES.—Unless
8 the appropriate congressional committees are notified at
9 least fifteen days in advance, funds appropriated for a fis-
10 cal year to carry out this Act may not be obligated for
11 any assistance or contributions under this Act—

12 (1) for a country, international organization, re-
13 gional program, or centrally-funded program for
14 which assistance was not justified in congressional
15 budget justification documents for that fiscal year;

16 (2) more than 10 percent in excess of the
17 amount allocated pursuant to section 9303 for that
18 country, international organization, regional pro-
19 gram, or centrally-funded program for that fiscal
20 year;

21 (3) for a strategy or objective not justified to
22 Congress for that country, international organiza-
23 tion, regional program, or centrally-funded program;

24 (4) for a nonproject assistance activity; or

1 (5) in the case of assistance administered
2 through the Department of Defense under this Act,
3 for the provision of major defense equipment (other
4 than conventional ammunition) or aircraft, ships,
5 missiles, or combat vehicles not previously justified
6 to Congress, or more than ten percent in excess of
7 the quantities justified to Congress.

8 (b) APPROPRIATIONS SUBJECT TO REQUIRE-
9 MENTS.—Subsection (a) applies with respect to all funds
10 appropriated for assistance and contributions under this
11 Act other than—

12 (1) subtitles A and B of title VII (relating to
13 the Overseas Private Investment Corporation and
14 the Trade and Development Agency, respectively);

15 (2) section 1131 (relating to the development
16 credit authority);

17 (3) section 2025 (relating to transition initia-
18 tives);

19 (4) section 2022 (relating to complex crisis, sta-
20 bilization, and prevention fund); and

21 (5) humanitarian assistance.

22 (c) WAIVER.—The requirements of subsection (a)
23 may be waived if the President—

24 (1) determines that doing so is necessitated by
25 emergency circumstances;

1 (2) notifies the appropriate congressional com-
2 mittees as early as practicable, but in no event later
3 than three days after taking the action to which
4 such notification requirement was applicable; and

5 (3) includes in such notification an explanation
6 of the circumstances necessitating the use of the au-
7 thority of this subsection.

8 **SEC. 9402. CONGRESSIONAL NOTIFICATION PARITY.**

9 The President shall ensure that the Committee on
10 Foreign Affairs of the House of Representatives and the
11 Committee on Foreign Relations of the Senate are notified
12 to the same degree and with the same conditions as the
13 Committees on Appropriations are notified by the execu-
14 tive branch regarding any matter relating to foreign as-
15 sistance. The requirements of this section are in addition
16 to, and not in lieu of, other congressional notification re-
17 quirements.

18 **SEC. 9403. PRESIDENTIAL FINDINGS AND DETERMINA-**
19 **TIONS.**

20 (a) WRITTEN DETERMINATIONS.—In any case in
21 which the President is required to make a report to the
22 Congress, or to any committee or officer of either House
23 of Congress, concerning any finding or determination
24 under any provision of this Act or related appropriations

1 Act, such finding or determination shall be reduced to
2 writing and signed by the President.

3 (b) EFFECTIVE DATE.—No action shall be taken
4 pursuant to any such finding or determination prior to
5 the date on which that finding or determination has been
6 reduced to writing and signed by the President.

7 (c) PUBLICATION.—Each such finding or determina-
8 tion shall be published on the Internet and in the Federal
9 Register as soon as practicable after it has been reduced
10 to writing and signed by the President. In any case in
11 which the President concludes that such publication would
12 be harmful to the national security of the United States,
13 only a statement that a determination or finding has been
14 made by the President, including the name and section
15 of the Act under which it was made, shall be published.

16 **TITLE X—GENERAL AUTHORI-**
17 **TIES AND RESTRICTIONS [TO**
18 **BE SUPPLIED]**

19 **TITLE XI—ORGANIZATION, MAN-**
20 **AGEMENT, AND HUMAN RE-**
21 **SOURCES**

22 **SEC. 11001. DEFINITIONS.**

23 In this title:

24 (1) COMMODITY.—The term “commodity” in-
25 cludes any material, article, supply, goods, or equip-

1 ment used for the purposes of providing non-military
2 assistance.

3 (2) COMMODITY RESTRICTIONS.—The term
4 “commodity restrictions” means statutory and regu-
5 latory requirements that apply to the procurement
6 or transportation of commodities financed under this
7 Act, including—

8 (A) sections 11501 and 11503 of this Act;

9 (B) section 901(b)(1) of the Merchant Ma-
10 rine Act of 1936;

11 (C) section 5 of the International Air
12 Transportation Fair Competitive Practice Act
13 of 1974;

14 (D) section 644 of the Small Business Act;

15 (E) section 2711 of the Competition in
16 Contracting Act of 1984; and

17 (F) the Federal Property and Administra-
18 tive Services Act of 1949.

19 (3) COUNTRY OF ASSIGNMENT.—The term
20 “country of assignment” means the foreign country
21 in which an individual serves an accredited rep-
22 resentative of the United States Government.

23 (4) DEFENSE ARTICLE AND RELATED
24 TERMS.—The terms “defense article”, “defense serv-
25 ice”, “defense information”, “excess defense arti-

1 cle”, “major defense equipment”, and “significant
2 military equipment” have the meanings given such
3 terms in section 4412 of this Act.

4 (5) FEDERAL EMPLOYEE.—The term “Federal
5 employee” or “employee” has the meaning given the
6 term “employee” in section 2105(a) of title, 5
7 United States Code.

8 (6) FEDERAL OFFICER.—The term “Federal of-
9 ficer” or “officer” has the meaning given the term
10 “officer” in section 2104 of title 5, United States
11 Code.

12 (7) FEDERAL PERSONNEL.—The term “Federal
13 personnel” or “personnel” includes Federal employ-
14 ees, Federal officers, personal services contractors,
15 locally-employed staff, foreign national employees of
16 the Foreign Service (as defined in section 103(6) of
17 the Foreign Service Act of 1980), and any other in-
18 dividual employed by a Federal department or agen-
19 cy, as defined under regulations prescribed by the
20 President.

21 (8) FOREIGN SERVICE OFFICER.—The term
22 “Foreign Service Officer” means a member of the
23 Foreign Service as defined in section 103 of the
24 Foreign Service Act of 1980.

1 (9) FUNCTION.—The term “function” includes
2 any duty, obligation, power, authority, responsibility,
3 right, privilege, discretion, or activity.

4 (10) GENDER ANALYSIS, EQUALITY, AND INTE-
5 GRATION.—The terms “gender analysis”, “gender
6 equality”, and “gender integration” have the mean-
7 ings given such terms in section 1708.

8 (11) LOCAL ENTITY.—

9 (A) IN GENERAL.—The term “local entity”
10 means an individual, corporation, nonprofit or-
11 ganization, or another body of persons that—

12 (i) is located in a partner country;

13 (ii) is organized under the laws of the
14 partner country;

15 (iii) has as its principal place of busi-
16 ness or operations the partner country;
17 and

18 (iv) is owned or controlled by citizens
19 of the partner country.

20 (B) OWNED OR CONTROLLED.—In sub-
21 paragraph (iv), the term “owned or controlled”
22 means—

23 (i) in the case of a corporation, the
24 holding of at least 50 percent (by vote or

1 value) of the capital structure of the cor-
2 poration; or

3 (ii) in the case of any other kind of
4 legal entity, the holding of interests rep-
5 resenting at least 50 percent of the capital
6 structure of the entity.

7 **Subtitle A—Organization**

8 **CHAPTER 1—EXERCISE AND**

9 **COORDINATION OF FUNCTIONS**

10 **SEC. 11101. DELEGATIONS; REGULATIONS.**

11 (a) DELEGATIONS BY THE PRESIDENT.—The Presi-
12 dent may exercise any functions conferred upon the Presi-
13 dent by this Act through such agency or officer of the
14 United States Government as the President shall direct.

15 (b) ISSUE REGULATIONS AND DELEGATIONS BY
16 AGENCY HEADS.—The head of any such agency or any
17 such officer exercising functions under this Act—

18 (1) may from time to time promulgate such
19 rules and regulations as may be necessary to carry
20 out such functions; and

21 (2) may delegate authority, including the dele-
22 gation to any other agency, upon obtaining the con-
23 currence of the head of that agency, to perform any
24 such functions, including, if the delegating official

1 shall so specify, the authority successively to redele-
2 gate any such functions.

3 **SEC. 11102. ROLE OF THE SECRETARY OF STATE.**

4 (a) IN GENERAL.—Under the direction of the Presi-
5 dent, the Secretary of State shall be responsible for the
6 continuous supervision, overall coordination, and general
7 direction of United States foreign assistance, and for en-
8 suring that the foreign policy of the United States is best
9 served thereby.

10 (b) MILITARY ASSISTANCE.—The responsibility con-
11 ferred upon the Secretary in subsection (a) includes—

- 12 (1) all forms of military assistance; and
13 (2) determinations of whether to offer or deliver
14 any form of military assistance and the scope, types,
15 amounts, and conditions of such assistance.

16 **SEC. 11103. ROLE OF THE CHIEF OF MISSION.**

17 (a) IN GENERAL.—The Chief of Mission shall be re-
18 sponsible for the continuous supervision, overall coordina-
19 tion, and general direction of all activities, resources, and
20 programs of the United States Government in the country
21 of assignment.

22 (b) EXCEPTIONS.—The responsibility conferred upon
23 the Chief of Mission in subsection (a) shall not include
24 authority over—

1 (1) Federal personnel under the command of a
2 United States area military commander; or

3 (2) Federal personnel specifically exempted by
4 law or designated by the President.

5 **SEC. 11104. ROLE OF THE SECRETARY OF DEFENSE.**

6 (a) PRIMARY RESPONSIBILITIES.—With respect to
7 security assistance, the Secretary of Defense shall have
8 primary responsibility for—

9 (1) the determination of military end-item re-
10 quirements;

11 (2) the procurement of military equipment in a
12 manner that permits its integration with service pro-
13 grams;

14 (3) the monitoring of military end-item use by
15 the partner countries;

16 (4) the supervision of the training of foreign
17 military and related civilian personnel;

18 (5) the movement and delivery of military end-
19 items;

20 (6) the designation of defense articles as excess
21 to United States requirements; and

22 (7) the performance of any other related func-
23 tions within the Department of Defense.

24 (b) REGARDING MILITARY EQUIPMENT.—The estab-
25 lishment of priorities in the procurement, delivery, and al-

1 location of military equipment shall be determined by the
2 Secretary of Defense.

3 **SEC. 11105. OFFICE FOR GLOBAL WOMEN'S ISSUES.**

4 (a) ESTABLISHMENT.—There is established an Office
5 for Global Women's Issues (in this section referred to as
6 the "Office") in the Office of the Secretary of State in
7 the Department of State. The Office shall be headed by
8 the Ambassador-at-Large (in this section referred to as
9 the "Ambassador"), who shall report directly to the Sec-
10 retary of State.

11 (b) PURPOSE.—The Office shall coordinate efforts of
12 the United States Government regarding gender integra-
13 tion and women's empowerment in United States foreign
14 policy.

15 (c) DUTIES.—

16 (1) IN GENERAL.—The Ambassador shall—

17 (A) coordinate and advise on activities,
18 policies, programs, and funding relating to gen-
19 der integration and women's empowerment
20 internationally for all bureaus and offices of the
21 Department of State and in the international
22 programs of other Federal agencies;

23 (B) design, support, and as appropriate,
24 implement, limited projects regarding women's
25 empowerment internationally;

1 (C) actively promote and advance the full
2 integration of gender analysis into the pro-
3 grams, structures, processes, and capacities of
4 all bureaus and offices of the Department of
5 State and in the international programs of
6 other Federal agencies; and

7 (D) direct, as appropriate, United States
8 Government resources to respond to needs for
9 gender integration and women's empowerment
10 in United States Government foreign policies
11 and international programs.

12 (2) DIPLOMATIC REPRESENTATION.—Subject to
13 the direction of the President and the Secretary of
14 State, the Ambassador is authorized to represent the
15 United States in matters relevant to the status of
16 women internationally.

17 (d) REPORTING.—The heads of all bureaus and inde-
18 pendent offices of the Department of State, the United
19 States Agency for International Development, and the
20 Millennium Challenge Corporation shall, as appropriate,
21 evaluate and monitor all women's empowerment programs
22 administered by such bureaus and offices and annually
23 submit to the Ambassador a report on such programs and
24 on policies and practices to integrate gender.

1 **SEC. 11106. BUREAU FOR ENERGY RESOURCES.**

2 (a) IN GENERAL.—Section 931(a) of the Energy
3 Independence and Security Act of 2007 (42 U.S.C.
4 17371(a)) is amended—

5 (1) in the subsection heading, by striking “CO-
6 ORDINATOR FOR” and inserting “COORDINATION
7 OF”; and

8 (2) in paragraph (2)—

9 (A) in the paragraph heading, by striking
10 “COORDINATOR FOR” and inserting “COORDINA-
11 TION OF”; and

12 (B) by striking “There is established with-
13 in the Office of the Secretary of State a Coordi-
14 nator for International Energy Affairs,” and in-
15 serting in lieu thereof the following: “There is
16 established within the Department of State a
17 Bureau for Energy Resources, to be headed by
18 an Assistant Secretary,”.

19 (b) TRANSFER AUTHORITY.—The Secretary of State
20 may transfer any authority, duty, or function assigned to
21 the Coordinator for International Energy Affairs or to the
22 Office of International Energy Affairs to the Assistant
23 Secretary for Energy Resources or to the Bureau for En-
24 ergy Resources (as the case may be).

25 (c) CONFORMING AMENDMENTS.—(1) Section
26 1(c)(1) of the State Department Basic Authorities Act of

1 1956 (22 U.S.C. 2651a), as amended by section 5304(a),
2 is further amended by striking “25” and inserting “26”.

3 (2) Section 5315 of title 5, United States Code, as
4 amended by section 5304(b), is further amended in the
5 item relating to Assistant Secretaries of State, by striking
6 “(25)” and inserting “(26)”.

7 **SEC. 11107. BUREAU OF OCEANS, ENVIRONMENT AND**
8 **SCIENCE.**

9 (a) DEPARTMENT OF STATE APPROPRIATIONS AU-
10 THORIZATION ACT OF 1973.—Section 9 of the Depart-
11 ment of State Appropriations Authorization Act of 1973
12 (22 U.S.C. 2655a) is amended—

13 (1) in the section heading, by striking “OCEANS
14 AND INTERNATIONAL ENVIRONMENTAL AND SCI-
15 ENTIFIC AFFAIRS” and inserting “OCEANS, ENVI-
16 RONMENT AND SCIENCE” ; and

17 (2) by striking “Oceans and International Envi-
18 ronmental and Scientific Affairs” each place it ap-
19 pears and inserting “Oceans, Environment and
20 Science”.

21 (b) CLEAN AIR ACT.—Section 617(a) of the Clean
22 Air Act (42 U.S.C. 7671p(a)) is amended by striking
23 “Oceans and International Environmental and Scientific
24 Affairs” and inserting “Oceans, Environment and
25 Science”.

1 **CHAPTER 2—UNITED STATES AGENCY**
2 **FOR INTERNATIONAL DEVELOPMENT**

3 **SEC. 11201. UNITED STATES AGENCY FOR INTERNATIONAL**
4 **DEVELOPMENT.**

5 (a) **ESTABLISHMENT.**—The United States Agency for
6 International Development shall be an agency of the
7 United States whose programs shall be under the contin-
8 uous supervision, overall coordination, and general direc-
9 tion of the Secretary of State.

10 (b) **MANDATE.**—The mandate of the United States
11 Agency for International Development shall be to reduce
12 global poverty and alleviate human suffering.

13 (c) **STATUTORY OFFICERS.**—

14 (1) **ADMINISTRATOR.**—The United States
15 Agency for International Development shall be head-
16 ed by an Administrator, who shall be appointed by
17 the President, by and with the advice and consent
18 of the Senate.

19 (2) **DEPUTY ADMINISTRATORS.**—The President
20 may appoint, by and with the advice and consent of
21 the Senate, up to 2 Deputy Administrators of the
22 United States Agency for International Develop-
23 ment, who shall be compensated at the rate provided
24 for at level III of the Executive Schedule under sec-
25 tion 5314 of title 5, United States Code.

1 (3) ASSISTANT ADMINISTRATORS.—The Presi-
2 dent may appoint, by and with the advice and con-
3 sent of the Senate, up to 13 Assistant Administra-
4 tors of the United States Agency for International
5 Development, who shall be compensated at the rate
6 provided for at level IV of the Executive Schedule
7 under section 5315 of title 5, United States Code.
8 Among these shall be—

9 (A) an Assistant Administrator for Policy,
10 Planning, and Learning;

11 (B) an Assistant Administrator for Food
12 Security;

13 (C) an Assistant Administrator for Demo-
14 cratic and Civic Development; and

15 (D) an Assistant Administrator for Eco-
16 nomic Growth, Environment, and Energy.

17 (4) NOMINATIONS OF ASSISTANT ADMINISTRA-
18 TORS.—Whenever the President submits to the Sen-
19 ate a nomination of an individual for appointment to
20 a position in the United States Agency for Inter-
21 national Development pursuant to paragraph (3),
22 the President shall designate the regional or func-
23 tional bureau or bureaus of the Agency with respect
24 to which the individual shall have responsibility.

1 (d) CONFORMING AMENDMENTS.—Title 5, United
2 States Code, is amended as follows:

3 (1) In section 5315, in the item relating to As-
4 sistant Administrators, Agency for International De-
5 velopment—

6 (A) by inserting “United States” before
7 “Agency”; and

8 (B) by striking “(6)” and inserting “(13)”.

9 (2) In section 7103(a)(2)(B)(iv), by inserting
10 “United States” before “Agency for International
11 Development”.

12 **SEC. 11202. ROLE OF THE ADMINISTRATOR.**

13 (a) IN GENERAL.—The Administrator shall have the
14 responsibility for carrying out the mandate of the United
15 States Agency for International Development and for co-
16 ordinating all United States development-related activi-
17 ties.

18 (b) CHIEF DEVELOPMENT ADVISOR.—The Adminis-
19 trator shall be the chief development advisor to the Sec-
20 retary of State.

21 (c) NATIONAL SECURITY COUNCIL PARTICIPA-
22 TION.—The President should invite the Administrator to
23 participate in all appropriate meetings of the National Se-
24 curity Council.

1 (d) UNITED NATIONS DEVELOPMENT AGENCIES.—
2 The Administrator should be responsible for the coordina-
3 tion and direction of United States policy regarding, and
4 contributions to, all development-related agencies of the
5 United Nations, in consultation with the Assistant Sec-
6 retary of State for International Organization Affairs.

7 (e) MULTILATERAL DEVELOPMENT BANKS.—The
8 President should appoint the Administrator to be the Al-
9 ternate United States Governor of the Asian Development
10 Bank, the African Development Bank, and the Inter-
11 American Development Bank.

12 **SEC. 11203. OVERSEAS MISSIONS.**

13 (a) AUTHORITY TO MAINTAIN OVERSEAS MIS-
14 SIONS.—

15 (1) IN GENERAL.—The Administrator may
16 maintain special missions or staffs outside the
17 United States in such countries and for such periods
18 of time as may be necessary to carry out the pur-
19 poses of this Act.

20 (2) OTHER LOCATIONS.—To the degree per-
21 mitted by security considerations, the Secretary
22 should give favorable consideration to requests by
23 the Administrator that the Secretary exercise au-
24 thority under section 606(a)(2)(B) of the Secure
25 Embassy Construction and Counterterrorism Act of

1 1999 (22 U.S.C. 4865(a)(2)(B)) to waive certain re-
2 quirements of that Act in order to permit the United
3 States Agency for International Development to
4 maintain such missions or staffs at locations sepa-
5 rate from the United States embassy.

6 (b) APPOINTMENT.—The Administrator may appoint
7 a head, who shall be known as the Mission Director, of
8 each office or staff maintained under subsection (a).

9 (c) COMPENSATION AND ALLOWANCES.—Each Mis-
10 sion Director may receive such compensation and allow-
11 ances as are authorized by the Foreign Service Act of
12 1980, not to exceed those authorized for a chief of mission
13 (as defined in section 102(a)(3) of that Act), as the Ad-
14 ministrators deems appropriate.

15 (d) ROLE OF MISSION DIRECTOR.—The Mission Di-
16 rector's responsibilities shall include—

17 (1) serving as the primary development and hu-
18 manitarian advisor to the Chief of Mission;

19 (2) coordinating preparation of the Country De-
20 velopment Cooperation Strategy; and

21 (3) supervising and directing United States de-
22 velopment cooperation with, and United States hu-
23 manitarian operations in, such country.

24 (e) RELATIONSHIP TO FOREIGN ASSISTANCE COOR-
25 DINATOR.—The responsibilities assigned to the Mission

1 Director under subsection (d) shall not preclude the Sec-
2 retary of State from appointing an individual to oversee
3 and coordinate the full range of economic and security as-
4 sistance programs in a country.

5 **SEC. 11204. CHAIRMAN OF OECD DEVELOPMENT ASSIST-**
6 **ANCE COMMITTEE.**

7 (a) APPOINTMENT.—The President may—

8 (1) appoint any United States citizen who is
9 not a Federal employee, or

10 (2) assign any United States citizen who is a
11 Federal employee,

12 to serve as Chairman of the Development Assistance Com-
13 mittee (DAC) or any successor committee thereto of the
14 Organization for Economic Cooperation and Development,
15 upon election thereto by members of said Committee.

16 (b) COMPENSATION AND ALLOWANCES.—

17 (1) IN GENERAL.—An individual appointed or
18 assigned under subsection (a) may receive such com-
19 pensation and allowances as are authorized by the
20 Foreign Service Act of 1980, not to exceed those au-
21 thorized for a chief of mission (as defined in section
22 102(a)(3) of that Act), as the President deems ap-
23 propriate.

24 (2) ADDITIONAL PROVISIONS.—Such individual
25 (if appointed under subsection (a)(1)) shall be

1 deemed to be a Federal employee for purposes of
2 chapters 81, 83, 84, 87, and 89 of title 5, United
3 States Code. Such individual may also, in the Presi-
4 dent's discretion, receive any other benefits and per-
5 quisites then available under this Act to a Chief of
6 Mission under section 11103.

7 **SEC. 11205. RESPONSIBILITIES OF THE INSPECTOR GEN-**
8 **ERAL OF THE UNITED STATES AGENCY FOR**
9 **INTERNATIONAL DEVELOPMENT.**

10 Section 8A of the Inspector General Act of 1978 (5
11 U.S.C. App. 3) is amended—

12 (1) by redesignating subsections (b) through (f)
13 as subsections (c) through (g), respectively; and

14 (2) inserting after subsection (a) the following:

15 “(b) In addition to the other duties and responsibil-
16 ities specified in this Act, the Inspector General of the
17 United States Agency for International Development shall
18 supervise, direct, and control all audit and investigative
19 activities relating to programs and operations within the
20 African Development Foundation, the Inter-American
21 Foundation, the Millennium Challenge Corporation, the
22 Office of the U.S. Global AIDS Coordinator of the Depart-
23 ment of State, the Overseas Private Investment Corpora-
24 tion, and the United States Trade and Development Agen-
25 cy.”.

1 **Subtitle B—Management and**
2 **Program Administration**

3 **CHAPTER 1—OPERATING EXPENSES AND**
4 **ADMINISTRATIVE AUTHORITIES**

5 **SEC. 11301. OPERATING EXPENSES OF THE UNITED STATES**
6 **AGENCY FOR INTERNATIONAL DEVELOP-**
7 **MENT.**

8 (a) **OPERATING EXPENSES.**—The Administrator is
9 authorized to use up to 10 percent of the total amount
10 of funds managed by the United States Agency for Inter-
11 national Development in a fiscal year for operating ex-
12 penses of the United States Agency for International De-
13 velopment.

14 (b) **CAPITAL INVESTMENT FUND.**—In addition to
15 funds made available under subsection (a), the Adminis-
16 trator is authorized to use up to 1 percent of the total
17 amount of funds managed by the United States Agency
18 for International Development in a fiscal year for overseas
19 construction and related costs, and for the procurement
20 and enhancement of information technology and related
21 capital investments. Amounts made available under this
22 subsection are authorized to remain available until ex-
23 pended.

24 (c) **MANAGEMENT OF FUNDS.**—The annual congres-
25 sional budget justification prepared pursuant to section

1 9302 of this Act shall contain an estimate of the total
2 funds managed by the United States Agency for Inter-
3 national Development, disaggregated by account, and a
4 detailed operating expenses budget.

5 (d) STATUS OF OBLIGATIONS.—The Administrator
6 shall keep the appropriate congressional committees cur-
7 rently informed of the status of obligations of amounts
8 made available under this section.

9 (e) DEFINITIONS.—In this section:

10 (1) OPERATING EXPENSES.—The term “oper-
11 ating expenses” means a use of funds that is author-
12 ized under section 11302.

13 (2) FUNDS MANAGED BY AGENCY.—The term
14 “funds managed by the United States Agency for
15 International Development” means all funds over
16 which the Administrator has obligation authority, in-
17 cluding—

18 (A) appropriations to carry out this Act;

19 (B) allocations or transfers from any other
20 Federal agency, or from other appropriations,
21 for functions directly related to the purposes of
22 this Act; and

23 (C) proceeds from the disposal of property
24 acquired under the authority of section 11302
25 (or predecessor provisions of law).

1 **SEC. 11302. AUTHORIZED USES OF FUNDS.**

2 (a) AUTHORIZED USES.—For purposes of section
3 11301(a), the following costs shall be considered operating
4 expenses of the United States Agency for International
5 Development and shall be included within the percentage
6 limitation contained in such section:

7 (1) All compensation, training and benefits for
8 Agency personnel, including personal services con-
9 tractors, during the time such personnel have Wash-
10 ington D.C. or other places in the United States as
11 their official duty station.

12 (2) Travel and transportation of Agency per-
13 sonnel described in paragraph (1) and their depend-
14 ents and possessions.

15 (3) Acquisition, rent, operation and mainte-
16 nance in the United States of motor vehicles, air-
17 craft, and vessels.

18 (4) Acquisition, rent, operation and mainte-
19 nance in the United States of land and facilities.

20 (5) Furniture and equipment located in the
21 United States, including operation and maintenance.

22 (6) Utilities, insurance, communications, print-
23 ing and reproduction, and miscellaneous services and
24 charges in the United States.

25 (7) Subscriptions, supplies and materials for
26 use in the United States.

1 amounts authorized and appropriated for such purposes
2 in any fiscal year.

3 (b) ADDITIONAL AMOUNTS.—There are authorized to
4 be appropriated to the President such amounts as may
5 be necessary for increases in compensation, retirement,
6 and other personnel benefits authorized by law, and for
7 other nondiscretionary costs of the Office.

8 **SEC. 11304. ADMINISTRATIVE AUTHORITIES OF THE DE-**
9 **PARTMENT OF DEFENSE.**

10 (a) IN GENERAL.—Funds allocated to the Depart-
11 ment of Defense for the purpose of providing assistance
12 under this Act shall be available for the following:

13 (1) Administrative, extraordinary (not to exceed
14 \$300,000 in any fiscal year), and operating expenses
15 incurred in furnishing assistance under this Act ad-
16 ministered through the Department of Defense, in-
17 cluding the purchase of passenger motor vehicles for
18 replacement only for use outside of the United
19 States.

20 (2) Reimbursement of actual expenses of mili-
21 tary officers detailed or assigned as tour directors in
22 connection with orientation visits of foreign military
23 and related civilian personnel, in accordance with the
24 provisions of section 5702 of title 5, United States
25 Code, applicable to Federal employees.

1 (3) Maintenance, repair, alteration, and fur-
2 nishing of United States-owned facilities in the Dis-
3 trict of Columbia or elsewhere for the training of
4 foreign military and related civilian personnel with-
5 out regard to the provisions of section 6303 of title
6 41, United States Code, or other provision of law re-
7 quiring a specific authorization or specific appropria-
8 tion for such public contracts.

9 (b) **MILITARY OFFICER.**—The term “military offi-
10 cer” means a commissioned, warrant, or non-commis-
11 sioned officer of the Armed Forces.

12 **SEC. 11305. WORKING CAPITAL FUND.**

13 (a) **ESTABLISHMENT.**—The Administrator is author-
14 ized to establish a Working Capital Fund (in this section
15 referred to as the “Fund”).

16 (b) **PURPOSE.**—Amounts deposited during any fiscal
17 year in the Fund shall be available without fiscal year limi-
18 tation and used, in addition to other funds available for
19 such purposes, for administrative costs resulting from
20 Agency implementation and procurement reform efforts,
21 the administration of this Fund, and administrative con-
22 tingencies designated by the Administrator.

23 (c) **DEPOSITS INTO THE FUND.**—There may be de-
24 posited in any fiscal year in the Fund up to 1 percent
25 of the total value of obligations entered into by the Agency

1 from appropriations available to the Agency and any ap-
2 propriation made available for the purpose of providing
3 capital. Receipts from the disposal of, or payments for the
4 loss or damage to, property held in the Fund, rebates, re-
5 imbursements, refunds and other credits applicable to the
6 operation of the Fund may be deposited into the Fund.

7 (d) REFUNDS.—At the close of each fiscal year the
8 Administrator shall transfer out of the Fund and into the
9 Emergency Humanitarian Response Fund established
10 under section 1905 of this Act amounts in excess of
11 \$100,000,000 and any other amounts that the Adminis-
12 trator determines to be in excess of the needs of the Fund.

13 **SEC. 11306. SUSPENSION AND DEBARMENT.**

14 (a) ELIGIBILITY TO RECEIVE FUNDS.—The Presi-
15 dent shall issue and enforce regulations determining the
16 eligibility of any person to receive funds made available
17 under this Act.

18 (b) SUSPENSION.—The regulations described in sub-
19 section (a) shall provide for the suspension of eligibility
20 of a person for a temporary period pending the completion
21 of an investigation and any resulting judicial or debarment
22 proceedings, upon cause for belief that such person or an
23 affiliate thereof probably has undertaken conduct which
24 constitutes a cause for debarment.

1 (c) DEBARMENT.—A person may be debarred from
2 further receipt of funds made available under this Act, and
3 from participating in any contract or agreement regarding
4 the use of funds made available under this Act, for—

5 (1) conviction of or civil judgment for—

6 (A) commission of fraud or a criminal of-
7 fense in connection with obtaining, attempting
8 to obtain, or performing a public or private
9 agreement or transaction;

10 (B) violation of Federal or State antitrust
11 statutes, including those proscribing price fixing
12 between competitors, allocation of customers be-
13 tween competitors, and bid rigging;

14 (C) commission of embezzlement, theft,
15 forgery, bribery, falsification or destruction of
16 records, making false statements, tax evasion,
17 receiving stolen property, making false claims
18 or obstruction of justice; or

19 (D) commission of any other offense indi-
20 cating a lack of business integrity or business
21 honesty;

22 (2) violation of the terms of a public agreement
23 or transaction so serious as to affect the integrity of
24 a program under this Act, such as—

1 (A) a willful failure to perform in accord-
2 ance with the terms of one or more public
3 agreements or transactions;

4 (B) a history of failure to perform or of
5 unsatisfactory performance of one or more pub-
6 lic agreements or transactions; or

7 (C) a willful violation of a statutory or reg-
8 ulatory provision or requirement applicable to a
9 public agreement or transaction; or

10 (3) any of the following causes:

11 (A) knowingly doing business with an ineli-
12 gible person;

13 (B) failure to pay a single substantial debt,
14 or a number of outstanding debts, owed to any
15 Federal agency or instrumentality; or

16 (C) any other cause of a serious or compel-
17 ling nature.

18 (d) REINSTATEMENT.—Reinstatement of eligibility in
19 each particular case shall be subject to such conditions
20 as the President shall direct.

21 **SEC. 11307. TERMINATION EXPENSES.**

22 (a) TERMINATION EXPENSES.—

23 (1) IN GENERAL.—Funds made available under
24 this Act, the former authority of the Foreign Assist-
25 ance Act of 1961, the former authority of section 23

1 of the Arms Export Control Act, or other prede-
2 cessor provisions of law shall remain available for
3 obligation for a period not to exceed 8 months from
4 the date of any termination of assistance under such
5 Acts for the necessary expenses of winding up pro-
6 grams related to such termination and may remain
7 available until expended.

8 (2) TREATMENT OF OBLIGATED FUNDS.—
9 Funds obligated under the authority of such Acts
10 prior to the effective date of the termination of as-
11 sistance may remain available for expenditure for
12 the necessary expenses of winding up programs re-
13 lated to such termination notwithstanding any provi-
14 sion of law restricting the expenditure of funds.

15 (3) COMPLETION OF TRAINING OR STUDIES.—
16 In order to ensure the effectiveness of such assist-
17 ance, such expenses for orderly termination of pro-
18 grams may include the obligation and expenditure of
19 funds to complete the training or studies outside
20 their countries of origin of students whose course of
21 study or training program began before assistance
22 was terminated.

23 (b) LIABILITY TO CONTRACTORS.—For the purpose
24 of making an equitable settlement of termination claims
25 under extraordinary contractual relief standards, the

1 President is authorized to adopt as a contract or other
2 obligation of the United States Government, and assume
3 (in whole or in part) any liabilities arising thereunder, any
4 contract with a United States or third-country contractor
5 that had been funded with assistance under the Acts re-
6 ferred to in subsection (a) prior to the termination of as-
7 sistance.

8 (c) REOBLIGATION OF AMOUNTS TERMINATED.—
9 Amounts obligated for assistance and subsequently termi-
10 nated by the President, or by any provision of law, shall
11 continue to remain available and may be reobligated to
12 meet any necessary expenses arising from the termination
13 of such assistance.

14 (d) GUARANTY PROGRAMS.—No provision of this Act
15 or any other Act requiring the termination of assistance
16 under this Act or any other Act shall be construed to re-
17 quire the termination of guarantee commitments that were
18 entered into prior to the effective date of the termination
19 of assistance.

20 (e) RELATION TO OTHER PROVISIONS.—Unless spe-
21 cifically made inapplicable by another provision of law, the
22 provisions of this section shall be applicable to the termi-
23 nation of assistance pursuant to any provision of law.

1 **SEC. 11308. PROHIBITION ON CERTAIN FIRST-CLASS TRAV-**
2 **EL.**

3 None of the funds made available under this Act may
4 be used for first-class travel by Federal personnel of agen-
5 cies funded by this Act in contravention of sections 301-
6 10.122 through 301-10.124 of title 41, Code of Federal
7 Regulations.

8 **CHAPTER 2—ASSISTANCE AUTHORITIES**
9 **AND PROGRAM EXPENSES**

10 **SEC. 11401. GENERAL ASSISTANCE AUTHORITIES.**

11 (a) **TERMS OF ASSISTANCE.**—Except as otherwise
12 specifically prohibited in this Act, assistance under this
13 Act may be furnished on a grant, loan, or guaranty basis,
14 or on such terms, including cash, credit, or other terms
15 of repayment (including repayment in foreign currencies
16 or by transfer to the United States Government of arti-
17 cles), as may be determined to be best suited to the
18 achievement of the purposes of this Act.

19 (b) **TERMS AND CONDITIONS.**—The President, the
20 Secretary, and the Administrator, as the case may be, may
21 furnish assistance under this Act on such terms and condi-
22 tions (consistent with other provisions of law) as he or
23 she deems appropriate, and, consistent with the provisions
24 of this Act, may charge such fees for guarantees and loans
25 under this Act as he or she deems appropriate. Credit as-
26 sistance shall be consistent with the provisions of the Fed-

1 eral Credit Reform Act of 1990. In the case of contribu-
2 tions or other assistance provided for an international or-
3 ganization or arrangement under this or any other Act,
4 such organization or arrangement may utilize its own pro-
5 curement, administrative, accounting, and audit rules and
6 procedures.

7 (c) IMPLEMENTATION.—In furtherance of the pur-
8 poses and subject to the limitations of this Act, the Presi-
9 dent, the Secretary, and the Administrator, in providing
10 assistance under this Act, may make loans (in conformity
11 with the provisions of the Federal Credit Reform Act of
12 1990), advances, and grants to, make and perform agree-
13 ments and contracts with, or enter into other transactions
14 with, any person, corporation, or other body of persons,
15 any government or government agency, and any inter-
16 national organization or arrangement.

17 (d) GIFTS.—The President, the Secretary, and the
18 Administrator may accept and use in furtherance of the
19 purposes of this Act, money, funds, property, and services
20 of any kind made available by gift, devise, bequest, grant,
21 or otherwise for such purpose.

22 (e) INSURANCE.—

23 (1) FOREIGN PARTICIPANTS.—Any Federal
24 agency is authorized to pay the cost of health and
25 accident insurance for foreign participants in any

1 program of furnishing assistance administered by
2 such agency while such participants are absent from
3 their homes for the purpose of participation in such
4 program.

5 (2) FOREIGN PERSONNEL.—Any Federal agen-
6 cy is authorized to pay the cost of health and acci-
7 dent insurance for foreign personnel of that agency
8 while such personnel are absent from their places of
9 employment abroad for purposes of training or other
10 official duties.

11 (f) ADMISSION TO UNITED STATES.—Alien partici-
12 pants in any program of furnishing assistance under this
13 Act may be admitted to the United States if otherwise
14 qualified as nonimmigrants under section 101(a)(15) of
15 the Immigration and Nationality Act (8 U.S.C.
16 1101(a)(15)), for such time and under such conditions as
17 may be prescribed by regulations promulgated by the Sec-
18 retary of State and the Attorney General.

19 (g) ASSISTANCE AUTHORITIES.—In furnishing and
20 administering assistance under this Act, the President, the
21 Secretary, and the Administrator—

22 (1) may issue letters of credit and letters of
23 commitment;

24 (2) may collect, compromise, reschedule or oth-
25 erwise settle any obligations assigned to, or held by,

1 and any legal or equitable rights accruing to, the
2 United States and may (as he or she deems appro-
3 priate) refer any such obligations or rights to the
4 Attorney General for suit or collection;

5 (3) may—

6 (A) acquire and dispose of (upon such
7 terms and conditions as he or she deems appro-
8 priate) any property, including any instrument
9 evidencing indebtedness or ownership; and

10 (B) guarantee payment against any such
11 instrument;

12 (4) may establish the character of, and decide
13 the necessity for, obligations and expenditures of
14 funds used in furnishing and administering such as-
15 sistance and the manner in which such obligations
16 and expenditures shall be incurred, allowed, and
17 paid, subject to provisions of law specifically applica-
18 ble to corporations of the United States Govern-
19 ment; and

20 (5) shall cause to be maintained an integral set
21 of accounts which shall be audited by the Govern-
22 ment Accountability Office in accordance with prin-
23 ciples and procedures applicable to commercial cor-
24 porate transactions as provided by chapter 91 of
25 title 31, United States Code.

1 (h) GUARANTEES.—Guarantees issued to carry out
2 the purposes of this Act shall be subject to the following:

3 (1) FULL FAITH AND CREDIT.—The full faith
4 and credit of the United States may be pledged for
5 the full payment and performance of guarantees
6 issued under this Act or predecessor Acts.

7 (2) CHARGES.—The President may charge ap-
8 propriate fees or interest in connection with the ac-
9 tivities carried out under such authority.

10 (3) RELATIONSHIP TO OTHER PROVISIONS OF
11 LAW.—Guarantees may be provided under this Act
12 without regard to commodity restrictions.

13 (4) DENOMINATION OF LIABILITY.—The losses
14 guaranteed may be in dollars or in other currencies.
15 In the case of losses guaranteed in currencies other
16 than dollars, the guarantees issued shall be subject
17 to an overall payment limitation expressed in dollars.

18 (i) SUBSIDY COST OF GUARANTEES AND LOANS.—
19 The President, the Secretary, and the Administrator, as
20 the case may be, may use funds made available under this
21 Act to pay the cost (as defined in section 13201 of the
22 Budget Enforcement Act of 1990) of direct loans and loan
23 guarantees made or entered into (and associated adminis-
24 trative costs) in furtherance of the purposes of this Act.
25 Funds appropriated to pay the cost (as defined in section

1 13201 of the Budget Enforcement Act of 1990) of direct
2 loans and loan guarantees made or entered into to carry
3 out the provisions of this Act shall be provided in con-
4 formity with section 504(b)(1) of the Federal Credit Re-
5 form Act of 1990.

6 (j) CLAIMS RELATING TO GUARANTEES.—Claims
7 arising as a result of any guarantee program authorized
8 by this Act may be settled, and disputes arising as the
9 result thereof may be arbitrated with the consent of the
10 parties, on such terms and conditions as the President
11 may direct. Payment made pursuant to any such settle-
12 ment, or as a result of an arbitration award, shall be final
13 and conclusive notwithstanding any other provision of law.

14 (k) FINANCIAL TRANSACTIONS WITH FOREIGN GOV-
15 ERNMENTS IN DEFAULT OF OBLIGATIONS TO THE
16 UNITED STATES.—Section 955 of title 18, United States
17 Code, shall not apply to any person—

18 (1) who acts for or participates in any oper-
19 ation or transaction arising under this Act; or

20 (2) who acquires any obligation issued in con-
21 nection with any operation or transaction arising
22 under this Act.

23 (l) EDUCATIONAL INSTITUTIONS.—Any cost-type
24 contract or agreement (including grants) entered into with
25 an institution of higher education for the purpose of car-

1 rying out programs authorized by this Act may provide
2 for the payment of the reimbursable indirect costs of that
3 institution on the basis of predetermined fixed-percentage
4 rates applied to the total or an element thereof, of the
5 reimbursable direct costs incurred.

6 (m) PER DIEM.—Funds made available under this
7 Act may be used for payment of per diem in lieu of sub-
8 sistence to foreign participants engaged in any program
9 under this Act while such participants are away from their
10 homes in countries other than the United States, at rates
11 not in excess of those prescribed by the standardized Gov-
12 ernment travel regulations, notwithstanding any other
13 provision of law.

14 (n) MULTIYEAR COMMITMENTS.—Except as other-
15 wise provided in this Act, a contract or agreement which
16 entails commitments for the expenditure of funds under
17 this Act may, subject to any future action of the Congress,
18 extend at any time for not more than 5 years.

19 (o) PROGRAM AND MANAGMENT OVERSIGHT.—The
20 Administrator may use funds made available under title
21 I to provide program and management oversight for activi-
22 ties that are funded under that title and that are con-
23 ducted in countries in which the Agency does not have
24 a field mission or office.

1 **SEC. 11402. AUTHORITY TO CONDUCT REIMBURSABLE PRO-**
2 **GRAMS.**

3 (a) GENERAL AUTHORITY.—Whenever the President
4 considers it consistent with and within the limitations of
5 this Act, any Federal agency is authorized to furnish serv-
6 ices and articles on an advance-of-funds or reimbursement
7 basis to partner countries, international organizations and
8 arrangements, and nongovernmental organizations.

9 (b) PERSONAL SERVICE CONTRACTS.—

10 (1) IN GENERAL.—When any Federal agency
11 provides services on an advance-of-funds or reim-
12 bursable basis under this section, such agency may
13 contract with individuals for personal service abroad
14 or in the United States—

15 (A) to perform such services; or

16 (B) to replace, in a manner otherwise per-
17 mitted by law, Federal employees who are as-
18 signed by the agency to provide such services.

19 (2) RULE OF CONSTRUCTION.—Such individ-
20 uals shall not be regarded as Federal employees for
21 the purpose of any law administered by the Office
22 of Personnel Management.

23 (c) USE OF PAYMENTS.—Advances and reimburse-
24 ments received under this section shall be credited to the
25 currently applicable appropriation, account, or fund of the
26 agency concerned and shall be available for the purposes

1 for which such appropriation, account, or fund is author-
2 ized to be used.

3 **SEC. 11403. RETENTION OF INTEREST.**

4 (a) GENERAL AUTHORITY.—The Administrator may,
5 for the purpose of carrying out the provisions of title I
6 of this Act, enter into agreements with international orga-
7 nizations and with local entities that provide for the reten-
8 tion by such organizations and entities, without deposit
9 in the Treasury of the United States and without further
10 appropriation by Congress, of interest earned on the ad-
11 vance of funds.

12 (b) USE OF INTEREST.—Any interest earned on the
13 advance of funds made available under subsection (a) shall
14 be used only for the purposes for which the agreement
15 is made.

16 (c) AUDITS.—The Administrator shall audit, on a
17 regular and recurring basis, interest earned on advance
18 funds to ensure that the requirements of subsection (a)
19 are strictly observed.

20 (d) LIMITATION.—The authorities of this section may
21 be used only for agreements with a value of \$5,000,000
22 or less.

23 (e) TRANSPARENCY.—The Administrator shall make
24 publicly available on the website of the Agency information
25 about each agreement made under the authority of this

1 section, including the name of the organization or entity
2 and the amount and the purpose of the agreement.

3 **SEC. 11404. MARKING AND BRANDING OF ECONOMIC AS-**
4 **SISTANCE AND HUMANITARIAN ASSISTANCE.**

5 (a) REQUIREMENT.—Economic assistance and hu-
6 manitarian assistance implemented with funds made avail-
7 able to any agency to carry out the purposes of this or
8 any other Act, and to any contractor or grantee thereof,
9 shall be identified as being “From the American People”
10 and only as follows:

11 (1) The site or article, as appropriate, shall not
12 include any reference to a particular Federal agency
13 or division thereof.

14 (2) The identification of the assistance shall in-
15 clude only a representation of the American flag,
16 and shall not include any logo of a particular Fed-
17 eral agency or division thereof.

18 (b) RELATIONSHIP TO OTHER PROVISIONS OF LAW
19 AND REGULATIONS.—The provisions of this section shall
20 be applicable notwithstanding any other provision of this
21 or any other Act, and notwithstanding any Federal regula-
22 tion, agency guidance, or procedure to the contrary.

23 (c) APPLICABILITY.—The provisions of this section
24 shall be applicable to all—

25 (1) articles; and

1 (2) program, project and activity sites.

2 (d) ONGOING PROGRAMS.—To the extent it is feasible
3 and cost effective to do so, the marking and branding of
4 articles and sites financed pursuant to ongoing agree-
5 ments, including grants, contracts, and cooperative agree-
6 ments, shall be conformed to meet the requirements of this
7 section.

8 (e) EXCEPTIONS.—The requirements in subsection
9 (a) shall not apply—

10 (1) if the Chief of Mission determines that the
11 marking of a particular program, project, or activity
12 would—

13 (A) jeopardize the health, safety or human
14 rights of implementing partners or bene-
15 ficiaries; or

16 (B) be detrimental to the achievement of
17 overall United States foreign policy objectives in
18 such country;

19 (2) if the Secretary determines, and reports to
20 the appropriate congressional committees, that the
21 marking of economic assistance or humanitarian as-
22 sistance in such country would be detrimental to the
23 achievement of overall United States foreign policy
24 objectives in such country; or

1 (3) to office space occupied by the imple-
2 menting partner, or to housing, personal vehicles or
3 other personal property of employees thereof.

4 (f) EXEMPTION FROM DETERMINATION.—A deter-
5 mination under subsection (e)(2) shall not preclude the
6 Secretary from requiring that specific articles or sites fi-
7 nanced by the United States Government in such country
8 be subject to the requirements of subsection (a).

9 **SEC. 11405. REDUCTIONS IN DESIGNATED FUNDS.**

10 (a) DESIGNATED FUNDS DEFINED.—For the pur-
11 poses of this section, the term “designated funds” means
12 amounts within an account that are authorized or appro-
13 priated to be available only for a particular country, orga-
14 nization, or purpose during a specified fiscal period.

15 (b) PROPORTIONAL REDUCTIONS.—If the amount
16 appropriated for a fiscal period to carry out any provision
17 of this Act (including rescissions and reductions required
18 by law) is less than the amount authorized to be appro-
19 priated to carry out such provision, then the President is
20 authorized to make a proportionate reduction in des-
21 ignated funds, notwithstanding the provision of law mak-
22 ing such designation.

23 (c) REPROGRAMMINGS.—Notwithstanding a provision
24 of law providing for designated funds, the President may
25 reprogram such designated funds to other programs with-

1 in the same account under the same terms and conditions
2 as originally provided, if—

3 (1) compliance with such provision of law is
4 made impossible by operation of law; or

5 (2) the President determines that a significant
6 change in circumstances relating to the particular
7 country, organization, or purpose makes it unlikely
8 that the designated funds can be obligated during
9 the original period of availability.

10 (d) CONGRESSIONAL NOTIFICATION.—A reprogram-
11 ming pursuant to subsection (c) shall be subject to the
12 regular notification procedures under section 9401.

13 **SEC. 11406. REQUIREMENT FOR AUTHORIZATION OF AP-**
14 **PROPRIATIONS.**

15 (a) REQUIREMENT FOR AUTHORIZATION.—Funds
16 appropriated to carry out this Act shall not be available
17 for obligation or expenditure—

18 (1) unless the appropriation thereof has been
19 specifically authorized by law; or

20 (2) in excess of the amount authorized by law.

21 (b) SUBSEQUENT AUTHORIZATIONS.—To the extent
22 that legislation enacted after the making of an appropria-
23 tion for foreign assistance authorizes the obligation or ex-
24 penditure thereof, the limitation contained in subsection
25 (a) shall not apply.

1 (c) RELATION TO OTHER PROVISIONS.—The provi-
2 sions of this section shall not be superseded except by a
3 provision of law that specifically repeals or modifies the
4 provisions of this section.

5 **SEC. 11407. UNEXPENDED BALANCES.**

6 Unexpended balances of funds made available pursu-
7 ant to the Foreign Assistance Act of 1961 (as in effect
8 on the day before the date of the enactment of this Act)
9 are authorized to remain available for the general pur-
10 poses for which appropriated and may be consolidated
11 with appropriations made available for the same general
12 purposes under the authority of this Act.

13 **SEC. 11408. AUTHORITY FOR EXTENDED PERIOD OF AVAIL-**
14 **ABILITY OF APPROPRIATIONS.**

15 Unless otherwise specified, amounts appropriated to
16 carry out this Act are authorized to remain available until
17 expended.

18 **SEC. 11409. SUPPORT FOR REGIONAL, INTERNATIONAL AND**
19 **NONGOVERNMENTAL ORGANIZATIONS.**

20 In carrying out the goals and objectives of this Act,
21 the Administrator is authorized to support programs,
22 projects, and activities of, and to provide technical assist-
23 ance to, regional, international, and nongovernmental or-
24 ganizations.

1 **CHAPTER 3—PROCUREMENT, DISPOSI-**
2 **TION, TRANSPORTATION AND VALU-**
3 **ATION OF ARTICLES**

4 **SEC. 11501. PROCUREMENT STANDARDS AND PROCE-**
5 **DURES.**

6 (a) LIMITATIONS ON PROCUREMENT OUTSIDE THE
7 UNITED STATES.—Funds made available for assistance
8 under this Act may be used by the President for procure-
9 ment—

10 (1) only in the United States, the recipient
11 country, or developing countries; or

12 (2) in any other country but only if—

13 (A) the provision of such assistance re-
14 quires articles or services of a type that are not
15 produced in and available for purchase in any
16 country specified in paragraph (1); or

17 (B) the President determines that procure-
18 ment in such other country is necessary—

19 (i) to meet unforeseen circumstances,
20 such as emergency situations, where it is
21 important to permit procurement in a
22 country not specified in paragraph (1); or

23 (ii) to promote efficiency in the use of
24 United States foreign assistance resources,

1 including to avoid impairment of foreign
2 assistance objectives.

3 (b) BULK COMMODITIES.—No funds made available
4 under this Act shall be used for the purchase in bulk of
5 any commodities at prices higher than the market price
6 prevailing in the United States at the time of purchase,
7 adjusted for differences in the cost of transportation to
8 destination, quality, and terms of payment, except to meet
9 unforeseen circumstances, such as emergency situations.

10 (c) SURPLUS COMMODITIES.—None of the funds
11 made available under this Act shall be used to establish
12 or expand production of any commodity or extraction of
13 any mineral for export by a foreign country if—

14 (1) the commodity or mineral is likely to be in
15 surplus on world markets at the time the resulting
16 productive or extractive capacity is expected to be-
17 come operative; and

18 (2) the assistance will cause substantial injury
19 to United States producers of the same, similar, or
20 competing commodity or mineral.

21 (d) EXCEPTIONS.—The prohibition contained in sub-
22 section (c) shall not apply if the President determines
23 that—

24 (1) the benefits to industry and employment in
25 the United States are likely to outweigh the injury

1 to United States producers of the same, similar, or
2 competing commodity or mineral; or

3 (2) the foreign country is a low-income country
4 for which production of the commodity or extraction
5 of the mineral would contribute substantially to the
6 reduction of poverty.

7 (e) NOTIFICATION.—The President shall notify the
8 appropriate congressional committees of a determination
9 under this section, in accordance with the procedures set
10 forth in section 9401.

11 **SEC. 11502. LOCAL PROCUREMENT.**

12 (a) LIMITED COMPETITION.—The Administrator is
13 authorized, using funds made available under title I of this
14 Act, to award contracts and other instruments in which
15 competition is limited to local entities.

16 (b) AMOUNT OF AWARDS.—The authority provided in
17 subsection (a) may not be used to make awards in excess
18 of \$5,000,000.

19 (c) PROCUREMENTS.—The requirements of section
20 11501 and similar provisions of law relating to the pro-
21 curement of goods and services shall not apply to procure-
22 ments made under agreements entered into under the au-
23 thority of this section.

1 **SEC. 11503. UNITED STATES COMPETITIVENESS.**

2 In order to ensure maximum competition for con-
3 tracts receiving funding under this Act, the President shall
4 establish procedures to ensure that—

5 (1) all solicitations under this Act for contracts
6 over \$5,000,000, regardless of the location where the
7 contract is to be performed, are made publicly avail-
8 able on a single, centralized website;

9 (2) in countries with nonconvertible or highly
10 unstable currencies—

11 (A) solicitations may be bid in United
12 States dollars; and

13 (B) contracts awarded to United States
14 firms may be paid in United States dollars;

15 (3) United States diplomatic and consular posts
16 assist United States firms in obtaining local licenses
17 and permits; and

18 (4) United States firms are not disadvantaged
19 during the solicitation and bid evaluation process.

20 **SEC. 11504. ALLOCATION OR TRANSFER OF FUNDS AND RE-**
21 **IMBURSEMENT AMONG AGENCIES.**

22 (a) **ALLOCATIONS OR TRANSFERS TO AGENCIES.—**
23 The President, or with respect to funds appropriated to
24 any Federal agency, the head of such agency, as the case
25 may be, may allocate or transfer to any Federal agency
26 any funds available for providing assistance under this

1 Act, including any advance to the United States Govern-
2 ment by any country or international organization for the
3 procurement of articles or services. Such funds shall be
4 available for obligation and expenditure for the purposes
5 for which authorized, in accordance with the authority
6 pursuant to which they were made available or the author-
7 ity governing the activities of the agency to which such
8 funds are allocated or transferred.

9 (b) PROCUREMENT FROM OTHER AGENCIES.—

10 (1) AUTHORITY.—Any officer of the United
11 States Government carrying out functions under this
12 Act may utilize any facility of, and may procure any
13 article or service from, any Federal agency as the
14 President shall direct, or with the consent of the
15 head of such agency.

16 (2) SEPARATE ACCOUNT.—Funds allocated pur-
17 suant to this subsection to any such agency may be
18 established in separate appropriation accounts on
19 the books of the Treasury.

20 (c) REIMBURSEMENT TO AGENCIES.—

21 (1) IN GENERAL.—In the case of any facility
22 utilized by, or any article or service procured from,
23 any Federal agency to carry out any provision of
24 this Act (except as otherwise specifically provided in
25 this Act), reimbursement or payment shall be made

1 to such agency from funds available to carry out
2 that provision.

3 (2) AMOUNT OF REIMBURSEMENT.—Such reim-
4 bursement or payment shall be at—

5 (A) replacement cost;

6 (B) if required by law, actual cost;

7 (C) in the case of defense articles procured
8 from the Department of Defense, value as de-
9 fined in section 4412, or, if required by law, ac-
10 tual costs;

11 (D) in the case of services procured from
12 the Department of Defense, the amount of the
13 additional costs incurred by the Department of
14 Defense in providing such services, or, if re-
15 quired by law, actual costs; or

16 (E) at any other cost agreed to by the
17 owning or disposing agency.

18 (3) CREDITING OF REIMBURSEMENT.—The
19 amount of any such reimbursement or payment shall
20 either be credited to current applicable appropria-
21 tions, funds, or accounts of such agency, to be avail-
22 able for the same purposes and for the same time
23 period as the appropriation, fund or account to
24 which transferred, or any such credited funds shall
25 remain available for such purposes until expended.

1 (d) REIMBURSEMENT TO THE DEPARTMENT OF DE-
2 FENSE.—Reimbursement or payment to the Department
3 of Defense under subsection (c) shall exclude salaries of
4 members of the Armed Forces (other than the Coast
5 Guard) and unfunded estimated costs of civilian retire-
6 ment and other benefits, unless otherwise required by law.

7 (e) ESTABLISHMENT OF ACCOUNTS.—

8 (1) AUTHORITY TO ESTABLISH; USES.—In fur-
9 nishing assistance under this Act, accounts may be
10 established on the books of any Federal agency or,
11 on terms and conditions approved by the Secretary
12 of the Treasury, in banking institutions in the
13 United States—

14 (A) against which letters of commitment
15 may be issued which shall constitute recordable
16 obligations of the United States Government,
17 and moneys due or to become due under such
18 letters of commitment shall be assignable under
19 the last sentence of section 3727(b) and section
20 3727(c) of title 31, United States Code, and
21 paragraphs (5) and (6) of section 6305(b) of
22 title 41, United States Code; and

23 (B) from which disbursements may be
24 made to, or withdrawals may be made by, re-
25 cipient countries or agencies, organizations, or

1 persons upon presentation of contracts, in-
2 voices, or other appropriate documentation.

3 (2) ACCOUNTING FOR EXPENDITURES.—Ex-
4 penditure of funds that have been made available
5 through accounts established under paragraph (1)
6 shall be accounted for on standard documentation
7 required for expenditure of funds of the United
8 States Government.

9 (f) RESPONSIBILITY OF AGENCIES.—

10 (1) IN GENERAL.—The agency to which funds
11 are transferred or allocated pursuant to the author-
12 ity of subsection (a), or any comparable provision of
13 law, shall be the agency responsible for the manage-
14 ment and use of such funds.

15 (2) AUDIT.—Any agreement for the transfer or
16 allocation of such funds shall expressly provide that
17 the Office of the Inspector General for the agency
18 receiving the transfer or allocation shall perform
19 periodic program and financial audits of the use of
20 those funds. Funds transferred or allocated pursu-
21 ant to subsection (a) may be used for the cost of
22 such audits.

23 **SEC. 11505. RETENTION AND USE OF CERTAIN ITEMS AND**
24 **FUNDS.**

25 (a) RETENTION AND USE OF CERTAIN ARTICLES.—

1 (1) AUTHORITY TO RETAIN, TRANSFER, AND
2 USE.—Any articles procured to carry out this Act
3 shall be retained by, or (upon reimbursement) trans-
4 ferred to and for the use of, such Federal agency as
5 the President deems appropriate in lieu of being dis-
6 posed of to a foreign country or international organi-
7 zation, whenever in the judgment of the President
8 the best interests of the United States will be served
9 thereby.

10 (2) LAWS GOVERNING DISPOSAL OF GOVERN-
11 MENT PROPERTY.—Any articles so retained may be
12 disposed of without regard to provisions of law relat-
13 ing to the disposal of property owned by the United
14 States Government, when necessary to prevent spoil-
15 age or wastage of such articles or to conserve their
16 usefulness.

17 (3) PROCEEDS CREDITED TO APPROPRIA-
18 TIONS.—Funds realized from any disposal or trans-
19 fer of any articles shall revert to the respective ap-
20 propriation, fund, or account used to procure such
21 articles or to the appropriation, fund, or account
22 currently available for the same general purpose,
23 and shall remain available until expended.

24 (b) ARTICLES RECEIVED AS PAYMENT.—Whenever
25 articles are transferred to the United States Government

1 as repayment of assistance under this Act or the Foreign
2 Assistance Act of 1961 (as in effect on the day before the
3 date of the enactment of this Act), such articles may be
4 used in furtherance of the purposes and within the limita-
5 tions of this Act.

6 (c) FAILED TRANSACTIONS.—Funds realized as a re-
7 sult of any failure of a transaction financed under this
8 Act to conform to the requirements of this Act, to applica-
9 ble rules and regulations of the United States Govern-
10 ment, or to the terms of any agreement or contract en-
11 tered into under this Act, shall revert to the respective
12 appropriation, fund, or account used to finance such
13 transaction or to the appropriation, fund, or account cur-
14 rently available for the same general purpose.

15 (d) DISPOSAL OF DEFENSE ARTICLES.—Funds real-
16 ized by the United States Government from the sale,
17 transfer, or disposal of defense articles furnished under
18 chapter 2 of part II of the Foreign Assistance Act of 1961
19 (as in effect on the day before the date of the enactment
20 of this Act), and no longer needed for the purposes for
21 which furnished, shall be credited to the respective appro-
22 priation, fund, or account currently available for the same
23 general purpose.

1 **SEC. 11506. FOREIGN AND DOMESTIC EXCESS PROPERTY.**

2 (a) **POLICY REGARDING USE OF EXCESS AND OTHER**
3 **AVAILABLE PROPERTY.**—In furnishing assistance under
4 this Act—

5 (1) excess personal property, or

6 (2) if a substantial savings would occur, other
7 property already owned by a Federal agency,
8 may be utilized wherever practicable in lieu of or supple-
9 mentary to the procurement of new items for United
10 States-assisted projects and programs.

11 (b) **AUTHORITY TO USE CERTAIN PROPERTY FOR**
12 **ASSISTANCE PURPOSES.**—The President is authorized to
13 use funds made available under this Act to acquire—

14 (1) property classified as domestic or foreign
15 excess pursuant to the Federal Property and Admin-
16 istrative Services Act of 1949 (40 U.S.C. 471 and
17 following);

18 (2) any property available from a Federal agen-
19 cy; or

20 (3) other property,

21 for use of such property as assistance in furtherance of
22 the purposes of this Act. Property acquired pursuant to
23 this section may be furnished pursuant to any provision
24 of this Act for which funds are authorized for the fur-
25 nishing of assistance, and shall be subject to the same con-
26 ditions and restrictions that apply to funds so authorized.

1 (c) SEPARATE ACCOUNT.—

2 (1) IN GENERAL.—The President is authorized
3 for purposes described in subsection (b) to maintain
4 in a separate account funds made available under
5 this Act, free from fiscal year limitations (notwith-
6 standing section 1535(d) of title 31, United States
7 Code) to pay costs (including personnel costs) of ac-
8 quisition and storage (including in advance of known
9 requirements), renovation and rehabilitation, pack-
10 ing, crating, handling, transportation, and related
11 costs of handling and providing such property as as-
12 sistance.

13 (2) REPAYMENT.—The separate account estab-
14 lished pursuant to this section may be repaid from
15 funds made available pursuant to any provision of
16 this Act for which funds are authorized for the fur-
17 nishing of assistance for all costs incurred.

18 (d) CONDITIONS ON USE OF EXCESS PROPERTY.—

19 (1) LIMITATION.—Government-owned excess
20 property may not be made available for use under
21 this Act unless approval is given and a determina-
22 tion is made in accordance with paragraph (2)—

23 (A) before the shipment of such property
24 for use in a specified country; or

1 (B) if the property is already in such coun-
2 try, before the transfer of the property.

3 (2) DETERMINATION.—A shipment or transfer
4 subject to paragraph (1) may take place only after
5 the President approves the shipment or transfer and
6 makes a written determination—

7 (A) that there is a need for such property
8 in the quantity requested and that such prop-
9 erty is suitable for the purpose requested;

10 (B) that the designated end-user has
11 agreed to use and maintain such property effec-
12 tively, and has the ability to do so; and

13 (C) that the residual value, serviceability,
14 and appearance of such property would not re-
15 flect unfavorably on the image of the United
16 States and would justify the costs of packing,
17 crating, handling, transportation, and other ac-
18 cessorial costs, and that the residual value at
19 least equals the total of these costs.

20 (e) NONAPPLICABILITY TO DEPARTMENT OF DE-
21 FENSE.—This section shall not apply—

22 (1) with respect to excess defense articles; and

23 (2) with respect to funds made available for as-
24 sistance under this Act that is administered through
25 the Department of Defense.

1 **SEC. 11507. OCEAN FREIGHT DIFFERENTIAL.**

2 (a) SHIPPING DIFFERENTIAL.—For purposes of fa-
3 cilitating implementation of section 901(b) of the Mer-
4 chant Marine Act, 1936 (46 U.S.C. app. 1241(b)), funds
5 made available for the purposes of this Act may be used
6 to pay for all or any portion of the differential between
7 United States and foreign-flag vessel charter or freight
8 rates.

9 (b) DETERMINATIONS.—The amount of the differen-
10 tial between United States and foreign-flag vessel charter
11 or freight rates shall be determined by the Secretary of
12 Transportation, or in the case of food assistance, by the
13 Secretary of Transportation in consultation with the Sec-
14 retary of Agriculture and the Administrator.

15 (c) USE OF FOREIGN CURRENCIES.—Payments
16 under this section shall be made in United States-owned
17 foreign currencies wherever feasible.

18 (d) CERTAIN LAWS NOT APPLICABLE.—The ocean
19 transportation between foreign countries of commodities
20 purchased with foreign currencies made available or de-
21 rived from funds made available under this Act or the Ag-
22 ricultural Trade Development and Assistance Act of 1954
23 (7 U.S.C. 1691 and following), or any predecessor Acts,
24 and transfers of fresh fruit and fresh fruit products under
25 this Act, shall not be governed by section 901(b) of the
26 Merchant Marine Act, 1936 (46 U.S.C. app. 1241(b)), or

1 any other law relating to the ocean transportation of com-
2 modities on United States flag vessels.

3 **SEC. 11508. USE OF AIRCRAFT FOR ADDITIONAL PURPOSES.**

4 (a) TRANSFER AUTHORITY.—Notwithstanding sec-
5 tion 5207 or any other provision or law precluding such
6 use, aircraft procured for narcotics control purposes with
7 funds made available under this Act, the Foreign Assist-
8 ance Act of 1961 (as in effect on the day before the date
9 of the enactment of this Act), or any Act making appro-
10 priations for the Department of State, foreign operations,
11 and related programs, may be used for any other program,
12 country or region, including for the transportation of Re-
13 sponse Readiness Corps personnel and equipment during
14 a deployment.

15 (b) DETERMINATION REQUIRED.—The authority
16 provided in subsection (a) may be exercised only if the
17 Secretary determines that—

18 (1) the such aircraft is no longer required to
19 meet programmatic purposes in the originally des-
20 ignated program, country, or region, or

21 (2) there is an emergency need for such aircraft
22 in another program, country or region.

23 (c) NOTIFICATION.—The appropriate congressional
24 committees shall be notified—

1 (1) of a determination under subsection (b);
2 and

3 (2) prior to a transfer under subsection (a).

4 (d) AIRCRAFT COORDINATION AND USE.—Notwith-
5 standing **【section 5205】** or any other provision or law pre-
6 cluding such use, aircraft purchased or leased by the De-
7 partment of State or the United States Agency for Inter-
8 national Development under this Act, the Foreign Assist-
9 ance Act of 1961 (as in effect on the day before the date
10 of the enactment of this Act), or any Act making appro-
11 priations for the Department of State, foreign operations,
12 and related programs shall be—

13 (1) coordinated by the relevant Chief of Mis-
14 sion;

15 (2) made available for the transportation of
16 personnel supporting the programs and activities of
17 the Department of State or the United States Agen-
18 cy for International Development, as the case may
19 be; and

20 (3) made available for official travel for other
21 agencies for other purposes on a reimbursable basis,
22 or without reimbursement when traveling on a
23 space-available basis.

1 **SEC. 11509. STREAMLINING AND REVIEW OF PROCURE-**
2 **MENT PROCESS.**

3 (a) STREAMLINING PROCEDURES.—To streamline
4 the process for making awards, the Administrator
5 should—

6 (1) create simplified solicitations, structured
7 scopes of work, standardized proposals and assist-
8 ance templates, and joint funding models under
9 which multiple offices and agencies can fund inte-
10 grated programs;

11 (2) consider pre-qualification short-lists to re-
12 duce award time;

13 (3) improve training for contracting and pro-
14 curement personnel;

15 (4) increase transparency on anticipated activi-
16 ties;

17 (5) improve consultation with the public and
18 implementing partners; and

19 (6) establish an office to advocate on behalf of
20 small nongovernmental organizations.

21 (b) ACQUISITIONS AND ASSISTANCE.—To ensure the
22 appropriate balance and use of acquisitions and assistance
23 instruments, the Administrator shall—

24 (1) issue a policy and guidelines regarding the
25 use and application of each type of instrument, in-
26 cluding the responsibility of personnel of the Agency

1 with respect to the administration of each type of in-
2 strument;

3 (2) make such guidelines public;

4 (3) ensure that Agency personnel receive ade-
5 quate training on the use and application of each
6 type of instrument; and

7 (4) review and update, as necessary, such policy
8 and guidelines in light of recommendations received
9 by the committee established under subsection (b).

10 (c) OPERATIONAL ISSUES REVIEW COMMITTEE.—

11 The Administrator should convene an Advisory Com-
12 mittee, pursuant to the Federal Advisory Committee Act,
13 to—

14 (1) assist in updating Agency procedures and
15 regulations to improve speed, transparency, and rel-
16 evance;

17 (2) review the procedures, policy and guidelines
18 developed under subsections (a) and (b); and

19 (3) provide advice and guidance on other oper-
20 ational issues, as appropriate.

21 (d) HARMONIZATION OF PROCUREMENT RULES.—

22 The Administrator shall convene a working group, incor-
23 porating representatives of all Federal agencies carrying
24 out activities under title I of this Act, to harmonize rules,
25 regulations, policies and practices regarding procurement.

1 (e) RULEMAKING PROCEDURES.—The Administrator
2 shall apply the same rulemaking procedures to policies re-
3 garding assistance instruments as are applied to policies
4 regarding acquisition instruments, and shall ensure that
5 all such procedures are carried out in compliance with sec-
6 tion 533 of title 5, United States Code.

7 **SEC. 11510. OVERSEAS PROCUREMENT FLEXIBILITY.**

8 Section 3 of the State Department Basic Authorities
9 Act of 1956 (22 U.S.C. 2670) is amended by—

10 (1) in subsection (l), by striking “and” at the
11 end;

12 (2) in subsection (m), by striking the period at
13 the end and inserting “; and”; and

14 (3) by adding at the end the following new sub-
15 section:

16 “(n) make and carry out contracts for procurement
17 outside the United States of goods or services needed for
18 the operation of United States diplomatic and consular
19 posts and related facilities outside the United States, pro-
20 vided that—

21 “(1) laws of the United States relating to the
22 negotiation, making, contents or performance of gov-
23 ernment contracts for goods or services, and advance
24 payments and indemnification in relation to such
25 contracts shall apply with respect to such contracts

1 except to the extent that the Secretary determines
2 (other than for purposes of chapter 21 of title 41,
3 United States Code) that the Secretary could not
4 reasonably meet the need of a post or facility for
5 such goods and services by use of authority available
6 to the Secretary under a law under this subsection;

7 “(2) the Secretary shall—

8 “(A) issue guidance addressing use of this
9 authority; and

10 “(B) require written approval to waive spe-
11 cific laws or procurement regulations under this
12 authority by the Procurement Executive (with-
13 out further delegation); and

14 “(3) no individual contract action entered into
15 under this authority shall exceed \$2,000,000 unless
16 approved in writing by the Chief Acquisition Officer
17 of the Department (without further delegation).”.

18 **SEC. 11511. LOCAL GUARD CONTRACTS ABROAD.**

19 Section 136(c) of the Foreign Relations Authoriza-
20 tion Act, Fiscal Years 1990 and 1991 (22 U.S.C.
21 4864(c)(3)) is amended to read as follows:

22 “(3) in evaluating proposals for such contracts,
23 award contracts to technically acceptable firms offer-
24 ing the lowest evaluated price, except that—

1 “(A) the Secretary may grant authoriza-
2 tion to award contracts on the basis of best
3 value as determined by a cost-technical tradeoff
4 analysis; and

5 “(B) proposals received from United
6 States persons and qualified United States joint
7 venture persons (as defined in subsection (d) of
8 this section) shall be evaluated by reducing the
9 bid price by 10 percent.”.

10 **CHAPTER 4—USE OF FOREIGN**
11 **CURRENCIES**

12 **SEC. 11601. SEPARATE ACCOUNTS FOR LOCAL CUR-**
13 **RENCIES.**

14 (a) **IN GENERAL.**—The Administrator shall require
15 that any local currencies generated as a result of agree-
16 ments with a foreign government regarding the use of eco-
17 nomic assistance or development assistance are deposited
18 in a separate account established by that government.

19 (b) **AGREEMENTS.**—A separate account under sub-
20 section (a) shall be established pursuant to an agreement
21 between the United States Agency for International Devel-
22 opment and the foreign government which sets forth—

23 (1) the amount of the local currencies to be
24 generated;

1 (2) the terms and conditions under which the
2 currencies so deposited may be utilized, consistent
3 with this section; and

4 (3) the responsibilities of the Agency and the
5 foreign government to monitor and account for de-
6 posits into and disbursements from the separate ac-
7 count.

8 (c) USES OF LOCAL CURRENCIES.—Local currencies
9 deposited in a separate account pursuant to subsection
10 (a), or an equivalent amount of local currencies, shall be
11 used only—

12 (1) to further the goals and objectives of title
13 I of this Act; or

14 (2) for the administrative requirements of the
15 United States Government.

16 (d) TERMINATION OF ASSISTANCE PROGRAMS.—
17 Upon termination of economic assistance to a country, any
18 unencumbered balances of funds which remain in a sepa-
19 rate account established pursuant to subsection (a) shall
20 be disposed of for such purposes as may be agreed to by
21 the government of that country and the United States
22 Government.

23 (e) REPORTING REQUIREMENT.—The Administrator
24 shall include in the annual congressional budget justifica-
25 tion documents submitted pursuant to section 9302 a re-

1 port on the amounts and uses of local currency (and
2 United States dollar equivalent) in each applicable coun-
3 try.

4 **SEC. 11602. USE OF CERTAIN FOREIGN CURRENCIES.**

5 (a) AUTHORITY TO USE FOREIGN CURRENCIES FOR
6 ASSISTANCE PROGRAMS.—Except as otherwise provided
7 in this Act or other provisions of law, foreign currencies
8 described in subsection (b) that are owned by the United
9 States Government are authorized to be appropriated for
10 use in providing assistance under this Act.

11 (b) FOREIGN CURRENCIES THAT MAY BE USED FOR
12 ASSISTANCE.—The foreign currencies that may be used
13 under subsection (a) are any foreign currencies received
14 as a result of the furnishing of assistance under this Act
15 (or any predecessor Acts authorizing non-military assist-
16 ance), other than assistance administered through the De-
17 partment of Defense, that are in excess of—

18 (1) the amounts reserved under authority of
19 section 105(d) of the Mutual Educational and Cul-
20 tural Exchange Act of 1961 or any other Act relat-
21 ing to educational and cultural exchanges; and

22 (2) the amounts required for payment by the
23 agencies of the United States Government of their
24 obligations outside the United States, as such re-

1 quirements may be established from time to time by
2 the President.

3 (c) PAYMENT OF OBLIGATIONS OF GOVERNMENT
4 AGENCIES.—Foreign currencies described in subsection
5 (b) that are in excess of the amounts described in para-
6 graph (1) of that subsection may be sold by the Secretary
7 of the Treasury to agencies of the United States Govern-
8 ment for payment of their obligations outside the United
9 States.

10 (d) USE OF FOREIGN CURRENCIES NOT OWNED BY
11 THE UNITED STATES GOVERNMENT.—With the concur-
12 rence of the relevant inspector general, the use of foreign
13 currencies that accrue or are otherwise available as a re-
14 sult of assistance provided under this Act (including pred-
15 ecessor Acts) that are not owned by the United States
16 Government, shall be the responsibility of the government
17 owning such currencies to audit.

18 **SEC. 11603. ACCOUNTING AND VALUATION OF FOREIGN**
19 **CURRENCIES.**

20 (a) RESPONSIBILITY OF SECRETARY OF TREAS-
21 URY.—Under the direction of the President, the Secretary
22 of the Treasury shall have responsibility for valuation and
23 central accounting with respect to foreign credits (includ-
24 ing currencies) owed to or owned by the United States.
25 In order to carry out such responsibility, the Secretary

1 shall issue regulations binding upon all agencies of the
2 United States Government.

3 (b) SOLE AUTHORITY.—The Secretary of the Treas-
4 ury shall have sole authority to establish for all foreign
5 currencies or credits the exchange rates at which such cur-
6 rencies are to be reported by all agencies of the Govern-
7 ment.

8 **Subtitle C—Human Resources**

9 **CHAPTER 1—PERSONNEL AND BENEFITS**

10 **SEC. 11701. EMPLOYMENT OF PERSONNEL.**

11 (a) AUTHORITY.—Any Federal agency or Federal of-
12 ficer carrying out functions under this Act is authorized
13 to employ such Federal personnel as the President deems
14 necessary to carry out the provisions and purposes of this
15 Act.

16 (b) ASSISTANCE FUNCTIONS IN THE UNITED
17 STATES.—

18 (1) APPOINTMENTS AND REMOVAL WITHOUT
19 REGARD TO CERTAIN CIVIL SERVICE LAWS.—Not
20 more than 110 employees of the United States
21 Agency for International Development in the United
22 States may be appointed or removed without regard
23 to the provisions of title 5, United States Code, gov-
24 erning appointments in the competitive service, and
25 may be compensated without regard to the provi-

1 sions of chapter 51 or subchapter III of chapter 53
2 of such title, subject to paragraph (2) of this sub-
3 section.

4 (2) COMPENSATION.—Of the employees ap-
5 pointed under paragraph (1), 51 may be com-
6 pensated at rates higher than those payable for GS-
7 15 of the General Schedule under section 5332 of
8 title 5, United States Code, but not in excess of the
9 highest rate payable under section 5376 of such
10 title.

11 (3) REINSTATEMENT RIGHTS.—Under such
12 regulations as the President may prescribe, any indi-
13 vidual employed under paragraph (1) may be enti-
14 tled, upon removal (except for cause) from the posi-
15 tion to which the appointment was made, to rein-
16 statement to the position occupied by that individual
17 at the time of appointment or to a position of com-
18 parable grade and pay.

19 (c) DEPARTMENT OF DEFENSE FUNCTIONS IN THE
20 UNITED STATES.—Of the personnel employed in the
21 United States by the Department of Defense to carry out
22 this Act not to exceed 8 may be compensated at rates
23 higher than those payable for GS-15 of the General
24 Schedule under section 5332 of title 5, United States
25 Code, but not in excess of the highest rate payable under

1 section 5376 of such title. Such positions shall be in addi-
2 tion to those authorized by law to be filled by Presidential
3 appointment, and in addition to the number authorized
4 by section 5108 of title 5, United States Code.

5 (d) PERFORMANCE OF FUNCTIONS OUTSIDE THE
6 UNITED STATES.—

7 (1) AUTHORITY TO EMPLOY OR ASSIGN.—For
8 the purpose of performing functions under this Act
9 outside the United States, the President may—

10 (A) employ or assign individuals; or

11 (B) authorize the employment or assign-
12 ment of Federal employees that are not author-
13 ized to utilize the Foreign Service personnel
14 system.

15 (2) COMPENSATION.—Individuals employed or
16 assigned under paragraph (1) shall receive com-
17 pensation at any of the rates provided for under sec-
18 tion 402 or section 403 of the Foreign Service Act
19 of 1980, or under chapter 53 of title 5, United
20 States Code, or at any other rate authorized by law,
21 together with allowances and benefits under the For-
22 eign Service Act of 1980.

23 (3) REEMPLOYMENT RIGHTS.—Individuals so
24 employed or assigned shall be entitled to the same
25 benefits as are provided by section 310 of the For-

1 eign Service Act for individuals appointed to the
2 Foreign Service, except to the extent that the Presi-
3 dent may specify otherwise in cases in which the pe-
4 riod of employment or assignment exceeds 30
5 months.

6 **SEC. 11702. EXPERTS AND CONSULTANTS.**

7 (a) **AUTHORITY TO EMPLOY.**—Experts and consult-
8 ants or organizations thereof may, in accordance with sec-
9 tion 3109 of title 5, United States Code, be employed for
10 the performance of functions under this Act.

11 (b) **RATES OF COMPENSATION.**—Individuals em-
12 ployed under the authority of subsection (a) may be com-
13 pensated at rates not in excess of the daily equivalent of
14 the highest rate payable under section 5332 of title 5,
15 United States Code, and while away from their homes or
16 regular places of business, they may be paid actual travel
17 expenses and per diem in lieu of subsistence at rates not
18 in excess of those prescribed by the standardized Govern-
19 ment travel regulations.

20 (c) **MANDATORY RETIREMENT AGE NOT APPLICA-**
21 **BLE.**—The service of an individual as an expert or consult-
22 ant under subsection (a) shall not be considered to be em-
23 ployment or holding of office or position for purposes of
24 applying the provisions of section 3323(a) of title 5,
25 United States Code, to the individual.

1 (d) EMPLOYMENT OF CERTAIN PERSONS WITHOUT
2 COMPENSATION.—Persons of outstanding experience and
3 ability may be employed without compensation by any
4 Federal agency for the performance of functions under
5 this Act in accordance with the provisions of section
6 710(b) of the Defense Production Act of 1950 (50 U.S.C.
7 App. 2160(b)), and regulations issued thereunder.

8 **SEC. 11703. PROHIBITION OF DISCRIMINATION AGAINST**
9 **FEDERAL PERSONNEL.**

10 (a) ASSIGNMENT OF PERSONNEL.—

11 (1) IN GENERAL.—The President shall not take
12 into account, in assigning Federal personnel to carry
13 out the provisions of this Act, the individual's race,
14 sex, religion, national origin, sexual orientation, or
15 gender identity. Such assignments shall be made
16 solely on the basis of ability and relevant experience.

17 (2) PROHIBITION ON CONSIDERATION OF EX-
18 CLUSIONARY POLICIES OR PRACTICES.—No agency
19 performing functions under this Act shall, in em-
20 ploying or assigning Federal personnel to participate
21 in the performance of any such function, whether in
22 the United States or abroad, take into account the
23 exclusionary policies or practices of any foreign gov-
24 ernment where such policies or practices are based

1 upon race, sex, religion, national origin, sexual ori-
2 entation or gender identity.

3 (3) CONTRACTS.—Each contract entered into
4 by any such agency for the performance of any func-
5 tion under this Act shall contain a provision to the
6 effect that no person, partnership, corporation, or
7 other entity performing functions pursuant to such
8 contract, shall, in employing or assigning personnel
9 to participate in the performance of any such func-
10 tion, whether in the United States or abroad, take
11 into account the exclusionary policies or practices of
12 any foreign government where such policies or prac-
13 tices are based upon race, sex, religion, national ori-
14 gin, sexual orientation, or gender identity.

15 (b) EXCLUSION BY FOREIGN COUNTRIES.—Except
16 as provided in subsection (c), no assistance may be pro-
17 vided under this Act to any government or organization
18 that excludes, as a matter of law, regulation, policy or
19 practice, any United States person (as defined in section
20 7701(a)(30) of the Internal Revenue Code of 1954) from
21 participating in the furnishing of assistance under this Act
22 on the basis of sex, race, religion, national origin, sexual
23 orientation or gender identity.

1 (c) EXCEPTION.—The President may provide assist-
2 ance notwithstanding the prohibition in subsection (b) if
3 the President—

4 (1) determines that, notwithstanding such ex-
5 clusion,—

6 (A) extraordinary circumstances exist
7 which necessitate the provision of such assist-
8 ance; and

9 (B) it is in the national interest of the
10 United States to provide such assistance; and

11 (2) transmits to the appropriate congressional
12 committees, prior to providing such assistance, a re-
13 port detailing—

14 (A) the facts and circumstances of such ex-
15 clusion;

16 (B) the response thereto on the part of the
17 United States Government or any agency or
18 personnel thereof;

19 (C) the result of such response, if any;

20 (D) the extraordinary circumstances which
21 necessitate the provision of such assistance; and

22 (E) the nature and amount of the assist-
23 ance to be provided notwithstanding such exclu-
24 sion.

1 **SEC. 11704. FOREIGN SERVICE LIMITED APPOINTMENTS.**

2 (a) **AUTHORITY TO HIRE AND EMPLOY.**—The Ad-
3 ministrator is authorized to hire and employ up to 200
4 individuals in the United States and overseas on a limited
5 appointment basis pursuant to the authority of sections
6 308 and 309 of the Foreign Service Act of 1980.

7 (b) **CONDITIONS.**—The authority of subsection (a)
8 may only be used to the extent that an equivalent number
9 of positions that are filled by personal services contractors
10 or other nondirect hire personnel of the United States
11 Agency for International Development are eliminated.

12 (c) **PRIORITY SECTORS.**—In exercising the authority
13 of this section, primary emphasis shall be placed on ena-
14 bling the United States Agency for International Develop-
15 ment to meet personnel needs in technical skill areas cur-
16 rently encumbered by personal services contractors or
17 other non-direct hire personnel.

18 (d) **EXTENSIONS.**—Individuals hired and employed
19 by the United States Agency for International Develop-
20 ment pursuant to the authority of section 309 of the For-
21 eign Service Act of 1980 may be extended for a period
22 of up to 4 years notwithstanding the limitation set forth
23 in such section.

24 **SEC. 11705. TECHNICAL ADVISORS.**

25 The Administrator is authorized to use funds made
26 available to carry out title I of this Act to reimburse Fed-

1 eral agencies, agencies of State governments, institutions
2 of higher education, and private and voluntary organiza-
3 tions for the full cost of individuals (including for the per-
4 sonal services of such individuals) detailed or assigned to,
5 or contracted by, as the case may be, the United States
6 Agency for International Development for the purpose of
7 carrying out this Act.

8 **SEC. 11706. PERSONAL SERVICES CONTRACTORS FOR**
9 **USAID.**

10 (a) **EMPLOYMENT OUTSIDE THE UNITED STATES.**—
11 The Administrator is authorized to employ personal serv-
12 ices contractors outside the United States to carry out the
13 purposes of this Act.

14 (b) **EMPLOYMENT IN THE UNITED STATES.**—The
15 Administrator is authorized to employ up to 40 personal
16 services contractors in the United States, notwithstanding
17 any other provision of law, for the purpose of providing
18 direct, interim support for new or expanded overseas pro-
19 grams and activities managed by the United States Agen-
20 cy for International Development until permanent direct
21 hire personnel are hired and trained.

22 (c) **CONSIDERED AS OPERATING EXPENSES.**—The
23 salaries and expenses of individuals hired under the au-
24 thority of subsection (b) shall be considered as operating
25 expenses of the United States Agency for International

1 Development and subject to the limitations of section
2 11301, except that the Administrator may use funds made
3 available to carry out title II of the Agricultural Trade
4 Development and Assistance Act of 1954 for personal
5 services contractors assigned to the Office of Food for
6 Peace.

7 (d) NOT REGARDED AS FEDERAL EMPLOYEES.—In-
8 dividuals hired under the authority of this section shall
9 not be regarded as Federal employees for the purpose of
10 any law administered by the Office of Personnel Manage-
11 ment.

12 **SEC. 11707. PERSONAL SERVICES CONTRACTORS FOR THE**
13 **DEPARTMENT OF STATE.**

14 (a) IN GENERAL.—In addition to other authorities
15 that may be available, the Secretary of State may establish
16 a pilot program (in this section referred to as the “pro-
17 gram”) for the purpose of hiring United States citizens
18 or aliens as personal services contractors, for service in
19 the United States, or for service both in the United States
20 and abroad, to respond to new or emerging needs or to
21 augment current services.

22 (b) CONDITIONS.—The Secretary is authorized to use
23 the authority of subsection (a), subject to the following
24 conditions:

1 (1) The Secretary determines that existing per-
2 sonnel resources are insufficient.

3 (2) The contract length, including options, may
4 not exceed 2 years, unless the Secretary makes a
5 finding that exceptional circumstances justify an ex-
6 tension of up to one additional year.

7 (3) Not more than a total of 200 United States
8 citizens or aliens are employed at any one time as
9 personal services contractors under this section.

10 (4) This authority may only be used to obtain
11 specialized skills or experience or to respond to ur-
12 gent needs.

13 (c) STATUS OF PERSONAL SERVICE CONTRAC-
14 TORS.—

15 (1) IN GENERAL.—An individual hired as a per-
16 sonal service contractor pursuant to this section
17 shall not, by virtue of such hiring, be considered to
18 be an employee of the United States Government for
19 purposes of any law administered by the Office of
20 Personnel Management.

21 (2) APPLICABLE LAWS.—An individual hired as
22 a personal service contractor pursuant to this section
23 shall be covered, in the same manner as a similarly-
24 situated employee, by—

25 (A) the Ethics in Government Act of 1978;

1 (B) chapter 21 of title 41, United States
2 Code; and

3 (C) chapter 73 of title 5, sections 201,
4 203, 205, 207, 208, and 209 of title 18, and
5 section 1346 and chapter 171 of title 28,
6 United States Code.

7 (3) EXCEPTION.—This subsection shall not af-
8 fect the determination as to whether an individual
9 hired as a personal service contractor pursuant to
10 this section is an employee of the United States Gov-
11 ernment for purposes of any Federal law not speci-
12 fied in paragraphs (1) and (2).

13 (d) TERMINATION OF AUTHORITY.—The authority to
14 award personal services contracts under the program au-
15 thorized by this section shall terminate on September 30,
16 2014. A contract entered into prior to the termination
17 date under this subsection may remain in effect until expi-
18 ration.

19 **SEC. 11708. HIRING AUTHORITY OF INSPECTOR GENERAL**
20 **OF THE UNITED STATES AGENCY FOR INTER-**
21 **NATIONAL DEVELOPMENT.**

22 (a) IN GENERAL.—Subject to the requirements and
23 limitations of this section, the Inspector General of the
24 United States Agency for International Development is

1 authorized to employ personal services contractors outside
2 the United States.

3 (b) NUMBER.—The number of contractors hired
4 under the authority of subsection (a) may not exceed 5
5 percent of the total authorized workforce of the Office of
6 the Inspector General.

7 (c) CONTRACT LENGTH.—A contractor hired under
8 the authority of subsection (a) shall have a contract period
9 of not longer than 2 years, unless the Inspector General
10 determines, on a case-by-case basis, that exceptional cir-
11 cumstances justify the extension of a contract for up to
12 1 additional year.

13 (d) CERTIFICATION.—The authority provided in sub-
14 section (a) may be exercised only if the Inspector General
15 determines that it is impractical to recruit a sufficient
16 number of direct-hire employees to perform necessary
17 overseas work, and reports such determination to the ap-
18 propriate congressional committees, along with the rea-
19 sons such recruitment is impractical.

20 (e) STATUS OF EMPLOYMENT.—Individuals employed
21 under the authority of this section shall not be considered
22 Federal employees for purposes of the Foreign Service Act
23 of 1980 or any law administered by the Office of Per-
24 sonnel Management.

1 **SEC. 11709. PUBLIC AVAILABILITY OF CONSULTING CON-**
2 **TRACTS.**

3 Any contract for consulting services issued with funds
4 made available under this Act shall be a matter of public
5 record and subject to public inspection, unless otherwise
6 specifically provided under law.

7 **SEC. 11710. SENIOR FOREIGN SERVICE REQUIREMENT.**

8 Section 305 of the Foreign Service Act of 1980 (22
9 U.S.C. 3945) is amended by adding at the end the fol-
10 lowing:

11 “(e) REQUIREMENT.—Beginning 3 years from the
12 date of enactment of this subsection, a Foreign Service
13 Officer may not be promoted into the Senior Foreign Serv-
14 ice of the Department of State or the United States Agen-
15 cy for International Development without having served
16 at least one domestic rotation in a bureau or office that
17 does not have a regional jurisdiction.”.

18 **SEC. 11711. PAY PARITY FOR CRIMINAL INVESTIGATORS.**

19 Section 5541(2)(C)(xiv) of title 5, United State Code,
20 is amended to read as follows:

21 “(xiv) a Foreign Service officer, ex-
22 cept that a Foreign Service officer serving
23 as a criminal investigator in the Office of
24 the Inspector General of the United States
25 Agency for International Development
26 shall be eligible for and receive availability

1 pay on the same terms as a criminal inves-
2 tigator under section 5545a.”.

3 **CHAPTER 2—DETAILS, FELLOWSHIPS,**
4 **AND EXCHANGES**

5 **SEC. 11801. DETAILS TO FOREIGN GOVERNMENTS AND**
6 **INTERNATIONAL ORGANIZATIONS.**

7 (a) DETAILS TO FOREIGN GOVERNMENTS.—When
8 consistent with and in furtherance of the purposes of this
9 Act, the head of any Federal agency is authorized to detail
10 any Federal employee of that agency to any office or posi-
11 tion with any foreign government or foreign government
12 agency, where acceptance of such office or position does
13 not involve the taking of an oath of allegiance to another
14 government or acceptance of compensation or other bene-
15 fits from any foreign country by such employee.

16 (b) DETAILS TO INTERNATIONAL ORGANIZATIONS.—
17 When consistent with and in furtherance of the purposes
18 of this Act, the head of any Federal agency is authorized
19 to detail to any international organization or arrangement,
20 any Federal employee of that agency to serve with, or as
21 a member of, the international staff of such organization,
22 or to render any technical, scientific, or professional advice
23 or service to, or in cooperation with, such organization.

24 (c) STATUS OF FEDERAL EMPLOYEES DETAILED.—

1 (1) RETENTION OF BENEFITS.—Any Federal
2 employee, while detailed under this section—

3 (A) shall be considered a Federal employee
4 and of the Federal agency from which detailed
5 for the purpose of preserving his or her allow-
6 ances, privileges, rights, seniority, and other
7 benefits as such; and

8 (B) shall continue to receive compensation,
9 allowances, and benefits from funds appro-
10 priated to that agency or made available to that
11 agency under this Act, or may be detailed on a
12 leave without pay status.

13 (2) ALLOWANCES.—Any Federal employee as-
14 signed, detailed, or appointed under this section, sec-
15 tion 11203(b), section 11204 or section 11702, may
16 receive (under such regulations as the President may
17 prescribe) representation allowances similar to those
18 allowed under section 905 of the Foreign Service Act
19 of 1980. The authorization of such allowances and
20 other benefits and the payment thereof out of any
21 appropriations available therefor shall be considered
22 as meeting all the requirements of section 5536 of
23 title 5, United States Code.

1 (d) TERMS OF DETAIL.—Details may be made under
2 this section or section 408 of the Mutual Security Act of
3 1954 in accordance with any of the following:

4 (1) Without reimbursement to the United
5 States Government by the foreign government or
6 international organization.

7 (2) Upon agreement by the foreign government
8 or international organization to reimburse the
9 United States Government for compensation, travel
10 expenses, benefits, and allowances, or any part
11 thereof, payable to the Federal employee concerned
12 during the period of detail. Such reimbursements
13 (including foreign currencies) shall be credited to the
14 appropriation, fund, or account utilized for paying
15 such compensation, travel expenses, benefits, or al-
16 lowances, or to the appropriation, fund, or account
17 currently available for such purposes.

18 (3) Upon an advance of funds, property, or
19 services by the foreign government or international
20 organization to the United States Government ac-
21 cepted with the approval of the President for speci-
22 fied uses in furtherance of the purposes of this Act.
23 Funds so advanced may be established as a separate
24 fund in the Treasury of the United States Govern-
25 ment, to be available for the specified uses, and to

1 be used for reimbursement of appropriations or di-
2 rect expenditure subject to the provisions of this
3 Act. Any unexpended balance of such account shall
4 be returned to the foreign government or inter-
5 national organization.

6 (4) Subject to the receipt by the United States
7 Government of a credit to be applied against the
8 payment by the United States Government of its
9 share of the expenses of the international organiza-
10 tion to which the Federal employee is detailed, such
11 credit to be based upon the compensation, travel ex-
12 penses, benefits and allowances, or any part thereof,
13 payable to such employee during the period of detail
14 in accordance with subsection (c).

15 **SEC. 11802. DETAILS TO UNITED STATES GOVERNMENT**
16 **AGENCIES.**

17 (a) **AUTHORITY TO DETAIL.**—The head of any Fed-
18 eral agency is authorized to detail Federal employees of
19 that agency (hereinafter known as the “detailing agency”)
20 to any office or position in any other Federal agency (here-
21 inafter known as the “receiving agency”), for the purposes
22 set out in subsection (b).

23 (b) **PURPOSES OF DETAIL.**—A detail under sub-
24 section (a) is authorized for the purposes of—

1 (1) improving cooperation and collaboration be-
2 tween the detailing agency and receiving agency,
3 (2) rendering any technical, scientific, or pro-
4 fessional advice or service to the receiving agency, or
5 (3) providing training and professional develop-
6 ment to employees of the detailing agency,
7 when such detail is consistent with and in furtherance of
8 the purposes of this Act.

9 (c) CONGRESSIONAL DETAIL.—The Secretary and
10 the Administrator are each authorized to detail up to 5
11 employees of the Department of State and the United
12 States Agency for International Development, respectively,
13 each fiscal year to individual members and committees of
14 Congress, notwithstanding the requirement for reimburse-
15 ment in subsection (d). Such detailees shall be known as
16 “Congressional Fellows”.

17 (d) REQUIREMENT FOR REIMBURSEMENT.—The re-
18 ceiving agency shall reimburse the detailing agency for the
19 salary and allowances of each Federal employee for the
20 period of the detail, unless the detail is for a period of
21 less than one year and—

22 (1) a substantially equivalent number of Fed-
23 eral employees are detailed to and from each agency
24 in a fiscal year; or

1 **SEC. 11804. FOREIGN RELATIONS EXCHANGE PROGRAMS.**

2 (a) IN GENERAL.—The Secretary may establish ex-
3 change programs under which employees of the Depart-
4 ment of State, including individuals appointed under title
5 5, United States Code, and members of the Foreign Serv-
6 ice, may be assigned, for a period not to exceed 1 year,
7 to a position with any foreign government or international
8 entity that permits an employee of the foreign government
9 or international entity, as the case may be, to be assigned
10 to a position with the Department of State.

11 (b) DEPARTMENT OF STATE EMPLOYEES.—During
12 a period in which an employee of the Department of State
13 is participating in an exchange program authorized under
14 subsection (a), such employee shall, for the purposes of
15 receiving salary and benefits, be treated as an employee
16 detailed under section 11801.

17 (c) FOREIGN EMPLOYEES.—The salary and benefits
18 of an employee of a foreign government or international
19 entity participating in a program established under this
20 section shall be paid by such government or entity during
21 the period in which such employee is participating in the
22 program, and shall not be reimbursed by the Department
23 of State.

24 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
25 tion shall be construed to authorize the appointment as
26 a Federal employee of—

1 (1) an individual whose allegiance is to any
2 country, government, or foreign or international en-
3 tity other than the United States; or

4 (2) an individual who has not met the require-
5 ments of sections 3331, 3332, 3333, and 7311 of
6 title 5, United States Code, or any other provision
7 of law concerning eligibility for appointment, and
8 continuation of employment, as a Federal employee.

9 **SEC. 11805. GUIDELINES FOR ROTATIONAL ASSIGNMENTS.**

10 (a) CAREER GUIDELINES.—The Administrator shall
11 establish career guidelines for Foreign Service officers and
12 civil service officers that incorporate interagency, intergov-
13 ernmental, or international organization rotational assign-
14 ments. The guidelines established under this subsection
15 shall include—

16 (1) selection;

17 (2) professional education and training;

18 (3) types of relevant interagency, intergovern-
19 mental, and international organization assignments;
20 and

21 (4) such other matters as the Administrator
22 considers appropriate.

23 (b) PROMOTIONS TO SENIOR RANKS.—Not later than
24 2 years after the date of the enactment of this Act, the
25 Administrator shall establish additional guidelines that

1 consider participation by relevant employees in at least 1
2 interagency, intergovernmental, or international organiza-
3 tional rotational assignment of at least 6 months as a fac-
4 tor for promotion into the ranks of the Senior Foreign
5 Service or Senior Executive Service.

6 (c) PROMOTION PRECEPTS.—The Administrator
7 shall ensure that promotion precepts and promotion pan-
8 els do not penalize employees who have been assigned to
9 interagency, intergovernmental, or international organiza-
10 tions.

11 **CHAPTER 3—TRAINING AND** 12 **PROFESSIONAL DEVELOPMENT**

13 **SEC. 11901. TRAINING OF FEDERAL PERSONNEL.**

14 (a) AUTHORITY TO CONDUCT TRAINING.—The head
15 of each Federal agency carrying out activities under this
16 Act is authorized to use funds made available under this
17 Act to pay the costs, in accordance with subsection (b),
18 of providing training for Federal personnel, through inter-
19 change or otherwise, at any State or local unit of govern-
20 ment, public or private nonprofit institution, trade, labor,
21 agricultural, or scientific association or organization, or
22 commercial firm.

23 (b) PAYMENT OF COSTS.—Training costs shall be
24 paid—

1 (1) from funds made available to the employing
2 agency;

3 (2) for individuals performing functions within
4 the United States, from funds available for adminis-
5 trative expenses; and

6 (3) for individuals performing functions outside
7 the United States, from funds available for the pro-
8 gram, project, or activity being carried out by such
9 individual.

10 (c) **LIMITATION ON DUAL EMPLOYMENT.**—Training
11 under this section shall not be considered employment or
12 holding of office under section 5533 of title 5, United
13 States Code.

14 (d) **ACCEPTANCE OF CERTAIN PAYMENTS.**—Any
15 payments or contributions in connection with training
16 under this section may, as deemed appropriate by the head
17 of the Federal agency authorizing such training, be made
18 by private or public sources and be accepted by any train-
19 ee, or may be accepted by and credited to the current ap-
20 plicable appropriation of such agency. Any such payments
21 or contributions shall be in lieu, or in reduction, of com-
22 pensation received from the United States Government.

23 **SEC. 11902. CAREER DEVELOPMENT.**

24 (a) **COMPREHENSIVE PROGRAM.**—The Secretary and
25 the Administrator shall implement and maintain a com-

1 prehensive career-long program of professional training
2 for the personnel of the Department of State and the
3 United States Agency for International Development, re-
4 spectively.

5 (b) PARTICIPATION LEVELS.—The Secretary and the
6 Administrator shall ensure that in each fiscal year not less
7 than 10 percent of personnel of the Department of State
8 and the United States Agency for International Develop-
9 ment receive professional training or participate in details,
10 exchanges, fellowships, scholarships or other opportunities
11 for professional development.

12 (c) INSTITUTION FOR TRAINING.—Section 701(b) of
13 the Foreign Service Act of 1980 (22 U.S.C. 4021(b)) is
14 amended to read as follows:

15 “(b)(1) The Secretary of State shall ensure that
16 training offered by the institution—

17 “(A) meets the training needs of all foreign af-
18 fairs agencies;

19 “(B) is made available on an equal basis to per-
20 sonnel of all foreign affairs agencies, including ac-
21 cess to child care facilities, travel, per diem, and re-
22 imbursements;

23 “(C) is responsive to requests by the heads of
24 other agencies for the development and implementa-
25 tion of specialized training courses; and

1 “(D) is evaluated regularly for cost-effective-
2 ness and for results.

3 “(2) Other agencies shall avoid duplicating the facili-
4 ties and training provided by the Secretary of State
5 through the institution and otherwise.”.

6 (d) TRAINING SUPPORT SERVICES.—Section
7 704(a)(4)(B) of the Foreign Service Act of 1980 (22
8 U.S.C. 4024(a)(4)(B)) is amended by striking “language
9 instructors, linguists, and other academic and training
10 specialists” and inserting “education and training special-
11 ists, including language instructors and linguists, and
12 other specialists who perform work directly relating to the
13 design, delivery, oversight, or coordination of training de-
14 livered by the institution”.

15 (e) REQUIREMENTS FOR PROMOTION.—The Sec-
16 retary and the Administrator shall each establish a set of
17 mandatory training requirements for promotion into the
18 Senior Foreign Service.

19 (f) EVALUATION OF EFFECTIVENESS.—The Sec-
20 retary and the Administrator shall evaluate the effective-
21 ness of all training and professional development pro-
22 grams for the personnel of the Department of State and
23 the United States Agency for International Development,
24 respectively, not later than 2 years after the date of the
25 enactment of this Act, and not less than once every 5 years

1 after thereafter. The results of such evaluations shall be
2 made publicly available on the Internet.

3 **SEC. 11903. LANGUAGE SKILLS DEVELOPMENT.**

4 (a) DEVELOPMENT OF SYSTEM.—The Secretary and
5 the Administrator shall develop a system for increasing
6 the number and percentage of Foreign Service Officers at
7 the Department of State and the United States Agency
8 for International Development, respectively, who are pro-
9 ficient in the official language of the country of assign-
10 ment.

11 (b) ELEMENTS OF SYSTEM.—Such system shall in-
12 clude—

13 (1) methods for identifying emerging areas of
14 foreign language shortfalls and projected language
15 needs;

16 (2) designation of Foreign Service positions for
17 which a minimum level of certified language pro-
18 ficiency is required, to be known as “language des-
19 igned positions”;

20 (3) designation of languages for which there is
21 a critical unmet need, to be known as “critical lan-
22 guages”;

23 (4) development of policies and procedures re-
24 lating to assignments, length of rotations, recruit-
25 ment, retention, training, and promotion to—

1 (A) ensure that there are a sufficient num-
2 ber of Foreign Service officers able and avail-
3 able to fill language designated positions; and

4 (B) remedy shortfalls in critical languages;
5 (5) establishment of clear and measurable per-
6 formance goals and objectives; and

7 (6) requirements for monitoring and evaluation
8 of progress.

9 (c) TRANSMISSION TO CONGRESS.—The Secretary
10 and the Administrator shall transmit to the appropriate
11 congressional committees, not later than 1 year after the
12 date of the enactment of this Act, a report on the system
13 developed under subsection (a) and a plan for its imple-
14 mentation, including any budgetary implications.

15 (d) IMPLEMENTATION REPORTS.—One year after the
16 date on which the report is transmitted pursuant to sub-
17 section (c), and each of the next 2 years thereafter, the
18 Secretary and the Administrator shall transmit to the ap-
19 propriate congressional committees a report on the status
20 of implementation of the system developed under sub-
21 section (a).

22 (e) REPEAL OF DUPLICATIVE REPORT.—Section 702
23 of the Foreign Service Act of 1980 (22 U.S.C. 4022) is
24 amended by striking subsection (c).

1 (f) AVAILABILITY OF FUNDS.—Notwithstanding sec-
2 tion 11302, amounts made available to the Agency to
3 carry out this section shall not be considered to be oper-
4 ating expenses.

5 **TITLE XII—AMENDMENTS AND** 6 **REPEALS**

7 **Subtitle A—Amendments**

8 **SEC. 12101. AMENDMENTS RELATING TO ASSISTANCE TO** 9 **COMBAT HIV/AIDS, TUBERCULOSIS, AND MA-** 10 **LARIA.**

11 (a) ASSISTANCE TO COMBAT HIV/AIDS.—Subtitle A
12 of title III of the United States Leadership Against HIV/
13 AIDS, Tuberculosis and Malaria Act of 2003 (22 U.S.C.
14 7631 et seq.) is amended—

15 (1) by redesignating section 301 as section
16 301A;

17 (2) in the heading of section 301A (as redesi-
18 gnated), by inserting “**OTHER PROVISIONS RELAT-**
19 **ING TO**” before “**ASSISTANCE**”; and

20 (3) by inserting before section 301A (as redesi-
21 gnated) the following new section:

22 **“SEC. 301. ASSISTANCE TO COMBAT HIV/AIDS.**

23 “(a) FINDING.—Congress recognizes that the alarm-
24 ing spread of HIV/AIDS in countries in sub-Saharan Afri-
25 ca, the Caribbean, Central Asia, Eastern Europe, Latin

1 America and other developing countries is a major global
2 health, national security, development, and humanitarian
3 crisis.

4 “(b) POLICY.—

5 “(1) OBJECTIVES.—It is a major objective of
6 the foreign assistance program of the United States
7 to provide assistance for the prevention and treat-
8 ment of HIV/AIDS and the care of those affected by
9 the disease. It is the policy objective of the United
10 States, by 2013, to—

11 “(A) assist partner countries to—

12 “(i) prevent 12,000,000 new HIV in-
13 fections worldwide;

14 “(ii) support—

15 “(I) the increase in the number
16 of individuals with HIV/AIDS receiv-
17 ing antiretroviral treatment above the
18 goal established under section
19 402(a)(3) and increased pursuant to
20 paragraphs (1) through (3) of section
21 403(d); and

22 “(II) additional treatment
23 through coordinated multilateral ef-
24 forts;

1 “(iii) support care for 12,000,000 in-
2 dividuals infected with or affected by HIV/
3 AIDS, including 5,000,000 orphans and
4 vulnerable children affected by HIV/AIDS,
5 with an emphasis on promoting a com-
6 prehensive, coordinated system of services
7 to be integrated throughout the continuum
8 of care;

9 “(iv) provide at least 80 percent of
10 the target population with access to coun-
11 seling, testing, and treatment to prevent
12 the transmission of HIV from mother-to-
13 child;

14 “(v) provide care and treatment serv-
15 ices to children with HIV in proportion to
16 their percentage within the HIV-infected
17 population of a given partner country; and

18 “(vi) train and support retention of
19 health care professionals, paraprofes-
20 sionals, and community health workers in
21 HIV/AIDS prevention, treatment, and
22 care, with the target of providing such
23 training to at least 140,000 new health
24 care professionals and paraprofessionals
25 with an emphasis on training and in coun-

1 try deployment of critically needed doctors
2 and nurses;

3 “(B) strengthen the capacity to deliver pri-
4 mary health care in developing countries, espe-
5 cially in sub-Saharan Africa;

6 “(C) support and help countries in their
7 efforts to achieve staffing levels of at least 2.3
8 doctors, nurses, and midwives per 1,000 popu-
9 lation, as called for by the World Health Orga-
10 nization; and

11 “(D) help partner countries to develop
12 independent, sustainable HIV/AIDS programs.

13 “(2) COORDINATED GLOBAL STRATEGY.—The
14 United States and other countries with the sufficient
15 capacity should provide assistance to countries in
16 sub-Saharan Africa, the Caribbean, Central Asia,
17 Eastern Europe, and Latin America, and other
18 countries and regions confronting HIV/AIDS
19 epidemics in a coordinated global strategy to help
20 address generalized and concentrated epidemics
21 through HIV/AIDS prevention, treatment, care,
22 monitoring and evaluation, and related activities.

23 “(3) PRIORITIES.—The United States Govern-
24 ment’s response to the global HIV/AIDS pandemic
25 and the Government’s efforts to help countries as-

1 some leadership of sustainable campaigns to combat
2 their local epidemics should place high priority on—

3 “(A) the prevention of the transmission of
4 HIV;

5 “(B) moving toward universal access to
6 HIV/AIDS prevention counseling and services;

7 “(C) meaningful cost-sharing assurances
8 by the partner country; and

9 “(D) the inclusion of transition strategies
10 to ensure sustainability of such programs and
11 activities, including health care systems, under
12 other international donor support, or budget
13 support by respective foreign governments.

14 “(c) AUTHORIZATION.—

15 “(1) IN GENERAL.—Consistent with section
16 1321 of the Global Partnerships Act of 2011, the
17 President is authorized to furnish assistance, on
18 such terms and conditions as the President may de-
19 termine, for HIV/AIDS, including to prevent, treat,
20 and monitor HIV/AIDS, and carry out related ac-
21 tivities, in countries in sub-Saharan Africa, the Car-
22 ibbean, Central Asia, Eastern Europe, Latin Amer-
23 ica, and other countries and areas, particularly with
24 respect to refugee populations or those in

1 postconflict settings in such countries and areas with
2 significant or increasing HIV incidence rates.

3 “(2) ROLE OF NGOS.—It is the sense of Con-
4 gress that the President should provide an appro-
5 priate level of assistance under paragraph (1)
6 through nongovernmental organizations (including
7 faith-based and community-based organizations) in
8 countries in sub-Saharan Africa, the Caribbean,
9 Central Asia, Eastern Europe, Latin America, and
10 other countries and areas affected by the HIV/AIDS
11 pandemic, particularly with respect to refugee popu-
12 lations or those in post-conflict settings in such
13 countries and areas with significant or increasing
14 HIV incidence rates.

15 “(3) COORDINATION OF ASSISTANCE EF-
16 FORTS.—The President shall coordinate the provi-
17 sion of assistance under paragraph (1) with the pro-
18 vision of related assistance by the Joint United Na-
19 tions Programme on HIV/AIDS (UNAIDS), the
20 United Nations Children’s Fund (UNICEF), the
21 World Health Organization (WHO), the United Na-
22 tions Development Programme (UNDP), the Global
23 Fund to Fight AIDS, Tuberculosis and Malaria and
24 other appropriate international organizations (such
25 as the International Bank for Reconstruction and

1 Development), relevant regional multilateral develop-
2 ment institutions, national, state, and local govern-
3 ments of partner countries, other international ac-
4 tors, appropriate governmental and nongovernmental
5 organizations, and relevant executive branch agen-
6 cies within the framework of the principles of the
7 Three Ones.

8 “(d) ACTIVITIES SUPPORTED.—Assistance provided
9 under subsection (c) shall, to the maximum extent prac-
10 ticable, be used to carry out the following activities:

11 “(1) PREVENTION.—Prevention of HIV/AIDS
12 through activities including—

13 “(A) programs and efforts that are de-
14 signed or intended to impart knowledge with
15 the exclusive purpose of helping individuals
16 avoid behaviors that place them at risk of HIV
17 infection, including integration of such pro-
18 grams into health programs and the inclusion
19 in counseling programs of information on meth-
20 ods of avoiding infection of HIV, including de-
21 laying sexual debut, abstinence, fidelity and mo-
22 nogamy, reduction of casual sexual partnering
23 and multiple concurrent sexual partnering, re-
24 ducing sexual violence and coercion, including
25 child marriage, widow inheritance, and polyg-

1 amy, and where appropriate, use of male and
2 female condoms;

3 “(B) assistance to establish and implement
4 culturally appropriate HIV/AIDS education and
5 prevention programs that are designed with
6 local input and focus on helping individuals
7 avoid infection of HIV/AIDS, implemented
8 through nongovernmental organizations, includ-
9 ing faith-based and community-based organiza-
10 tions, particularly those locally based organiza-
11 tions that utilize both professionals and volun-
12 teers with appropriate skills, experience, and
13 community presence;

14 “(C) assistance for the purpose of encour-
15 aging men to be responsible in their sexual be-
16 havior, child rearing, and to respect women;

17 “(D) assistance for the purpose of pro-
18 viding voluntary testing and counseling (includ-
19 ing the incorporation of confidentiality protec-
20 tions with respect to such testing and coun-
21 seling) and promoting the use of provider-initi-
22 ated or ‘opt-out’ voluntary testing in accordance
23 with World Health Organization guidelines;

24 “(E) assistance for the purpose of pre-
25 venting mother-to-child transmission of the

1 HIV infection, including medications to prevent
2 such transmission and access to infant formula
3 and other alternatives for infant feeding;

4 “(F) assistance to—

5 “(i) achieve the goal of reaching 80
6 percent of pregnant women for prevention
7 and treatment of mother-to-child trans-
8 mission of HIV in countries in which the
9 United States is implementing HIV/AIDS
10 programs by 2013; and

11 “(ii) promote infant feeding options
12 and treatment protocols that meet the
13 most recent criteria established by the
14 World Health Organization;

15 “(G) medical male circumcision programs
16 as part of national strategies to combat the
17 transmission of HIV/AIDS;

18 “(H) assistance to ensure a safe blood sup-
19 ply and sterile medical equipment;

20 “(I) assistance to help avoid substance
21 abuse and intravenous drug use that can lead
22 to HIV infection;

23 “(J) assistance for the purpose of increas-
24 ing women’s access to employment opportuni-

1 ties, income, productive resources, and micro-
2 finance programs, where appropriate;

3 “(K) assistance for counseling, testing,
4 treatment, care, and support programs, includ-
5 ing—

6 “(i) counseling and other services for
7 the prevention of reinfection of individuals
8 with HIV/AIDS;

9 “(ii) counseling to prevent sexual
10 transmission of HIV, including—

11 “(I) life skills development for
12 practicing abstinence and faithfulness;

13 “(II) reducing the number of sex-
14 ual partners;

15 “(III) delaying sexual debut; and

16 “(IV) ensuring correct and con-
17 sistent use of condoms;

18 “(iii) assistance to engage underlying
19 vulnerabilities to HIV/AIDS, especially
20 those of women and girls;

21 “(iv) assistance for appropriate HIV/
22 AIDS education programs and training
23 targeted to prevent the transmission of
24 HIV among men who have sex with men;

1 “(v) assistance to provide male and
2 female condoms;

3 “(vi) diagnosis and treatment of other
4 sexually transmitted infections;

5 “(vii) strategies to address the stigma
6 and discrimination that impede HIV/AIDS
7 prevention efforts; and

8 “(viii) assistance to facilitate wide-
9 spread access to microbicides for HIV pre-
10 vention, if safe and effective products be-
11 come available, including financial and
12 technical support for culturally appropriate
13 introductory programs, procurement, dis-
14 tribution, logistics management, program
15 delivery, acceptability studies, provider
16 training, demand generation, and
17 postintroduction monitoring.

18 “(2) TREATMENT.—The treatment and care of
19 individuals with HIV/AIDS, including—

20 “(A) assistance to establish and implement
21 programs to strengthen and broaden indigenous
22 health care delivery systems and the capacity of
23 such systems to deliver HIV/AIDS pharma-
24 ceuticals and otherwise provide for the treat-
25 ment of individuals with HIV/AIDS, including

1 clinical training for indigenous organizations
2 and health care providers;

3 “(B) assistance to strengthen and expand
4 hospice and palliative care programs to assist
5 patients debilitated by HIV/AIDS, their fami-
6 lies, and the primary caregivers of such pa-
7 tients, including programs that utilize faith-
8 based and community-based organizations;

9 “(C) assistance for the purpose of the care
10 and treatment of individuals with HIV/AIDS
11 through the provision of pharmaceuticals, in-
12 cluding antiretrovirals and other pharma-
13 ceuticals and therapies for the treatment of op-
14 portunistic infections, pain management, nutri-
15 tional support, and other treatment modalities;

16 “(D) as part of care and treatment of
17 HIV/AIDS, assistance (including prophylaxis
18 and treatment) for common HIV/AIDS-related
19 opportunistic infections for free or at a rate at
20 which it is easily affordable to the individuals
21 and populations being served;

22 “(E) as part of care and treatment of
23 HIV/AIDS, assistance or referral to available
24 and adequately resourced service providers for
25 nutritional support, including counseling and

1 where necessary the provision of commodities,
2 for persons meeting malnourishment criteria
3 and their families;

4 “(3) PREVENTATIVE INTERVENTION EDU-
5 CATION AND TECHNOLOGIES.—(A) With particular
6 emphasis on specific populations that represent a
7 particularly high risk of contracting or spreading
8 HIV/AIDS, including those exploited through the
9 sex trade, victims of rape and sexual assault, indi-
10 viduals already infected with HIV/AIDS, and in
11 cases of occupational exposure of health care work-
12 ers, assistance with efforts to reduce the risk of
13 HIV/AIDS infection including post-exposure phar-
14 maceutical prophylaxis, and necessary pharma-
15 ceuticals and commodities, including test kits,
16 condoms, and, when proven effective, microbicides.

17 “(B) Bulk purchases of available test kits,
18 condoms, and, when proven effective, microbicides
19 that are intended to reduce the risk of HIV/AIDS
20 transmission and for appropriate program support
21 for the introduction and distribution of these com-
22 modities, as well as education and training on the
23 use of the technologies.

1 “(4) MONITORING.—The monitoring of pro-
2 grams, projects, and activities carried out pursuant
3 to paragraphs (1) through (3), including—

4 “(A) monitoring to ensure that adequate
5 controls are established and implemented to
6 provide HIV/AIDS pharmaceuticals and other
7 appropriate medicines to poor individuals with
8 HIV/AIDS;

9 “(B) appropriate evaluation and surveil-
10 lance activities;

11 “(C) monitoring to ensure that appropriate
12 measures are being taken to maintain the sus-
13 tainability of HIV/AIDS pharmaceuticals (espe-
14 cially antiretrovirals) and ensure that drug re-
15 sistance is not compromising the benefits of
16 such pharmaceuticals;

17 “(D) monitoring to ensure appropriate law
18 enforcement officials are working to ensure that
19 HIV/AIDS pharmaceuticals are not diminished
20 through illegal counterfeiting or black market
21 sales of such pharmaceuticals;

22 “(E) carrying out and expanding program
23 monitoring, impact evaluation research and
24 analysis, and operations research and dissemi-
25 nating data and findings through mechanisms

1 to be developed by the Coordinator of United
2 States Government Activities to Combat HIV/
3 AIDS Globally, in coordination with the Direc-
4 tor of the Centers for Disease Control, in order
5 to—

6 “(i) improve accountability, increase
7 transparency, and ensure the delivery of
8 evidence-based services through the collec-
9 tion, evaluation, and analysis of data re-
10 garding gender-responsive interventions,
11 disaggregated by age and sex;

12 “(ii) identify and replicate effective
13 models; and

14 “(iii) develop gender indicators to
15 measure outcomes and the impacts of
16 interventions; and

17 “(F) establishing appropriate systems to—

18 “(i) gather epidemiological and social
19 science data on HIV; and

20 “(ii) evaluate the effectiveness of pre-
21 vention efforts among men who have sex
22 with men, with due consideration to stigma
23 and risks associated with disclosure.

24 “(5) PHARMACEUTICALS.—

1 “(A) PROCUREMENT.—The procurement of
2 HIV/AIDS pharmaceuticals, antiviral therapies,
3 and other appropriate medicines, including
4 medicines to treat opportunistic infections.

5 “(B) MECHANISMS FOR QUALITY CONTROL
6 AND SUSTAINABLE SUPPLY.—Mechanisms to
7 ensure that such HIV/AIDS pharmaceuticals,
8 antiretroviral therapies, and other appropriate
9 medicines are quality-controlled and sustainably
10 supplied.

11 “(C) MECHANISM TO ENSURE COST-EF-
12 FECTIVE DRUG PURCHASING.—Subject to sub-
13 paragraph (B), mechanisms to ensure that safe
14 and effective pharmaceuticals, including
15 antiretrovirals and medicines to treat opportu-
16 nistic infections, are purchased at the lowest pos-
17 sible price at which such pharmaceuticals may
18 be obtained in sufficient quantity on the world
19 market, provided that such pharmaceuticals are
20 approved, tentatively approved, or otherwise au-
21 thorized for use by—

22 “(i) the Food and Drug Administra-
23 tion;

1 “(ii) a stringent regulatory agency ac-
2 ceptable to the Secretary of Health and
3 Human Services; or

4 “(iii) a quality assurance mechanism
5 acceptable to the Secretary of Health and
6 Human Services.

7 “(D) DISTRIBUTION.—The distribution of
8 such HIV/AIDS pharmaceuticals, antiviral
9 therapies, and other appropriate medicines (in-
10 cluding medicines to treat opportunistic infec-
11 tions) to qualified national, regional, or local or-
12 ganizations for the treatment of individuals
13 with HIV/AIDS in accordance with appropriate
14 HIV/AIDS testing and monitoring requirements
15 and treatment protocols and for the prevention
16 of mother-to-child transmission of the HIV in-
17 fection.

18 “(6) RELATED AND COORDINATED ACTIVI-
19 TIES.—The conduct of related activities, including—

20 “(A) the care and support of children who
21 are orphaned by the HIV/AIDS pandemic, in-
22 cluding services designed to care for orphaned
23 children in a family environment which rely on
24 extended family members;

1 “(B) improved infrastructure and institu-
2 tional capacity to develop and manage edu-
3 cation, prevention, and treatment programs, in-
4 cluding training and the resources to collect
5 and maintain accurate HIV surveillance data to
6 target programs and measure the effectiveness
7 of interventions;

8 “(C) vaccine research and development
9 partnership programs with specific plans of ac-
10 tion to develop a safe, effective, accessible, pre-
11 ventive HIV vaccine for use throughout the
12 world; and

13 “(D) coordinated or referred activities to—

14 “(i) enhance the clinical impact of
15 HIV/AIDS care and treatment; and

16 “(ii) ameliorate the adverse social and
17 economic costs often affecting AIDS-im-
18 pacted families and communities through
19 the direct provision, as necessary, or
20 through the referral, if possible, of support
21 services, including—

22 “(I) nutritional and food support;

23 “(II) safe drinking water and
24 adequate sanitation;

25 “(III) nutritional counseling;

1 “(IV) income-generating activi-
2 ties and livelihood initiatives;

3 “(V) maternal and child health
4 care;

5 “(VI) primary health care;

6 “(VII) the diagnosis and treat-
7 ment of other infectious or sexually
8 transmitted diseases;

9 “(VIII) substance abuse and
10 treatment services; and

11 “(IX) legal services;

12 “(E) coordinated or referred activities to
13 link programs addressing HIV/AIDS with pro-
14 grams addressing gender-based violence in
15 areas of significant HIV prevalence to assist
16 countries in the development and enforcement
17 of women’s health, children’s health, and HIV/
18 AIDS laws and policies that—

19 “(i) prevent and respond to violence
20 against women and girls;

21 “(ii) promote the integration of
22 screening and assessment for gender-based
23 violence into HIV/AIDS programming;

1 “(iii) promote appropriate HIV/AIDS
2 counseling, testing, and treatment into
3 gender-based violence programs; and

4 “(iv) assist governments to develop
5 partnerships with civil society organiza-
6 tions to create networks for psychosocial,
7 legal, economic, or other support services;

8 “(F) coordinated or referred activities to—

9 “(i) address the frequent coinfection
10 of HIV and tuberculosis, in accordance
11 with World Health Organization guide-
12 lines;

13 “(ii) promote provider-initiated or
14 ‘opt-out’ HIV/AIDS counseling and testing
15 and appropriate referral for treatment and
16 care to individuals with tuberculosis or its
17 symptoms, particularly in areas with sig-
18 nificant HIV prevalence; and

19 “(iii) strengthen programs to ensure
20 that individuals testing positive for HIV
21 receive tuberculosis screening and to im-
22 prove laboratory capacities, infection con-
23 trol, and adherence; and

24 “(G) activities to—

1 “(i) improve the effectiveness of na-
2 tional responses to HIV/AIDS;

3 “(ii) strengthen overall health systems
4 in high-prevalence countries, including sup-
5 port for workforce training, retention, and
6 effective deployment, capacity building,
7 laboratory development, equipment mainte-
8 nance and repair, and public health and
9 related public financial management sys-
10 tems and operations; and

11 “(iii) encourage fair and transparent
12 procurement practices among partner
13 countries; and

14 “(iv) promote in-country or intra-re-
15 gional pediatric training for physicians and
16 other health professionals, preferably
17 through public-private partnerships involv-
18 ing colleges and universities, with the goal
19 of increasing pediatric HIV workforce ca-
20 pacity.

21 “(7) COMPREHENSIVE HIV/AIDS PUBLIC-PR-
22 IVATE PARTNERSHIPS.—The establishment and oper-
23 ation of public-private partnership entities within
24 countries in sub-Saharan Africa, the Caribbean, and
25 other countries affected by the HIV/AIDS pandemic

1 that are dedicated to supporting the national strat-
2 egy of such countries regarding the prevention,
3 treatment, and monitoring of HIV/AIDS. Each such
4 public-private partnership should—

5 “(A) support the development, implementa-
6 tion, and management of comprehensive HIV/
7 AIDS plans in support of the national HIV/
8 AIDS strategy;

9 “(B) operate at all times in a manner that
10 emphasizes efficiency, accountability, and re-
11 sults-driven programs;

12 “(C) engage both local and foreign devel-
13 opment partners and donors, including busi-
14 nesses, government agencies, academic institu-
15 tions, nongovernmental organizations, founda-
16 tions, multilateral development agencies, and
17 faith-based organizations, to assist the country
18 in coordinating and implementing HIV/AIDS
19 prevention, treatment, and monitoring pro-
20 grams in accordance with its national HIV/
21 AIDS strategy;

22 “(D) provide technical assistance, consult-
23 ant services, financial planning, monitoring and
24 evaluation, and research in support of the na-
25 tional HIV/AIDS strategy; and

1 “(E) establish local human resource capaci-
2 ties for the national HIV/AIDS strategy
3 through the transfer of medical, managerial,
4 leadership, and technical skills.

5 “(8) COMPACTS AND FRAMEWORK AGREE-
6 MENTS.—The development of compacts or frame-
7 work agreements, tailored to local circumstances,
8 with national governments or regional partnerships
9 in countries with significant HIV/AIDS burdens to
10 promote host government commitment to deeper in-
11 tegration of HIV/AIDS services into health systems,
12 contribute to health systems overall, and enhance
13 sustainability, including—

14 “(A) meaningful cost-sharing assurances
15 by the partner country; and

16 “(B) transition strategies to ensure sus-
17 tainability of such programs and activities, in-
18 cluding health care systems, under other inter-
19 national donor support, or budget support by
20 respective foreign governments.

21 “(e) COMPACTS AND FRAMEWORK AGREEMENTS.—

22 “(1) FINDINGS.—Congress makes the following
23 findings:

24 “(A) The congressionally mandated Insti-
25 tute of Medicine report entitled ‘PEPFAR Im-

1 plementation: Progress and Promise’ states:
2 ‘The next strategy [of the U.S. Global AIDS
3 Initiative] should squarely address the needs
4 and challenges involved in supporting sustain-
5 able country HIV/AIDS programs, thereby
6 transitioning from a focus on emergency relief.’.

7 “(B) One mechanism to promote the tran-
8 sition from an emergency to a public health and
9 development approach to HIV/AIDS is through
10 compacts or framework agreements between the
11 United States Government and each partici-
12 pating nation.

13 “(2) ELEMENTS.—Compacts on HIV/AIDS au-
14 thorized under subsection (d)(8) shall include the
15 following elements:

16 “(A) Compacts whose primary purpose is
17 to provide direct services to combat HIV/AIDS
18 are to be made between—

19 “(i) the United States Government;
20 and

21 “(ii)(I) national or regional entities
22 representing low-income countries served
23 by an existing United States Agency for
24 International Development or Department

1 of Health and Human Services presence or
2 regional platform; or

3 “(II) countries or regions—

4 “(aa) experiencing significantly
5 high HIV prevalence or risk of signifi-
6 cantly increasing incidence within the
7 general population;

8 “(bb) served by an existing
9 United States Agency for Inter-
10 national Development or Department
11 of Health and Human Services pres-
12 ence or regional platform; and

13 “(cc) that have inadequate finan-
14 cial means within such country or re-
15 gion.

16 “(B) Compacts whose primary purpose is
17 to provide limited technical assistance to a
18 country or region connected to services provided
19 within the country or region—

20 “(i) may be made with other countries
21 or regional entities served by an existing
22 United States Agency for International
23 Development or Department of Health and
24 Human Services presence or regional plat-
25 form;

1 “(ii) shall require significant invest-
2 ments in HIV prevention, care, and treat-
3 ment services by the host country;

4 “(iii) shall be time-limited in terms of
5 United States contributions; and

6 “(iv) shall be made only upon prior
7 notification to Congress—

8 “(I) justifying the need for such
9 compacts;

10 “(II) describing the expected in-
11 vestment by the country or regional
12 entity; and

13 “(III) describing the scope, na-
14 ture, expected total United States in-
15 vestment, and time frame of the lim-
16 ited technical assistance under the
17 compact and its intended impact.

18 “(C) Compacts shall include provisions
19 to—

20 “(i) promote local and national efforts
21 to reduce stigma associated with HIV/
22 AIDS; and

23 “(ii) work with and promote the role
24 of civil society in combating HIV/AIDS.

1 “(D) Compacts shall take into account the
2 overall national health and development and na-
3 tional HIV/AIDS and public health strategies of
4 each country.

5 “(E) Compacts shall contain—

6 “(i) consideration of the specific ob-
7 jectives that the country and the United
8 States expect to achieve during the term of
9 a compact;

10 “(ii) consideration of the respective
11 responsibilities of the country and the
12 United States in the achievement of such
13 objectives;

14 “(iii) consideration of regular bench-
15 marks to measure progress toward achiev-
16 ing such objectives;

17 “(iv) an identification of the intended
18 beneficiaries, disaggregated by gender and
19 age, and including information on orphans
20 and vulnerable children, to the maximum
21 extent practicable;

22 “(v) consideration of the methods by
23 which the compact is intended to—

1 “(I) address the factors that put
2 women and girls at greater risk of
3 HIV/AIDS; and

4 “(II) strengthen elements such as
5 the economic, educational, and social
6 status of women, girls, orphans, and
7 vulnerable children and the inherit-
8 ance rights and safety of such individ-
9 uals;

10 “(vi) consideration of the methods by
11 which the compact will—

12 “(I) strengthen the health care
13 capacity, including factors such as the
14 training, retention, deployment, re-
15 cruitment, and utilization of health
16 care workers;

17 “(II) improve supply chain man-
18 agement; and

19 “(III) improve the health systems
20 and infrastructure of the partner
21 country, including the ability of com-
22 pact participants to maintain and op-
23 erate equipment transferred or pur-
24 chased as part of the compact;

1 “(vii) consideration of proposed mech-
2 anisms to provide oversight;

3 “(viii) consideration of the role of civil
4 society in the development of a compact
5 and the achievement of its objectives;

6 “(ix) a description of the current and
7 potential participation of other donors in
8 the achievement of such objectives, as ap-
9 propriate; and

10 “(x) consideration of a plan to ensure
11 appropriate fiscal accountability for the
12 use of assistance.

13 “(F) For regional compacts, priority shall
14 be given to countries that are included in re-
15 gional funds and programs in existence as of
16 the date of the enactment of the Tom Lantos
17 and Henry J. Hyde United States Global Lead-
18 ership Against HIV/AIDS, Tuberculosis, and
19 Malaria Reauthorization Act of 2008.

20 “(G) Amounts made available for compacts
21 described in subparagraphs (A) and (B) shall
22 be subject to the inclusion of—

23 “(i) meaningful cost-sharing assur-
24 ances by the partner country; and

1 “(ii) transition strategies to ensure
2 sustainability of such programs and activi-
3 ties, including health care systems, under
4 other international donor support, and
5 budget support by respective foreign gov-
6 ernments.

7 “(3) LOCAL INPUT.—In entering into a com-
8 pact on HIV/AIDS authorized under subsection
9 (d)(8), the Coordinator of United States Govern-
10 ment Activities to Combat HIV/AIDS Globally shall
11 seek to ensure that the government of a country—

12 “(A) takes into account the local perspec-
13 tives of the rural and urban poor, including
14 women, in each country; and

15 “(B) consults with private and voluntary
16 organizations, including faith-based organiza-
17 tions, the business community, and other do-
18 nors in the country.

19 “(4) CONGRESSIONAL AND PUBLIC NOTIFICA-
20 TION AFTER ENTERING INTO A COMPACT.—Not later
21 than 10 days after entering into a compact author-
22 ized under subsection (d)(8), the Global AIDS Coor-
23 dinator shall—

1 “(A) submit a report containing a detailed
2 summary of the compact and a copy of the text
3 of the compact to—

4 “(i) the Committee on Foreign Rela-
5 tions of the Senate;

6 “(ii) the Committee on Appropriations
7 of the Senate;

8 “(iii) the Committee on Foreign Af-
9 fairs of the House of Representatives; and

10 “(iv) the Committee on Appropria-
11 tions of the House of Representatives; and

12 “(B) publish such information in the Fed-
13 eral Register and on the Internet website of the
14 Office of the Global AIDS Coordinator.

15 “(f) ANNUAL REPORT.—

16 “(1) IN GENERAL.—Not later than January 31
17 of each year, the President shall submit to the Com-
18 mittee on Foreign Relations of the Senate and the
19 Committee on Foreign Affairs of the House of Rep-
20 resentatives a report on the implementation of this
21 section for the prior fiscal year.

22 “(2) REPORT ELEMENTS.—Each report shall
23 include—

24 “(A) a description of efforts made by each
25 relevant executive branch agency to implement

1 the policies set forth in this section, section
2 302, and section 303;

3 “(B) a description of the programs estab-
4 lished pursuant to such sections;

5 “(C) a detailed breakdown of funding allo-
6 cations, by program and by country, for preven-
7 tion activities; and

8 “(D) a detailed assessment of the impact
9 of programs established pursuant to such sec-
10 tions, including—

11 “(i)(I) the effectiveness of such pro-
12 grams in reducing—

13 “(aa) the transmission of
14 HIV, particularly in women and
15 girls;

16 “(bb) mother-to-child trans-
17 mission of HIV, including
18 through drug treatment and
19 therapies, either directly or by re-
20 ferral; and

21 “(cc) mortality rates from
22 HIV/AIDS;

23 “(II) the number of patients receiving
24 treatment for AIDS in each country that
25 receives assistance under this Act;

1 “(III) an assessment of progress to-
2 wards the achievement of annual goals set
3 forth in the timetable required under the
4 5-year strategy established under section
5 101 and, if annual goals are not being
6 met, the reasons for such failure; and

7 “(IV) retention and attrition data for
8 programs receiving United States assist-
9 ance, including mortality and loss to fol-
10 low-up rates, organized overall and by
11 country;

12 “(ii) the progress made toward—

13 “(I) improving health care deliv-
14 ery systems (including the training of
15 health care workers, including doctors,
16 nurses, midwives, pharmacists, labora-
17 tory technicians, and compensated
18 community health workers, and the
19 use of codes of conduct for ethical re-
20 cruiting practices for health care
21 workers);

22 “(II) advancing safe working
23 conditions for health care workers;
24 and

1 “(III) improving infrastructure
2 to promote progress toward universal
3 access to HIV/AIDS prevention, treat-
4 ment, and care by 2013;

5 “(iii) a description of coordination ef-
6 forts with relevant executive branch agen-
7 cies to link HIV/AIDS clinical and social
8 services with non-HIV/AIDS services as
9 part of the United States health and devel-
10 opment agenda;

11 “(iv) a detailed description of inte-
12 grated HIV/AIDS and food and nutrition
13 programs and services, including—

14 “(I) the amount spent on food
15 and nutrition support;

16 “(II) the types of activities sup-
17 ported; and

18 “(III) an assessment of the effec-
19 tiveness of interventions carried out to
20 improve the health status of persons
21 with HIV/AIDS receiving food or nu-
22 tritional support;

23 “(v) a description of efforts to im-
24 prove harmonization, in terms of relevant
25 executive branch agencies, coordination

1 with other public and private entities, and
2 coordination with partner countries' na-
3 tional strategic plans as called for in the
4 'Three Ones';

5 “(vi) a description of—

6 “(I) the efforts of partner coun-
7 tries that were signatories to the
8 Abuja Declaration on HIV/AIDS, Tu-
9 berculosis, and Other Related Infec-
10 tious Diseases to adhere to the goals
11 of such Declaration in terms of invest-
12 ments in public health, including HIV/
13 AIDS; and

14 “(II) a description of the HIV/
15 AIDS investments of partner coun-
16 tries that were not signatories to such
17 Declaration;

18 “(vii) a detailed description of any
19 compacts or framework agreements
20 reached or negotiated between the United
21 States and any partner countries, including
22 a description of the elements of compacts
23 described in subsection (e);

24 “(viii) a description of programs serv-
25 ing women and girls, including—

1 “(I) HIV/AIDS prevention pro-
2 grams that address the vulnerabilities
3 of girls and women to HIV/AIDS;

4 “(II) information on the number
5 of individuals served by programs
6 aimed at reducing the vulnerabilities
7 of women and girls to HIV/AIDS and
8 data on the types, objectives, and du-
9 ration of programs to address these
10 issues;

11 “(III) information on programs
12 to address the particular needs of ad-
13 olescent girls and young women; and

14 “(IV) programs to prevent gen-
15 der-based violence or to assist victims
16 of gender based violence as part of, or
17 in coordination with, HIV/AIDS pro-
18 grams;

19 “(ix) a description of strategies, goals,
20 programs, and interventions to—

21 “(I) address the needs and
22 vulnerabilities of youth populations;

23 “(II) expand access among young
24 men and women to evidence-based
25 HIV/AIDS health care services and

1 HIV prevention programs, including
2 abstinence education programs; and

3 “(III) expand community-based
4 services to meet the needs of orphans
5 and of children and adolescents af-
6 fected by or vulnerable to HIV/AIDS
7 without increasing stigmatization;

8 “(x) a description of—

9 “(I) the specific strategies funded
10 to ensure the reduction of HIV infec-
11 tion among injection drug users;

12 “(II) the number of injection
13 drug users, by country, reached by
14 such strategies; and

15 “(III) medication-assisted drug
16 treatment for individuals with HIV or
17 at risk of HIV;

18 “(xi) a detailed description of pro-
19 gram monitoring, operations research, and
20 impact evaluation research, including—

21 “(I) the amount of funding pro-
22 vided for each research type;

23 “(II) an analysis of cost-effective-
24 ness models; and

1 “(III) conclusions regarding the
2 efficiency, effectiveness, and quality of
3 services as derived from previous or
4 ongoing research and monitoring ef-
5 forts;

6 “(xii) building capacity to identify, in-
7 vestigate, and stop nosocomial trans-
8 mission of infectious diseases, including
9 HIV and tuberculosis; and

10 “(xiii) a description of staffing levels
11 of United States Government HIV/AIDS
12 teams in countries with significant HIV/
13 AIDS programs, including whether or not
14 a full-time coordinator was on staff for the
15 year.

16 “(g) FUNDING LIMITATION.—Of the funds made
17 available to carry out this section in any fiscal year, not
18 more than 7 percent may be used for the administrative
19 expenses of the United States Agency for International
20 Development in support of activities described in this sec-
21 tion, section 302, and section 303. Such amount shall be
22 in addition to other amounts otherwise available for such
23 purposes.

24 “(h) DEFINITIONS.—In this section:

1 “(1) AIDS.—The term ‘AIDS’ means acquired
2 immune deficiency syndrome.

3 “(2) HIV.—The term ‘HIV’ means the human
4 immunodeficiency virus, the pathogen that causes
5 AIDS.

6 “(3) HIV/AIDS.—The term ‘HIV/AIDS’ means,
7 with respect to an individual, an individual who is
8 infected with HIV or living with AIDS.

9 “(4) RELEVANT EXECUTIVE BRANCH AGEN-
10 CIES.—The term ‘relevant executive branch agencies’
11 means the Department of State, the United States
12 Agency for International Development, the Depart-
13 ment of Health and Human Services (including its
14 agencies and offices), and any other department or
15 agency of the United States that participates in
16 international HIV/AIDS activities pursuant to the
17 authorities of such department or agency or this
18 Act.”.

19 (b) ASSISTANCE TO COMBAT TUBERCULOSIS.—Sub-
20 title A of title III of the United States Leadership Against
21 HIV/AIDS, Tuberculosis and Malaria Act of 2003 (22
22 U.S.C. 7631 et seq.) is amended—

23 (1) by redesignating section 302 as section
24 302A;

1 (2) in the heading of section 302A (as redesignated), by inserting “**OTHER PROVISIONS RELATING TO**” before “**ASSISTANCE**”; and

2
3
4 (3) by inserting before section 302A (as redesignated) the following new section:

5
6 **“SEC. 302. ASSISTANCE TO COMBAT TUBERCULOSIS.**

7 “(a) FINDINGS.—Congress makes the following findings:

8
9 “(1) Congress recognizes the growing international problem of tuberculosis and the impact its continued existence has on those countries that had previously largely controlled the disease.

10
11
12
13 “(2) Congress further recognizes that the means exist to control and treat tuberculosis through expanded use of the DOTS (Directly Observed Treatment Short-course) treatment strategy, including DOTS-Plus to address multi-drug resistant tuberculosis, and adequate investment in newly created mechanisms to increase access to treatment, including the Global Tuberculosis Drug Facility established in 2001 pursuant to the Amsterdam Declaration to Stop TB and the Global Alliance for TB Drug Development.

14
15
16
17
18
19
20
21
22
23
24 “(b) POLICY.—It is a major objective of the foreign
25 assistance program of the United States to control tuber-

1 culosis. In all countries in which the Government of the
2 United States has established development programs, par-
3 ticularly in countries with the highest burden of tuber-
4 culosis and other countries with high rates of tuberculosis,
5 the United States should support the objectives of the
6 Global Plan to Stop TB, including through achievement
7 of the following goals:

8 “(1) Reduce by half the tuberculosis death and
9 disease burden from the 1990 baseline.

10 “(2) Sustain or exceed the detection of at least
11 70 percent of sputum smear-positive cases of tuber-
12 culosis and the successful treatment of at least 85
13 percent of the cases detected in countries with estab-
14 lished United States Agency for International Devel-
15 opment tuberculosis programs.

16 “(3) In support of the Global Plan to Stop TB,
17 the President shall establish a comprehensive, 5-year
18 United States strategy to expand and improve
19 United States efforts to combat tuberculosis glob-
20 ally, including a plan to support—

21 “(A) the successful treatment of 4,500,000
22 new sputum smear tuberculosis patients under
23 DOTS programs by 2013, primarily through di-
24 rect support for needed services, commodities,
25 health workers, and training, and additional

1 treatment through coordinated multilateral ef-
2 forts; and

3 “(B) the diagnosis and treatment of
4 90,000 new multiple drug resistant tuberculosis
5 cases by 2013, and additional treatment
6 through coordinated multilateral efforts.

7 “(c) AUTHORIZATION.—To carry out this section and
8 consistent with section 1321 of the Global Partnerships
9 Act of 2011, the President is authorized to furnish assist-
10 ance, on such terms and conditions as the President may
11 determine, for the prevention, treatment, control, and
12 elimination of tuberculosis.

13 “(d) COORDINATION.—In carrying out this section,
14 the President shall coordinate with the World Health Or-
15 ganization, the Global Fund to Fight AIDS, Tuberculosis,
16 and Malaria, and other organizations with respect to the
17 development and implementation of a comprehensive tu-
18 berculosis control program.

19 “(e) PRIORITY TO STOP TB STRATEGY.—In fur-
20 nishing assistance under subsection (c), the President
21 shall give priority to—

22 “(1) direct services described in the Stop TB
23 Strategy, including expansion and enhancement of
24 Directly Observed Treatment Short-course (DOTS)
25 coverage, rapid testing, treatment for individuals in-

1 affected with both tuberculosis and HIV, and treat-
2 ment for individuals with multi-drug resistant tuber-
3 culosis (MDR-TB), strengthening of health systems,
4 use of the International Standards for Tuberculosis
5 Care by all providers, empowering individuals with
6 tuberculosis, and enabling and promoting research to
7 develop new diagnostics, drugs, and vaccines, and
8 program-based operational research relating to tu-
9 berculosis; and

10 “(2) funding for the Global Tuberculosis Drug
11 Facility, the Stop Tuberculosis Partnership, and the
12 Global Alliance for TB Drug Development.

13 “(f) ASSISTANCE FOR THE WORLD HEALTH ORGANI-
14 ZATION AND THE STOP TUBERCULOSIS PARTNERSHIP.—
15 In carrying out this section, the President, acting through
16 the Administrator of the United States Agency for Inter-
17 national Development, is authorized to provide increased
18 resources to the World Health Organization and the Stop
19 Tuberculosis Partnership to improve the capacity of coun-
20 tries with high rates of tuberculosis and other affected
21 countries to implement the Stop TB Strategy and specific
22 strategies related to addressing multiple drug resistant tu-
23 berculosis (MDR-TB) and extensively drug resistant tu-
24 berculosis (XDR-TB).

1 “(g) ANNUAL REPORT.—The President shall submit
2 an annual report to Congress that describes the impact
3 of United States foreign assistance on efforts to control
4 tuberculosis, including—

5 “(1) the number of tuberculosis cases diagnosed
6 and the number of cases cured in countries receiving
7 United States bilateral foreign assistance for tuber-
8 culosis control purposes;

9 “(2) a description of activities supported with
10 United States tuberculosis resources in each coun-
11 try, including a description of how those activities
12 specifically contribute to increasing the number of
13 people diagnosed and treated for tuberculosis;

14 “(3) in each country receiving bilateral United
15 States foreign assistance for tuberculosis control
16 purposes, the percentage provided for direct tuber-
17 culosis services in countries receiving United States
18 bilateral foreign assistance for tuberculosis control
19 purposes;

20 “(4) a description of research efforts and clin-
21 ical trials to develop new tools to combat tuber-
22 culosis, including diagnostics, drugs, and vaccines
23 supported by United States bilateral assistance;

24 “(5) the number of persons who have been di-
25 agnosed and started treatment for multidrug-resist-

1 ant tuberculosis in countries receiving United States
2 bilateral foreign assistance for tuberculosis control
3 programs;

4 “(6) a description of the collaboration and co-
5 ordination of United States anti-tuberculosis efforts
6 with the World Health Organization, the Global
7 Fund, and other major public and private entities
8 within the Stop TB Strategy;

9 “(7) the constraints on implementation of pro-
10 grams posed by health workforce shortages and ca-
11 pacities;

12 “(8) the number of people trained in tuber-
13 culosis control; and

14 “(9) a breakdown of expenditures for direct pa-
15 tient tuberculosis services, drugs and other commod-
16 ities, drug management, training in diagnosis and
17 treatment, health systems strengthening, research,
18 and support costs.

19 “(h) DEFINITIONS.—In this section:

20 “(1) DOTS.—The term ‘DOTS’ or ‘Directly Ob-
21 served Treatment Short-course’ means the World
22 Health Organization-recommended strategy for
23 treating tuberculosis, including—

24 “(A) low-cost and effective diagnosis,
25 treatment, and monitoring of tuberculosis;

1 “(B) a reliable drug supply;

2 “(C) a management strategy for public
3 health systems;

4 “(D) health system strengthening;

5 “(E) promotion of the use of the Inter-
6 national Standards for Tuberculosis Care by all
7 care providers;

8 “(F) bacteriology under an external quality
9 assessment framework;

10 “(G) short-course chemotherapy; and

11 “(H) sound reporting and recording sys-
12 tems.

13 “(2) DOTS-PLUS.—The term ‘DOTS-Plus’
14 means a comprehensive tuberculosis management
15 strategy that is built upon and works as a supple-
16 ment to the standard DOTS strategy, and which
17 takes into account specific issues (such as use of sec-
18 ond line anti-tuberculosis drugs) that need to be ad-
19 dressed in areas where there is high prevalence of
20 multidrug resistant tuberculosis.

21 “(3) GLOBAL ALLIANCE FOR TUBERCULOSIS
22 DRUG DEVELOPMENT.—The term ‘Global Alliance
23 for Tuberculosis Drug Development’ means the pub-
24 lic-private partnership that brings together leaders
25 in health, science, philanthropy, and private industry

1 to devise new approaches to tuberculosis and to en-
2 sure that new medications are available and afford-
3 able in high tuberculosis burden countries and other
4 affected countries.

5 “(5) STOP TB STRATEGY.—The term ‘Stop TB
6 Strategy’ means the 6-point strategy to reduce tu-
7 berculosis developed by the World Health Organiza-
8 tion, which is described in the Global Plan to Stop
9 TB 2006–2015: Actions for Life, a comprehensive
10 plan developed by the Stop TB Partnership that sets
11 out the actions necessary to achieve the millennium
12 development goal of cutting tuberculosis deaths and
13 disease burden in half by 2015.

14 “(6) STOP TUBERCULOSIS PARTNERSHIP.—The
15 term ‘Stop Tuberculosis Partnership’ means the
16 partnership of the World Health Organization, do-
17 nors including the United States, high tuberculosis
18 burden countries, multilateral agencies, and non-
19 governmental and technical agencies committed to
20 short- and long-term measures required to control
21 and eventually eliminate tuberculosis as a public
22 health problem in the world.”.

23 (c) ASSISTANCE TO COMBAT MALARIA.—Subtitle A
24 of title III of the United States Leadership Against HIV/

1 AIDS, Tuberculosis and Malaria Act of 2003 (22 U.S.C.
2 7631 et seq.) is amended—

3 (1) by redesignating section 303 as section
4 303A;

5 (2) in the heading of section 303A (as redesign-
6 nated), by inserting “**OTHER PROVISIONS RELAT-**
7 **ING TO**” before “**ASSISTANCE**”; and

8 (3) by inserting before section 303A (as redesi-
9 gnated) the following new section:

10 **“SEC. 303. ASSISTANCE TO COMBAT MALARIA.**

11 “(a) FINDING.—Congress finds that malaria kills
12 more people annually than any other communicable dis-
13 ease except tuberculosis, that more than 90 percent of all
14 malaria cases are in sub-Saharan Africa, and that children
15 and women are particularly at risk. Congress recognizes
16 that there are cost-effective tools to decrease the spread
17 of malaria and that malaria is a curable disease if prompt-
18 ly diagnosed and adequately treated.

19 “(b) POLICY.—It is a major objective of the foreign
20 assistance program of the United States to provide assist-
21 ance for the prevention, control, treatment, and cure of
22 malaria.

23 “(c) AUTHORIZATION.—To carry out this section and
24 consistent with section 1321 of the Global Partnerships
25 Act of 2011, the President is authorized to furnish assist-

1 ance, on such terms and conditions as the President may
2 determine, for the prevention, treatment, control, and
3 elimination of malaria.

4 “(d) COORDINATION.—In carrying out this section,
5 the President shall coordinate with the World Health Or-
6 ganization, the Global Fund to Fight AIDS, Tuberculosis,
7 and Malaria, the Department of Health and Human Serv-
8 ices (the Centers for Disease Control and Prevention and
9 the National Institutes of Health), and other organiza-
10 tions with respect to the development and implementation
11 of a comprehensive malaria control program.”.

12 (d) TECHNICAL AND CONFORMING AMENDMENTS.—
13 The United States Leadership Against HIV/AIDS, Tuber-
14 culosis and Malaria Act of 2003 (22 U.S.C. 7601 et seq.)
15 is amended—

16 (1) in section 3(12), by striking “Foreign As-
17 sistance Act of 1961” and inserting “Global Part-
18 nerships Act of 2011”;

19 (2) in section 101(f)(1)(A), by inserting at the
20 end before the period the following: “(as such sec-
21 tions were in effect on the day before the date of the
22 enactment of the Global Partnerships Act of 2010)”;

23 (3) in section 202(d)(4)(B)—

24 (A) in clause (iii), by striking “section
25 104A of the Foreign Assistance Act of 1961 (as

1 added by section 301 of this Act)” and insert-
2 ing “section 301 of this Act”; and

3 (B) in clause (iv), by striking “sections
4 104A, 104B, and 104C of the Foreign Assist-
5 ance Act of 1961 (as added by title III of this
6 Act)” and inserting “sections 301, 302, and
7 303 of this Act”;

8 (4) in section 204(b)(1), by striking “section
9 129 of the Foreign Assistance Act of 1961 (22
10 U.S.C. 2152)” and inserting “section 1132 of the
11 Global Partnerships Act of 2011”;

12 (5) in section 301A (as redesignated)—

13 (A) in subsection (b)—

14 (i) in paragraph (1)—

15 (I) by striking “section 104(e) of
16 the Foreign Assistance Act of 1961
17 (22 U.S.C. 2151b(c))” and inserting
18 “section 1304 of the Global Partner-
19 ships Act of 2011”; and

20 (II) by striking “section 104A of
21 the Foreign Assistance Act of 1961,
22 as added by subsection (a)” and in-
23 serting “section 301”; and

24 (ii) in paragraph (3), by striking “sec-
25 tion 104A(d)(4) of the Foreign Assistance

1 Act of 1961 (as added by subsection (a))”

2 and inserting “section 301(d)(5)”; and

3 (B) in subsection (d), by striking “under
4 section 104A of the Foreign Assistance Act of
5 1961” and inserting “under section 1304 of the
6 Global Partnerships Act of 2011”;

7 (6) in section 302A(b)(1) (as redesignated)—

8 (A) by striking “section 104(c) of the For-
9 eign Assistance Act of 1961 (22 U.S.C.
10 2151b(c))” and inserting “section 1304 of the
11 Global Partnerships Act of 2011”; and

12 (B) by striking “section 104B of the For-
13 eign Assistance Act of 1961, as added by sub-
14 section (a)” and inserting “section 302”; and

15 (7) in section 303A(b)(1) (as redesignated)—

16 (A) by striking “section 104(c) of the For-
17 eign Assistance Act of 1961 (22 U.S.C.
18 2151b(c))” and inserting “section 1304 of the
19 Global Partnerships Act of 2011”; and

20 (B) by striking “section 104C of the For-
21 eign Assistance Act of 1961, as added by sub-
22 section (a)” and inserting “section 303”;

23 (8) in section 304A (as redesignated)—

24 (A) in subsection (e), by striking “section
25 104C of the Foreign Assistance Act of 1961

1 (22 U.S.C. 2151b-4)” and inserting “section
2 303”; and

3 (B) in subsection (f), by striking “section
4 104C”;

5 (9) in section 312(c)(4)(C)(ii), by striking
6 “104A(f) of the Foreign Assistance Act of 1961”
7 and inserting “section 301(f)”;

8 (10) in section 403—

9 (A) in subsection (a)(4), by striking “sec-
10 tion 104A(e) of the Foreign Assistance Act of
11 1961 (22 U.S.C. 2151b-2(e))” and inserting
12 “section 301(e) of this Act”; and

13 (B) in subsection (d)(4), by striking “sec-
14 tion 104A(b)(1)(A) of the Foreign Assistance
15 Act of 1961 (22 U.S.C. 2151b-2(b)(1)(A))” and
16 inserting “section 301(b)(1)(A) of this Act”.

17 (e) CLERICAL AMENDMENT.—The table of contents
18 in section 1(b) of the United States Leadership Against
19 HIV/AIDS, Tuberculosis and Malaria Act of 2003 (22
20 U.S.C. 7601 note) is amended by striking the items relat-
21 ing to sections 301 through 303 and inserting the fol-
22 lowing new items:

“Sec. 301. Assistance to combat HIV/AIDS.

“Sec. 301A. Other provisions relating to assistance to combat HIV/AIDS.

“Sec. 302. Assistance to combat tuberculosis.

“Sec. 302A. Other provisions relating to assistance to combat tuberculosis.

“Sec. 303. Assistance to combat malaria.

“Sec. 303A. Other provisions relating to assistance to combat malaria.”.

1 (f) TRANSFER OF PRIOR YEAR FUNDS.—Unobli-
2 gated balances of funds made available under sections
3 104A, 104B and 104C of the Foreign Assistance Act of
4 1961 (as in effect on the day before the date of the enact-
5 ment of this Act) shall be transferred to, merged with,
6 and made available for the same purposes as funds made
7 available under sections 301, 302 and 303, respectively,
8 of the United States Leadership Against HIV/AIDS, Tu-
9 berculosis and Malaria Act of 2003 (as added by this sec-
10 tion).

11 **SEC. 12102. AMENDMENTS TO THE MILLENNIUM CHAL-**
12 **LENGE ACT OF 2003.**

13 (a) EXTENSION OF COMPACTS.—Section 609(j) of
14 the Millennium Challenge Act of 2003 (22 U.S.C. 7708(j))
15 is amended to read as follows:

16 “(j) EXTENSION OF COMPACT.—

17 “(1) IN GENERAL.—Except as provided under
18 paragraph (2), the duration of a Compact shall not
19 exceed 5 years.

20 “(2) EXCEPTION.—The duration of a Compact
21 may be extended beyond 5 years if—

22 “(A) the Compact was signed prior to the
23 date of enactment of the Global Partnerships
24 Act of 2011;

1 “(B) the Board determines that a project
2 included in the Compact cannot be completed in
3 5 years or less;

4 “(C) the Board approves an extension of
5 the Compact that does not extend the total du-
6 ration of the Compact beyond 7 years; and

7 “(D) the appropriate congressional com-
8 mittees are notified in accordance with sub-
9 section (i).”.

10 (b) CONCURRENT AND SUBSEQUENT COMPACTS.—

11 (1) IN GENERAL.—Section 609(k) of the Mil-
12 lennium Challenge Act of 2003 (22 U.S.C. 7708(k))
13 is amended to read as follows:

14 “(k) CONCURRENT AND SUBSEQUENT COMPACTS.—

15 “(1) IN GENERAL.—Subject to paragraph (2),
16 and in accordance with the requirements of this
17 title, an eligible country and the United States—

18 “(A) may enter into and have in effect
19 more than one Compact at any given time; and

20 “(B) may enter into subsequent Compacts
21 after the expiration of existing Compacts.

22 “(2) REQUIREMENTS.—

23 “(A) CONCURRENT COMPACT.—An eligible
24 country and the United States may enter into

1 a concurrent Compact if the Board determines
2 that—

3 “(i) such country is making signifi-
4 cant, consistent progress in implementing
5 the terms of the existing Compact; and

6 “(ii) the concurrent Compact would
7 broaden or strengthen the impact of the
8 existing Compact.

9 “(B) SUBSEQUENT COMPACT.—An eligible
10 country and the United States may enter into
11 a subsequent Compact if the Board determines
12 that such country—

13 “(i) has made significant, consistent
14 progress in implementing the terms of
15 prior Compacts; and

16 “(ii) will contribute, in the case of a
17 candidate country as defined in section
18 606(a), not less than 7.5 percent of the
19 total amount agreed upon for a subsequent
20 Compact, or in the case of a candidate
21 country as defined in section 606(b), not
22 less than 15 percent of the total amount
23 agreed upon for a subsequent Compact.

1 “(3) FUNDING.—The Corporation shall commit
2 any funding for a concurrent Compact at the time
3 it funds the Compact.

4 “(4) TIMING.—A concurrent Compact shall be
5 signed not later than 2 years after the signing of the
6 earlier Compact.

7 “(5) LIMITATION.—The Corporation may pro-
8 vide not more than 15 years of Compact funding to
9 any country.

10 “(6) OTHER REQUIREMENTS.—A concurrent
11 Compact or a subsequent Compact of a country shall
12 be subject to the same consultation, notification, and
13 reporting requirements that apply to prior Compacts
14 between the United States and the country.”.

15 (2) EFFECTIVE DATE.—The amendment made
16 by paragraph (1) applies with respect to Compacts
17 entered into between the United States and an eligi-
18 ble country under the Millennium Challenge Act of
19 2003 (22 U.S.C. 7701 et seq.) before, on, or after
20 the date of the enactment of this Act.

21 (c) MAINTAINING CANDIDATE STATUS FOR PUR-
22 POSES OF INCOME CATEGORY.—Section 606 of the Mil-
23 lennium Challenge Act of 2003 (22 U.S.C. 7705) is
24 amended—

25 (1) in subsection (a)—

1 (A) in paragraph (1)—

2 (i) in the heading, by striking “FIS-
3 CAL YEAR 2004” and inserting “IN GEN-
4 ERAL”;

5 (ii) in the matter preceding subpara-
6 graph (A), by striking “for fiscal year
7 2004” and inserting “for a fiscal year”;

8 (iii) in subparagraph (A) to read as
9 follows:

10 “(A) the country—

11 “(i) has a per capita income that is
12 not greater than the World Bank’s lower
13 middle income country threshold for such
14 fiscal year; and

15 “(ii) is among the 75 lowest per cap-
16 ita income countries, as identified by the
17 World Bank; and”;

18 (iv) in subparagraph (B), by striking
19 “subject to paragraph (3)” and inserting
20 “subject to paragraph (2)”;

21 (B) by striking paragraph (2); and

22 (C) by redesignating paragraph (3) as
23 paragraph (2);

24 (2) in subsection (b)—

25 (A) in paragraph (1)—

1 (i) in the matter preceding subpara-
2 graph (A), by striking “for fiscal year
3 2006 or a subsequent fiscal year” and in-
4 sserting “for a fiscal year”; and

5 (ii) by striking subparagraphs (A) and
6 (B) and inserting the following:

7 “(A) has a per capita income that is not
8 greater than the World Bank’s lower middle in-
9 come country threshold for such fiscal year;

10 “(B) is not among the 75 lowest per capita
11 income countries as identified by the World
12 Bank; and

13 “(C) meets the requirements under sub-
14 section (a)(1)(B).”; and

15 (B) in paragraph (2)—

16 (i) by striking “for fiscal year 2006 or
17 any subsequent fiscal year” and inserting
18 “for any fiscal year”; and

19 (ii) by striking “for fiscal year 2006
20 or the subsequent fiscal year, as the case
21 may be” and inserting “for that fiscal
22 year”; and

23 (3) by redesignating existing subsection (c) as
24 subsection (d); and

1 (4) by inserting after subsection (b) the fol-
2 lowing:

3 “(c) MAINTAINING CANDIDATE STATUS.—Any can-
4 didate country whose per capita income changes in a given
5 fiscal year such that the country’s income classification
6 as ‘low income’ or ‘lower middle income’ changes, shall
7 retain its candidacy at the former income category for the
8 year of such transition and for the two subsequent fiscal
9 years.”.

10 (d) CONFORMING AMENDMENTS.—The Millennium
11 Challenge Act of 2003 is amended—

12 (1) in section 603(1)(A) (22 U.S.C.
13 7702(1)(A)), by striking “International Relations”
14 and inserting “Foreign Affairs”;

15 (2) in section 605(e)(4) (22 U.S.C.
16 7704(e)(4))—

17 (A) by striking “paragraphs (1) through
18 (3) of section 104(f) of the Foreign Assistance
19 Act of 1961 (22 U.S.C. 2151b(f)(1)–(3))” and
20 inserting “**section 104(f)** of the Global Part-
21 nerships Act of 2011”; and

22 (B) by striking “part I” and inserting
23 “title I”;

24 (3) in section 606(a)(1)(B) (22 U.S.C.
25 7705(a)(1)(B))—

1 (A) by striking “part I of the Foreign As-
2 sistance Act of 1961” and inserting “title I of
3 the Global Partnerships Act of 2011”; and

4 (B) by striking “any provision of the For-
5 eign Assistance Act of 1961” and inserting
6 “any provision of the Global Partnerships Act
7 of 2011”; and

8 (4) in section 614(d) (22 U.S.C. 7713(d)), by
9 striking “Foreign Assistance Act of 1961 (22 U.S.C.
10 2151 et seq.)” and inserting “Global Partnerships
11 Act of 2011”.

12 **Subtitle B—Repeals**

13 **SEC. 12201. REPEAL OF LAWS INCORPORATED IN THIS ACT.**

14 The following provisions of law are hereby repealed:

15 (1) The Foreign Assistance Act of 1961 (Public
16 Law 87–195).

17 (2) The Arms Export Control Act (Public Law
18 90–629).

19 (3) Sections 664 and 665 of the Foreign Rela-
20 tions Authorization Act, Fiscal Year 2003 (Public
21 Law 107–228).

22 (4) Sections 2121 and 2122 of the ADVANCE
23 Democracy Act of 2007 (title XXI of Public Law
24 110–53).

1 (5) Section 7307 of title 10, United States
2 Code.

3 (6) Section 12001 of the Department of De-
4 fense Appropriations Act, 2005 (Public Law 108-
5 287).

6 **SEC. 12202. REPEAL OF LAWS INCONSISTENT WITH THIS**
7 **ACT.**

8 Sections 1511, 1522, and 1523(d) of the Foreign Af-
9 fairs Reform and Restructuring Act of 1998 (division G
10 of Public Law 105-277) are hereby repealed.

11 **SEC. 12203. REPEAL OF OBSOLETE PROVISIONS OF LAW.**

12 The following provisions of law are hereby repealed:

13 (1) The Trafficking Victims Protection Reau-
14 thorization Act of 2003 (Public Law 108-193).

15 (2) The Torture Victims Relief Reauthorization
16 Act of 2003 (Public Law 108-179).

17 (3) The HELP Commission Act (section 637 of
18 division B of Public Law 108-99).

19 (4) The International Anti-Corruption and
20 Good Governance Act of 2000 (Public Law 106-
21 309).

22 (5) The Iraq Liberation Act of 1998 (Public
23 Law 105-338).

24 (6) The Agriculture Export Relief Act of 1998
25 (Public Law 105-194).

1 (7) Title I of the International Narcotics Control
2 Corrections Act of 1994 (Public Law 103–447).

3 (8) The South African Democratic Transition
4 Support Act of 1993 (Public Law 103–149).

5 (9) Public Law 102–270 (relating to the peace
6 process in Liberia).

7 (10) Title III of the Conventional Forces in Europe
8 Treaty Implementation Act of 1991.

9 (11) The Emergency Supplemental Persian
10 Gulf Refugee Assistance Act of 1991 (Public Law
11 102–45).

12 (12) The Emergency Supplemental Assistance
13 for Israel Act of 1991 (Public Law 102–21).

14 (13) The Urgent Assistance for Democracy in
15 Panama Act of 1990 (Public Law 101–243).

16 (14) The Survival Assistance to Victims of Civil
17 Strife in Central America (Public Law 101–215).

18 (15) The Bangladesh Disaster Assistance Act
19 of 1988 (Public Law 100–576).

20 (16) The International Cooperation to Protect
21 Biological Diversity (Public Law 100–530).

22 (17) The Overseas Private Investment Corpora-
23 tion Amendments Act of 1988 (Public Law 100–
24 461).

1 (18) The American Aid to Poland Act of 1988
2 (Part II of Public Law 100–418).

3 (19) Public Law 100–276 (relating to peace,
4 democracy and reconciliation in Central America).

5 (20) The Special Foreign Assistance Act of
6 1986 (Public Law 99–529).

7 (21) The Jordan Supplemental Economic As-
8 sistance Authorization Act of 1985 (Public Law 99–
9 88).

10 (22) The African Famine Relief and Recovery
11 Act of 1985 (Public Law 99–8).

12 (23) The International Security and Develop-
13 ment Assistance Authorizations Act of 1983 (Public
14 Law 98–151).

15 (24) The Lebanon Emergency Assistance Act of
16 1983 (Public Law 98–43).

17 (25) The International Security and Develop-
18 ment Cooperation Act of 1981 (Public Law 97–
19 113).

20 (26) The International Security and Develop-
21 ment Cooperation Act of 1980 (Public Law 96–
22 533), other than section 110 and title V of such Act.

23 (27) The International Development Coopera-
24 tion Act of 1979 (Public Law 96–92).

1 (28) The International Security Assistance Act
2 of 1979 (Public Law 96–53).

3 (29) The Special International Security Assist-
4 ance Act of 1979 (Public Law 96–35).

5 (30) The International Development and Food
6 Assistance Act of 1978 (Public Law 95–424).

7 (31) The International Security Assistance Act
8 of 1978 (Public Law 95–384).

9 (32) The International Security Assistance Act
10 of 1977 (Public Law 95–92).

11 (33) The International Development and Food
12 Assistance Act of 1977 (Public Law 95–88), other
13 than sections 1, 132, and 133 of such Act.

14 (34) The International Security Assistance and
15 Arms Export Control Act of 1976 (Public Law 94–
16 329), except for section 601.

17 (35) The International Development and Food
18 Assistance Act of 1975 (Public Law 94–161).

19 (36) The Foreign Assistance Act of 1974 (Pub-
20 lic Law 93–559).

21 (37) The Emergency Security Assistance Act of
22 1973 (Public Law 93–199).

23 (38) The Foreign Assistance Act of 1973 (Pub-
24 lic Law 93–189).

1 (39) The Foreign Assistance Act of 1971 (Pub-
2 lic Law 92–226).

3 (40) The Act entitled, “An Act to Amend the
4 Foreign Military Sales Act, and for other purposes,”
5 approved January 12, 1971 (Public Law 91–672).

6 (41) The Special Foreign Assistance Act of
7 1971 (Public Law 91–652).

8 (42) The Foreign Assistance Act of 1968 (Pub-
9 lic Law 90–554).

10 (43) The Foreign Assistance Act of 1964 (Pub-
11 lic Law 88–633).

12 (44) The Latin American Development Act
13 (Public Law 86–735).

14 **SEC. 12204. REPEAL OF UNNECESSARY REPORTING RE-**
15 **QUIREMENTS.**

16 The following provisions of law are repealed:

17 (1) Section 560(g) of Public Law 103–87.

18 (2) Section 605(c) of H.R. 3427 as contained
19 in Appendix G to Public Law 106–113.

20 (3) Section 104 of Public Law 102–511.

21 (4) Section 704 of Public Law 101–179.

22 (5) Section 1012(c) of Public Law 103–337.

23 (6) Subsections (c)(4) and (c)(5) of section 604
24 of Public Law 96–465.

1 (7) Section 585 of division A of Public Law
2 104–208.

3 (8) Sections 694(a), 694(b), 704, and 1321 of
4 Public Law 107–228.

5 (9) Section 8 of Public Law 107–245.

6 (10) Section 514(a) of Public Law 103–236.

7 (11) Section 807 of Public Law 98–164.

8 **Subtitle C—Savings Provisions**

9 **SEC. 12301. REFERENCES TO FORMER AUTHORITIES.**

10 (a) IN GENERAL.—Effective beginning on the date
11 of the enactment of this Act—

12 (1) any reference to part I of the Foreign As-
13 sistance Act of 1961 shall be deemed to be a ref-
14 erence to title I of this Act;

15 (2) any reference to section 104A, 104B, or
16 104C of the Foreign Assistance Act of 1961 shall be
17 deemed to be a reference to section 301, 302, or
18 303, respectively, of the United States Leadership
19 Against HIV/AIDS, Tuberculosis and Malaria Act of
20 2003 (as added by this Act);

21 (3) any reference to section 116(d) of the For-
22 eign Assistance Act of 1961 shall be deemed to be
23 a reference to section 3102 of this Act;

1 (4) any reference to chapter 4 of part II of the
2 Foreign Assistance Act of 1961 shall be deemed to
3 be a reference to subtitle A of title IV of this Act;

4 (5) any reference to section 632 of the Foreign
5 Assistance Act of 1961 shall be deemed to be a ref-
6 erence to section 11504 of this Act;

7 (6) any reference to section 634 of the Foreign
8 Assistance Act of 1961 shall be deemed to be a ref-
9 erence to section 9302 of this Act;

10 (7) any reference to section 634A of the For-
11 eign Assistance Act of 1961 shall be deemed to be
12 a reference to section 9401 of this Act; and

13 (8) any reference to section 653 of the Foreign
14 Assistance Act of 1961 shall be deemed to be a ref-
15 erence to section 9303 of this Act.

16 (b) UNITED STATES AGENCY FOR INTERNATIONAL
17 DEVELOPMENT.—References in any provision of law to
18 the “Agency for International Development” shall be
19 deemed to be a reference to the “United States Agency
20 for International Development”.

21 **SEC. 12302. REPEAL OF PROVISIONS AMENDING OTHER**
22 **LAWS.**

23 Except as otherwise provided in this Act, the repeal
24 by this Act of any provision of law that amended or re-

1 repealed another provision of law does not affect in any way
2 that amendment or repeal.

3 **SEC. 12303. SAVINGS PROVISIONS.**

4 (a) IN GENERAL.—Except as may be expressly pro-
5 vided to the contrary in this Act, all determinations, au-
6 thorizations, regulations, orders, contracts, agreements,
7 and other actions issued, undertaken, or entered into
8 under authority of any provision of law repealed by this
9 Act shall continue in full force and effect until modified
10 by appropriate authority.

11 (b) CONDITIONS.—Wherever provisions of this Act
12 establish conditions which must be complied with before
13 use may be made of authority contained in, or funds made
14 available to carry out the provisions of, this Act, compli-
15 ance with, or satisfaction of, substantially similar condi-
16 tions under provisions repealed by this Act shall be
17 deemed to constitute compliance with the conditions estab-
18 lished by this Act.

19 (c) AVAILABILITY OF FUNDS.—Funds made available
20 pursuant to provisions of law repealed by this Act shall,
21 unless otherwise authorized or provided by law, remain
22 available for their original purposes in accordance with the
23 provisions of law originally applicable thereto, or in ac-
24 cordance with the provisions of law currently applicable
25 to those purposes.

1 (d) REFERENCES.—References in law to provisions
2 repealed by this Act may hereafter be deemed to be ref-
3 erences to corresponding provisions of this Act, on a case-
4 by-case basis as may be appropriate.

5 (e) CERTAIN PRESIDENTIAL APPOINTEES.—The re-
6 peal by this Act of any provision of the Foreign Assistance
7 Act of 1961 providing for the appointment of an individual
8 to a position by the President, by and with the advice and
9 consent of the Senate, and the reenactment by this Act
10 of that provision in substantively identical form does not
11 require the reappointment of the individual holding that
12 position on the effective date of this Act.

13 (f) GUARANTEES AND LOANS UNDER FORMER AU-
14 THORITY.—Guarantees committed or outstanding under
15 the former authorities of sections 108, 222, and 222A of
16 the Foreign Assistance Act of 1961, as in effect on the
17 day before the date of the enactment of this Act, loans
18 obligated under section 108 on or before such date, the
19 fees and interest collected in connection with such guaran-
20 tees and loans, and income on claims receivable with re-
21 spect to such guarantees and loans, shall continue to be
22 subject to provisions of such Act originally applicable to
23 those guarantees and loans and the Federal Credit Reform
24 Act of 1990.