

Act, of which \$21,750,000 for the fiscal year 1987 is authorized for the necessary operating expenses of the Office of the Inspector General of the Agency for International Development and the remaining amount for the fiscal year is authorized for other necessary operating expenses of that agency and

(2) such amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs of such agency.

(b) Amounts appropriated under this section are authorized to remain available until expended.

SEC. 668. REPORT ON KOREA.— \* \* \* [Repealed—1981]

SEC. 669.<sup>29</sup>

SEC. 671. NOTIFICATION OF PROGRAM CHANGES.— \* \* \* [Redesignated—1978]

## PART IV—ENTERPRISE FOR THE AMERICAS INITIATIVE

### SEC. 701. [2430] PURPOSE.

The purpose of this part is to encourage and support improvement in the lives of the people of Latin America and the Caribbean through market-oriented reforms and economic growth with inter-related actions to promote debt reduction, investment reforms, community based conservation, and sustainable use of the environment, and child survival and child development. The Facility will support these objectives through administration of debt reduction operations under this part for those countries with democratically elected governments that meet investment reforms and other policy conditions.

### SEC. 702. [2430a] DEFINITIONS.

For purposes of this part—

(1) the term “administering body” means the entity provided for in section 708(c);

(2) the term “Americas Framework Agreement” means an Americas Framework Agreement provided for in section 708;

(3) the term “Americas Fund” means an Enterprise for the Americas Fund provided for in section 707(a);

(4) the term “appropriate congressional committees” means the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate;

(5) the term “beneficiary country” means an eligible country with respect to which the authority of section 704(a)(1) is exercised;

(6) the term “eligible country” means a country designated by the President in accordance with section 703;

<sup>29</sup>Section 826(b) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (P.L. 103-236) repeals sections 669 and 670 of the Foreign Assistance Act of 1961.

Section 851 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (P.L. 103-236) provides that on “the date of enactment of the first Foreign Relations Authorization Act that is enacted after the enactment of this Act, the provisions of parts A and B of this title shall cease to be effective, the amendments made by those parts shall be repealed, and any provision of law repealed by those parts shall be reenacted.”

(7) the term “Enterprise for the Americas Board” or “Board” means the board established by section 610 of the Food for Peace Act; and

(8) the term “Facility” means the Enterprise for the Americas Facility established in the Department of the Treasury by section 601 of that Act.

**SEC. 703. [2430b] ELIGIBILITY FOR BENEFITS.**

(a) **REQUIREMENTS.**—To be eligible for benefits from the Facility under this part, a country must be a Latin American or Caribbean country—

- (1) whose government is democratically elected;
- (2) whose government has not repeatedly provided support for acts of international terrorism;
- (3) whose government is not failing to cooperate on international narcotics control matters;
- (4) whose government (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights;
- (5) that has in effect, has received approval for, or, as appropriate in exceptional circumstances, is making significant progress toward—

(A) an International Monetary Fund standby arrangement, extended Fund arrangement, or an arrangement under the structural adjustment facility or enhanced structural adjustment facility, or in exceptional circumstances, a Fund monitored program or its equivalent, unless the President determines (after consultation with the Enterprise for the Americas Board) that such an arrangement or program (or its equivalent) could reasonably be expected to have significant adverse social or environmental effects; and

(B) as appropriate, structural or sectoral adjustment loans from the International Bank for Reconstruction and Development or the International Development Association, unless the President determines (after consultation with the Enterprise for the Americas Board) that the resulting adjustment requirements could reasonably be expected to have significant adverse social or environmental effects;

(6) has put in place major investment reforms in conjunction with an Inter-American Development Bank loan or otherwise is implementing, or is making significant progress toward, an open investment regime; and

(7) if appropriate, has agreed with its commercial bank lenders on a satisfactory financing program, including, as appropriate, debt or debt service reduction.

(b) **ELIGIBILITY DETERMINATIONS.**—Consistent with subsection (a), the President shall determine whether a country is eligible to receive benefits under this part. The President shall notify the appropriate congressional committees of his intention to designate a country as an eligible country at least 15 days in advance of any formal determination.

**SEC. 704. [2430c] REDUCTION OF CERTAIN DEBT.****(a) AUTHORITY TO REDUCE DEBT.—**

(1) **AUTHORITY.**—The President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1992, as a result of concessional loans made to an eligible country by the United States under part I of this Act, chapter 4 of part II of this Act, or predecessor foreign economic assistance legislation.

(2) **APPROPRIATIONS REQUIREMENT.**—The authority provided by this section may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) **CERTAIN PROHIBITIONS INAPPLICABLE.**—(A) A reduction of debt pursuant to this section shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(B) The authority of this section may be exercised notwithstanding section 620(r) of this Act or section 321 of the International Development and Food Assistance Act of 1975.

**(b) IMPLEMENTATION OF DEBT REDUCTION.—**

(1) **IN GENERAL.**—Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations outstanding as of the date specified in subsection (a)(1).

(2) **EXCHANGE OF OBLIGATIONS.**—The Facility shall notify the agency primarily responsible for administering part I of this Act of the agreement with an eligible country to exchange a new obligation for outstanding obligations pursuant to this subsection. At the direction of the Facility, the old obligations shall be canceled and a new debt obligation for the country shall be established, and the agency primarily responsible for administering part I of this Act shall make an adjustment in its accounts to reflect the debt reduction.

**SEC. 705. [2430d] REPAYMENT OF PRINCIPAL.**

(a) **CURRENCY OF PAYMENT.**—The principal amount of each new obligation issued pursuant to section 704(b) shall be repaid in United States dollars.

(b) **DEPOSIT OF PAYMENTS.**—Principal repayments of new obligations shall be deposited in the United States Government account established for principal repayments of the obligations for which those obligations were exchanged.

**SEC. 706. [2430e] INTEREST ON NEW OBLIGATIONS.**

(a) **RATE OF INTEREST.**—New obligations issued by a beneficiary country pursuant to section 704(b) shall bear interest at a concessional rate.

**(b) CURRENCY OF PAYMENT; DEPOSITS.—**

(1) **LOCAL CURRENCY.**—If the beneficiary country has entered into an Americas Framework Agreement, interest shall be paid in the local currency of the beneficiary country and deposited in an Americas Fund. Such interest shall be the property of the beneficiary country, until such time as it is disbursed pursuant to section 707(d). Such local currencies shall

be used for the purposes specified in the Americas Framework Agreement.

(2) UNITED STATES DOLLARS.—If the beneficiary country has not entered into an Americas Framework Agreement, interest shall be paid in United States dollars and deposited in the United States Government account established for interest payments of the obligations for which the new obligations were exchanged.

(c) INTEREST ALREADY PAID.—If a beneficiary country enters into an Americas Framework Agreement subsequent to the date on which interest first became due on the newly issued obligation, any interest already paid on such new obligation shall not be redeposited into the Americas Fund established for that country.

**SEC. 707. [2430f] ENTERPRISE FOR THE AMERICAS FUNDS.**

(a) ESTABLISHMENT.—Each beneficiary country that enters into an Americas Framework Agreement shall be required to establish an Enterprise for the Americas Fund to receive payments in local currency pursuant to section 706(b)(1).

(b) DEPOSITS.—Local currencies deposited in an Americas Fund shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(c) INVESTMENT.—Deposits made in an Americas Fund shall be invested until disbursed. Any return on such investment may be retained by the Americas Fund, without deposit in the Treasury of the United States and without further appropriation by the Congress.

(d) DISBURSEMENTS.—Funds in an Americas Fund shall be disbursed only pursuant to an Americas Framework Agreement.

**SEC. 708. [2430g] AMERICAS FRAMEWORK AGREEMENTS.**

(a) AUTHORITY.—The Secretary of State is authorized, in consultation with other appropriate Government officials, to enter into an Americas Framework Agreement with any eligible country concerning the operation and use of the Americas Fund for that country. In the negotiation of such Agreements, the Secretary shall consult with the Enterprise for the Americas Board in accordance with section 709.

(b) CONTENTS OF AGREEMENTS.—An Americas Framework Agreement with an eligible country shall—

- (1) require that country to establish an Americas Fund;
- (2) require that country to make interest payments under section 706(b)(1) into an Americas Fund;
- (3) require that country to make prompt disbursements from the Americas Fund to the administering body described in subsection (c);
- (4) when appropriate, seek to maintain the value of the local currency resources of the Americas Fund in terms of United States dollars;
- (5) specify, in accordance with subsection (d), the purposes for which amounts in an Americas Fund may be used; and
- (6) contain reasonable provisions for the enforcement of the terms of the agreement.

(c) ADMINISTERING BODY.—

(1) **IN GENERAL.**—Funds disbursed from the Americas Fund in each beneficiary country shall be administered by a body constituted under the laws of that country.

(2) **COMPOSITION.**—The administering body shall consist of—

(A) one or more individuals appointed by the United States Government,

(B) one or more individuals appointed by the government of the beneficiary country, and

(C) individuals who represent a broad range of—

(i) environmental nongovernmental organizations of the beneficiary country,

(ii) child survival and child development nongovernmental organizations of the beneficiary country,

(iii) local community development nongovernmental organizations of the beneficiary country, and

(iv) scientific or academic organizations or institutions of the beneficiary country.

A majority of the members of the administering body shall be individuals described in subparagraph (C).

(3) **RESPONSIBILITIES.**—The administering body—

(A) shall receive proposals for grant assistance from eligible grant recipients (as determined under subsection (e)) and make grants to eligible grant recipients in accordance with the priorities agreed upon in the Americas Framework Agreement, consistent with subsection (d);

(B) shall be responsible for the management of the program and oversight of grant activities funded from resources of the Americas Fund;

(C) shall be subject, on an annual basis, to an audit of financial statements conducted in accordance with generally accepted auditing standards by an independent auditor;

(D) shall be required to grant to representatives of the United States General Accounting Office such access to books and records associated with operations of the Americas Fund as the Comptroller General of the United States may request;

(E) shall present an annual program for review each year by the Enterprise for the Americas Board; and

(F) shall submit a report each year on the activities that it undertook during the previous year to the Chair of the Enterprise for the Americas Board and to the government of the beneficiary country.

(d) **ELIGIBLE ACTIVITIES.**—Grants from an Americas Fund shall be used for—

(1) activities that link the conservation and sustainable use of natural resources with local community development; and

(2) child survival and other child development activities.

(e) **GRANT RECIPIENTS.**—Grants made from an Americas Fund shall be made to—