

## INTERNATIONAL ASSISTANCE PROGRAMS

### INTERNATIONAL SECURITY ASSISTANCE

#### Economic Support Fund

For an additional amount for "Economic Support Fund," \$2,442,000,000, of which the amounts specified herein shall be available as follows: (1) \$300,000,000, to remain available until September 30, 2005, only for grants for Egypt: Provided, That during the period beginning March 1, 2003 and ending September 30, 2005, loan guarantees may be made to Egypt, the principal amount, any part of which is to be guaranteed, not to exceed \$2,000,000,000: Provided further, That no appropriations are available for the subsidy costs for these loan guarantees: Provided further, That the Government of Egypt will incur all the costs, as defined in section 502 of the Federal Credit Reform Act of 1990, as amended, associated with these loan guarantees, including any non-payment exposure risk: Provided further, That all fees associated with these loan guarantees shall be paid by the Government of Egypt to the Government of the United States: Provided further, That funds made available for assistance to Egypt under chapter 4 of Part II of the Foreign Assistance Act of 1961, as amended, may be utilized by the Government of Egypt to pay such fees to the United States Government: Provided further: That up to \$379,600,000 in funds appropriated under this heading in prior foreign operations, export financing, and related programs appropriations acts for Egypt, including funds provided as Commodity Import Program assistance, may be made available on a grant basis as a cash transfer. (2) \$1,000,000,000, to remain available until September 30, 2005, only for grants for Turkey: Provided, That during the period beginning March 1, 2003 and ending September 30, 2005, direct loans or loan guarantees may be made to Turkey, the principal amount of direct loans or loans, any part of which is to be guaranteed, not to exceed \$8,500,000,000: Provided further, That no appropriations are available for the subsidy costs for these loans or loan guarantees: Provided further, That the Government of Turkey will incur all the costs, as defined in section 502 of the Federal Credit Reform Act of 1990, as amended, associated with these loans or loan guarantees, including any non-payment exposure risk: Provided further, That all fees associated with these loans or loan guarantees shall be paid by the Government of Turkey to the Government of the United States: Provided further, That funds made available for assistance to Turkey under chapter 4 of Part II of the Foreign Assistance Act of 1961, as amended, may be utilized by the Government of Turkey to pay such fees to the United States Government; Further, the President shall determine the terms and conditions for issuing the economic assistance authorized in paragraphs (1) and (2). If the President determines that these terms and conditions have been breached, the President may suspend or terminate the provision of all or part of such economic assistance not yet outlayed under this heading.

This request for \$2,442 million for the Economic Support Fund (ESF) would provide economic and development assistance to countries that are invaluable coalition partners in the effort to disarm and stabilize Iraq and in the war against terrorism.

\$1 billion would be provided for Turkey in the form of grants. A portion of this amount may be used by Turkey to pay fees to cover the budget cost of up to \$8.5 billion in direct loans or loan guarantees to help Turkey in carrying out comprehensive economic and financial reforms and relieving potential balance of payments needs that may result from hostilities in Iraq.

\$700 million would be provided for Jordan as budget support to help offset the economic dislocation and hardship brought on by a conflict with Iraq. Approximately \$250 million will be used to address Jordan's most pressing budgetary needs and debt service obligations, and \$450 million will be used to help Jordan in its transition from economic dependence on Iraq.

\$300 million would be provided for Egypt to help offset economic dislocation and hardship brought on by a conflict with Iraq. A portion of this amount may be used by Egypt to pay fees to cover the budget costs of up to \$2 billion in loan guarantees for Egypt, subject to the terms and conditions that the President decides.

\$127 million would be provided for Afghanistan to promote secure conditions preventing the return of terrorism to Afghanistan: \$60 million for continued reconstruction of the Kabul-Kandahar-Herat highway; \$50 million for operational support; and \$17 million for technical and material assistance to support Afghanistan's political rehabilitation as outlined in the Bonn Agreement.

\$200 million would be provided for the Muslim Outreach and Middle East Partnership Initiative. These funds would support educational and economic opportunities in the Muslim and Arab world, as well as public diplomacy and other outreach programs to the Muslim world.

\$50 million would be provided for direct support to reduce terrorism and support the peace process in the West Bank and Gaza.

\$40 million would be provided to reimburse the account for funds provided to pre-position people, supplies, and commodities prior to the conflict with Iraq.

## INTERNATIONAL ASSISTANCE PROGRAMS

### INTERNATIONAL SECURITY ASSISTANCE

#### Foreign Military Financing Program

For an additional amount for the "Foreign Military Financing Program," \$2,059,100,000: Provided, That funds appropriated by this paragraph shall be available notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956.

This request would provide resources that are urgently needed for Afghanistan, Israel, Jordan, Bahrain, Oman, Pakistan, Poland, Hungary, the Czech Republic, Estonia, Latvia, Lithuania, Bulgaria, Romania, Slovakia, Slovenia, Djibouti, the Philippines, Colombia, and other related needs. These funds would be used immediately to strengthen the forces of our partners and allies in operations in Iraq and the ongoing war against terrorism, by providing vitally needed equipment, supplies and training, such as radios for communication, night vision goggles, vehicles for mobility, spare parts and maintenance for vehicles and aircraft, radar for air traffic control, and small unit basic and operational training. The request includes the following:

\$1.0 billion would be provided to Israel to strengthen military and civil defenses against regional threats.

\$406 million would be provided for Jordan to meet border security requirements and to upgrade fighter aircraft and airbases.

\$175 million would be provided to Pakistan to provide improved capabilities for border security in the fight against terrorism, for monitoring equipment, aircraft procurement and refurbishment, and surveillance radar systems.

\$170 million would be provided to Afghanistan to provide training, equipment, and base construction urgently needed for the Afghan National Army.

INTERNATIONAL ASSISTANCE PROGRAMS

INTERNATIONAL SECURITY ASSISTANCE

Peacekeeping Operations

For an additional amount for "Peacekeeping Operations," \$200,000,000.

This request would provide an additional \$200 million for the State Department's Peacekeeping Operations programs related to Iraq. These funds would be used to assist coalition partners and cooperative Front Line States to support critical stabilization activities in post-conflict Iraq.

## INTERNATIONAL ASSISTANCE PROGRAMS

### INTERNATIONAL SECURITY ASSISTANCE

#### United States Emergency Fund for Complex Foreign Crises

For necessary expenses to enable the President to respond to unforeseen complex foreign crises, \$150,000,000: Provided, That funds appropriated under this heading may be made available only pursuant to a determination by the President that it is in the national interest to furnish assistance on such terms and conditions as he may determine for the purpose of responding to such crises, including support for peace and humanitarian intervention operations: Provided further, That none of the funds appropriated under this heading shall be available to respond to natural disasters: Provided further, That for funds appropriated under this heading the President may make allocations to Federal agencies to carry out the authorities provided under this heading: Provided further, That funds appropriated by this paragraph shall be made available notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956: Provided further, That the President may furnish assistance under this heading notwithstanding any other provision of law.

This request would provide resources to quickly and effectively respond to complex foreign crises. Given the evolving situation with Iraq, the availability of these contingent funds is key to responding to unforeseen needs and requirements. These funds could be used for a range of foreign assistance activities, including support for unanticipated stabilization and humanitarian operations related to Iraq. Use of these funds would require a determination by the President that a complex emergency exists and that it is in the national interest to furnish assistance in response. This request would not fund assistance activities in response to natural disasters because existing contingency funding is available for that purpose.

INTERNATIONAL ASSISTANCE PROGRAMS

INTERNATIONAL SECURITY ASSISTANCE

Nonproliferation, Anti-Terrorism, Demining and Related Programs

For an additional amount for "Nonproliferation, Anti-Terrorism, Demining and Related Programs," \$28,000,000.

This request would provide \$25 million to support anti-terrorism training and protection programs in Afghanistan and other anti-terrorism training and equipment needs. In addition, \$3 million would fund demining activities, the clearance of unexploded ordinance, and related activities in Afghanistan.

INTERNATIONAL ASSISTANCE PROGRAMS  
AGENCY FOR INTERNATIONAL DEVELOPMENT

Child Survival and Health Programs Fund

For an additional amount for "Child Survival and Health Programs Fund," \$40,000,000.

This request would provide \$40 million to reimburse the account for funds borrowed and provided to preposition people, supplies, and commodities to address humanitarian needs prior to the conflict with Iraq.

INTERNATIONAL ASSISTANCE PROGRAMS  
AGENCY FOR INTERNATIONAL DEVELOPMENT

International Disaster Assistance

For an additional amount for "International Disaster Assistance," \$80,000,000: Provided, That amounts made available pursuant to section 492(b) of the Foreign Assistance Act of 1961 for the purpose of addressing relief and rehabilitation needs in Iraq, prior to enactment of this Act, shall be in addition to the amount that may be obligated in any fiscal year under that section.

This request would provide \$80 million to reimburse the account for funds used to preposition people, supplies, and commodities to address humanitarian needs prior to the conflict with Iraq. It also allows the United States Agency for International Development not to count any "borrowing" from other accounts used under International Disaster Assistance authorities.



INTERNATIONAL ASSISTANCE PROGRAMS  
AGENCY FOR INTERNATIONAL DEVELOPMENT

Operating Expenses of the United States Agency for International Development

For an additional amount for "Operating Expenses of the United States Agency for International Development," \$22,000,000, of which not more than \$2,000,000 may be transferred to and merged with "Operating Expenses of the United States Agency for International Development Office of Inspector General."

This request would provide additional funds for the United States Agency for International Development (USAID) to evacuate overseas personnel, and establish a new mission in Iraq and the related support for staff in Washington D.C. This would also allow a portion of the funds to be available for operating expenses for USAID's Office of Inspector General to audit the expenditure of funds used for relief and reconstruction in Iraq.

INTERNATIONAL ASSISTANCE PROGRAMS  
AGENCY FOR INTERNATIONAL DEVELOPMENT

Loan Guarantees to Israel

During the period beginning March 1, 2003 and ending September 30, 2005, loan guarantees may be made available to Israel, the principal amount, any part of which is to be guaranteed, not to exceed \$9,000,000,000: Provided, That guarantees may be issued under this section only to support activities in the geographic areas which were subject to the administration of the Government of Israel before June 5, 1967: Provided further, That the amount of guarantees that may be issued shall be reduced by an amount equal to the amount extended or estimated to have been extended by the Government of Israel during the period from March 1, 2003 to the date of issue of the guarantee, for activities which the President determines are inconsistent with the objectives and understandings reached between the United States and the Government of Israel regarding the implementation of the loan guarantee program: Provided further, That no appropriations are available for the subsidy costs for these loan guarantees: Provided further, That the Government of Israel will incur all the costs, as defined in section 502 of the Federal Credit Reform Act of 1990, as amended, associated with the loan guarantees, including any non-payment exposure risk: Provided further, That all fees associated with the loan guarantees shall be paid by the Government of Israel to the Government of the United States: Provided further, That funds made available for assistance to Israel under chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, may be utilized by the Government of Israel to pay such fees to the United States Government: Provided further, That the President shall determine the terms and conditions for issuing guarantees, taking into consideration the budgetary and economic reforms undertaken by Israel: Provided further, That if the President determines that these terms and conditions have been breached, the President may suspend or terminate the provision of all or part of the loan guarantees not yet issued under this section.

This request authorizes the President to provide up to \$9 billion in loan guarantees to Israel through the end of fiscal year 2005. These loan guarantees will help Israel address economic costs associated with the conflict with Iraq and to implement critical budgetary and economic reforms.

## GENERAL PROVISIONS

Sec. \_\_\_\_\_. Any appropriation made available in this Act for "International Assistance Programs," for "Department of State," or under the heading, "Iraq Relief and Reconstruction Fund" under "Executive Office of the President," may be transferred between such appropriations for use for any of the purposes for which the funds in the such receiving account may be used: Provided, That the total amount transferred shall not exceed \$200,000,000.

This would allow transfers among the accounts in the International Assistance Programs, the Department of State portions of this request, and the new Iraq Relief and Reconstruction Fund, with a cumulative cap of \$200 million. This will allow the President to move funds between accounts to provide the most effective possible aid to the Iraqi people and support to our allies in the conflict in Iraq and the war on terrorism.

Sec. \_\_\_\_\_. Assistance or other financing under this Act or under prior foreign operations, export financing, and related programs appropriations Acts may be provided to support relief and reconstruction in Iraq notwithstanding any other provision of law.

This would extend the authority to provide relief and reconstruction assistance for Iraq "notwithstanding any other provision of law" that is provided in the FY 2003 Consolidated Appropriations Act. The authority in the Consolidated Appropriations Act expires once a supplemental appropriation for Iraq is enacted. This authority continues to be needed to ensure that relief and reconstruction assistance for Iraq may be provided swiftly and flexibly.

Sec. \_\_\_\_\_. The Iraq Sanctions Act of 1990 is hereby repealed: Provided, That nothing in this section shall affect the applicability of the Iran-Iraq Arms Non-Proliferation Act of 1992 (Pub. L. 102-484): Provided further, That the President may make inapplicable with respect to Iraq section 620A of the Foreign Assistance Act of 1961, as amended, or other provision of law that applies to countries that have supported terrorism: Provided further, That section 307 of the Foreign Assistance Act of 1961, as amended, shall not apply with respect to programs of international organizations for Iraq: Provided further, That provisions of law that purport to direct the United State Government to vote against or oppose loans or other uses of funds, including for financial or technical assistance, in international financial institutions for Iraq should not be construed as applying to Iraq.

This provision would repeal the Iraq Sanctions Act of 1990, which requires the President to continue an embargo on Iraq and impose certain mandatory sanctions against Iraq, including prohibitions on arms sales, certain exports, foreign assistance and Export-Import Bank Credits. It would also authorize the President to make inapplicable with respect to Iraq section 620A, and section 620G, and section 307 of the Foreign Assistance Act.

Sec. \_\_\_\_\_. Notwithstanding any other provision of law hereafter, the President may authorize the export to Iraq of any item subject to the Export Administration Regulations, 15 CFR chapter VII, subchapter C, or controlled under the International Trafficking in Arms Regulations on the United States Munitions List established pursuant to section 38 of the Arms Export Control Act, 22 U.S.C. 2778, if the President determines that the export of such item is in the national interest of the United States.

This would provide the President with the flexibility to authorize exports to Iraq upon determining that they are in the national interest of the United States, notwithstanding statutory restrictions, in addition to those in the Iraq Sanctions Act, and those under the Arms Export Control Act on exports to Iraq.