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NEW DIRECTIONS IN DEVELOPMENT AID

Excerpts From the Legislation

PREPARED BY THE
COMMITTEE ON INTERNATIONAL
RELATIONS
OF THE
HOUSE OF REPRESENTATIVES

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(11)

FOREWORD

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, D.C., June 5, 1976.

In the Foreign Assistance Act of 1973, Public Law 93-189 (S. 1443), this committee and the Congress undertook a major redirection of the U.S. bilateral development assistance program. The main purpose of that redirection was to make the program more directly responsive to the most pervasive problems of poor people in the less developed countries. At the same time, the program was concentrated in a few key areas of prime concern to the poor—agriculture, rural development, and nutrition; population planning and health; and education. An additional theme of the 1973 aid legislation was increased coordination of all U.S. policies and programs affecting U.S. interests in the development of less developed countries.

In the International Development and Food Assistance Act of 1975, Public Law 94-161 (H.R. 9005), these basic reforms were strengthened. In addition, the underlying concepts were introduced into our overseas food aid legislation, Public Law 480 (Food for Peace), and provisions were enacted to insure greater coordination between food aid and other U.S. development assistance programs.

Both the 1973 and 1975 acts provided for an expanded role for private entities, such as cooperatives, voluntary organizations, and land-grant and other universities, in helping to carry out U.S. development aid programs.

The 1973 and 1975 acts, as well as the Foreign Assistance Act of 1974, Public Law 93-559 (S. 3394), also contained provisions emphasizing aid to the poorest countries, particularly those in the Sahel region of Africa and those with low per capita income.

The excerpts in this volume include the essential legislative framework of the reforms in the U.S. development assistance program undertaken since 1973 by the Agency for International Development (the "new directions" in development aid). This legislative framework, together with related provisions, form a body of new law in the field of development aid which is not available in compact form in any other document. These provisions are therefore reproduced in this volume for the convenience of the committee, other Members of Congress, and interested members of the public, the Executive Branch, and international bodies.

THOMAS E. MORGAN, *Chairman.*

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EXCERPTS FROM THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

PART I

Chapter 1—Policy; Development Assistance Authorizations

Sec. 102. Statement of Policy.—* * *

(b) The Congress further finds and declares that, with the help of United States economic assistance, progress has been made in creating a base for the economic progress of the less developed countries. At the same time, the conditions which shaped the United States foreign assistance program in the past have changed. While the United States must continue to seek increased cooperation and mutually beneficial relations with other nations, our relations with the less developed countries must be revised to reflect the new realities. In restructuring our relationships with these countries, the President should place appropriate emphasis on the following criteria:

(1) Bilateral development aid should concentrate increasingly on sharing American technical expertise, farm commodities, and industrial goods to meet critical development problems, and less on large-scale capital transfers, which when made should be in association with contributions from other industrialized countries working together in a multilateral framework.

(2) Future United States bilateral support for development should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries; food production; rural development and nutrition; population planning and health; and education, public administration, and human resource development.

(3) United States cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, and voluntary agencies.

(4) Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

(5) United States bilateral development assistance should give the highest priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.

(6) The economic and social development programs to which the United States lends support should reflect, to the maximum extent

practicable, the role of the United States private investment in such economic and social development programs.

(7) Under the policy guidance of the Secretary of State, the agency primarily responsible for administering this part should have the responsibility for coordinating all United States development-related activities.

(c) Assistance under this chapter should be used not simply for the purpose of transferring financial resources to developing countries, but to help countries solve development problems in accordance with a strategy that aims to increase substantially the participation of the poor. Accordingly, greatest emphasis shall be placed on countries and activities which effectively involve the poor in development, by expanding their access to the economy through services and institutions at the local level, increasing labor-intensive production, spreading productive investment and services out from major cities to small towns and outlying rural areas, and otherwise providing opportunities for the poor to better their lives through their own effort.

(d) For the purpose of assuring that development assistance furnished under this chapter is increasingly concentrated in countries which will make effective use of such assistance to help the poor toward a better life (especially such countries which are suffering from the worst and most widespread poverty and are in greatest need of outside assistance), the President shall establish appropriate criteria to assess the commitment and progress of countries in meeting the objectives set forth in subsection (c) of this section and in other sections of this chapter. In establishing such criteria, the President shall specifically take into account their value in assessing the efforts of countries to—

(1) increase agricultural productivity per unit of land through small-farm labor-intensive agriculture;

(2) reduce infant mortality;

(3) control population growth;

(4) promote greater equality of income distribution, including measures such as fore progress taxation and more equitable returns to small farmers; and

(5) reduce rates of unemployment and underemployment.

The president shall endeavor to bring about the adoption of similar criteria by international development organizations in which the United States participates. Presentation materials submitted to the Congress with respect to assistance under this chapter, beginning with fiscal year 1977, shall contain detailed information concerning the steps being taken to implement this subsection.

Sec. 103. Food and Nutrition.—(a) In order to alleviate starvation, hunger, and malnutrition, and to provide basic services to poor people, enhancing their capacity for self-help, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$291,000,000 for the fiscal year 1974, and \$500,000,000 for the fiscal year 1975, \$618,000,000 for the fiscal year 1976 and \$745,000,000 for the fiscal year 1977, which amounts are authorized to remain available until expended.

(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowing developing countries. The greatest potential for significantly expanding world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should be given to increasing agricultural production in the countries with per capita incomes under \$300 a year and which are the most severely affected by sharp increases in worldwide commodity prices.

(c) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansion of local or small-scale rural infrastructure and utilities such as farm-to-market roads, land improvement, energy, and storage facilities; establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, and improved seed, in ways which assure access to them by small farmers.

(d) Foreign currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance Act of 1954 which are owned by foreign governments shall be used whenever practicable to carry out the provisions of this section.

(e) In order to carry out the purposes of this section, the President is authorized to participate in and provide, on such terms and conditions as he may determine, up to \$200,000,000 to the International Fund for Agricultural Development. There is authorized to be appropriated to the President without fiscal year limitation \$200,000,000 for such contribution.

(f) No funds may be obligated to carry out subsection (e) unless—

(1) satisfactory agreement is reached on the Articles of Agreement for the International Fund for Agricultural Development;

(2) such Articles of Agreement are reviewed and approved by the Senate Committee on Foreign Relations and the House Committee on International Relations;

(3) all donor commitments to the International Fund for Agricultural Development total at least \$1,000,000,000 equivalent in convertible currencies, except that the United States contribution shall be proportionally reduced if this combined goal is not met; and

(4) there is equitable burden sharing among the different categories of contributors.

(g) The President shall submit to the Congress full and complete data concerning United States participation in, and operation of, the

International Fund for Agricultural Development in the annual presentation materials on proposed economic assistance programs.

Sec. 103A. Agricultural Research.—Agricultural research carried out under this Act shall (1) take account of the special needs of small farmers in the determination of research priorities, (2) include research on the interrelationships among technology, institutions, and economic, social, and cultural factors affecting small-farm agriculture, and (3) make extensive use of field testing to adapt basic research to local conditions. Special emphasis shall be placed on disseminating research results to the farms on which they can be put to use, and especially on institutional and other arrangements needed to assure that small farmers have effective access to both new and existing improved technology.

Sec. 104. Population Planning and Health.—(a) In order to increase the opportunities and motivation for family planning, to reduce the rate of population growth, to prevent and combat disease, and to help provide health services for the great majority, the President is authorized to furnish assistance on such terms and conditions as he may determine, for population planning and health. There are authorized to be appropriated to the President for the purposes of this section, in addition to the funds otherwise available for such purposes, \$145,000,000 for the fiscal year 1974, and \$165,000,000 for the fiscal year 1975, \$243,100,000 for the fiscal year 1976 and \$275,600,000 for the fiscal year 1977, which amounts are authorized to remain available until expended. Not less than 67 percent of the funds made available under this section for any fiscal year shall be used for population planning, either in separate programs or as an element of health programs.

(b) Assistance provided under this section shall be used primarily for extension of low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and to the poorest economic sectors, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach; health programs which emphasize disease prevention, environmental sanitation, and health education; and population planning programs which include education in responsible parenthood and motivational programs, as well as delivery of family planning services and which are coordinated with programs aimed at reducing the infant mortality rate, providing better nutrition to pregnant women and infants, and raising the standards of living of the poor.

Sec. 105. Education and Human Resources Development.—(a) In order to reduce illiteracy, to extend basic education and to increase manpower training in skills related to development, the President is authorized to furnish assistance on such terms and conditions as he may determine, for education, public administration, and human resource development. There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$90,000,000 for the fiscal year 1974, and \$92,000,000 for the fiscal year 1975, \$89,200,000 for the fiscal year 1976 and \$101,800,000 for the fiscal year 1977, which amounts are authorized to remain available until expended.

(b) Assistance provided under this section shall be used primarily to expand and strengthen nonformal education methods, especially those designed to improve productive skills of rural families and the urban poor and to provide them with useful information; to increase the relevance of formal education systems to the needs of the poor, especially at the primary level, through reform of curricula, teaching materials, and teaching methods, and improved teacher training; and to strengthen the management capabilities of institutions which enable the poor to participate in development.

(c) Of the amount authorized to be appropriated by subsection (a), not less than \$1,000,000 shall be available to support the southern African student program and the southern African training program, for the purpose of providing educational assistance to Southern Africans.

Sec. 106. Technical Assistance, Energy, Research, Reconstruction, and Selected Development Problems.—(a) The President is authorized to furnish assistance, on such terms and conditions as he may determine, for the following activities, to the extent that such activities are not authorized by sections 103, 104, and 105 of this Act:

(1) programs of technical cooperation and development, particularly the development efforts of United States private and voluntary agencies and regional and international development organizations;

(2) programs to help developing countries alleviate their energy problems by increasing their production and conservation of energy, through such means as research and development of suitable energy sources and conservation methods, collection and analysis of information concerning countries' potential supplies of and needs for energy, and pilot projects to test new methods of production or conservation of energy;

(3) programs of research into, and evaluation of, the process of economic development in less developed countries and areas, into the factors affecting the relative success and costs of development activities, and into the means, techniques, and such other aspects of development assistance as the President may determine in order to render such assistance of increasing value and benefit;

(4) programs of reconstruction following natural or manmade disasters;

(5) programs designed to help solve special development problems in the poorest countries and to make possible proper utilization of infrastructure and related projects funded with earlier United States assistance; and

(6) programs of urban development, with particular emphasis on small, labor intensive enterprises, marketing systems for small producers, and financial and other institutions which enable the urban poor to participate in the economic and social development of their country.

(b) There is authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$99,550,000 for the fiscal year 1976 and \$104,500,000 for the fiscal year 1977, which amounts are authorized to remain

available until expended. Of the amounts made available under this section, not less than \$30,000,000 shall be available during the period beginning July 1, 1975, and ending September 30, 1977, only for reimbursement to private voluntary agencies of the United States for costs incurred with respect to the shipment of food and nonfood commodities provided through private donations.

Sec. 107. Intermediate Technology.—Of the funds made available to carry out this chapter for the fiscal years 1976, 1977, and 1978, a total of \$20,000,000 may be used for activities in the field of intermediate technology, through grants in support of an expanded and coordinated private effort to promote the development and dissemination of technologies appropriate for developing countries. The Agency for International Development shall prepare a detailed proposal to carry out this section and shall keep the Senate Foreign Relations Committee and the House International Relations Committee fully and currently informed concerning the development of the proposal. The proposal shall be transmitted to these committees no later than March 31, 1976, and shall not be implemented until thirty days after its transmittal or until passage by each committee of a resolution in effect approving its implementation.

Sec. 108. Application of Existing Provision.—Assistance under this chapter shall be furnished in accordance with the provisions of titles I, II, or X of chapter 2 of this part, and nothing in this chapter shall be construed to make inapplicable the restrictions, criteria, authorities, or other provisions of this or any other Act in accordance with which assistance furnished under this chapter would otherwise have been provided.

Sec. 109. Transfer of Funds.—Notwithstanding section 108 of this Act, whenever the President determines it to be necessary for the purposes of this chapter, not to exceed 15 per centum of the funds made available for any provision of this chapter may be transferred to, and consolidated with, the funds made available for any other provision of this chapter, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 25 per centum of the amount of funds made available for such provision. The authority of sections 610(a) and 614(a) of this Act may not be used to transfer funds made available under this chapter for use for purposes of any other provisions of this Act.

Sec. 110. Cost-Sharing and Funding Limits.—(a) No assistance shall be furnished by the United States Government to a country under sections 103 through 107 of this Act until the country provides assurances to the President, and the President is satisfied, that such country provide at least 25 per centum of the costs of the entire program, project, or activity with respect to which such assistance is to be furnished, except that such costs borne by such country may be provided on an "in-kind" basis and except that the President may waive this cost-sharing requirement in the case of a project or activity in a country which the agency primarily responsible for administering part I of this Act determines is relatively least developed based on the United Nations Conference on Trade and Development list of "relatively least developed countries".

(b) No grant assistance shall be disbursed by the United States Government under sections 103 through 107 of this Act for a project, for a period exceeding thirty-six consecutive months, without further justification satisfactory to the Congress and efforts being made to obtain sources of financing within that country and from other foreign countries and multilateral organizations.

Sec. 111. Development and Use of Cooperatives.—In order to strengthen the participation of the rural and urban poor in their country's development, high priority shall be given to increasing the use of funds made available under this Act for assistance in the development of cooperatives in the less developed countries which will enable and encourage greater numbers of the poor to help themselves toward a better life. Not less than \$20,000,000 of such funds shall be used during the fiscal years 1976 and 1977, including the period from July 1, 1976, through September 30, 1976, only for technical assistance to carry out the purposes of this section.

* * * * *

Sec. 113. Integrating Women Into National Economies.—Part I of this Act shall be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort.

Sec. 114. Limiting Use of Funds for Abortions.—None of the funds made available to carry out this part shall be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

Sec. 115. Prohibiting Use of Funds for Certain Countries.—
(a) None of the funds made available to carry out this chapter may be used in any fiscal year for any country to which assistance is furnished in such fiscal year under chapter 4 of part II (security supporting assistance), part V (assistance for relief and reconstruction of South Vietnam, Cambodia, and Laos), part VI (assistance for Middle East peace) of this Act, or section 36 of the Foreign Assistance Act of 1974.

(b) The prohibition contained in subsection (a) may not be waived under section 614(a) of this Act or under any other provision of law.

(c) This section shall not apply to funds made available under section 104 for purposes of title X of chapter 2 of this part (programs relating to population growth), funds made available for humanitarian assistance through international organizations, and funds obligated for regional programs.

Sec. 116. Human Rights.—(a) No assistance may be provided under this part to the government of any country which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, or other flagrant denial of the right to life, liberty, and the security of person, unless such assistance will directly benefit the needy people in such country.

(b) In determining whether this standard is being met with regard to funds allocated under this part, the Committee on Foreign Relations of the Senate or the Committee on International Relations of the

House of Representatives may require the Administrator primarily responsible for administering part I of this Act to submit in writing information demonstrating that such assistance will directly benefit the needy people in such country, together with a detailed explanation of the assistance to be provided (including the dollar amounts of such assistance) and an explanation of how such assistance will directly benefit the needy people in such country. If either committee or either House of Congress disagrees with the Administrator's justification it may initiate action to terminate assistance to any country by a concurrent resolution under section 617 of this Act.

(c) In determining whether or not a government falls within the provisions of subsection (a), consideration shall be given to the extent of cooperation of such government in permitting an unimpeded investigation of alleged violations of internationally recognized human rights by appropriate international organizations, including the International Commerce of the Red Cross, or groups or persons acting under the authority of the United Nations or of the Organizations of American States.

(d) The President shall transmit to the speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, in the annual presentation materials on proposed economic development assistance programs, a full and complete report regarding the steps he has taken to carry out the provisions of this section.

Chapter 2—Development Assistance

Title III—Housing and Other Credit Guaranty Programs

* * * * *

Sec. 223. General Provisions.—* * *

(j) Guaranties shall be issued under sections 221 and 222 only for housing projects which (1) except for regional projects are in countries which are receiving, or which in the previous two fiscal years have received, development assistance under chapter 1 of part I of this Act, (2) are coordinated with and complementary to such assistance, and (3) are specifically designed to demonstrate the feasibility and suitability of particular kinds of housing or of financial or other institutional arrangements. Of the aggregate face value of housing guaranties hereafter issued under this title, not less than 90 per centum shall be issued for housing suitable for families with income below the median income (below the median urban income for housing in urban areas) in the country in which the housing is located. The face value of guaranties issued with respect to housing in any country shall not exceed \$25,000,000 in any fiscal year, and the average face value of guaranties issued in any fiscal year shall not exceed \$15,000,000. Notwithstanding the provisions of the first sentence of this subsection, the President is authorized to issue housing guaranties until September 30, 1977, as follows: In Israel, not exceeding a face amount of \$50,000,000, and in Portugal, not exceeding a face amount of \$20,000,000.

* * * * *

Sec. 296. General Provisions.—(a) The Congress declares that, in order to prevent famine and establish freedom from hunger, the United States should strengthen the capacities of the United States land-grant and other eligible universities in program-related agricultural institutional development and research, consistent with sections 103 and 103A, should improve their participation in the United States Government's international efforts to apply more effective agricultural sciences to the goal of increasing world food production, and in general should provide increased and longer term support to the application of science to solving food and nutrition problems of the developing countries.

The Congress so declares because it finds—

(1) that the establishment, endowment, and continuing support of land-grant universities in the United States by Federal, State, and county governments has led to agricultural progress in this country;

(2) that land-grant and other universities in the United States have demonstrated over many years their ability to cooperate with foreign agricultural institutions in expanding indigenous food production for both domestic and international markets;

(3) that, in a world of growing population with rising expectations, increased food production and improved distribution, storage, and marketing in the developing countries is necessary not only to prevent hunger but to build the economic base for growth, and moreover, that the greatest potential for increasing world food supplies is in the developing countries where the gap between food need and food supply is the greatest and current yields are lowest;

(4) that increasing and making more secure the supply of food is of greatest benefit to the poorest majority in the developing world;

(5) that research, teaching, and extension activities, and appropriate institutional development therefor are prime factors in increasing agricultural production abroad (as well as in the United States) and in improving food distribution, storage, and marketing;

(6) moreover, that agricultural research abroad has in the past and will continue in the future to provide benefits for agriculture in the United States and that increasing the availability of food of higher nutritional quality is of benefit to all; and

(7) that universities need a dependable source of Federal funding, as well as other financing, in order to expand, or in some cases to continue, their efforts to assist in increasing agricultural production in developing countries.

(b) Accordingly, the Congress declares that, in order to prevent famine and establish freedom from hunger, various components must be brought together in order to increase world food production, including—

(1) strengthening the capabilities of universities to assist in increasing agricultural production in developing countries;

- (2) institution-building programs for development of national and regional agricultural research and extension capacities in developing countries which need assistance;
 - (3) international agricultural research centers;
 - (4) contract research; and
 - (5) research program grants.
- (c) The United States should—
- (1) effectively involve the United States land-grant and other eligible universities more extensively in each component;
 - (2) provide mechanisms for the universities to participate and advise in the planning, development, implementation, and administration of each component; and
 - (3) assist such universities in cooperative joint efforts with—
 - (A) agricultural institutions in developing nations, and
 - (B) regional and international agricultural research centers,
 directed to strengthening their joint and respective capabilities and to engage them more effectively in research, teaching, and extension activities for solving problems in food production, distribution, storage, marketing, and consumption in agriculturally underdeveloped nations.

(d) As used in this title, the term “universities” means those colleges or universities in each State, territory, or possession of the United States, or the District of Columbia, now receiving, or which may hereafter receive, benefits under the Act of July 2, 1862 (known as the First Morrill Act), or the Act of August 30, 1890 (known as the Second Morrill Act), which are commonly known as “land-grant” universities; institutions now designated or which may hereafter be designated as sea-grant colleges under the Act of October 15, 1966 (known as the National Sea Grant College and Program Act), which are commonly known as sea-grant colleges; and other United States colleges and universities which—

- (1) have demonstrable capacity in teaching, research, and extension activities in the agricultural sciences; and
- (2) can contribute effectively to the attainment of the objective of this title.

(e) As used in this title, the term “Administrator” means the Administrator of the Agency for International Development.

(f) As used in this title, the term “agriculture” shall be considered to include aquaculture and fisheries.

(g) As used in this title, the term “farmers” shall be considered to include fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.

Sec. 297. General Authority.—(a) To carry out the purposes of this title, the President is authorized to provide assistance on such terms and conditions as he shall determine—

- (1) to strengthen the capabilities of universities in teaching, research, and extension work to enable them to implement current programs authorized by paragraphs (2), (3), (4), and (5) of this subsection, and those proposed in the report required by section 300 of this title;

(2) to build and strengthen the institutional capacity and human resources skills of agriculturally developing countries so that these countries may participate more fully in the international agricultural problem-solving effort and to introduce and adapt new solutions to local circumstances;

(3) to provide program support for long-term collaborative university research on food production, distribution, storage, marketing, and consumption;

(4) to involve universities more fully in the international network of agricultural science, including the international research centers, the activities of international organizations such as the United Nations Development Program and the Food and Agriculture Organization, and the institutions of agriculturally developing nations; and

(5) to provide program support for international agricultural research centers, to provide support for research projects identified for specific problem-solving needs, and to develop and strengthen national research systems in the developing countries.

(b) Programs under this title shall be carried out so as to—

(1) utilize and strengthen the capabilities of universities in—

(A) developing capacity in the cooperating nation for classroom teaching in agriculture, plant and animal sciences, human nutrition, and vocational and domestic arts and other relevant fields appropriate to local needs;

(B) agricultural research to be conducted in the cooperating nations, at international agricultural research centers, or in the United States;

(C) the planning, initiation, and development of extension services through which information concerning agriculture and related subjects will be made available directly to farmers and farm families in the agriculturally developing nations by means of education and demonstration; or

(D) the exchange of educators, scientists, and students for the purpose of assisting in successful development in the cooperating nations;

(2) take into account the value to the United States agriculture of such programs, integrating to the extent practicable the programs and financing authorized under this title with those supported by other Federal or State resources so as to maximize the contribution to the development of agriculture in the United States and in agriculturally developing nations; and

(3) whenever practicable, build on existing programs and institutions including those of the universities and the United States Department of Agriculture and the United States Department of Commerce.

(c) To the maximum extent practicable, activities under this section shall (1) be designed to achieve the most effective interrelationship among the teaching of agricultural sciences, research, and extension work, (2) focus primarily on the needs of agricultural producers, (3) be adapted to local circumstances, and (4) be carried out within the developing countries.

(d) The President shall exercise his authority under this section through the Administrator.

Sec. 298. Board for International Food and Agricultural Development.—(a) To assist in the administration of the programs authorized by this title, the President shall establish a permanent Board for International Food and Agricultural Development (hereafter in this title referred to as the "Board") consisting of seven members, not less than four to be selected from the universities. Terms of members shall be set by the President at the time of appointment. Members of the Board shall be entitled to such reimbursement for expenses incurred in the performance of their duties (including per diem in lieu of subsistence while away from their homes or regular place of business) as the President deems appropriate.

(b) The Board's general areas of responsibility shall include, but not be limited to—

- (1) participating in the planning, development, and implementation of,
 - (2) initiating recommendations for, and
 - (3) monitoring of,
- the activities described in section 297 of this title.

(c) The Board's duties shall include, but not necessarily be limited to—

- (1) participating in the formulation of basic policy, procedures, and criteria for project proposal review, selection, and monitoring;

(2) developing and keeping current a roster of universities—

(A) interested in exploring their potential for collaborative relationships with agricultural institutions, and with scientists working on significant programs designed to increase food production in developing countries,

(B) having capacity in the agricultural sciences,

(C) able to maintain an appropriate balance of teaching, research, and extension functions,

(D) having capacity, experience, and commitment with respect to international agricultural efforts, and

(E) able to contribute to solving the problems addressed by this title;

(3) recommending which developing nations could benefit from programs carried out under this title, and identifying those nations which have an interest in establishing or developing agricultural institutions which engage in teaching, research, or extension activities;

(4) reviewing and evaluating memorandums of understanding or other documents that detail the terms and conditions between the Administrator and universities participating in programs under this title;

(5) reviewing and evaluating agreements and activities authorized by this title and undertaken by universities to assure compliance with the purposes of this title;

(6) recommending to the Administrator the apportionment of funds under section 297 of this title; and

(7) assessing the impact of programs carried out under this title in solving agricultural problems in the developing nations.

(d) The President may authorize the Board to create such subordinate units as may be necessary for the performance of its duties, including but not limited to the following:

(1) a Joint Research Committee to participate in the administration and development of the collaborative activities described in section 297 (a) (3) of this title; and

(2) a Joint Committee on Country Programs which shall assist in the implementation of the bilateral activities described in sections 297 (a) (2), 297 (a) (4), and 297 (a) (5).

(e) In addition to any other functions assigned to and agreed to by the Board, the Board shall be consulted in the preparation of the annual report required by section 300 of this title and on other agricultural development activities related to programs under this title.

Sec. 299. Authorization.—(a) The President is authorized to use any of the funds hereafter made available under section 103 of this Act to carry out the purposes of this title. Funds made available for such purposes may be used without regard to the provisions of sections 110 (b), 211 (a), and 211 (d) of this Act.

(b) Foreign currencies owned by the United States and determined by the Secretary of the Treasury to be excess to the needs of the United States shall be used to the maximum extent possible in lieu of dollars in carrying out the provisions of this title.

(c) Assistance authorized under this title shall be in addition to any allotments or grants that may be made under other authorizations.

(d) Universities may accept and expend funds from other sources, public and private, in order to carry out the purposes of this title. All such funds, both prospective and in hand, shall be periodically disclosed to the Administrator as he shall by regulation require, but no less often than in an annual report.

Sec. 300. Annual Report.—The President shall transmit to the Congress, not later than April 1 of each year, a report detailing the activities carried out pursuant to this title during the preceding fiscal year and containing a projection of programs and activities to be conducted during the subsequent five fiscal years. Each report shall contain a summary of the activities of the Board established pursuant to section 298 of this title and may include the separate views of the Board with respect to any aspect of the programs conducted or proposed to be conducted under this title.

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Chapter 9—International Disaster Assistance

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Sec. 494B. (a) African Development Program.—The Congress reaffirms its support of the initiative of the United States Government in undertaking consultations and planning with the countries concerned, with other nations providing assistance, with the United Nations, and with other concerned international and regional organizations, toward the development and support of a comprehensive long-term African Sahel development program.

(b) The President is authorized to develop a long-term comprehensive development program for the Sahel and other drought-stricken nations in Africa.

(c) In developing this long-term program, the President shall—

(1) consider international coordination for the planning and implementation of such program;

(2) seek greater participation and support by African countries and organizations in determining development priorities; and

(3) begin such planning immediately.

(d) There is authorized to be appropriated to the President, to carry out the purposes of this section, in addition to funds otherwise available for such purposes, \$5,000,000 for the fiscal year 1976, which amount is authorized to remain available until expended. The President shall submit to the Foreign Relations and Appropriations Committees of the Senate and the International Relations and Appropriations Committees of the House of Representatives not later than April 30, 1976, a comprehensive proposal for carrying out the provisions of this section which shall include budget materials relating to programs for the fiscal year 1977.

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PART III

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Chapter 2—Administrative Provisions

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Sec. 640B. Coordination.—(a) The President shall establish a system for coordination of United States policies and programs which affect United States interests in the development of low-income countries. To that end, the President shall establish a Development Coordination Committee which shall advise him with respect to coordination of United States policies and programs affecting the development of the developing countries, including programs of bilateral and multilateral development assistance. The Committee shall include the head of the agency primarily responsible for administering part I, Chairman, and representatives of the Departments of State, Treasury, Commerce, Agriculture, and Labor, the Executive Office of the President and other executive departments and agencies, as the President shall designate.

(b) The President shall prescribe appropriate procedures to assure coordination among—

(1) the various departments and agencies of the United States Government having representatives in diplomatic missions abroad; and

(2) representatives of the United States Government in each country, under the direction of the Chief of the United States Diplomatic Mission.

The President shall keep the Congress advised of his actions under this subsection.

(c) Programs authorized by this Act shall be undertaken with the foreign policy guidance of the Secretary of State.

(d) The President shall report to the Congress during the first quarter of each calendar year on United States actions affecting the development of the low-income countries and on the impact of those undertakings upon the national income, employment, wages, and working conditions in the United States.

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Excerpts from the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480)

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Sec. 2. The Congress hereby declares it to be the policy of the United States to expand international trade; to develop and expand export markets for United States agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States. In furnishing food aid under this Act, the President shall—

(1) give priority consideration, in helping to meet urgent food needs abroad, to making available the maximum feasible volume of food commodities (with appropriate regard to domestic price and supply situations) required by those countries most seriously affected by food shortages and by inability to meet immediate food requirements on a normal commercial basis;

(2) continue to urge all traditional and potential new donors of food, fertilizer, or the means of financing these commodities to increase their participation in efforts to address the emergency and longer term food needs of the developing world;

(3) relate United States assistance to efforts by aid-receiving countries to increase their own agricultural production, with emphasis on development of small, family farm agriculture, and improve their facilities for transportation, storage, and distribution of food commodities;

(4) give special consideration to the potential for expanding markets for America's agricultural abundance abroad in the allocation of commodities or concessional financing; and

(5) give appropriate recognition to and support of a strong and viable American farm economy in providing for the food security of consumers in the United States and throughout the world.

Sec. 3. Pursuant to the World Food Conference recommendation that donor countries provide a total of at least ten million tons of food assistance to needy nations annually, the President is urged to maintain a significant United States contribution to this goal and to encourage other countries to maintain and increase their contributions as well.

Title I

Sec. 101. In order to carry out the policies and accomplish the objectives set forth in section 2 of this Act, the President is authorized to negotiate and carry out agreements with friendly countries to pro-

vide for the sale of agricultural commodities for dollars on credit terms or for foreign currencies.

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Sec. 103. In exercising the authorities conferred upon him by this title, the President shall—

(a) take into account efforts of friendly countries to help themselves toward a greater degree of self-reliance, including efforts to increase their own agricultural production, especially through small, family farm agriculture, to improve their facilities for transportation, storage, and distribution of food commodities, and to reduce their rate of population growth;

(b) take steps to assure a progressive transition from sales for foreign currencies to sales for dollars (or to the extent that transition to sales for dollars under the terms applicable to such sales is not possible, transition to sales for foreign currencies on credit terms no less favorable to the United States than those for development loans made under section 201 of the Foreign Assistance Act of 1961, as amended, and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement) at a rate whereby the transition can be completed by December 31, 1971: *Provided*, That, except where he determines that it would be inconsistent with the objectives of the Act, the President shall determine the amount of foreign currencies needed for the uses specified in subsections (a), (b), (c), (e), and (h) of section 104 and in section 106(b)(2), and the agreements for such credit sales shall provide for payment of such amounts in dollars or in foreign currencies upon delivery of the agricultural commodities. Such payment may be considered as an advance payment of the earliest installments;

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Sec. 106. * * *

(b)(1) Agreements hereunder for the sale of agricultural commodities for dollars on credit terms shall include provisions to assure that the proceeds from the sale of the commodities in the recipient country are used for such economic development purposes as are agreed upon in the sales agreement or any amendment thereto. In negotiating such agreements with recipient countries, the United States shall emphasize the use of such proceeds for purposes which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.

(2) Greatest emphasis shall be placed on the use of such proceeds to carry out programs of agricultural development, rural development, nutrition, and population planning, and to carry out the program described in section 406(a)(1) of this Act, in those countries which are undertaking self-help measures to increase agricultural production, improve storage, transportation, and distribution of commodities, and reduce population growth in accordance with section 109 of this Act, and which programs are directed at and likely to achieve the policy objectives of sections 103 and 104 of the Foreign Assistance Act of 1961 and are consistent with the policy objectives of this Act, pursuant to agreements between the United States and foreign governments under which uses of such proceeds shall be made

for such purposes. Such uses shall be deemed payments for the purpose of section 103(b) of this Act, except that for any fiscal year the total value of such payments may not exceed 15 per centum of the total value of all agreements entered into under title I of this Act for such fiscal year. Such payments shall be described in the reports required by section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.

(3) In entering into agreements for the sale of agricultural commodities for dollars on credit terms under this title, priority shall be given to countries which agree to use the proceeds from the sale of the commodities in accordance with the country's agricultural development plan which—

(A) is designed to increase the access of the poor in the recipient country to an adequate, nutritious, and stable food supply;

(B) provides for such objectives as—

(i) making farm production equipment and facilities available to farmers,

(ii) credit on reasonable terms and conditions for small farmers, and

(iii) farm extension and technical information services designed to improve the marketing, storage, transportation, and distribution system for agricultural commodities and to develop the physical and institutional infrastructure supporting the small farmer;

(C) provides for participation by the poor, insofar as possible, in the foregoing at the regional and local levels; and

(D) is designed to reach the largest practicable number of farmers in the recipient country.

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Sec. 109. (a) Before entering into agreements with developing countries for the sale of United States agricultural commodities on whatever terms, the President shall consider the extent to which the recipient country is undertaking wherever practicable self-help measures to increase per capita production and improve the means for storage and distribution of agricultural commodities, including:

(1) devoting land resources to the production of needed food rather than to the production of nonfood crops—especially nonfood crops in world surplus;

(2) development of the agricultural chemical, farm machinery and equipment, transportation and other necessary industries through private enterprise;

(3) training and instructing farmers in agricultural methods and techniques;

(4) constructing adequate storage facilities;

(5) improving marketing and distribution systems;

(6) creating a favorable environment for private enterprise and investment, both domestic and foreign, and utilizing available technical know-how;

(7) establishing and maintaining Government policies to insure adequate incentives to producers;

(8) establishing and expanding institutions for adaptive agricultural research;

(9) allocating for these purposes sufficient national budgetary and foreign exchange resources (including those supplied by bilateral, multilateral and consortium aid programs) and local currency resources (resulting from loans or grants to recipient governments of the proceeds of local currency sales);

(10) carrying out voluntary programs to control population growth.

In taking these self-help measures into consideration the President shall take into particular account the extent to which they are being carried out in ways designed to contribute directly to development progress in poor rural areas and to enable the poor to participate actively in increasing agricultural production through small farm agriculture.

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Sec. 111. Not more than 25 per centum of the food aid commodities provided under this title in each fiscal year shall be allocated and agreed to be delivered to countries other than those with an annual per capita gross national product of \$300 or less and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad, unless the President certifies to the Congress that the use of such food assistance is required for humanitarian food purposes and neither House of Congress disapproves such use, by resolution, within thirty calendar days after such certification. In determining per capita gross national product for the purposes of this section, the President is authorized and directed to make use of data developed by the World Bank for its most recent annual report and relied upon by the Secretary of the Treasury. A reduction below 75 per centum in the proportion of food aid allocated and agreed to be delivered to countries with a per capita gross national product of \$300 or less and affected by inability to secure sufficient food for their immediate requirements through their own production or commercial purchase from abroad which results from significantly changed circumstances occurring after the initial allocation shall not constitute a violation of the requirements of this section. Any reallocation of food aid shall be in accordance with this section so far as practicable. The President shall report promptly any such reduction, and the reasons therefor, to the Congress.

Title II

Sec. 201. (a) The President is authorized to determine requirements and furnish agricultural commodities, on behalf of the people of the United States of America, to meet famine or other urgent or extraordinary relief requirements; to combat malnutrition, especially in children; to promote economic and community development to friendly developing areas; and for needy persons and nonprofit school lunch and preschool feeding programs outside the United States. The Commodity Credit Corporation shall make available to the President such agricultural commodities determined to be available under section 401 as he may request.

(b) The minimum quantity of agricultural commodities distributed under this title shall be 1,300,000 tons of which the minimum distri-

buted through nonprofit voluntary agencies and the World Food Program shall be one million tons in each fiscal year, unless the President determines and reports to the Congress, together with his reasons, that such quantity cannot be used effectively to carry out the purposes of this title: *Provided*, That such minimum quantity shall not exceed the total quantity of commodities determined to be available for disposition under this Act pursuant to section 401, less the quantity of commodities required to meet famine or other urgent or extraordinary relief requirements.

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Sec. 206. Except to meet famine or other urgent or extraordinary relief requirements, no assistance under this title shall be provided under an agreement permitting generation of foreign currency proceeds unless (1) the country receiving the assistance is undertaking self-help measures in accordance with section 109 of this Act, (2) the specific uses to which the foreign currencies are to be put are set forth in a written agreement between the United States and the recipient country, and (3) such agreement provides that the currencies will be used for purposes specified in section 103 of the Foreign Assistance Act of 1961. The President shall include information on currencies used in accordance with this section in the reports required under section 408 of this Act and section 657 of the Foreign Assistance Act of 1961.

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Sec. 408. (a) The President shall make a report to Congress not later than April 1 each year with respect to the activities carried out under this Act during the preceding fiscal year. Such report shall describe the progress of each country with which agreements are in effect under title I in carrying out its agreements under such title.

(b) In his presentation to the Congress of planned programming of food assistance for each fiscal year, the President shall include a global assessment of food production and needs, self-help steps which are being taken by food-short countries under section 109(a) of this Act, steps which are being taken to encourage other countries to increase their participation in food assistance or the financing of food assistance, and the relationship between food assistance provided to each country under this Act and other foreign assistance provided to such country by the United States and other donors.

(c) Not later than November 1 of each calendar year the President shall submit to the House Committee on Agriculture, the House Committee on International Relations, the Senate Committee on Agriculture and Forestry, and the Senate Committee on Foreign Relations a revised global assessment of food production and needs and revised planned programming of food assistance for the current fiscal year, to reflect, to the maximum extent feasible, the actual availability of commodities for food assistance.

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**SECTION 213 OF THE INTERNATIONAL DEVELOPMENT
AND FOOD ASSISTANCE ACT OF 1975**

**Report Regarding Implementation of Recommendations of
World Food Conference**

Section 213. The Congress calls upon the President to strengthen the efforts of the United States to carry out the recommendations of the World Food Conference. The President shall submit a detailed report to the Congress not later than November 1, 1976, with respect to the steps he has taken to carry out the recommendations of the World Food Conference, including steps to fulfill the commitment of the United States and to encourage other nations to increase their participation in efforts to improve the food security of the poorest portion of the world's population.

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