



# U.S. Assistance Programs in China

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May 9, 2013

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

RS22663

**CRS Report for Congress**

*Prepared for Members and Committees of Congress*

## Summary

This report examines U.S. foreign assistance activities in the People's Republic of China (PRC), particularly U.S. Department of State and U.S. Agency for International Development (USAID) programming, foreign operations appropriations, policy history, and legislative background. International programs supported by U.S. departments and agencies other than the Department of State and USAID are not covered in this report.

U.S. foreign assistance efforts in the PRC aim to promote human rights, democracy, the rule of law, and environmental conservation in China (including Tibet) and to support Tibetan livelihoods and culture. The United States Congress has played a leading role in determining program priorities and funding levels for these objectives. Congressionally mandated rule of law, civil society, public participation, and related programs together constitute an important component of U.S. human rights policy toward China. According to the Organization for Economic Cooperation and Development, the United States is the largest provider of "government and civil society" programming among major bilateral foreign aid donors in China.

In 2000, the act granting permanent normal trade relations (PNTR) treatment to China (P.L. 106-286) authorized programs to promote the rule of law and civil society in the PRC. Between 2001 and 2012, the United States government allocated \$338 million for Department of State foreign assistance efforts in the PRC, including Peace Corps programs. Of this total, \$279 million was devoted to human rights, democracy, and related activities, Tibetan communities, and the environment. U.S. program areas have included promoting the rule of law, civil society, and democratic norms and institutions; training legal professionals; building the capacity of judicial institutions; reforming the criminal justice system; supporting sustainable livelihoods and cultural preservation in Tibetan communities; protecting the environment; and improving the prevention, care, and treatment of HIV/AIDS in China. The direct recipients of State Department and USAID grants have been predominantly U.S.-based non-governmental organizations (NGOs) and universities. Some Chinese NGOs, universities, and government entities have participated in, collaborated with, or indirectly benefited from U.S. programs and foreign aid grantees.

Appropriations for Department of State and USAID programs in China reached a peak in FY2010, totaling \$46.9 million. Funding decreased by nearly 40% between 2010 and 2012, resulting in the discontinuation of a number of rule of law and environmental programs. The Administration's budget request for FY2014 would also reduce Tibet programs.

Some policy makers argue that the United States government should not provide assistance to China because the PRC has significant financial resources of its own, some of them obtained through allegedly unfair trade practices, and can manage its own development needs. Other critics contend that U.S. democracy, rule of law, environmental, and related programs have had little effect in China. Some experts counter that U.S. assistance activities in China have helped to protect some rights, build social and legal foundations for political change, and bolster reform-minded officials in the PRC government. They also suggest that U.S. programs have nurtured relationships among governmental and non-governmental actors and educational institutions in the United States and the PRC, which have helped to develop common understandings about democratic norms and principles. Other programs are said to have reduced environmental and health threats coming from China. Some proponents of assistance emphasize that U.S. programs in China aim to promote U.S. interests in areas where the PRC government has lacked the expertise or will to make greater progress.

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## Overview

U.S. foreign assistance efforts in the People's Republic of China (PRC) primarily aim to promote human rights, democracy, and the rule of law in China, and livelihoods, traditional culture, and environmental conservation in Tibetan areas of the PRC. With the exception of some programs in Tibet, U.S. assistance to the PRC does not focus on development objectives such as economic growth, poverty reduction, basic health care and education, and governmental capacity. The U.S. Agency for International Development (USAID) does not have an aid mission in China and administers PRC programs through its regional office in Bangkok, Thailand. The State Department refers to China "as a development partner with the resources to invest in its own future, not as an aid recipient."<sup>1</sup> Congressionally mandated human rights and democracy efforts—rule of law, civil society, political participation, and related programs—constitute an important component of U.S. human rights policy toward China, along with the U.S.-China Human Rights Dialogue, public diplomacy efforts, and reporting on human rights conditions in the PRC. Protecting the rights, culture, and identity of Tibetans has long been a concern of many Members of Congress.<sup>2</sup>

Between 2001 and 2012, the United States government allocated \$338 million for the State Department's foreign operations or aid programs in China,<sup>3</sup> of which \$279 million was devoted to human rights, democracy, rule of law, and related activities; Tibetan communities; and the environment. (See **Table 1.**) Program areas have included the following: promoting the rule of law, civil society, and democratic norms and institutions; training legal professionals; building the capacity of judicial institutions and reforming the criminal justice system; supporting sustainable livelihoods and cultural preservation in Tibetan communities; protecting the environment; and improving the prevention, care, and treatment of HIV/AIDS. The direct recipients of State Department and USAID grants have been predominantly U.S.-based non-governmental organizations (NGOs) and universities, although Chinese NGOs, universities, and some government entities have participated in, benefited from, or collaborated with U.S. programs and grantees.

In 2011, Members of Congress began to reevaluate State Department programming in the PRC. As with foreign assistance levels overall, funding for China decreased in fiscal years 2011 and 2012 after peaking in FY2010. The Consolidated Appropriations Act, 2012 (P.L. 112-74) provided \$7.5 million out of the Economic Support Fund (ESF) account for non-governmental organizations to support activities that preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan areas of China, an increase of \$2.5 million over FY2011. Other programs, including those related to democracy, rule of law, and governance, continued at lower funding levels. In addition, Congress withdrew support for environmental programs in the PRC, with the exception of Tibetan areas.

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<sup>1</sup> U.S. Department of State, *Congressional Budget Justification for Foreign Operations, Fiscal Year 2013*.

<sup>2</sup> For further information on human rights conditions in China and related U.S. policy, see CRS Report R43000, *Human Rights in China and U.S. Policy: Issues for the 113<sup>th</sup> Congress*, by Thomas Lum.

<sup>3</sup> Including Peace Corps programs.

## Comparisons with Other Foreign Aid Providers

Based upon data from the Organization for Economic Cooperation and Development (OECD), in 2011, the largest bilateral aid donors to China, in order of the amount of “official development assistance” (ODA) provided, were Germany, Japan, France, the United Kingdom, Australia, and the United States. Nearly half of ODA from Germany and 40% from France were provided in the form of concessional loans. Japan, once a large provider of low-interest loans, stopped extending such financing to China in 2008. Some bilateral donors have begun to reduce assistance to China due to Beijing’s ability to finance its own development and even provide foreign aid to less developed countries. In 2011, the United Kingdom and Australia announced that they would begin phasing out their aid programs in China. In terms of ODA grants, in 2011, Germany, Japan, and France provided \$320 million, \$305 million, and \$172 million, respectively, for programs in China. Germany, the United States, and the European Union were the largest providers of “government and civil society” programming among major aid donors. Germany, Japan, and France have large higher education programs in China, including the sponsorship of Chinese students at their universities. France also devotes significant aid funding to environmental activities in China.<sup>4</sup>

The United States government committed or obligated \$38.8 million in grant assistance for programs related to China in 2011, according to the OECD. OECD data include not only funding for State Department and USAID programs, but also administrative costs, other agencies, and the National Endowment for Democracy, a private entity. Other U.S. agencies with relatively significant activities in China in 2011 included the Department of Health and Human Services and the U.S. Trade and Development Agency (TDA). The TDA is an independent U.S. government foreign assistance agency which is funded by Congress. Its mission is to help create U.S. jobs through the export of U.S. goods and services for development projects in emerging economies. In addition, the Departments of the Interior, Transportation, and Agriculture and the Environmental Protection Agency operated relatively small programs in China in 2011.<sup>5</sup> In recent years, the Department of Energy has carried out efforts in China focusing on the safe handling of nuclear materials and the reduction of nuclear material threats.

European Union (EU) assistance efforts in the PRC, particularly in the area of legal development, reportedly have exceeded those of the United States in terms of funding, but have placed greater emphasis on commercial rule of law. The EU also has set up a joint law school administered through the University of Hamburg and located at the China University of Politics and Law in Beijing. According to the European Commission, during the middle of the last decade, EU assistance to China moved away from the areas of infrastructure and rural development and toward support for social and economic reform, the environment, sustainable development, good governance, and the rule of law. The EU reportedly has funded or planned aid projects and programs in China worth €128 million (\$166 million) in 2007-2010 and €224 million (\$291 million) in 2007-2013.<sup>6</sup> Program areas include the following: democracy and human rights; NGO co-financing; gender (women migrant workers); health; environmental programs; urban

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<sup>4</sup> In terms of “committed funds.” OECD, Creditor Reporting System, <http://stats.oecd.org/index.aspx?DataSetCode=CRS1>.

<sup>5</sup> OECD, Creditor Reporting System, *ibid*; USAID, “U.S. Overseas Loans and Grants,” <http://gbk.eads.usaidallnet.gov/>.

<sup>6</sup> European Commission: External Cooperation Programs, [http://ec.europa.eu/europeaid/where/asia/country-cooperation/china/china\\_en.htm](http://ec.europa.eu/europeaid/where/asia/country-cooperation/china/china_en.htm). The Euro-U.S.Dollar conversion rate in October 2012 is €1 = \$1.3.

development; business cooperation; higher education; and information technology and communication.<sup>7</sup>

## Non-Governmental Aid

Foreign non-profit entities support development activities in China as well. The Ford Foundation, which does not receive U.S. government support, is one of the leading providers of assistance to China in the areas of civil society and good governance. It offered grants worth \$275 million for programs in China between 1988 and 2011. The Foundation strives to “develop the social sector and help marginalized groups access opportunities and resources.” Working with research entities, civil society organizations, and government institutions in China, Ford Foundation activities aim to promote civil society; transparent, effective, and accountable government; civil and criminal justice system reform; access to secondary and higher education; community rights over natural resources; and education in the areas of sexuality and reproductive health.<sup>8</sup>

The Bill and Melinda Gates Foundation’s projects in China include health, disaster assistance, and agricultural research that can be applied globally. The Foundation has spent \$92 million on three health-related programs aimed at reducing HIV/AIDS, tuberculosis, and tobacco use. Most Gates Foundation grants in China go to government agencies.<sup>9</sup> Oxfam Hong Kong has been engaged in poverty alleviation, HIV/AIDS prevention and treatment, emergency relief, the development of non-governmental organizations, and other programs in mainland China since 1987.

## Policy Debates

As with many other efforts to promote human rights and democracy in China, some observers argue that U.S. assistance has not led to fundamental changes. They posit that foreign-funded rule of law, civil society, and related efforts in China have produced marginal results due to political constraints. These inherent obstacles, they state, include the lack of judicial autonomy, restrictions on lawyers, weak enforcement of laws, and severe curbs on civil liberties and the ability of NGOs and Chinese citizens to perform social functions independently of state control. Some analysts suggest that the limited influence of China’s judicial, legal, and civil society institutions, organizations, and actors significantly reduces their value as real agents for democracy, and suggest that U.S. programs should focus on changing China’s approach to the law rather than expanding existing rule of law programs.<sup>10</sup>

Other analysts contend that U.S. human rights and democracy programs in the PRC have helped to protect some rights and build foundations for political change, such as more comprehensive and detailed laws, more professional judicial and legal personnel, more worldly and assertive

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<sup>7</sup> European Union, *China Strategy Paper 2007-13*, [http://eeas.europa.eu/delegations/china/documents/eu\\_china/china\\_sp\\_en-final.pdf](http://eeas.europa.eu/delegations/china/documents/eu_china/china_sp_en-final.pdf).

<sup>8</sup> <http://www.fordfoundation.org/pdfs/library/China-brochure-2011.pdf>.

<sup>9</sup> Bill and Melinda Gates Foundation, *China Office Fact Sheet*; Ren Bo and Liu Hongqiao, “Gates Foundation’s 2-Way Philanthropy in China,” *Market Watch*, February 27, 2013; Oxfam Hong Kong: Mainland China, <http://www.oxfam.org.hk/en/search.aspx?searchkey=ngo>.

<sup>10</sup> Paul Eckert, “U.S., China Set 2011 Rights Meeting in ‘Candid’ Talks,” *Reuters*, May 14, 2010.

NGOs and social organizations, and a cadre of human rights activists and lawyers. Many foreign and Chinese observers also note that awareness of legal rights among many segments of PRC society is growing. Some experts suggest that efforts that promote incremental rather than fundamental change have bolstered reform-minded officials in the PRC government.<sup>11</sup>

## Reductions in U.S. Programming in China

After a decade of bipartisan support for expanded programming, during the 112<sup>th</sup> Congress, some Members advocated eliminating U.S. assistance activities in the PRC, with the exception of aid to Tibetans and some human rights and democracy programs.<sup>12</sup> In particular, some policy-makers argued, China does not need or deserve U.S. assistance, due largely to its enormous trade surplus and foreign exchange reserves, unfair trade practices, and poor human rights record. Some supporters of U.S. programs in China responded that U.S. assistance does not help Beijing at the expense of the United States. They asserted that U.S. programs engage China in areas that benefit U.S. interests and where the PRC government has lacked sufficient capacity or commitment.<sup>13</sup>

Some Members also opposed U.S. environmental programs in China, asserting that it is not the responsibility of the United States to help alleviate China's environmental problems. They argued that such assistance helps China's economy through the possible transfer of technology and other beneficial impacts on the country's manufacturing processes. Furthermore, they added, China has been accused of unfair trade in the clean energy sector. However, some U.S. officials defended the programs, noting that air pollution from China has adversely impacted North American air and water, particularly on the U.S. West Coast. They reported that USAID's environmental activities in China helped to mitigate this impact.<sup>14</sup>

## The Congressional-Executive Commission on China: Policy Recommendations

In its 2012 annual report, the Congressional-Executive Commission on China (CECC), while not commenting on U.S. assistance programs, made a number of policy recommendations in support of U.S. activities in China related to the rule of law, government accountability, civil society, human rights, and democracy.<sup>15</sup> These include support for legal exchanges and training in areas such as labor, religious practice, environmental protection, and the rights of ethnic minorities. The Commission recommended support for Chinese law schools and criminal defense lawyers. The

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<sup>11</sup> William F. Schulz, "Strategic Persistence," *Center for American Progress*, January 2009.

<sup>12</sup> <http://webb.senate.gov/newsroom/pressreleases/2001-08-04.cfm>; <http://webb.senate.gov/newsroom/pressreleases/2001-08-04.cfm>.

<sup>13</sup> See Chairman Donald A. Manzullo, "Opening Statement," *Feeding the Dragon: Reevaluating U.S. Development Assistance to China*, Hearing before the Subcommittee on Asia and the Pacific of the Committee on Foreign Affairs, November 15, 2011; Jim Angle, "Senators Outraged U.S. Borrowing Big from China While Also Giving Aid," *Fox News.com*, October 24, 2011.

<sup>14</sup> Statement of Nisha Biswal, U.S. Agency for International Development, before the Subcommittee on Asia and the Pacific of the Committee on Foreign Affairs, November 15, 2011; U.S. Department of State, "U.S. Assistance to China (Taken Question)," Daily Press Briefing, November 4, 2011.

<sup>15</sup> In 2000, the legislation that granted permanent normal trade relations (PNTR) treatment to China (P.L. 106-286) created the Congressional-Executive Commission on China to monitor human rights and the rule of law in China and to submit an annual report with recommendations to the President and Congress.

report encouraged the U.S. government to implement programs that help PRC citizens pursue compensation under the PRC State Compensation Law and remedies for injuries suffered as a result of China's population planning policies. The CECC recommended that the Administration and Congress assist efforts and organizations that promote local elections, government transparency and accountability, environmental protection, and the rights, culture, and heritage of ethnic minorities. The report advised the U.S. government to support programs that assist local governments, academics, and the non-profit sector in expanding public hearings and other means of facilitating public input into the policymaking process.<sup>16</sup>

## U.S. Assistance to China: History

Congress has played a particularly direct role in determining the Administration's foreign operations policies for China. Congress has initiated major programs in China and inserted special provisions or instructions in foreign operations appropriations legislation. (See **Table 2.**) In 1999, Congress began authorizing funding for the purpose of fostering democracy in China. In 2000, the act granting permanent normal trade relations (PNTR) treatment to China (P.L. 106-286) authorized programs to promote the rule of law and civil society in the PRC. The Consolidated Appropriations Act for FY2000 (P.L. 106-113) provided \$1 million for U.S.-based NGOs to preserve cultural traditions and promote sustainable development and environmental conservation in Tibet. In 1997, President Bill Clinton and PRC President Jiang Zemin agreed upon a U.S.-China Rule of Law Initiative, though funding for the program was not appropriated until five years later. In 2002, Congress made available \$10 million from the Economic Support Fund (ESF) account for activities to support democracy, human rights, and the rule of law in China, including up to \$3 million for Tibet.

In 2006, Congress set aside special Development Assistance account funds for American universities to engage in education and exchange programs related to democracy, rule of law, and the environment in China. These programs were phased out in 2012. The United States government began implementing HIV/AIDS programs in the PRC in 2007. Criminal justice and other programs conducted by the Resident Legal Advisor at the American Embassy in Beijing expanded in 2009.

## Legislative Restrictions on U.S. Assistance to China

The FY2002 appropriations measure (P.L. 107-115) removed China from a list of countries prohibited from receiving U.S. indirect foreign assistance and no longer stipulated that ESF account funds for democracy programs in China be provided to NGOs located outside the PRC.<sup>17</sup> Some aid constraints related to human rights continue. Ongoing restrictions on U.S. foreign assistance in China and other relevant legislative provisions include the following:

- Some U.S. sanctions in response to the Tiananmen military crackdown in 1989 remain in effect, including the requirement that U.S. representatives to

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<sup>16</sup> Congressional-Executive Commission on China, *Annual Report*, October 10, 2012.

<sup>17</sup> See foreign operations appropriations acts, §523 ("Prohibition Against Indirect Funding to Certain Countries") and §526 ("Democracy Programs").

- international financial institutions vote “no” or abstain on loans to China (except for those that meet basic human needs).<sup>18</sup>
- U.S. representatives to international financial institutions may support projects in Tibet only if they do not encourage the migration and settlement of non-Tibetans into Tibet or the transfer of Tibetan-owned properties to non-Tibetans, which some fear may erode Tibetan culture and identity.<sup>19</sup>
  - U.S. contributions to the United Nations Population Fund (UNFPA) may not be used for a country program in China.<sup>20</sup>
  - U.S. laws that can be invoked to deny foreign assistance on human rights grounds include Sections 116 and 502B (security assistance) of the Foreign Assistance Act of 1961 (P.L. 87-195).

## Major Programs

### Democracy Fund—Democracy Programs

The State Department’s Bureau of Democracy, Human Rights, and Labor (DRL) administers democracy programs in China using Democracy Fund (DF) account appropriations.<sup>21</sup> Funding levels have largely been determined by Congress. DRL aims to promote the rule of law, civil society, and citizen input in government decision making in the PRC.

DRL directly funds U.S.-based non-governmental organizations and U.S. universities. Some funding passes through U.S. NGOs to Chinese social organizations as part of projects to train local NGOs. Through the bureau’s programs, U.S. government and non-governmental entities engage and influence Chinese NGOs; government-sponsored social organizations and institutions, such as women’s groups and universities; reformist or progressive government bodies; and legal and judicial institutions and individuals. Due to political sensitivities and to protect its grantees working in China, DRL does not openly disclose the names of its grant recipients. By comparison, the National Endowment for Democracy (NED) supports some relatively overt pro-democracy groups and activities, including both Chinese dissidents in exile and NGOs in China (see textbox).<sup>22</sup> Major DRL program areas in China include the following:

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<sup>18</sup> Pursuant to §902 of the Foreign Relations Authorization Act of 1990-91 and §710(a) of the International Financial Institutions Act.

<sup>19</sup> Consolidated Appropriations Act, 2012 (P.L. 112-74), §7044(a).

<sup>20</sup> Consolidated Appropriations Act, 2012 (P.L. 112-74), §7085(c). The “Kemp-Kasten” amendment, which has been included in annual foreign operations appropriations since FY1985, bans U.S. assistance to organizations that, as determined by the President, support or participate in the management of coercive family planning programs. Under Kemp-Kasten, Presidents Reagan, George H. W. Bush, and George W. Bush suspended contributions to the UNFPA due to concerns about coercive family planning practices in China. President Obama has supported U.S. contributions to the organization. For further information, see CRS Report RL33250, *International Family Planning Programs: Issues for Congress*, by Luisa Blanchfield.

<sup>21</sup> As part of Human Rights and Democracy Fund global programs.

<sup>22</sup> Some experts suggest that NED’s non-governmental status affords it greater ease with which to support democracy efforts in China due to its relative insulation from the political tensions of the U.S.-China bilateral relationship.

- Rule of Law: strengthen legal and judicial institutions and promote their independence; train legal and judicial professionals; increase public access to the justice system; promote criminal and civil law reform.<sup>23</sup>
- Civil society: develop the capacity of non-governmental organizations, foundations, and charitable groups in fund-raising and NGO management.
- Citizen participation: promote public dialogue and input regarding the formation of policy.
- Labor: advance labor law, rights, and advocacy; develop collective bargaining mechanisms; strengthen migrant worker rights.
- Good governance: support government transparency and electoral reform.
- Civil liberties: promote freedom of expression, the press, and information; advance mass media development; support freedom of religion.

## Economic Support Fund (ESF) – Tibet

Since 2000, Congress has authorized U.S. assistance for sustainable development, environmental conservation, and cultural preservation in the Tibetan Autonomous Region (TAR) and Tibetan communities in China. In addition, U.S. programs aim to expand citizen involvement in local economic enterprises, development planning, and social services. Between 2002 and 2012, over \$48 million was appropriated for these purposes. As funding for U.S. assistance programs in China overall has declined in recent years, assistance for Tibet programs as a proportion of total assistance to China has increased, from 16% in 2009 to over 26% in 2012.<sup>27</sup> Foreign operations appropriations legislation restricts assistance for Tibet to non-governmental organizations and prohibits U.S. support for

### National Endowment for Democracy

Established by the U.S. government in 1983, the National Endowment for Democracy (NED) is a private, non-profit foundation “dedicated to the growth and strengthening of democratic institutions around the world.”<sup>24</sup> NED has played an active role in promoting democracy in China since the mid-1980s. The Endowment has carried out its mission in China largely through grantees which include its core institutes;<sup>25</sup> the Princeton China Initiative; Chinese, Tibetan, and Uighur human rights and democracy groups based in the United States and Hong Kong; and a small number of NGOs based in China. The Endowment’s China programs have received support out of the annual congressional appropriation for NED (an estimated \$118 million in FY2012) and directed funding to NED for China and Tibet.<sup>26</sup> NED grants for China programs (including Tibet and Hong Kong) averaged roughly \$6.6 million per year between 2007 and 2011, and totaled \$7.5 million in 2012. Program areas include rural land rights, labor rights, local elections, freedom of expression, public debate, civic discourse through the Internet, and government transparency.

<sup>23</sup> Temple University received \$13 million in USAID grants and Democracy Fund support between 1999 and 2009 for its Master of Laws degree program in Beijing. Goldie Blumenstyk, “In China, Thinking Like an American Lawyer,” *The Chronicle of Higher Education*, February 20, 2009.

<sup>24</sup> <http://www.ned.org/about>

<sup>25</sup> NED’s core institutes are: the International Republican Institute (IRI); the American Center for International Labor Solidarity (ACILS); the Center for International Private Enterprise (CIPE); and the National Democratic Institute for International Affairs (NDI). They receive grants from NED and the Bureau of Democracy, Human Rights, and Labor.

<sup>26</sup> U.S. Government Accountability Office, *Foreign Assistance: U.S. Funding for Democracy-Related Programs (China)*, February 27, 2004. Congress provided directed funding from the Democracy Fund to NED for programs in China between 2001 and 2007 and Tibet between 2004 and 2009.

<sup>27</sup> The decrease in aid for Tibet in 2011 and 2013 reflect declining foreign assistance funding overall. The increase in 2012 results from a reorganization of U.S. programming in China.

multilateral projects that may erode Tibetan culture, identity, or economic influence. The PRC government boasts that Tibet's economy has developed rapidly under its policies.<sup>28</sup> However, many Tibetans complain that their economy, particularly in urban areas, is dominated by Han Chinese, the majority ethnic group in China, and that Beijing's development projects have harmed the region's natural environment.

### **Livelihood and Education**

USAID activities in Tibetan areas of China aim to promote the development of individual capacity and the private economy through education, training, technical assistance, and financing. Educational programs include vocational training, the teaching of management and marketing skills, business administration, and scholarships and internships. U.S. assistance also supports crop, livestock, and handicraft production. Other programs include the development of small business associations, business development centers, and herder cooperatives. Economic Support Funds also support health and hygiene awareness programs and services.

### **Environment**

U.S. support helps Tibetans to protect their environment through conservation, sustainable natural resource management, and the development of renewable energy alternatives. USAID programs also promote wildlife and wetland protection. Other efforts include raising awareness about climate change and its local effects, and developing responses to climate change.

### **Cultural Preservation**

USAID cultural efforts in Tibet include the following: Tibetan language instruction; preservation of traditional culture, heritage, and art, including scriptures, books, and dance; and the restoration of historical sites and buildings. U.S. assistance helps to provide cultural information through online and other electronic resources. Other programs include training to Tibetan artisans and the marketing of traditional products.

### **U.S.-Based NGOs in Tibet**

The primary grantees or implementing partners for USAID programs in Tibet and Tibetan communities in China are the Bridge Fund (TBF), Winrock International, and the Poverty Alleviation Fund (TPAF). Ethnic unrest and government crackdowns on Tibetan religious and social activities have created a difficult environment for international NGOs in Tibetan areas, and their total number reportedly has declined from nearly 50 to roughly 10 in the past several years.<sup>29</sup> Tightening restrictions affecting international NGOs and Chinese civil society organizations in Tibetan areas include those related to travel, the holding of large group activities, such as seminars, and foreign funding.

The Bridge Fund has worked in Tibet for 16 years and is a major facilitator of civil society activity in the region. According to its annual report, in the past year, TBF has continued to make

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<sup>28</sup> China Tibetology Research Center, *Report on the Economic and Social Development of Tibet*, March 2009.

<sup>29</sup> Interview with a representative of The Bridge Fund, November 2012.

progress in Tibet, despite the deteriorating political environment in which it operates. The Bridge Fund is carrying out a five-year (2009-2014), \$10 million USAID program in the TAR and Tibetan communities in China aimed at preserving cultural traditions and promoting sustainable development and environmental conservation.<sup>30</sup>

Winrock International's five-year TSERING (Tibetan Sustainable Environmental Resources for Increased Economic Growth) project has four programs in Tibetan areas of Yunnan and Sichuan provinces: development of Tibetan handicrafts; job skills training; anti-desertification; and preserving Tibetan language. Winrock also works with and provides grants to local Tibetan organizations. The Poverty Alleviation Fund (formerly the Tibet Poverty Alleviation Fund) has been working in Tibet since 1997. TPAF's programs in Tibet and Tibetan communities in Yunnan Province include microfinance, local handicrafts, small enterprise development, agriculture and livestock, employable skills development, eco-tourism, and training in health, nutrition, and hygiene.<sup>31</sup>

## **Global Health and Child Survival (GHCS)—HIV/AIDS Programs**

Since 2007, the United States government has worked with U.S. NGOs to address HIV/AIDS problems in regions of high incidence in China. The Department of State, USAID, and the U.S. Centers for Disease Control and Prevention have aimed to enhance the ability of Chinese local and provincial governments to respond to the disease in the areas of prevention, care, and treatment. Implementing partners include Family Health International, Population Services International, Private Agencies Collaborating Together, Research Triangle Institute, Micro International, and Management Sciences for Health.

U.S. assistance focuses on the development of health systems or models—including monitoring and research—that can be replicated or adopted by PRC provincial governments. Efforts have been made to bring non-state actors, such as health experts, into the policy-making process. Recipients of direct and indirect U.S. assistance also include Chinese non-governmental organizations, community-based groups, government-sponsored social organizations, clinics and health care workers, and provincial health bureaus. USAID works with, but does not provide assistance to, the PRC Center for Disease Control.

## **International Narcotics Control and Law Enforcement (INCLE)— Criminal Law and Procedure**

INCLE account funding supports the Resident Legal Advisor (RLA), based in the U.S. Embassy in Beijing, to provide expertise on U.S. criminal law and procedure to PRC government officials, legal scholars, and academics, and to “promote long-term criminal justice reform consistent with international standards of human rights.” Reform areas include coerced confessions, evidence at trial, and the rights of defense lawyers. The PRC government reportedly has taken steps to apply more rigorous standards to pre-trial detentions and capital convictions, reduce abusive interrogation practices, and protect some rights of defense lawyers. The RLA also is involved in

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<sup>30</sup> The Bridge Fund, *Program for Sustainable Development and Livelihoods for Urban and Rural Ethnic Tibetans in China: FY12 Annual Report*, October 30, 2012.

<sup>31</sup> <http://www.tpaf.org/services.html>

U.S.-PRC law enforcement cooperation in the areas of counter-narcotics, corruption, money-laundering, counter-terrorism, computer crime, and intellectual property rights. Most of the RLA's activities are conducted by the RLA alone or in cooperation with nongovernmental organizations.<sup>32</sup>

## Development Assistance (DA)—Rule of Law and Environmental Programs

Between 2006 and 2011, Congress allocated Development Assistance (DA) account funds for rule of law and environmental efforts in China. Programs provided Chinese students with legal training, facilitated U.S. engagement with PRC bar associations, and aimed to enhance the capacity of Chinese law colleges and judicial institutions, develop citizen awareness of the legal system, and strengthen laws that safeguard civil and women's rights.<sup>33</sup> USAID's criminal justice efforts included making trial procedures more open, supporting the adoption of a national law that would exclude illegally obtained evidence, and creating guidelines for defense lawyers in death penalty cases.<sup>34</sup> Administrative law programs promoted transparency and public participation in government. Other rule of law activities included expanding legal clinics and public defenders' offices and training PRC judicial officials on consumer protection and intellectual property.<sup>35</sup> In 2012, Congress phased out USAID rule of law programs in China, although DRL programs in this area continued.

USAID administered several environmental programs in China during the period, using DA funds as well as private financing. The U.S.-China Partnership for Environmental Law helped to train environmental law professionals, advance reform in China's environmental law, and build capacity in environmental governance.<sup>36</sup> The U.S.-based Institute for Sustainable Communities and World Resources Institute implemented the Guangdong Environmental Partnership and the U.S.-China Partnership for Climate Action, which promoted energy efficiency, low greenhouse gas emissions, and health and safety policies in factories and power plants. Both programs received support from USAID, U.S. private corporations, U.S. and Chinese research institutions, and PRC communities and government agencies. USAID provided a grant to the Thailand-based Freeland Foundation for countering the trafficking of wildlife in China and elsewhere in Asia. Other USAID environmental efforts in China included supporting clean energy investment and development, promoting energy efficiency in commercial buildings, assisting in water and sanitation projects, raising standards in the production of fluorescent lamps, and combating illegal logging.<sup>37</sup> In 2012, Congress withdrew support for environmental programs in China, with the exception of Tibet, as part of its reduction of U.S. assistance programs in the PRC.

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<sup>32</sup> U.S. Department of State, *Congressional Budget Justification for Foreign Operations, Fiscal Year 2012*.

<sup>33</sup> U.S. educational institutions participating in these programs included American University Washington College of Law, the University of Massachusetts, the University of the Pacific McGeorge School of Law, and Western Kentucky University. PRC partner universities included China University of Political Science and Law, South China University of Technology, and Zhejiang Gongshang University.

<sup>34</sup> Statement of Nisha Biswal, U.S. Agency for International Development, before the Subcommittee on Asia and the Pacific of the Committee on Foreign Affairs, November 15, 2011.

<sup>35</sup> USAID, Congressional Notification #147, August 14, 2012. This notification does not refer to programs administered by the Department of State's Bureau of Democracy, Human Rights, and Labor.

<sup>36</sup> Jointly administered by Vermont Law School and Sun Yat-sen University.

<sup>37</sup> U.S. Department of State, U.S. Agency for International Development, "China: U.S. Foreign Assistance Performance (continued...)"

## Other U.S. Programs and Assistance

### ASHA

The Office of American Schools and Hospitals Abroad (ASHA) of USAID's Bureau for Democracy, Conflict, and Humanitarian Assistance provides grants to private and non-profit educational and medical institutions in foreign countries. The purposes of such assistance include fostering mutual understanding, introducing foreign countries to U.S. ideas and practices in education and medicine, and promoting civil society. ASHA has supported projects in China since 1997. It helped to establish and has provided assistance to the Center for American Studies at Fudan University in Shanghai, has supported the Johns Hopkins-Nanjing University Center for Chinese and American Studies, and funded Project Hope efforts at Shanghai Children's Medical Center and Wuhan Nursing School. In 2012, ASHA offered grants for programs in China worth \$750,000 in total.<sup>38</sup>

### Internet Freedom

Between 2008 and 2012, Congress appropriated approximately \$95 million for State Department and USAID global Internet freedom efforts. In 2012, the Administration requested \$27.5 million for Internet freedom activities in FY2013. Program areas include censorship circumvention technology, Internet and mobile communications security training, media and advocacy skills, and public policy. The primary target countries of such efforts, particularly circumvention and secure communications programs, have been China and Iran.<sup>39</sup>

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(...continued)

Publication, Fiscal Year, 2009.”

<sup>38</sup> *American Schools and Hospitals (ASHA) Annual Report 2012.*

<sup>39</sup> See CRS Report R42601, *China, Internet Freedom, and U.S. Policy*, coordinated by Thomas Lum.

**Table I. U.S. Foreign Assistance Programs and Funding in China, FY2000-FY2014**

(thousands of current U.S. dollars)

Account (Program)	2000 -01	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013 est.	2014 req.
GHCS (HIV/AIDS)							6,750	6,960	7,308	7,000	5,000	3,000	3,000	2,398
DA (Rule of Law, Environment)						4,950	5,000	9,919	11,000	12,000	7,000	0	0	0
ESF (rule of law)											0	3,000	0	0
ESF/DF (Democracy Programs) <sup>a</sup>	1,000	10,000	15,000	13,500	19,000	20,000	20,000	15,000	17,000	17,000	17,000	11,000	11,000	n/a
ESF (Tibet)	0	0	0	3,976	4,216	3,960	3,960	4,960	7,300	7,400	5,000	7,500	7,500	4,500
INCLE (Criminal Justice)	0	0	0	0	0	0	0	0	600	800	800	800	800	800
Peace Corps <sup>b</sup>	2,733	1,559	977	863	1,476	1,683	1,748	1,980	2,057	2,718	2,900	3,000	3,200	3,900
Totals	3,733	11,559	15,977	18,339	24,692	30,593	37,458	38,819	45,265	46,918	37,000	28,300	—	—

**Sources:** U.S. Department of State Congressional Budget Justifications for foreign operations; Congressional foreign operations appropriations legislation.

**Notes:** Under the Consolidated and Further Continuing Appropriations Act, 2013, most Department of State foreign operations accounts are to continue at the same levels as FY2012; however, these funds also are subject to the budget sequestration process, which may significantly reduce actual funding amounts.

- a. Administered by the Department of State, Bureau of Democracy, Human Rights, and Labor.
- b. The Peace Corps has been involved in teaching English language and environmental awareness in China since 1993. See also *Peace Corps Congressional Budget Justification, Fiscal Year 2014*.

**Table 2. U.S. Foreign Operations Appropriations for China: Legislative History**  
(FY2000-FY2013)

Fiscal Year	Legislation	Provisions
2000	P.L. 106-113	Provided \$1 million from the ESF account for U.S.-based NGOs to preserve cultural traditions and promote sustainable development and environmental conservation in Tibet and Tibetan communities as well as \$1 million to support research about China, and authorized ESF account funding for NGOs to promote democracy in the PRC.
2001	P.L. 106-429	Provided/made available up to \$2 million for Tibet.
2002	P.L. 107-115	Made available \$10 million for activities to support democracy, human rights, and the rule of law in China, including up to \$3 million for Tibet.
2003	P.L. 108-7	Provided \$15 million for democracy-related programs in China and Hong Kong, including up to \$3 million for Tibet and \$3 million for the National Endowment for Democracy (NED) for programs in China; continued the requirement that assistance for Tibetan communities be granted to NGOs, but lifted the stipulation that they be located outside China. <sup>a</sup>
2004	P.L. 108-199	Made available \$13.5 million for activities to support democracy, human rights, and the rule of law in China, including \$3 million for NED; provided a special ESF earmark for Tibet (\$4 million).
2005	P.L. 108-447	Provided \$19 million for democracy-related programs in China, including \$4 million for NED, and authorized \$4 million for Tibet and \$250,000 for NED for human rights and democracy programs related to Tibet; authorized the use of Development Assistance account funds for American universities to conduct U.S.-China educational exchange programs related to the environment, democracy, and the rule of law.
2006	P.L. 109-102 (H.Rept. 109-265)	Extended \$20 million for democracy-related programs in China, including \$3 million for NED; authorized \$4 million for Tibet and Tibetan communities in China and \$250,000 to NED for Tibet; provided \$5 million in Development Assistance account funds to American educational institutions for democracy, rule of law, and environmental programs in the PRC.
2007	P.L. 110-5	Because of the late enactment of the Continuing Appropriations Resolution for FY2007, funding levels for many U.S. foreign aid programs for the year were not specified, but continued at or near FY2006 levels.
2008	P.L. 110-161	Provided \$15 million for democracy and rule of law programs in the PRC; mandated \$5 million for Tibetan communities in China and \$250,000 to NED for Tibet; appropriated \$10 million to American educational institutions and NGOs for programs and activities in the PRC.
2009	P.L. 111-8	Appropriated \$17 million for the promotion of democracy in China and \$7.3 million to NGOs for aid activities in Tibetan communities in China; provided \$250,000 to NED for programs in Tibet; made available \$11 million to American educational institutions and NGOs for programs and activities in the PRC related to the environment, governance, and the rule of law.
2010	P.L. 111-117	Authorized funding for democracy-related programs in the PRC and \$7.4 million for NGOs to support activities related to cultural preservation, sustainable development, and environmental conservation in Tibetan areas. Appropriated \$12 million to U.S. educational institutions and NGOs for programs and activities related to the environment, governance, and the rule of law.
2011	P.L. 112-10	The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10) did not specify funding amounts for foreign assistance programs in China.

Fiscal Year	Legislation	Provisions
2012	P.L. 112-74 (H.Rept. 112-331)	The conferees recommended \$12 million from the ESF account for U.S. institutions of higher education and NGOs for democracy, governance, rule of law, and environmental programs in the PRC. H.Rept. 112-331 approved \$7.5 million for Tibet as provided in S.Rept. 112-85 for activities, to be implemented by NGOs, that preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in the Tibetan Autonomous Region and in other Tibetan communities in China.
2013	P.L. 113-6	Under the Consolidated and Further Continuing Appropriations Act, 2013, most Department of State foreign operations accounts are to continue at the same levels as FY2012; however, these funds also are subject to the budget sequestration process, which may significantly reduce actual funding amounts.

**Source:** Congressional foreign operations appropriations legislation.

**Notes:** Not all special appropriations for China were obligated fully or obligated during the year in which they were allocated.

- a. Since FY2003, congressional authorizations for democracy programs in China have included Hong Kong. The U.S. government provided \$450,000 and \$922,000 in FY2006 and FY2010, respectively, for programs to strengthen Hong Kong political parties. Since FY2003, U.S. funds also have been made available to Taiwan for the purposes of furthering political and legal reforms, if matching funds are provided. To date, Taiwan has not received U.S. democracy assistance.

Acronyms
DA: Development Assistance
DF: Human Rights and Democracy Fund (Democracy Fund)
DRL: Bureau of Democracy, Human Rights and Labor
ESF: Economic Support Fund
GHCS: Global Health and Child Survival
INCLE: International Narcotics Control and Law Enforcement
NED: National Endowment for Democracy
NGO: Non-governmental Organization
USAID: United States Agency for International Development

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