

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 3775

To achieve budget savings by reducing spending by the Agency for International Development for development assistance.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1994

Mr. INGLIS of South Carolina introduced the following bill; which was referred to the Committee on Foreign Affairs

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## A BILL

To achieve budget savings by reducing spending by the Agency for International Development for development assistance.

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

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Agency for Inter-  
5       national Development Efficiency and Effectiveness Act of  
6       1994”.

1 **SEC. 2. REDUCTIONS IN SPENDING FOR DEVELOPMENT AS-**  
2 **SISTANCE BY THE AGENCY FOR INTER-**  
3 **NATIONAL DEVELOPMENT.**

4 For fiscal years 1995 through 1999, budget authority  
5 and outlays for development assistance shall be less than  
6 the CBO baseline by at least the following amounts:

7 (1) FISCAL YEAR 1995.—For fiscal year 1995,  
8 budget authority shall be at least \$580,000,000 less  
9 and outlays shall be at least \$40,000,000 less.

10 (2) FISCAL YEAR 1996.—For fiscal year 1996,  
11 budget authority shall be at least \$600,000,000 less  
12 and outlays shall be at least \$290,000,000 less.

13 (3) FISCAL YEAR 1997.—For fiscal year 1997,  
14 budget authority shall be at least \$610,000,000 less  
15 and outlays shall be at least \$430,000,000 less.

16 (4) FISCAL YEAR 1998.—For fiscal year 1998,  
17 budget authority shall be at least \$630,000,000 less  
18 and outlays shall be at least \$500,000,000 less.

19 (5) FISCAL YEAR 1999.—For fiscal year 1999,  
20 budget authority shall be at least \$640,000,000 less  
21 and outlays shall be at least \$560,000,000 less.

22 **SEC. 3. STEPS TO IMPLEMENT REDUCTIONS.**

23 (a) IN GENERAL.—To achieve the budget savings  
24 provided for in section 2, the Agency for International De-  
25 velopment shall narrow its focus and fund fewer develop-

1 ment assistance projects and activities. This shall be ac-  
2 complished—

3 (1) by funding only projects and activities that  
4 have objectives that are more attainable than the  
5 numerous objectives that are specified in the provi-  
6 sions of law in effect on the date of enactment of  
7 this Act; and

8 (2) by funding only projects and activities that  
9 are in the countries that are most likely to benefit  
10 from such development assistance.

11 (b) REDUCTION IN NUMBER OF RECIPIENT COUN-  
12 TRIES.—

13 (1) IN GENERAL.—The Agency for Inter-  
14 national Development shall target development as-  
15 sistance to lower income countries that have eco-  
16 nomic policies designed to encourage growth through  
17 free markets and trade, thereby reducing the num-  
18 ber of countries that receive development assistance  
19 from that agency to approximately 60.

20 (2) INELIGIBLE COUNTRIES.—The Agency for  
21 International Development may not provide develop-  
22 ment assistance for—

23 (A) middle income countries, or

24 (B) lower income countries where develop-  
25 ment assistance has not shown results.

1 (c) REDUCTION IN NUMBER OF OBJECTIVES.—

2 (1) IN GENERAL.—The Agency for Inter-  
3 national Development may provide development as-  
4 sistance only for projects and activities that focus on  
5 alleviating poverty and promoting economic develop-  
6 ment.

7 (2) TERMINATION OF HOUSING INVESTMENT  
8 GUARANTY PROGRAM.—Guaranties may not be is-  
9 sued under sections 221 and 222 of the Foreign As-  
10 sistance Act of 1961 after September 30, 1994.

11 (3) TRANSFER OF RESPONSIBILITY FOR OTHER  
12 PROGRAMS TO OTHER AGENCIES.—(A) The Presi-  
13 dent shall transfer responsibility for administering  
14 all development assistance programs that have an  
15 objective other than alleviating poverty and promot-  
16 ing economic development from the Agency for  
17 International Development to an agency of the Unit-  
18 ed States Government whose mission is closer to  
19 that objective.

20 (B) In carrying out subparagraph (B), the  
21 President—

22 (i) shall transfer private sector activities  
23 from the Agency for International Development  
24 to the Overseas Private Investment Corpora-  
25 tion; and

1           (ii) shall transfer responsibility for environ-  
2           mental protection activities in developing coun-  
3           tries to the Environmental Protection Agency.

4           (4) TRANSFERRED PROGRAMS.—(A) The head  
5           of each agency to which responsibility for a program  
6           is transferred pursuant to paragraph (3) shall deter-  
7           mine, notwithstanding any other provision of law—

8                 (i) which such programs shall be contin-  
9                 ued, and

10                (ii) what policies and authorities shall be  
11                applicable to any such program that is contin-  
12                ued.

13           (B) Programs which are transferred from the  
14           Agency for International Development to another  
15           agency pursuant to paragraph (3) and continued  
16           pursuant to subparagraph (A)(i) of this paragraph  
17           shall be carried out by that agency with funds ap-  
18           propriated for that agency rather than with develop-  
19           ment assistance funds or other funds in budget  
20           function 150 (international affairs).

21           (d) EXISTING PROVISIONS SUPERSEDED.—To the  
22           extent necessary to achieve the budget savings provided  
23           for in section 2, this section supersedes provisions of law  
24           enacted prior to the date of enactment of this Act that

1 would otherwise be applicable to development assistance  
2 provided by the Agency for International Development.

3 (e) EFFECTIVE DATE.—This section shall be effective  
4 as of October 1, 1994.

5 **SEC. 4. DEFINITIONS.**

6 As used in this Act—

7 (1) the term “CBO baseline” means the base-  
8 line budget projections used by the Congressional  
9 Budget Office in preparing its February 1993 re-  
10 ported entitled “Reducing the Deficit: Spending and  
11 Revenue Options”, which was submitted to the Com-  
12 mittee on the Budget of the House of Representa-  
13 tives and the Committee on the Budget of the Sen-  
14 ate pursuant to section 202(f) of the Congressional  
15 Budget and Impoundment Control Act of 1974; and

16 (2) the term “development assistance” means  
17 assistance under chapter 1 of part I of the Foreign  
18 Assistance Act of 1961 (relating to the functional  
19 development assistance accounts) and assistance  
20 under chapter 10 of that part (relating to the Devel-  
21 opment Fund for Africa).

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