

§ 2431b. Establishment of Facility

There is established in the Department of the Treasury an entity to be known as the “Tropical Forest Facility” for the purpose of providing for the administration of debt reduction in accordance with this subchapter.

(Pub. L. 87–195, pt. V, §804, as added Pub. L. 105–214, §1, July 29, 1998, 112 Stat. 887.)

PRIOR PROVISIONS

A prior section 804 of Pub. L. 87–195, pt. V, was classified to section 2434 of this title prior to repeal by Pub. L. 94–329.

§ 2431c. Eligibility for benefits**(a) In general**

To be eligible for benefits from the Facility under this subchapter, a country shall be a developing country with a tropical forest—

(1) whose government meets the requirements applicable to Latin American or Caribbean countries under paragraphs (1) through (5) and (7) of section 2430b(a) of this title; and

(2) that has put in place investment reforms, as evidenced by the conclusion of a bilateral investment treaty with the United States, implementation of an investment sector loan with the Inter-American Development Bank, World Bank-supported investment reforms, or other measures, as appropriate.

(b) Eligibility determinations**(1) In general**

Consistent with subsection (a) of this section, the President shall determine whether a country is eligible to receive benefits under this subchapter.

(2) Congressional notification

The President shall notify the appropriate congressional committees of his intention to designate a country as an eligible country at least 15 days in advance of any formal determination.

(Pub. L. 87–195, pt. V, §805, as added Pub. L. 105–214, §1, July 29, 1998, 112 Stat. 887; amended Pub. L. 107–26, §1, Aug. 17, 2001, 115 Stat. 206.)

PRIOR PROVISIONS

A prior section 805 of Pub. L. 87–195, pt. V, enacted a provision set out as a note under former section 2431 of this title prior to repeal by Pub. L. 94–329, title IV, §413(a), June 30, 1976, 90 Stat. 761.

AMENDMENTS

2001—Subsec. (a)(2). Pub. L. 107–26 struck out “major” before “investment reforms.”

DELEGATION OF FUNCTIONS

For delegation of functions of President under this section, see Ex. Ord. No. 12163, Sept. 29, 1979, 44 F.R. 56673, as amended, set out as a note under section 2381 of this title.

For delegation of functions of President under subsec. (b) of this section, see section 1 of Ex. Ord. No. 13345, July 8, 2004, 69 F.R. 41901, set out as a note under section 1738 of Title 7, Agriculture.

§ 2431d. Reduction of debt owed to United States as result of concessional loans under this chapter**(a) Authority to reduce debt****(1) Authority**

The President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1998, as a result of concessional loans made to an eligible country by the United States under subchapter I of this chapter, part IV of subchapter II of this chapter, or predecessor foreign economic assistance legislation.

(2) Authorization of appropriations

For the cost (as defined in section 661a(5) of title 2) for the reduction of any debt pursuant to this section, there are authorized to be appropriated to the President—

- (A) \$25,000,000 for fiscal year 1999;
- (B) \$75,000,000 for fiscal year 2000; and
- (C) \$100,000,000 for fiscal year 2001.

(3) Certain prohibitions inapplicable**(A) In general**

A reduction of debt pursuant to this section shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(B) Additional requirement

The authority of this section may be exercised notwithstanding section 2370(r) of this title or section 321 of the International Development and Food Assistance Act of 1975.

(b) Implementation of debt reduction**(1) In general**

Any debt reduction pursuant to subsection (a) of this section shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in subsection (a) of this section outstanding as of the date specified in subsection (a)(1) of this section.

(2) Exchange of obligations**(A) In general**

The Facility shall notify the agency primarily responsible for administering subchapter I of this chapter of an agreement entered into under paragraph (1) with an eligible country to exchange a new obligation for outstanding obligations.

(B) Additional requirement

At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation for the country shall be established relating to the agreement, and the agency primarily responsible for administering subchapter I of this chapter shall make an adjustment in its accounts to reflect the debt reduction.

(c) Additional terms and conditions

(1) The following additional terms and conditions shall apply to the reduction of debt under subsection (a)(1) of this section in the same manner as such terms and conditions apply to

the reduction of debt under section 2430c(a)(1) of this title:

(A) The provisions relating to repayment of principal under section 2430d of this title.

(B) The provisions relating to interest on new obligations under section 2430e of this title.

(2) In addition to the application of the provisions relating to repayment of principal under section 2430d of this title to the reduction of debt under subsection (a)(1) of this section (in accordance with paragraph (1)(A) of this subsection), repayment of principal on a new obligation established under subsection (b) of this section may be made in the local currency of the beneficiary country and deposited in the Tropical Forest Fund of the country in the same manner as the provisions relating to payment of interest on new obligations under section 2430e of this title.

(d) Authorization of appropriations for fiscal years after fiscal year 2001

For the cost (as defined in section 661a(5) of title 2) for the reduction of any debt pursuant to this section or section 2431e of this title, there are authorized to be appropriated to the President the following:

- (1) \$50,000,000 for fiscal year 2002.
- (2) \$75,000,000 for fiscal year 2003.
- (3) \$100,000,000 for fiscal year 2004.
- (4) \$20,000,000 for fiscal year 2005.
- (5) \$25,000,000 for fiscal year 2006.
- (6) \$30,000,000 for fiscal year 2007.

(e) Use of funds to conduct program audits and evaluations

Of the amounts made available to carry out this subchapter for a fiscal year, \$200,000 is authorized to be made available to carry out audits and evaluations of programs under this subchapter, including personnel costs associated with such audits and evaluations.

(Pub. L. 87-195, pt. V, §806, as added Pub. L. 105-214, §1, July 29, 1998, 112 Stat. 887; amended Pub. L. 107-26, §2(a), Aug. 17, 2001, 115 Stat. 206; Pub. L. 108-323, §§1-3(a), Oct. 6, 2004, 118 Stat. 1218.)

REFERENCES IN TEXT

This chapter, referred to in section catchline, was in the original “the Foreign Assistance Act of 1961”, meaning Pub. L. 87-195, Sept. 4, 1961, 75 Stat. 424, as amended, which is classified principally to this chapter (§2151 et seq.). For complete classification of the Act to the Code, see Short Title note set out under section 2151 of this title and Tables.

Section 321 of the International Development and Food Assistance Act of 1975, referred to in subsec. (a)(3)(B), is section 321 of Pub. L. 94-161, Dec. 20, 1975, 89 Stat. 868, which is set out as a note under section 2220a of this title.

REFERENCES TO SUBCHAPTER I DEEMED TO INCLUDE CERTAIN PARTS OF SUBCHAPTER II

References to subchapter I of this chapter are deemed to include parts IV (§2346 et seq.), VI (§2348 et seq.), and VIII (§2349aa et seq.) of subchapter II of this chapter, and references to subchapter II are deemed to exclude such parts. See section 202(b) of Pub. L. 92-226, set out as a note under section 2346 of this title, and sections 2348c and 2349aa-5 of this title.

PRIOR PROVISIONS

A prior section 806 of Pub. L. 87-195, pt. V, was classified to section 2435 of this title prior to repeal by Pub. L. 94-329.

AMENDMENTS

2004—Subsec. (c). Pub. L. 108-323, §3(a), designated existing provisions as par. (1), redesignated former pars. (1) and (2) as subpars. (A) and (B), respectively, of par. (1), and added par. (2).

Subsec. (d)(4) to (6). Pub. L. 108-323, §1, added pars. (4) to (6).

Subsec. (e). Pub. L. 108-323, §2, added subsec. (e).

2001—Subsec. (d). Pub. L. 107-26 added subsec. (d).

DELEGATION OF FUNCTIONS

For delegation of functions of President under this section, see Ex. Ord. No. 12163, Sept. 29, 1979, 44 F.R. 56673, as amended, set out as a note under section 2381 of this title.

For delegation of functions of President under subsec. (a) of this section, see section 1 of Ex. Ord. No. 13345, July 8, 2004, 69 F.R. 41901, set out as a note under section 1738 of Title 7, Agriculture.

§ 2431e. Reduction of debt owed to United States as result of credits extended under title I of Food for Peace Act

(a) Authority to reduce debt

(1) Authority

Notwithstanding any other provision of law, the President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1998, as a result of any credits extended under title I of the Food for Peace Act (7 U.S.C. 1701 et seq.) to a country eligible for benefits from the Facility.

(2) Authorization of appropriations

(A) In general

For the cost (as defined in section 661a(5) of title 2) for the reduction of any debt pursuant to this section, there are authorized to be appropriated to the President—

- (i) \$25,000,000 for fiscal year 1999;
- (ii) \$50,000,000 for fiscal year 2000; and
- (iii) \$50,000,000 for fiscal year 2001.

(B) Limitation

The authority provided by this section shall be available only to the extent that appropriations for the cost (as defined in section 661a(5) of title 2) of the modification of any debt pursuant to this section are made in advance.

(b) Implementation of debt reduction

(1) In general

Any debt reduction pursuant to subsection (a) of this section shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in subsection (a) of this section outstanding as of the date specified in subsection (a)(1) of this section.

(2) Exchange of obligations

(A) In general

The Facility shall notify the Commodity Credit Corporation of an agreement entered into under paragraph (1) with an eligible