

tion for obligations of the type referred to in subsection (a) outstanding as of the date specified in subsection (a)(1).

(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) 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) (in accordance with paragraph (1)(A) of this subsection), repayment of principal on a new obligation established under subsection (b) 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) 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) outstanding as of the date specified in subsection (a)(1).

(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 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 shall be established for the country relating to the agreement, and the Commodity Credit Corporation 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) in the same manner as such terms and conditions apply to the reduction of debt under section 604(a)(1) of the Food for Peace Act [7 U.S.C. 1738c(a)(1)]:

(A) The provisions relating to repayment of principal under section 605 of such Act [7 U.S.C. 1738d].

(B) The provisions relating to interest on new obligations under section 606 of such Act [7 U.S.C. 1738e].

(2) In addition to the application of the provisions relating to repayment of principal under section 605 of the Food for Peace Act [7 U.S.C. 1738d] to the reduction of debt under subsection (a)(1) (in accordance with paragraph (1)(A) of this subsection), repayment of principal on a new obligation established under subsection (b) 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 606 of such Act [7 U.S.C. 1738e].

(Pub. L. 87-195, pt. V, §807, as added Pub. L. 105-214, §1, July 29, 1998, 112 Stat. 888; amended Pub. L. 108-323, §3(b), Oct. 6, 2004, 118 Stat. 1219; Pub. L. 110-246, title III, §3001(b)(1), (2)(Q), June 18, 2008, 122 Stat. 1820.)

REFERENCES IN TEXT

The Food for Peace Act, referred to in subsec. (a)(1), is act July 10, 1954, ch. 469, 68 Stat. 454. Title I of the

Act is classified generally to subchapter II (§1701 et seq.) of chapter 41 of Title 7, Agriculture. For complete classification of this Act to the Code, see Short Title note set out under section 1691 of Title 7 and Tables.

AMENDMENTS

2008—Pub. L. 110-246 substituted “Food for Peace Act” for “Agricultural Trade Development and Assistance Act of 1954” in section catchline and wherever appearing in subsecs. (a)(1) and (c).

2004—Subsec. (c). Pub. L. 108-323 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).

EFFECTIVE DATE OF 2008 AMENDMENT

Amendment by Pub. L. 110-246 effective May 22, 2008, see section 4(b) of Pub. L. 110-246, set out as an Effective Date note under section 8701 of Title 7, Agriculture.

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.

§ 2431f. Authority to engage in debt-for-nature swaps and debt buybacks

(a) Loans and credits eligible for sale, reduction, or cancellation

(1) Debt-for-nature swaps

(A) In general

Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser described in subparagraph (B) any concessional loans described in section 2431d(a)(1) of this title or any credits described in section 2431e(a)(1) of this title, or on receipt of payment from an eligible purchaser described in subparagraph (B), reduce or cancel such loans (or credits) or portion thereof, only for the purpose of facilitating a debt-for-nature swap to support eligible activities described in section 2431g(d) of this title.

(B) Eligible purchaser described

A loan or credit may be sold, reduced, or canceled under subparagraph (A) only to a purchaser who presents plans satisfactory to the President for using the loan or credit for the purpose of engaging in debt-for-nature swaps to support eligible activities described in section 2431g(d) of this title.

(C) Consultation requirement

Before the sale under subparagraph (A) to any eligible purchaser described in subparagraph (B), or any reduction or cancellation under such subparagraph (A), of any loan or credit made to an eligible country, the President shall consult with the country concerning the amount of loans or credits to be sold, reduced, or canceled and their uses for debt-for-nature swaps to support eligible activities described in section 2431g(d) of this title.