

1999 HONDURAS COUNTRY CHECKLIST

The USAID/W Country Desk Officer, in consultation with the Department of State ("DOS") Country Desk Officer, is responsible for completing this Country Checklist at the beginning of the fiscal year in order to determine if assistance to the recipient is prohibited, restricted or limited. After reasonable inquiry, the Desk Officers should determine the applicability of each statutory reference and set forth any additional comments or issues with respect to such reference in the space provided (e.g. "We are not aware of any information that requires action under this section" or "We are not aware of any violations under this provision"). Desk Officers are encouraged to coordinate with others including Bureau Program Officers, Office Directors, the Mission and the appropriate attorney covering the country.

Part I of this Checklist sets forth statutory prohibitions. Part II outlines factors to be considered when establishing assistance levels. Part II should only be completed if the recipient country was not included in the initial FAA Section 653(a) Country Allocations.

PART I

1. Narcotics Certification (FAA Sec. 490). Has the country been determined by the President to be a "major illicit drug-producing or drug-transit" country?

Yes or No?

No, Honduras was not determined to be a major drug-transit country.

If yes, USAID must withhold from obligation 50% of the assistance set forth in the 653 report for this country (on an account-by-account basis), except as may be otherwise provided by law (for example, certain accounts and activities may be exempt from this requirement due to applicable "notwithstanding" authorities). (Check with Bureau Program Officer.)

The withheld funds will be available for obligation in approximately mid-April if the President certifies (usually around March 1) that the country based upon the fact that it is "fully cooperating" with the U.S. or based upon vital national interest and a period of time passes with no objection from Congress. If the country is so certified, please attach a copy of that certification to this Country Checklist when the certification is issued.

If instead of certifying the country as set forth above, the President "de-certifies" the country, or if the Congress by joint resolution de-certifies a country which the President had certified, then no further obligations or expenditures may be made. If the country is de-certified, please attach a copy of the de-certification to this Country Checklist.

2. Indebtedness to U.S. Citizens (FAA Sec. 620(c)). Absent a Presidential determination based on national security needs, assistance to a government is prohibited if the government is indebted to any U.S. citizen or person, and (i) such citizen or person has exhausted available legal remedies, (ii) the debt is not denied or contested, or (iii) the indebtedness arises under an unconditional guaranty of payment given by such government (or controlled entity).

Is this restriction applicable? Please comment.

This restriction does not apply. We are not aware of any information that requires action under this section

3. Seizure of U.S. Property (22 USC 2370a). Absent a Presidential waiver, assistance to a government is prohibited if such government has expropriated or seized ownership or control of property owned by U.S. citizens without: (i) returning the property to the owner, (ii) compensating the owner for the property, (iii) offering a domestic procedure providing prompt, adequate, and effective compensation for the property, or (iv) submitting the dispute to international arbitration.

Is this restriction applicable? Please comment.

No formal expropriation cases are pending. There are several U.S. citizen claims of which we are aware. We understand that many are dormant and one has been decided by the Supreme Court of Honduras against the U.S. citizen.

4. Communist and Other Countries (FAA Secs. 620(a) and 620(f); FY 1999 Act Secs. 507, and 523). Absent necessary Presidential determinations, direct and indirect assistance is prohibited to all of the following: Cuba, Iran, Iraq, Libya, North Korea, Sudan, or Syria.

Is this restriction applicable? Please comment

This restriction does not apply.

5. Loan Default (FAA Sec. 620(g); FY 1999 Act Sec. 512 (Brooke Amendment)). Assistance is prohibited where: (i) the government of the recipient country been in default for more than six months on interest or principal of any loan by the U.S. to such country under the FAA (President can waive); or (ii) the country been in default for more than one calendar year on interest or principal on any U.S. foreign assistance loan. [Note: there are exceptions relevant to Nicaragua, Brazil, Liberia, Columbia, Bolivia and Peru]. [Check with FM/LM or Bureau Program Officer.]

Is this restriction applicable? Please comment.

A waiver of this provision has been prepared and is expected to be approved prior to the March 2, 1999, invocation of this section.

6. Diplomatic Relations with U.S. (FAA Sec. 620(i)). Assistance shall be prohibited if diplomatic relations between the U.S. and the recipient country are currently severed.

Is this restriction applicable? Please comment.

This restriction does not apply.

7. International Terrorism (FY 1999 Act Sec. 528; FAA Sec. 620A 620(G)). Absent a Presidential waiver on national security grounds or for humanitarian reasons, assistance is prohibited to a recipient country which (as determined by the Secretary of State): (i) grants sanctuary from prosecution to any terrorist, or (ii) otherwise supports or assists terrorist governments (as determined by FAA Sec. 620A) or international terrorism.

Is this restriction applicable? Please comment.

This restriction does not apply.

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8. Compliance with UN Sanctions Against Iraq and Libya (FY 1999 Act Secs. 535 and 574). Absent certain Presidential determinations and/or certifications, assistance is prohibited to a country not in compliance with UN sanctions against Iraq (Sec. 535), or Libya (Sec. 574).

Is this restriction applicable? Please comment.

This restriction does not apply.

9. Export of Lethal Military Equipment to Terrorists States (FY 1999 Act Sec. 551; FAA Sec. 620H). Absent a Presidential determination, assistance is prohibited to a government which provides lethal military equipment to a terrorist government (as set forth under sections 620A of the FAA, 6(j) of the Export Administration Act (50 U.S.C. App. 2405(j)) or 40(d) of the Arms Export Control Act).

Is this restriction applicable? Please comment.

This restriction does not apply. We are not aware of any information that requires action under this section.

10. Discrimination (FAA Sec. 666(b)). Assistance is prohibited to a recipient country which objects, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA.

Is this restriction applicable? Please comment.

This restriction does not apply. We are not aware of any information that requires action under this section.

11. Nuclear Technology (Arms Export Control Act Secs. 101, 102).
(i) Absent special certification by the President, assistance is prohibited if the recipient country has either delivered or received from any other country nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards any time after August 3, 1977.

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(ii) Absent special certification by the President, assistance is prohibited if the recipient country has, on or after August 8, 1995: (a) transferred a nuclear explosive device to a non-nuclear weapon state, (b) received or detonated a nuclear explosive device, or (c) exported (or attempted to export) illegally from the U.S. any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device.

Are these restrictions applicable? Please comment.

This restriction does not apply. We are not aware of any information that requires action under this section.

12. Military Coup (FY 1999 Act Sec. 508). Assistance is prohibited where the duly elected Head of Government of the recipient country been deposed by military coup or decree unless the President has notified Congress that a democratically elected government has since taken office.

Is this restriction applicable? Please comment.

This restriction does not apply.

13. Exploitation of Children (FAA Sec. 116(b)). Assistance is prohibited where the recipient government fails to take appropriate and adequate measures, within its means, to protect children from exploitation, abuse or forced conscription into military or paramilitary services.

Is this restriction applicable? Please comment.

This restriction does not apply. We are not aware of any information that requires action under this section.

14. Parking Fines (FY 1999 Act Sec. 552). Assistance to a recipient country shall be reduced by 110 percent of the amount of unpaid parking fines owed to the District of Columbia. [Check with Bureau Program Officer.]

Is this restriction applicable? Please comment.

These amounts are automatically removed from a country's budget before it is apportioned.

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15. Delivery of Humanitarian Assistance (FAA Sec. 620). Absent a Presidential determination, assistance is prohibited where the recipient government has prohibited or otherwise restricted, directly or indirectly, the transport or delivery of U.S humanitarian assistance.

Is this restriction applicable? Please comment.

This restriction does not apply. We are not aware of any information that requires action under this section.

16. Assistance to Cuba (LIBERTAD Act Sec. 111; FAA Sec. 620(v)).
(i) If a country (or any entity in the country) provided assistance or credits in support of the Cuban nuclear facility at Juragua, Cuba at any time after January 27, 1996, then assistance to such country shall be reduced by an amount equal to the sum of any such assistance or credits.

(ii) Assistance to a recipient country shall be reduced by an amount equal to the aggregate value of nuclear fuel related assistance and credits provided by that country to Cuba during the preceding fiscal year, unless:
(a) Cuba has ratified the Treaty on the Non-Nuclear Proliferation of Nuclear Weapons or the Treaty of Tlatelco and Cuba is in compliance therewith; (b) has negotiated and is in compliance with full-scope safeguards of the International Atomic Energy Agency not later than two years after ratification by Cuba of such treaty and (c) incorporates and is in compliance with internationally accepted nuclear safety standards.

Are these restrictions applicable? Please comment.

This restriction does not apply. We are not aware of any information that requires action under this section.

17. Human Rights Violations (FAA Sec. 116; (FAA Sec. 502B).

If the DOS has determined that the recipient government has engaged in a consistent pattern of gross violations of internationally recognized human rights, then (i) DA is prohibited unless the assistance will directly benefit the needy; and (ii) ESF is prohibited unless the President has found that the country has made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest.

Is this restriction applicable? Please comment.

This restriction does not apply. We are not aware of any information that requires action under this section.

**PLEASE ANSWER THE FOLLOWING QUESTIONS ONLY IF
THE RECIPIENT COUNTRY WAS NOT INCLUDED IN THE
INITIAL FAA SECTION 653(a).**

[Check with Bureau Program Officer.]

Part II does not apply. Honduras was included in the initial FAA Section 653(a).

PART II

1. Mob Action (FAA Sec. 620(l)). Assistance may be terminated if the recipient country permitted (or failed to take adequate measures to prevent) damage or destruction of U.S. property by mob action.

Confirm that your Bureau and the Management Bureau have considered this issue when determining assistance levels.

2. Seizure of U.S. Fishing Vessels (FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5). Assistance may be denied or offset if the recipient country has seized, or imposed any penalty or sanction against, any U.S. fishing vessel fishing in international waters.

Confirm that your Bureau and the Management Bureau have considered this issue when determining assistance levels.

3. OPIC Investment Guaranty (FAA Sec. 620(l)). Assistance may be denied if the recipient country has failed to enter into an investment guaranty agreement with OPIC.

Is this restriction applicable? Please comment.

4. Percentage of Budget Devoted to Military (FAA Sec. 620(s)). Development loans and ESF assistance may be limited by the Administrator after considering the percentage of the recipient country's budget devoted to military purposes and the amount of the country's foreign exchange or other resources spent on military equipment.

Confirm that your Bureau and the Management Bureau have considered this issue when determining assistance levels.

5. U.N. Obligations (FAA Sec. 620(u)). The payment status of the recipient country's U.N. obligations should be taken into account when considering assistance levels.

Confirm that your Bureau and the Management Bureau have considered this issue when determining assistance levels.

6. Algiers Meeting (ISDCA of 1981, Sec. 720). The fact that a country attended and otherwise failed to disassociate itself from the communique issued at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on September 25 and 28, 1981 should be taken into account when considering assistance levels to such country.

Confirm that your Bureau and the Management Bureau have considered this issue when determining assistance levels.

LAC/CEN:BBundy:1999 Honduras COUNTRY CHECKLIST:2/1/99

- Clearances:
- LAC/CEN: DBoyd (draft) Date: 2/4/99
 - LAC/SPM: JStanley (draft) Date: 2/3/99
 - LAC/SPM: DHarrison (draft) Date: 2/2/99
 - LAC/DPB RMeehan (draft) Date: 2/5/99
 - LAC/GC: BBryant (draft) Date: 2/3/99
 - WHA/CEN: CWebster (draft) Date: 2/19/99
 - State/IO/S/B: DLeis (draft) Date: 2/16/99
 - State/INM/P: RBrady (draft) Date: 2/9/99
 - State/DRL/AAA: AGordon (draft) Date: 2/8/99
 - State/M/OFM/VTC: AFlohr (draft) Date: 2/9/99