



U.S. Assistance Programs in China

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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.

Between 2001 and 2011, the United States government authorized or made available \$310 million for Department of State foreign assistance efforts in the PRC, including Peace Corps programs. Of this total, \$257 million was devoted to human rights, democracy, rule of law, 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 20% in FY2011, to an estimated \$37.7 million. Congress further reduced appropriations in FY2012, resulting in the discontinuation of a number of rule of law and environmental 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. Congressionally mandated human rights and democracy efforts—rule of law, civil society, public participation in government, 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. 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.

During the past decade, U.S. assistance to China grew in size and breadth. Between 2001 and 2011, the United States government authorized or made available \$310 million for the State Department's foreign operations or aid programs in China, of which \$257 million was devoted to human rights, democracy, rule of law, and related activities; Tibetan communities; and the environment.¹ (See **Table 1**.) U.S. 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, some 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. The Consolidated Appropriations Act, 2012 (H.R. 2055, signed into law as P.L. 112-74) provided \$7.5 million in ESF funds for non-governmental organizations to support activities that preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan areas, an increase of \$2.5 million over 2011. Other programs, including those related to democracy, rule of law, and governance, continued but with lower funding levels. In addition, Congress withdrew support for environmental programs in the PRC, with the exception of Tibetan areas.

In 2012, the State Department began to refer to China “as a development partner with the resources to invest in its own future, not as an aid recipient.” For FY2013, the State Department reduced its congressional budget request for foreign operations programs in China by 50% compared to FY2012. The request referred to a “long-term strategy” that would promote U.S. national interests and values through programs that bolster the rule of law and strengthen the judiciary, address health issues, reduce environmental degradation, and support sustainable

¹ Including Peace Corps programs.

development, environmental conservation, and cultural preservation in Tibetan communities in the PRC.²

Comparisons with Other Foreign Aid Providers

According to data from the Organization for Economic Cooperation and Development (OECD), in 2010, the largest bilateral aid donors, in order of the amount of “official development assistance” (ODA) for programs in China or related to China, were Germany, France, Japan, and the United States. Nearly half of ODA from Germany and France was 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 donors have begun to reduce assistance to China due to Beijing’s ability to provide foreign aid around the world. In 2011, the United Kingdom and Australia announced that they would begin phasing out their programs in China. In terms of disbursements of ODA grants for China programs, in 2010, Japan, Germany, and France provided \$366 million, \$339 million, and \$179 million, respectively. The United States is the largest provider of “government and civil society” programming among major bilateral aid donors.³

The United States government committed or obligated \$96 million and disbursed \$86 million in grant assistance for programs related to China in 2010, according to the OECD.⁴ 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. Annual totals may include commitments from previous years. Other U.S. agencies with activities in China include the Department of Energy, the U.S. Trade and Development Agency (TDA), the Department of Health and Human Services, the Environmental Protection Agency, and the Department of Labor.⁵ In addition, the Departments of the Interior, Justice, and Commerce and the Federal Trade Commission operate relatively small programs.⁶ Department of Energy efforts in China focus on the safe handling of nuclear materials and the reduction of nuclear material threats. 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.

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

² U.S. Department of State, *Congressional Budget Justification for Foreign Operations, Fiscal Year 2013*.

³ In terms of “committed funds.” OECD, Creditor Reporting System, <http://stats.oecd.org/index.aspx?DataSetCode=CRS1>. OECD totals for the State Department include National Endowment for Democracy (NED) grants for programs in China.

⁴ Creditor Reporting System, *ibid*.

⁵ Based upon information provided by USAID, the top U.S. agencies in terms of funding for programs in China included the following (2010): the Department of State (\$40 million); USAID (\$24.5 million); the Department of Energy (\$6.8 million); the U.S. Trade and Development Agency (\$4.6 million); the Department of Health and Human Services (\$3.8 million); and the Environmental Protection Agency (\$1.9 million). USAID, Foreign Assistance Data, http://gbk.eads.usaidallnet.gov/query/do?_program=/eads/gbk/tablesByCountry&cocode=2CHN.

⁶ According to USAID, funding for these smaller programs totaled \$416,000 in 2010.

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 funded aid projects and programs in China worth €128 million (\$166 million) in 2007-2010 and €224 million (\$291 million) for the 2007-2013 period.⁷ Recent program areas and funding levels include the following: Democracy and Human Rights (€1.9 million); NGO Co-financing (€7.2 million); Gender (women migrant workers—€0.7 million); Health (€1.0 million); Environmental programs (€8.5 million); Urban Development (environmental, social, and cultural programs—€5.3 million); Business Cooperation (cooperation, training, and technical assistance—€7.9 million); Higher Education (€5.2 million); and Information Technology and Communication (€5.3 million).⁸

In other comparative terms, the Ford Foundation, which does not receive U.S. government support, has provided grants worth \$275 million for programs in China since 1988. The Ford Foundation aims 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 efforts aim to promote transparent, effective, and accountable government; civil society; 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.⁹

Policy Debates

In recent years, following a period of bipartisan support for expanded programming, some Members of Congress have begun to articulate critiques of U.S. assistance to China. One, they argue, China does not deserve U.S. assistance, due to the PRC’s enormous trade surplus and foreign exchange reserves, unfair trade practices, and poor human rights conditions. Two, according to these critics, aid for Tibetans and for human rights and democracy efforts in China serves U.S. interests and values, but other forms of aid are unwarranted. Three, they contend, many aid programs are not achieving sufficient results.¹⁰ Some Members assert that giving assistance to China amounts to “borrowing money from China to give back to China.”¹¹

In March 2011, House Foreign Affairs Committee Chair Ileana Ros-Lehtinen sent a letter to the House Budget Committee recommending significant reductions in the President’s proposed foreign operations budget for FY2012, including cutting funding to U.S. aid agencies and programs, foundations, multilateral institutions, and various countries, including China. The Representative proposed that U.S. assistance to the PRC should be eliminated, with the exception

⁷ European Commission: External Cooperation Programs, 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.

⁸ European Union, *China Strategy Paper 2007-13*, http://eeas.europa.eu/delegations/china/documents/eu_china/china_sp_en-final.pdf.

⁹ <http://www.fordfoundation.org/pdfs/library/China-brochure-2011.pdf>.

¹⁰ 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.

¹¹ Jim Angle, “Senators Outraged U.S. Borrowing Big From China While Also Giving Aid,” *Fox News.com*, October 24, 2011.

of aid to the Tibetan people and democracy activists within China.¹² The minority Members of the Committee recommended that the International Affairs budget be approved without reductions. In August 2011, a bipartisan group of Senators authored a letter urging the Senate Committee on Appropriations and the Subcommittee on the Department of State, Foreign Operations, and Related Programs to “end all U.S. aid to China, other than programs that assist the people of Tibet or promote respect for human rights and democracy in China, and direct our representatives at international organizations to work to end multilateral aid to China.”¹³

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 contend that foreign-funded rule of law, civil society, and related efforts in China have produced marginal results due to political constraints, such as 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.¹⁴

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 NGOs and social organizations, and a cadre of human rights activists and lawyers. Such efforts, they argue, also have bolstered reform-minded officials in the PRC government. Some experts add that efforts that support incremental rather than fundamental change have the best chance of achieving results in the current political environment, in part through increasing “the capacity of reform-oriented individuals in China to be effective in their own work,” including those within the government and without.¹⁵ Many foreign and Chinese observers note that awareness of legal rights in many areas of PRC society is growing. Another study suggests that rule of law and civil society programs are especially valuable through their direct impact on social organizations, lawyers, local officials, and others.¹⁶ Some analysts posit that U.S. assistance does not help Beijing at the expense of the United States. They contend that U.S. programs engage China in areas that benefit U.S. interests and where the PRC government has lacked sufficient capacity or commitment.

On the one hand, some Members of Congress oppose 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 argue that such assistance also helps China’s economy through the possible transfer of technology and other beneficial impacts on the country’s manufacturing processes. Furthermore, China has been accused of unfair trade in the clean energy sector. On the other hand, some U.S. officials have defended the programs, noting that air pollution from China has adversely impacted North American air and water, particularly on the U.S. West Coast.¹⁷ They

¹² http://www.foreignpolicy.com/files/fp_uploaded_documents/HCF2012.pdf.

¹³ <http://webb.senate.gov/newsroom/pressreleases/2011-08-04.cfm>.

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

¹⁵ Paul Gewirtz, “The U.S. China Rule of Law Initiative,” *William & Mary Bill of Rights Journal*, Vol. 11 (2003).

¹⁶ William F. Schulz, “Strategic Persistence,” *Center for American Progress*, January 2009.

¹⁷ Statement of Nisha Biswal, U.S. Agency for International Development, before the Subcommittee on Asia and the (continued...)

report that in 2010, USAID's environmental activities in China prevented 257,776 metric tons of CO₂ equivalent from being emitted.¹⁸

In its annual report, the Congressional-Executive Commission on China made a number of recommendations related to U.S. programming in China. These include support for legal aid education and training, particularly for criminal defense lawyers, workers, and citizens pursuing legal claims against the government; efforts to promote China's government information disclosure reforms; programs for monitoring local elections and expanding public hearings and other mechanisms for public input; non-governmental organizations and human rights and rule of law activities that help protect the rights of ethnic minorities and religious practitioners; and raising the capacity of environmental NGOs in the PRC.¹⁹

Civil Society and the Rule of Law in China

U.S. human rights, democracy, and related programs in China operate in a restrictive but changing social environment. There are many areas of current and potential development, but U.S. programs and their Chinese affiliates risk political backlash if Beijing perceives them to be infringing upon basic state policies. Thus, U.S. assistance activities proceed in a narrow space in which they attempt to bolster civil society without directly challenging the government.

The civil sphere in which many U.S.-funded programs operate in China continues to grow. Its foundations—social organizations, the rule of law, and public discourse on many policy issues—have developed in fits and starts. Chinese NGOs and other civil society organizations have mushroomed while a small but resilient network of human rights lawyers, activists, and journalists has emerged. Mass protests occur on a daily basis, although they largely focus on localized, economic issues rather than national, political ones. Typical sources of unrest include forcible evictions of urban residents, poor factory conditions and unpaid wages, and farmers suffering from environmental degradation brought on by development. According to some analysts, such activism reflects an increasingly assertive citizenry, armed with an understanding of the law and empowered by social media and other forms of online communication and news.²⁰

PRC official sources indicate that China has over 450,000 registered non-governmental or social organizations, compared to 244,000 a decade ago, including 2,000 international NGOs.²¹ When NGOs that are not officially registered are included, the total number of social organizations is estimated to be several million. Environmental groups have been at the forefront of the development of the NGO sector in China. Other areas in which social organizations operate include legal aid, public health, education, rural development, poverty alleviation, and charity. In 2012, requirements for NGOs to gain legal status were simplified in some cities. However, the government also remains suspicious of, and frequently cracks down upon, NGOs that engage in

(...continued)

Pacific of the Committee on Foreign Affairs, November 15, 2011.

¹⁸ U.S. Department of State, "U.S. Assistance to China (Taken Question)," Daily Press Briefing, November 4, 2011.

¹⁹ Congressional-Executive Commission on China, *Annual Report*, October 10, 2012.

²⁰ Nicholas Bequelin, "Does the Law Matter in China?" *The International Herald Tribune*, May 14, 2012. For further information on the Internet in China, see CRS Report R42601, *China, Internet Freedom, and U.S. Policy*.

²¹ Meng Jing, "Changing Role," *China Daily*, May 11, 2012.

political activism; address sensitive issues, especially labor-related ones; or receive foreign support.

China's legal system has made significant strides since the Cultural Revolution (1966-1976), when legal and judicial institutions were severely weakened. The PRC government has promoted the rule of law and licensed over 200,000 lawyers, nearly double the number of a decade ago. However, state actors frequently flout the law. For criminal defendants, there is no presumption of innocence, although recent criminal justice reforms may offer greater legal protections. Lawyers who take on politically sensitive cases continue to face reprisals, including the forced closure of law offices, disbarment, unlawful detention, beatings by plain-clothes agents, house arrest, and prison terms, while rights activists are regularly detained.

During the past several years, the PRC government has sought greater input on policy questions through consultation with experts and think tanks, public hearings, the Internet, and other channels, and has enacted laws that facilitate the disclosure of official information. However, little progress has been made to strengthen or expand direct elections at the local level. The government continues to manipulate the nomination process for township and county people's congresses while elections for "village committees" reportedly have been marred by government interference and voting irregularities.²²

The PRC government continues to heavily influence the mass media, particularly regarding topics that it perceives to be politically sensitive. However, overall, the government exercises less control over news and information than it did a decade ago, while the range of permissible public discourse continues to expand, with significant exceptions. The Internet has made it impossible for the government to control all information all the time. Furthermore, Internet and cellular technologies have enhanced the abilities of activists and aggrieved citizens to assemble and to record and publicize social protests and the actions of government officials.

U.S. Assistance to China: History

Congress has played a greater or more direct role in determining the Administration's foreign operations policies for China than it has for many other aid recipients. Congress has initiated major programs in China and inserted special provisions or instructions regarding them 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 has set aside special Development Assistance account funds for American universities to engage in education and exchange programs related to democracy, rule of law, and

²² Congressional-Executive Commission on China, *op. cit.*

the environment in China. 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 later in the decade.

Major Programs

Human Rights and Democracy Fund (DF)—Democracy Programs

The State Department's Bureau of Democracy, Human Rights, and Labor (DRL) administers democracy programs in China using Democracy Fund appropriations. 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 relatively overt pro-democracy groups and activities, including Chinese dissidents in exile and NGOs in China (see textbox).²⁵ Major DRL program areas in China include the following:

National Endowment for Democracy

Established by the U.S. government in 1983, the National Endowment for Democracy (NED) is a private, non-profit organization that promotes freedom around the world. NED has played an active role in promoting democracy in China since the mid-1980s. The Endowment carries out its mission in China largely through grantees which include its core institutes;²³ 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 foreign operations appropriation for NED (an estimated \$118 million in FY2011) and congressional earmarks to NED for China and Tibet.²⁴ Between 2007 and 2011, NED grants for China programs averaged \$6.6 million per year. NED's core institutes have received grants from both NED and DRL.

- *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. Temple University's

²³ 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).

²⁴ U.S. Government Accountability Office, *Foreign Assistance: U.S. Funding for Democracy-Related Programs (China)*, February 27, 2004. Congress provided special authorizations out of the Democracy Fund to NED for programs in China between 2001 and 2007 and Tibet between 2004 and 2009.

²⁵ 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.

Master of Laws degree program in Beijing was a major recipient of USAID grants and Democracy Fund support.²⁶

- *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.

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

In 2006, Congress began to earmark Development Assistance (DA) account funds for rule of law and environmental programs in China. U.S. assistance has helped to provide Chinese law students with legal training, enhance the capacity of Chinese law colleges and judicial institutions, facilitate U.S. engagement with PRC bar associations, develop citizen awareness of the legal system, and strengthen laws that safeguard civil and women's rights. USAID's criminal justice efforts in the PRC have 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.²⁷ Administrative law programs have aimed to increase transparency and public participation in government. Another USAID activity involves the training of PRC judicial officials on intellectual property rights. U.S. educational institutions participating in these programs have 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 have included China University of Political Science and Law, South China University of Technology, and Zhejiang Gongshang University.

In recent years, USAID has administered several environmental programs in China using DA funds, as well as private financing. The U.S.-China Partnership for Environmental Law, jointly administered by the Vermont Law School and Sun Yat-sen University in the city of Guangzhou, helped to train environmental law professionals, advance reform in China's environmental law, and build capacity in environmental governance. The U.S.-based Institute for Sustainable Communities and World Resources Institute implemented the Guangdong Environmental Partnership (GEP) and the U.S.-China Partnership for Climate Action (PCA), 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

²⁶ Temple University received \$13 million in USAID grants and Democracy Fund support between 1999 and 2009. Goldie Blumenstyk, "In China, Thinking Like an American Lawyer," *The Chronicle of Higher Education*, February 20, 2009.

²⁷ 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.

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 have 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.²⁸ In 2012, Congress withdrew support for environmental programs in China, with the exception of Tibet, as part of its reduction of U.S. assistance to the PRC.

Economic Support Fund (ESF) – Rule of Law and Human Rights

In 2012, Congress continued budgetary support for ongoing U.S. assistance activities in the areas of rule of law, commercial law, access to justice, and government transparency and accountability, but at reduced levels. Programs include promoting legal education and awareness, and developing legal clinics and public defenders' offices. In support of U.S. business interests, USAID supports efforts to improve the enforcement of intellectual property rights, consumer protections, and anti-monopoly laws in China.²⁹ In 2006-2011, Congress funded these programs through the DA account.

Economic Support Fund (ESF) – Tibet

U.S. assistance has supported sustainable development, environmental conservation, and cultural preservation in Tibet since 2000. U.S. programs aim to expand citizen involvement in local community development planning, economic enterprises, and social services. The implementing partners for USAID programs in Tibet and Tibetan communities are the Bridge Fund, the Tibet Poverty Alleviation Fund, and Winrock International. In 2012, Congress increased funding for these programs.³⁰

Livelihood and Education

USAID activities in Tibetan areas of China aim to promote individual skills 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.

²⁸ U.S. Department of State, U.S. Agency for International Development, "China: U.S. Foreign Assistance Performance Publication, Fiscal Year, 2009."

²⁹ 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.

³⁰ Ibid.

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 heritage, culture, 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.

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

Since 2007, the United States has supported programs 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. 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 include local 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. Implementing partners are Family Health International, Population Services International, Private Agencies Collaborating Together, Research Triangle Institute, Micro International, and Management Sciences for Health.

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 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.³¹

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. Since 1997, ASHA has supported projects in China, including helping to establish the Center for American Studies at Fudan University in Shanghai, supporting the Hopkins-Nanjing Center for Chinese and American Studies in Nanjing, and providing a grant to Project Hope for its efforts at the Shanghai Children's Medical Center.

Disaster Assistance

In July 2008, the United States government (USAID and the Department of Defense) provided a total of \$4.8 million in humanitarian relief to areas and victims affected by the May 2008 earthquake in Sichuan province that killed nearly 70,000 people. USAID's Office of U.S. Foreign Disaster Assistance awarded \$1.2 million to the Asia Foundation to promote rural housing reconstruction and raise public awareness about natural disasters. Other funding went to the International Federation of the Red Cross and Red Crescent Societies (IFRC) for relief supplies and to the Los Angeles County and Fairfax County fire departments for related support. The Department of Defense provided \$2.2 million for tents and emergency relief supplies.

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.³² Ongoing restrictions on U.S. foreign assistance in China and other relevant legislative provisions include

- Some U.S. sanctions in response to the Tiananmen military crackdown in 1989 remain in effect, including the requirement that U.S. representatives to international financial institutions vote "no" or abstain on loans to China (except for those that meet basic human needs).³³

³¹ U.S. Department of State, *Congressional Budget Justification for Foreign Operations, Fiscal Year 2012*.

³² See §523, Prohibition Against Indirect Funding to Certain Countries, and §526, Democracy Programs.

³³ Pursuant to §902 of the Foreign Relations Authorization Act of 1990-91 and §710(a) of the International Financial Institutions Act.

- 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.³⁴
- None of the multilateral assistance made available for the United Nations Population Fund (UNFPA) may be used for a country program in China.³⁵
- 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).

³⁴ See H.Rept. 112-331, §7044(a).

³⁵ See H.Rept. 112-331, §7085(c). The “Kemp-Kasten” amendment to the FY1985 Supplemental Appropriations Act (P.L. 99-88) bans U.S. assistance to organizations that support or participate in the management of coercive family planning programs. For further information, see CRS Report RL32703, *The U.N. Population Fund: Background and the U.S. Funding Debate*, by Luisa Blanchfield.

Table I. U.S. Foreign Assistance Programs and Funding in China, FY2000-FY2013

(thousands of U.S. dollars)

Account (Program)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 estimate	2013 request
GHCS (HIV/AIDS)								6,750	6,960	7,308	7,000	5,000	3,000	2,000
DA (Rule of Law, Environment)							4,950	5,000	9,919	11,000	12,000	7,000	0	0
ESF ^a												0	3,000	0
ESF/DF (Democracy Programs) ^b	1,000	0	10,000	15,000	13,500	19,000	20,000	20,000	15,000	17,000	17,000	17,000	9,000	n/a
ESF (Tibet)	0	0	0	0	3,976	4,216	3,960	3,960	4,960	7,300	7,400	5,000	7,500	4,500
INCLE (Criminal Justice)	0		0	0	0	0	0	0	0	600	800	800	800	800
Peace Corps ^c	1,435	1,298	1,559	977	863	1,476	1,683	1,748	1,980	2,057	2,718	2,900	3,000	2,900
Totals	2,435	1,298	11,559	15,977	18,339	24,692	25,643	37,458	38,819	45,265	46,918	39,711	26,300	—

Sources: U.S. Department of State Congressional budget justifications for foreign operations; Congressional foreign operations appropriations legislation.

- a. Rule of law and human rights.
- b. Administered by the Department of State, Bureau of Democracy, Human Rights, and Labor.
- c. The Peace Corps has been involved in teaching English language and environmental awareness in China since 1993.

Table 2. U.S. Foreign Operations Appropriations for China: Legislative History
(FY2000-FY2011)

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	Authorized 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, ^a 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.
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 implemented by NGOs which 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.

Source: Congressional foreign operations appropriations legislation.

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

- 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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