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WASHINGTON, D.C. 20548

RELEASED

B-156518

MAR 1 1976



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The Honorable Clement J. Zablocki
House of Representatives

Dear Mr. Zablocki:

This letter is in response to your request on the concern of Mrs. Randy Engel of the U.S. Coalition for Life. Mrs. Engel is concerned about the Agency for International Development's continuation of grants to the International Planned Parenthood Federation and the accountability of these funds in view of the restrictive abortion language of the Helms Amendment (sec. 114, Foreign Assistance Act of 1973, Public Law 93-189 enacted Dec. 17, 1973).

You stated that you share the concern of the organization Mrs. Engel represents as to whether the use of funds by the Federation complies with laws governing agencies that receive Federal funding, and asked that we comment on this situation.

The Congressional Record (Senate, Dec. 5, 1973, pp. 21912 and 21913) shows that Senator Helms, in discussing the final language of the amendment, was also concerned that no Agency for International Development funds find their way into the Federation's abortion-related activities. He stated, however, that the amendment "would not put any restrictions whatsoever upon the programs of foreign governments and international organizations which fund abortion programs from other sources."

The agency's grants to the Federation through fiscal year 1975 totaled about \$68 million. Fiscal year 1974 and 1975 grants totaled about \$12 million each year. According to the Agency, the Federation's calendar year budget figures were about \$41.5 million for 1974; \$44.3 million for 1975; and \$46.2 million in 1976. According to the Agency, Federation officials contend that expenditures for abortion-related activities require less than 2 percent of its income.

The Agency reviewed its population assistance programs in the light of the Helms Amendment. After its General Counsel prepared a legal analysis of the amendment, the Agency issued a policy

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statement on abortion-related activities on June 10, 1974. The statement set forth the parameters of the Agency's future activities in view of the restrictive language. A copy of the statement, which was included on page 1574 of part 2 of the published Agency testimony before a House Subcommittee of the Committee on Appropriations on June 21, 1974, is enclosed.

In response to the Helms Amendment, the Agency for International Development also required each contractor/grantee to agree that no Agency funds would be used for abortion-related activities. In the case of the Federation, this requirement was effected on December 23, 1974, the date of the first grant amendment after the issuance of the policy statement and development of the grant clause implementing the policy. A copy of the grant clause portion of the amendment pertaining to abortion-related activities is enclosed. Although the grant was not amended until December 23, 1974, the Grant Officer advised that on November 13, 1974, the grantee was provided with a copy of the June 10 policy statement and advised that the forthcoming amendment would have to conform to it.

While Agency-Federation agreements prohibit the use of the Agency funds for abortion-related activities, costs/expenditures have not been segregated. In the past, the Agency had held that the majority of Federation activities were worthy of its support and would not be excluded from support by U.S. Government legislation. The informal arrangements have been that the abortion-related costs would be financed by other donors. However, the issue of formally segregating costs for abortion-related activities surfaced during a recent Auditor General audit of Federation activities.

Auditor questions centered around the need for certain accounting procedures which would make it clear that no Agency funds were involved in any abortion-related activities. The auditors believed a cost accounting system, adequate to support the attribution of costs at both the central office level in London and at the affiliate level, was needed. As a result of discussions between the auditors and Agency and Federation officials, the Federation's Secretary General and her staff agreed in November 1975 to redesign accounting procedures for both the London and affiliate offices in order to segregate all abortion-related expenditures. The technical monitor in the Agency's Office of Population believes the revised procedures will be sufficient to overcome the objections of the auditors and to satisfy others responsible for assurances that the spirit and intent of the Helms Amendment are being met.

The Auditor General findings are discussed in detail in his draft report to the Agency and will probably be discussed in the final report, expected to be issued in February 1976. Such reports are routinely provided to the House International Relations Committee.

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The wording of the Helms Amendment and related comments in the Congressional Record clearly show that the Agency is legally permitted to grant funds to the Federation. In view of the information provided by the Agency that the Federation abortion-related expenditures were relatively small and obviously paid from resources other than Agency grants, we believe these grants do not constitute a violation of the Amendment. We agree with the Agency's auditors, however, that the Federation records should clearly show that no Agency funds are involved in any abortion-related activities.

Sincerely yours,
Frederic B. Steeds

Comptroller General
of the United States

Enclosures - 2

STANDARD CLAUSE
INCLUDED IN IPPF GRANTS

Abortion-Related Activities

No funds made available under this grant will be used for the following family planning and population assistance activities:

1. procurement or distribution of equipment provided for the purpose of inducing abortions as a method of family planning;
2. information, education, training, or communication programs that seek to promote abortion as a method of family planning;
3. payments to women in less developed countries to have abortions as a method of family planning;
4. payments to persons to perform abortions or to solicit persons to undergo abortions.

A.I.D. POLICIES
RELATIVE TO ABORTION-RELATED ACTIVITIES

PD-56
June 10, 1974

INTRODUCTION:

Section 114 of the Foreign Assistance Act of 1961, as amended, adds for the first time to this legislation restrictions on the use of funds relative to abortions. The new provision reads as follows:

"Section 114. Limiting use of funds for abortion--
None of the funds made available to carry out this part (Part I of the Act) shall be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions."

The indicated policy positions represent the best legal and policy judgment in A.I.D. on a desirable stance the Agency should have at this time relative to this subject. The A.I.D. policies relative to abortion dealt with here involve the following programmatic aspects-- Procurement and Distribution of Equipment; Institutional and Program Development; Motivation, Promotion, and Training; Research; Fees for Abortion Services; and Coercion.

1. Procurement and Distribution of Equipment

A.I.D. Policy - No funds available to carry out the Foreign Assistance Act will be used to procure or distribute equipment provided for the purpose of inducing abortions as a method of family planning.

2. Institutional and Program Development

A.I.D. Policy - A.I.D. funds will not be used for the direct support of abortion activities in LDC's. However, A.I.D. may provide general population assistance program support to LDC's and institutions so long as A.I.D. funds are wholly attributable to the permissible aspects of such programs.

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C O P Y

ENCLOSURE II

3. Motivation, Promotion, and Training

A.I.D. Policy - A.I.D. does not and will not fund information, education, training, or communication programs that seek to promote abortion as a method of family planning. A.I.D. will finance training of developing country doctors in the latest techniques used in OB-GYN practice. A.I.D. will not disqualify such training programs if they include pregnancy termination within the overall curriculum. However, A.I.D. funds will not be used to initiate or expand the pregnancy termination component of such programs, and A.I.D. will pay only the extra costs of financing the participation of developing country doctors in existing programs. Such training is provided only at the election of the participants.

4. Research

A.I.D. Policy - A.I.D. will continue to support research programs designed to identify safer, simpler, and more effective means of fertility control. This work includes research on both foresight and hindsight methods of fertility control.

5. Fees for Abortion Services

A.I.D. Policy - A.I.D. funds are not and will not be used to pay women in the less developed countries to have abortions as a method of family planning. Likewise, A.I.D. funds are not and will not be used to pay persons to perform abortions or to solicit persons to undergo abortions.

6. Coercion

A.I.D. Policy - Pursuant to the Foreign Assistance Act and A.I.D. policy, A.I.D. activities in family planning and population assistance to developing countries cannot incorporate coercive features relative to the practice of family planning or any mode thereof.

Approved: /s/ Daniel Parker
Daniel Parker
Administrator

DISTRIBUTION:
A.I.D. List M, Position 9
A.I.D. List B-6, Position 9
A.I.D. List C-2

Date: 10 VI 74

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