

109TH CONGRESS
2^D SESSION

H. R. 5652

To amend the African Development Foundation Act to redesignate the name of the Foundation, to increase funding for the mission of the Foundation, and to increase the powers of the Foundation.

IN THE HOUSE OF REPRESENTATIVES

JUNE 20, 2006

Ms. LEE (for herself and Mr. FORTENBERRY) introduced the following bill;
which was referred to the Committee on International Relations

A BILL

To amend the African Development Foundation Act to redesignate the name of the Foundation, to increase funding for the mission of the Foundation, and to increase the powers of the Foundation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “African Development
5 Foundation Act of 2006”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) The African Development Foundation is
2 uniquely promoting sustainable community-based so-
3 lutions to economic and social development and is ef-
4 fectively supporting the development of African-
5 owned small enterprises as engines of growth and
6 sources of income and employment for the poor.

7 (2) The African Development Foundation's pro-
8 grams advance United States interests in Africa and
9 are in high demand across the continent, as evi-
10 denced by \$20 million in host country contributions.

11 (3) The Office of Management and Budget has
12 determined the African Development Foundation to
13 be a fully effective agency after assessing its pro-
14 gram performance.

15 (4) The African Development Foundation is the
16 only United States Government agency working di-
17 rectly at the grassroots level, supporting African-de-
18 signed and African-driven solutions to economic and
19 social problems. The African Development Founda-
20 tion enables individuals and groups to get out of
21 poverty by putting their own ideas to work, instead
22 of someone else's.

23 (5) In 2005, African Development Foundation
24 investments across Africa created more than
25 110,000 jobs for poor Africans and generated \$70

1 million in gross revenues for enterprises. Almost 65
2 percent of micro and small entrepreneurs assisted by
3 the African Development Foundation were women.

4 (6) African Development Foundation-assisted
5 groups had \$35 million in export sales in 2005. For
6 example, in Tanzania, the African Development
7 Foundation is helping several thousand small sugar
8 cane producers improve their income. Mtibwa Sugar
9 has increased its gross export revenues by 423 per-
10 cent over the past three years, from US\$1.188 mil-
11 lion during fiscal year 2002 to US\$5.034 million in
12 fiscal year 2005. In the Ruembe Outgrowers Asso-
13 ciation, sugar cane yields per hectare are up 30 per-
14 cent and cumulative export sales stand at US\$4.7
15 million. The number of participating cane farmers
16 has increased by 50 percent since project inception
17 and the income of the 1440 growers has almost dou-
18 bled as a consequence of investment by the African
19 Development Foundation.

20 (7) The African Development Foundation is
21 supporting African solutions to prevent HIV/AIDS
22 and to reduce its impact on families and commu-
23 nities. For example, in Swaziland, where almost 40
24 percent of adults are infected with the AIDS virus,
25 the African Development Foundation is improving

1 nutrition and providing income-generating opportu-
2 nities for widows and orphans by helping them
3 produce and market vegetables, in Ghana, the Afri-
4 can Development Foundation funded the training of
5 almost 1500 youth who conducted peer counseling
6 on HIV/AIDS to more than 200,000 young people,
7 in Plateau State, Nigeria, the African Development
8 Foundation funded a pilot program to adapt and ex-
9 tend a faith-based life skills training program in the
10 public secondary schools in which approximately 500
11 teachers were trained in the new curriculum and
12 more than 25,000 students received year-long train-
13 ing, and in Tanzania, the African Development
14 Foundation has experimented with supporting
15 schemes that extend micro-credit to people living
16 with HIV/AIDS, enabling them to start informal
17 businesses and undertake income-generating activi-
18 ties.

19 (8) The work of the African Development
20 Foundation is a powerful example of the goodwill of
21 the American people, and it is one of the most effec-
22 tive foreign assistance programs of the United
23 States.

1 **SEC. 3. AMENDMENTS TO AFRICAN DEVELOPMENT FOUN-**
2 **DATION ACT.**

3 (a) REDESIGNATION.—

4 (1) IN GENERAL.—Section 503(a) of the Afri-
5 can Development Foundation Act (Public Law 96-
6 533; 22 U.S.C. 290h-1(a)) is amended by striking
7 “‘African Development Foundation’” and inserting
8 “‘United States African Development Foundation’”.

9 (2) REFERENCE.—Any reference to the African
10 Development Foundation in any law, rule, regula-
11 tion, certificate, directive, instruction, or other offi-
12 cial paper in force on the date of the enactment of
13 this Act shall be deemed to be a reference to the
14 United States African Development Foundation.

15 (b) FUNDING FOR GRANTS AND LOANS.—

16 (1) LIMITATION.—Subsection (a) of section 505
17 of such Act (22 U.S.C. 290h-3) is amended—

18 (A) in paragraph (1), by inserting “(in-
19 cluding small enterprises, producer associations,
20 and cooperatives)” after “entity”; and

21 (B) in paragraph (2)—

22 (i) by striking “The total” and insert-
23 ing “Except as provided in this paragraph,
24 the total”;

25 (ii) by striking “\$250,000” and in-
26 serting “\$400,000”; and

1 (iii) by adding at the end the fol-
2 lowing new sentence: “The funding limita-
3 tion specified in this paragraph may be ex-
4 ceeded only in exceptional circumstances
5 upon approval of the Board of the Direc-
6 tors and notification to Congress.”.

7 (2) USE OF FUNDS.—Subsection (b) of such
8 section is amended, in the second sentence, by in-
9 serting before the period at the end the following: “,
10 including supporting projects which benefit the
11 poor”.

12 (3) RECIPIENTS.—Such section is amended by
13 adding at the end the following new subsection:

14 “(c) To be eligible to receive grant, loan, or loan
15 guarantee under this section, a small enterprise referred
16 to in subsection (a) shall satisfy the following require-
17 ments:

18 “(1) Ownership is predominantly vested in one
19 or more individuals who are indigenous to Africa
20 and who are representative and knowledgeable of,
21 and with a track record of responding to, the needs
22 and aspirations of the poor.

23 “(2) Management and daily business operations
24 of the entity are controlled by one or more individ-
25 uals who are indigenous to Africa.”.

1 (c) POWERS OF THE FOUNDATION.—Section
2 506(a)(5) of such Act (22 U.S.C. 290h–4(a)) is amended
3 by inserting “including providing technical assistance to
4 eligible recipients described in section 505(a)(1),” after
5 “situated,”.

6 (d) BASIC PAY AND HIRING AUTHORITIES.—Sub-
7 section (d) of section 507 of such Act (22 U.S.C. 290h–
8 5) is amended—

9 (1) in paragraph (1), in the second sentence, by
10 striking “level IV of the Executive Schedule under
11 section 5315 of title 5” and inserting “level II of the
12 Executive Schedule under section 5313 of title 5,
13 United States Code”;

14 (2) in paragraph (2), by adding at the end the
15 following new sentence: “Such experts and consult-
16 ants may be employed without regard to section
17 5373 of such title.”; and

18 (3) by adding at the end the following new
19 paragraph:

20 “(3) Of the individuals employed by the Foun-
21 dation, not to exceed four such individuals may be
22 appointed, compensated, or removed without regard
23 to the civil service laws and regulations. No indi-
24 vidual appointed may receive a rate of pay that ex-
25 ceeds the rate for senior level positions under section

1 5376 of title 5, United States Code. An employee of
2 an agency serving in a career, career conditional, or
3 non-temporary excepted service position who is ap-
4 pointed by the Foundation shall be entitled, on ter-
5 mination of such appointment for any reason other
6 than for the misconduct or delinquency of such em-
7 ployee, to be reinstated in such employee's former
8 position or a position of similar seniority and pay in
9 the same agency."

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