

105TH CONGRESS
1ST SESSION

H. R. 1432

To authorize a new trade and investment policy for sub-Saharan Africa.

IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 1997

Mr. CRANE (for himself, Mr. RANGEL, Mr. McDERMOTT, Mr. HOUGHTON, Mr. JEFFERSON, Mr. MANZULLO, Mr. EHLERS, Mr. KOLBE, Mr. DREIER, Ms. CHRISTIAN-GREEN, Mr. TOWNS, Mr. McNULTY, Mrs. MEEK of Florida, Ms. CARSON, Mr. PAYNE, Ms. FURSE, Ms. MCKINNEY, Ms. JACKSON-LEE of Texas, Mr. FALEOMAVAEGA, Ms. NORTON, Mr. RUSH, Mr. HASTINGS of Florida, Mr. HALL of Ohio, Mr. DELLUMS, Mr. FORD, Mr. FOGLIETTA, Mr. FATTAH, Mr. BISHOP, Mr. HILLIARD, Mrs. CLAYTON, Mr. OWENS, Mr. SCOTT, Mr. HINCHEY, and Mr. BEREUTER) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committee on Ways and Means, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To authorize a new trade and investment policy for sub-Saharan Africa.

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 Growth and
5 Opportunity Act”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds that it is in the mutual economic
3 interest of the United States and sub-Saharan Africa to
4 promote stable and sustainable economic growth and de-
5 velopment in sub-Saharan Africa. To that end, the United
6 States seeks to facilitate the social and economic develop-
7 ment of the countries of sub-Saharan Africa in a manner
8 which strengthens and expands market-led economic
9 growth consistent with equitable and efficient development
10 and which reduces poverty and increases employment
11 among the poor. In particular, the United States seeks
12 to assist sub-Saharan African countries to achieve eco-
13 nomic self-reliance by—

14 (1) strengthening and expanding the private
15 sector in sub-Saharan Africa, especially women-
16 owned businesses;

17 (2) encouraging increased trade and investment
18 between the United States and sub-Saharan Africa;

19 (3) reducing tariff and nontariff barriers and
20 other trade obstacles;

21 (4) expanding United States assistance to sub-
22 Saharan Africa's regional integration efforts;

23 (5) negotiating free trade areas;

24 (6) establishing a United States-Sub-Saharan
25 Africa Trade and Investment Partnership;

1 (7) focusing on countries committed to account-
2 able government, economic reform, and the eradi-
3 cation of poverty;

4 (8) establishing a United States-Sub-Saharan
5 Africa Economic Cooperation Forum; and

6 (9) continuing to support development assist-
7 ance for those countries in sub-Saharan Africa at-
8 tempting to build civil societies.

9 **SEC. 3. STATEMENT OF POLICY.**

10 The Congress supports economic self-reliance for sub-
11 Saharan African countries, particularly those committed
12 to—

13 (1) economic and political reform;

14 (2) market incentives and private sector growth;

15 (3) the eradication of poverty; and

16 (4) the importance of women to economic
17 growth and development.

18 **SEC. 4. ELIGIBILITY REQUIREMENTS.**

19 (a) IN GENERAL.—A sub-Saharan African country
20 shall be eligible to participate in programs, projects, or
21 activities, or receive assistance or other benefits under this
22 Act for a fiscal year only if the President determines that
23 the country has established, or is making continual
24 progress toward establishing, a market-based economy,

1 such as the establishment and enforcement of appropriate
2 policies relating to—

3 (1) promoting free movement of goods and serv-
4 ices and factors of production between the United
5 States and sub-Saharan Africa;

6 (2) promoting the expansion of the production
7 base and the transformation of commodities and
8 nontraditional products for exports through joint
9 venture projects between African and United States
10 companies;

11 (3) trade issues, such as protection of intellec-
12 tual property rights, improvements in standards,
13 testing, labeling and certification, and government
14 procurement;

15 (4) the protection of property rights, such as
16 protection against expropriation and a functioning
17 and fair judicial system;

18 (5) tax issues, such as reducing high import
19 and corporate taxes, controlling government con-
20 sumption, participation in bilateral investment trea-
21 ties, and the harmonization of such treaties to avoid
22 double taxation;

23 (6) foreign investment issues, such as the provi-
24 sion of national treatment for foreign investors and
25 other measures to attract foreign investors;

1 (7) supporting the growth of regional markets
2 within a free trade area framework;

3 (8) regulatory issues, such as eliminating gov-
4 ernment corruption, minimizing government inter-
5 vention in the market, monitoring the fiscal and
6 monetary policies of the government, and supporting
7 the growth of the private sector, in particular by
8 promoting the emergence of a new generation of Af-
9 rican entrepreneurs;

10 (9) encouraging the private ownership of gov-
11 ernment-controlled economic enterprises through di-
12 vestiture programs;

13 (10) removing restrictions on investment; and

14 (11) the reduction of poverty, such as the provi-
15 sion of basic health and education for poor citizens,
16 the expansion of physical infrastructure in a manner
17 designed to maximize accessibility, increased access
18 to market and credit facilities for small farmers and
19 producers, and improved economic opportunities for
20 women as entrepreneurs and employees.

21 (b) **ADDITIONAL FACTORS.**—In determining whether
22 a sub-Saharan African country is eligible under subsection
23 (a), the President shall take into account the following fac-
24 tors:

1 (1) An expression by such country of its desire
2 to be an eligible country under subsection (a).

3 (2) The extent to which such country has made
4 substantial progress toward—

5 (A) reducing tariff levels;

6 (B) binding its tariffs in the World Trade
7 Organization and assuming meaningful binding
8 obligations in other sectors of trade; and

9 (C) eliminating nontariff barriers to trade.

10 (3) Whether such country, if not already a
11 member of the World Trade Organization, is actively
12 pursuing membership in that Organization.

13 (4) The extent to which such country is in ma-
14 terial compliance with its programs with and its obli-
15 gation to the International Monetary Fund and
16 other international financial institutions.

17 (c) CONTINUING COMPLIANCE.—

18 (1) MONITORING AND REVIEW OF CERTAIN
19 COUNTRIES.—The President shall monitor and re-
20 view the progress of those sub-Saharan African
21 countries that have been determined to be eligible
22 under subsection (a) but are in need of making con-
23 tinual progress in meeting one or more of the re-
24 quirements of such subsection.

1 (2) INELIGIBILITY OF CERTAIN COUNTRIES.—A
2 sub-Saharan African country described in paragraph
3 (1) that has not made continual progress in meeting
4 the requirements with which it is not in compliance
5 shall be ineligible to participate in programs,
6 projects, or activities, or receive assistance or other
7 benefits, under this Act.

8 **SEC. 5. ADDITIONAL AUTHORITIES AND INCREASED FLEXI-**
9 **BILITY TO PROVIDE ASSISTANCE UNDER THE**
10 **DEVELOPMENT FUND FOR AFRICA.**

11 (a) USE OF SUSTAINABLE DEVELOPMENT ASSIST-
12 ANCE TO SUPPORT FURTHER ECONOMIC GROWTH.—It is
13 the sense of the Congress that sustained economic growth
14 in sub-Saharan Africa depends in large measure upon the
15 development of a receptive environment for trade and in-
16 vestment, and that to achieve this objective the United
17 States Agency for International Development should con-
18 tinue to support programs which help to create this envi-
19 ronment. Investments in human resources, development,
20 and implementation of free market policies, including poli-
21 cies to liberalize agricultural markets and improve food se-
22 curity, and the support for the rule of law and democratic
23 governance should continue to be encouraged and en-
24 hanced on a bilateral and regional basis.

1 (b) DECLARATIONS OF POLICY.—The Congress
2 makes the following declarations:

3 (1) The Development Fund for Africa estab-
4 lished under chapter 10 of part I of the Foreign As-
5 sistance Act of 1961 (22 U.S.C. 2293 et seq.) has
6 been an effective tool in providing development as-
7 sistance to sub-Saharan Africa since 1988.

8 (2) The Development Fund for Africa will com-
9 plement the other provisions of this Act and lay a
10 foundation for increased trade and investment op-
11 portunities between the United States and sub-Saha-
12 ran Africa.

13 (3) Assistance provided through the Develop-
14 ment Fund for Africa will continue to support pro-
15 grams and activities that promote the long term eco-
16 nomic development of sub-Saharan Africa, such as
17 programs and activities relating to the following:

18 (A) Strengthening primary and vocational
19 education systems, especially the acquisition of
20 middle-level technical skills for operating mod-
21 ern private businesses and the introduction of
22 college level business education, including the
23 study of international business, finance, and
24 stock exchanges.

25 (B) Strengthening health care systems.

1 (C) Strengthening family planning service
2 delivery systems.

3 (D) Supporting democratization, good gov-
4 ernance and civil society and conflict resolution
5 efforts.

6 (E) Increasing food security by promoting
7 the expansion of agricultural and agriculture-
8 based industrial production and productivity
9 and increasing real incomes for poor individ-
10 uals.

11 (F) Promoting an enabling environment
12 for private sector-led growth through sustained
13 economic reform, privatization programs, and
14 market-led economic activities.

15 (G) Promoting decentralization and local
16 participation in the development process, espe-
17 cially linking the rural production sectors and
18 the industrial and market centers throughout
19 Africa.

20 (H) Increasing the technical and manage-
21 rial capacity of sub-Saharan African individuals
22 to manage the economy of sub-Saharan Africa.

23 (I) Ensuring sustainable economic growth
24 through environmental protection.

1 (4) The African Development Foundation has a
2 unique congressional mandate to empower the poor
3 to participate fully in development and to increase
4 opportunities for gainful employment, poverty allevi-
5 ation, and more equitable income distribution in sub-
6 Saharan Africa. The African Development Founda-
7 tion has worked successfully to enhance the role of
8 women as agents of change, strengthen the informal
9 sector with an emphasis on supporting micro and
10 small sized enterprises, indigenous technologies, and
11 mobilizing local financing. The African Development
12 Foundation should develop and implement strategies
13 for promoting participation in the socioeconomic de-
14 velopment process of grassroots and informal sector
15 groups such as nongovernmental organizations, co-
16 operatives, artisans, and traders into the programs
17 and initiatives established under this Act.

18 (c) ADDITIONAL AUTHORITIES.—

19 (1) IN GENERAL.—Section 496(h) of the For-
20 eign Assistance Act of 1961 (22 U.S.C. 2293(h)) is
21 amended—

22 (A) by redesignating paragraph (3) as
23 paragraph (4); and

24 (B) by inserting after paragraph (2) the
25 following:

1 “(3) DEMOCRATIZATION AND CONFLICT RESO-
2 LUTION CAPABILITIES.—Assistance under this sec-
3 tion may also include program assistance—

4 “(A) to promote democratization, good
5 governance, and strong civil societies in sub-Sa-
6 haran Africa; and

7 “(B) to strengthen conflict resolution capa-
8 bilities of governmental, intergovernmental, and
9 nongovernmental entities in sub-Saharan
10 Africa.”.

11 (2) CONFORMING AMENDMENT.—Section
12 496(h)(4) of such Act, as amended by paragraph
13 (1), is further amended by striking “paragraphs (1)
14 and (2)” in the first sentence and inserting “para-
15 graphs (1), (2), and (3)”.

16 (d) WAIVER AUTHORITY.—Section 496 of the For-
17 eign Assistance Act of 1961 (22 U.S.C. 2293) is amended
18 by adding at the end the following:

19 “(p) WAIVER AUTHORITY.—

20 “(1) IN GENERAL.—Except as provided in para-
21 graph (2), the President may waive any provision of
22 law that earmarks, for a specified country, organiza-
23 tion, or purpose, funds made available to carry out
24 this chapter if the President determines that the

1 waiver of such provision of law would provide in-
2 creased flexibility in carrying out this chapter.

3 “(2) EXCEPTIONS.—

4 “(A) CHILD SURVIVAL ACTIVITIES.—The
5 authority contained in paragraph (1) may not
6 be used to waive a provision of law that ear-
7 marks funds made available to carry out this
8 chapter for the following purposes:

9 “(i) Immunization programs.

10 “(ii) Oral rehydration programs.

11 “(iii) Health and nutrition programs,
12 and related education programs, which ad-
13 dress the needs of mothers and children.

14 “(iv) Water and sanitation programs.

15 “(v) Assistance for displaced and or-
16 phaned children.

17 “(vi) Programs for the prevention,
18 treatment, and control of, and research on,
19 tuberculosis, HIV/AIDS, polio, malaria,
20 and other diseases.

21 “(vii) Basic education programs for
22 children.

23 “(viii) Contribution on a grant basis
24 to the United Nations Children’s Fund

1 (UNICEF) pursuant to section 301 of this
2 Act.

3 “(B) REQUIREMENT TO SUPERSEDE WAIV-
4 ER AUTHORITY.—The provisions of this sub-
5 section shall not be superseded except by a pro-
6 vision of law enacted after the date of the en-
7 actment of the African Growth and Opportunity
8 Act which specifically repeals, modifies, or su-
9 persedes such provisions.”.

10 **SEC. 6. UNITED STATES–SUB-SAHARAN AFRICA TRADE AND**
11 **ECONOMIC COOPERATION FORUM.**

12 (a) DECLARATION OF POLICY.—The President shall
13 convene annual high-level meetings between appropriate
14 officials of the United States Government and officials of
15 the governments of sub-Saharan African countries in
16 order to foster close economic ties between the United
17 States and sub-Saharan Africa.

18 (b) ESTABLISHMENT.—Not later than 12 months
19 after the date of the enactment of this Act, the President,
20 after consulting with the governments concerned, shall es-
21 tablish a United States–Sub-Saharan Africa Trade and
22 Economic Cooperation Forum (hereafter in this section re-
23 ferred to as the “Forum”).

24 (c) REQUIREMENTS.—In creating the Forum, the
25 President shall meet the following requirements:

1 (1) The President shall direct the Secretary of
2 Commerce, the Secretary of the Treasury, the Sec-
3 retary of State, and the United States Trade Rep-
4 resentative to host the first annual meeting with the
5 counterparts of such Secretaries from the govern-
6 ments of sub-Saharan African countries eligible
7 under section 4, the Secretary General of the Orga-
8 nization of African Unity, and government officials
9 from other appropriate countries in Africa, to dis-
10 cuss expanding trade and investment relations be-
11 tween the United States and sub-Saharan Africa
12 and the implementation of this Act.

13 (2)(A) The President, in consultation with the
14 Congress, shall encourage United States nongovern-
15 mental organizations to host annual meetings with
16 nongovernmental organizations from sub-Saharan
17 Africa in conjunction with the annual meetings of
18 the Forum for the purpose of discussing the issues
19 described in paragraph (1).

20 (B) The President, in consultation with the
21 Congress, shall encourage United States representa-
22 tives of the private sector to host annual meetings
23 with representatives of the private sector from sub-
24 Saharan Africa in conjunction with the annual meet-

1 African Economic Community and the willingness of
2 the governments of Sub-Saharan African countries
3 to engage in negotiations to enter into free trade
4 agreements, shall develop a plan for the purpose of
5 entering into one or more trade agreements with
6 sub-Saharan African countries eligible under section
7 4 in order to establish a United States–Sub-Saharan
8 Africa Free Trade Area (hereafter in this section re-
9 ferred to as the “Free Trade Area”).

10 (2) ELEMENTS OF PLAN.—The plan shall in-
11 clude the following:

12 (A) The specific objectives of the United
13 States with respect to the establishment of the
14 Free Trade Area and a suggested timetable for
15 achieving those objectives.

16 (B) The benefits to both the United States
17 and sub-Saharan Africa with respect to the
18 Free Trade Area.

19 (C) A mutually agreed-upon timetable for
20 establishing the Free Trade Area.

21 (D) The implications for and the role of
22 regional and sub-regional organizations in sub-
23 Saharan Africa with respect to the Free Trade
24 Area.

1 (E) Subject matter anticipated to be cov-
2 ered by the agreement for establishing the Free
3 Trade Area and United States laws, programs,
4 and policies, as well as the laws of participating
5 eligible African countries and existing bilateral
6 and multilateral and economic cooperation and
7 trade agreements, that may be affected by the
8 agreement or agreements.

9 (F) Procedures to ensure the following:

10 (i) Adequate consultation with the
11 Congress and the private sector during the
12 negotiation of the agreement or agree-
13 ments for establishing the Free Trade
14 Area.

15 (ii) Consultation with the Congress re-
16 garding all matters relating to implementa-
17 tion of the agreement or agreements.

18 (iii) Approval by the Congress of the
19 agreement or agreements.

20 (iv) Adequate consultations with the
21 relevant African governments and African
22 regional and subregional intergovernmental
23 organizations during the negotiations of
24 the agreement or agreements.

1 (c) REPORTING REQUIREMENT.—Not later than 12
2 months after the date of the enactment of this Act, the
3 President shall prepare and transmit to the Congress a
4 report containing the plan developed pursuant to sub-
5 section (b).

6 **SEC. 8. ELIMINATING TRADE BARRIERS AND ENCOURAG-**
7 **ING EXPORTS.**

8 (a) FINDINGS.—The Congress makes the following
9 findings:

10 (1) The lack of competitiveness of sub-Saharan
11 Africa in the global market, especially in the manu-
12 facturing sector, make it a limited threat to market
13 disruption and no threat to United States jobs.

14 (2) Annual textile and apparel exports to the
15 United States from sub-Saharan Africa represent
16 less than 1 percent of all textile and apparel exports
17 to the United States, which totaled \$45,932,000,000
18 in 1996.

19 (3) Sub-Saharan Africa has limited textile man-
20 ufacturing capacity. During 1998 and the succeed-
21 ing 4 years, this limited capacity to manufacture
22 textiles and apparel is projected to grow at a modest
23 rate. Given this limited capacity to export textiles
24 and apparel, it will be very difficult for these exports
25 from sub-Saharan Africa, during 1998 and the suc-

1 ceeding 9 years, to exceed 3 percent annually of
2 total imports of textile and apparel to the United
3 States. If these exports from sub-Saharan Africa re-
4 main around 3 percent of total imports, they will not
5 represent a threat to United States workers, con-
6 sumers, or manufacturers.

7 (b) SENSE OF THE CONGRESS.—It is the sense of
8 the Congress that—

9 (1) it would be to the mutual benefit of the
10 countries in sub-Saharan Africa and the United
11 States to ensure that the commitments of the World
12 Trade Organization and associated agreements are
13 faithfully implemented in each of the member coun-
14 tries, so as to lay the groundwork for sustained
15 growth in textile and apparel exports and trade
16 under agreed rules and disciplines;

17 (2) reform of trade policies in sub-Saharan Af-
18 rica with the objective of removing structural im-
19 pediments to trade, consistent with obligations under
20 the World Trade Organization, can assist the coun-
21 tries of the region in achieving greater and greater
22 diversification of textile and apparel export commod-
23 ities and products and export markets; and

24 (3) the President should support textile and ap-
25 parel trade reform in sub-Saharan Africa by, among

1 other measures, providing technical assistance, shar-
2 ing of information to expand basic knowledge of how
3 to trade with the United States, and encouraging
4 business-to-business contacts with the region.

5 (c) TREATMENT OF QUOTAS.—

6 (1) KENYA AND MAURITIUS.—Pursuant to the
7 Agreement on Textiles and Clothing, the United
8 States shall eliminate the existing quotas on textile
9 and apparel exports to the United States—

10 (A) from Kenya within 30 days after that
11 country adopts a cost-effective and efficient visa
12 system to guard against unlawful trans-
13 shipment of textile and apparel goods; and

14 (B) from Mauritius within 30 days after
15 that country adopts such a visa system.

16 The Customs Service shall provide the necessary as-
17 sistance to Kenya and Mauritius in the development
18 and implementation of those visa systems. The Cus-
19 toms Service shall monitor and the Commissioner of
20 Customs shall submit to the Congress, not later than
21 March 31 of each year, a report on the effectiveness
22 of those visa systems during the preceding calendar
23 year.

24 (2) OTHER SUB-SAHARAN COUNTRIES.—The
25 President shall continue the existing no quota policy

1 for countries in sub-Saharan Africa. The President
2 shall submit to the Congress, not later than March
3 31 of each year, a report on the growth in textiles
4 and apparel exports to the United States from coun-
5 tries in sub-Saharan Africa in order to protect Unit-
6 ed States consumers, workers, and textile manufac-
7 turers from economic injury on account of the no
8 quota policy. The President should ensure that any
9 country in sub-Saharan Africa that intends to export
10 substantial textile and apparel goods to the United
11 States has in place a functioning and efficient visa
12 system to guard against unlawful transshipment of
13 textile and apparel goods.

14 (d) DEFINITION.—For purposes of this section, the
15 term “Agreement on Textiles and Clothing” means the
16 Agreement on Textiles and Clothing referred to in section
17 101(d)(4) of the Uruguay Round Agreements Act (19
18 U.S.C. 3511(d)(4)).

19 **SEC. 9. GENERALIZED SYSTEM OF PREFERENCES.**

20 (a) PREFERENTIAL TARIFF TREATMENT FOR CER-
21 TAIN ARTICLES.—Section 503(a)(1) of the Trade Act of
22 1974 (19 U.S.C. 2463(a)) is amended—

23 (1) by redesignating subparagraph (C) as sub-
24 paragraph (D); and

1 (2) by inserting after subparagraph (B) the fol-
2 lowing:

3 “(C) ELIGIBLE COUNTRIES IN SUB-SAHA-
4 RAN AFRICA.—The President may provide duty-
5 free treatment for any article set forth in para-
6 graph (1) of subsection (b) that is the growth,
7 product, or manufacture of an eligible country
8 in sub-Saharan Africa that is a beneficiary de-
9 veloping country, if, after receiving the advice
10 of the International Trade Commission in ac-
11 cordance with subsection (e), the President de-
12 termines that such article is not import-sen-
13 sitive in the context of imports from eligible
14 countries in sub-Saharan Africa. This subpara-
15 graph shall not affect the designation of eligible
16 articles under subparagraph (B).”.

17 (b) RULES OF ORIGIN.—Section 503(a)(2) of the
18 Trade Act of 1974 (19 U.S.C. 2463(a)(2)) is amended by
19 adding at the end the following:

20 “(C) ELIGIBLE COUNTRIES IN SUB-SAHA-
21 RAN AFRICA.—For purposes of determining the
22 percentage referred to in subparagraph (A) in
23 the case of an article of an eligible country in
24 sub-Saharan Africa that is a beneficiary devel-
25 oping country—

1 “(i) if the cost or value of materials
2 produced in the customs territory of the
3 United States is included with respect to
4 that article, an amount not to exceed 15
5 percent of the appraised value of the arti-
6 cle at the time it is entered that is attrib-
7 uted to such United States cost or value
8 may be applied toward determining the
9 percentage referred to in subparagraph
10 (A); and

11 “(ii) the cost or value of the materials
12 included with respect to that article that
13 are produced in any beneficiary developing
14 country that is an eligible country in sub-
15 Saharan Africa shall be applied in deter-
16 mining such percentage.”.

17 (c) WAIVER OF COMPETITIVE NEED LIMITATION.—
18 Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C.
19 2463(c)(2)(D)) is amended to read as follows:

20 “(D) LEAST-DEVELOPED BENEFICIARY
21 DEVELOPING COUNTRIES AND ELIGIBLE COUN-
22 TRIES IN SUB-SAHARAN AFRICA.—Subpara-
23 graph (A) shall not apply to any least-developed
24 beneficiary developing country or any eligible
25 country in sub-Saharan Africa.”.

1 (c) EXTENSION OF PROGRAM.—Section 505 of the
2 Trade Act of 1974 (19 U.S.C. 2465) is amended to read
3 as follows:

4 **“SEC. 505. DATE OF TERMINATION.**

5 “(a) COUNTRIES IN SUB-SAHARAN AFRICA.—No
6 duty-free treatment provided under this title shall remain
7 in effect after May 31, 2007, with respect to beneficiary
8 developing countries that are eligible countries in sub-Sa-
9 haran Africa.

10 “(b) OTHER COUNTRIES.—No duty-free treatment
11 provided under this title shall remain in effect after May
12 31, 1997, with respect to beneficiary developing countries
13 other than those provided for in subsection (a).”.

14 (d) DEFINITION.—Section 507 of the Trade Act of
15 1974 (19 U.S.C. 2467) is amended by adding at the end
16 the following:

17 “(6) ELIGIBLE COUNTRY IN SUB-SAHARAN AF-
18 RICA.—The terms ‘eligible country in sub-Saharan
19 Africa’ and ‘eligible countries in sub-Saharan Africa’
20 means a country or countries that the President has
21 determined to be eligible under section 4 of the Afri-
22 can Growth and Opportunity Act.”.

1 **SEC. 10. INTERNATIONAL FINANCIAL INSTITUTIONS AND**
2 **DEBT REDUCTION.**

3 (a) INTERNATIONAL FINANCIAL INSTITUTIONS.—(1)

4 It is the sense of the Congress that international financial
5 institutions and improved application of programs such as
6 those of the International Development Association, the
7 African Development Bank, the African Development
8 Fund, and the Enhanced Structural Adjustment Facility
9 of the International Monetary Fund are vital to achieving
10 the purposes of this Act.

11 (2) The Congress supports the efforts of the executive
12 branch to encourage international financial institutions to
13 develop enhanced mechanisms for providing financing for
14 countries eligible under section 4, consistent with the pur-
15 poses of this Act.

16 (b) DEBT REDUCTION.—(1) It is the sense of the
17 Congress that the executive branch should extinguish
18 concessional debt owed to the United States by the poorest
19 countries in sub-Saharan Africa that are heavily indebted
20 and pursuing bold growth-oriented policies, and that the
21 executive branch should seek comparable action by other
22 creditors of such countries.

23 (2) The Congress supports the efforts of the executive
24 branch to secure agreement from international financial
25 institutions on maximum debt reduction for sub-Saharan

1 Africa as part of the multilateral initiative referred to as
2 the Heavily Indebted Poor Countries (HIPC) initiative.

3 (c) EXECUTIVE BRANCH INITIATIVES.—The Con-
4 gress supports and encourages the implementation of the
5 following initiatives of the executive branch:

6 (1) AMERICAN-AFRICAN BUSINESS PARTNER-
7 SHIP.—The Agency for International Development
8 devoting up to \$1,000,000 annually to help catalyze
9 relationships between United States firms and firms
10 in sub-Saharan Africa through a variety of business
11 associations and networks.

12 (2) TECHNICAL ASSISTANCE TO PROMOTE RE-
13 FORMS.—The Agency for International Development
14 providing up to \$5,000,000 annually in short-term
15 technical assistance programs to help the govern-
16 ments of sub-Saharan African countries to—

17 (A) liberalize trade and promote exports;

18 (B) bring their legal regimes into compli-
19 ance with the standards of the World Trade Or-
20 ganization in conjunction with membership in
21 that Organization; and

22 (C) make financial and fiscal reforms, as
23 well as the United States Department of Agri-
24 culture providing support to promote greater
25 agribusiness linkages.

1 (3) AGRICULTURAL MARKET LIBERALIZA-
2 TION.—The Agency for International Development
3 devoting up to \$15,000,000 annually as part of the
4 multi-year Africa Food Security Initiative to help
5 address such critical agricultural policy issues as
6 market liberalization, agricultural export develop-
7 ment, and agribusiness investment in processing and
8 transporting agricultural commodities.

9 (4) TRADE PROMOTION.—The Trade Develop-
10 ment Agency increasing the number of reverse trade
11 missions to growth-oriented countries in sub-Saha-
12 ran Africa.

13 (5) TRADE IN SERVICES.—Efforts by United
14 States embassies in the countries in sub-Saharan Af-
15 rica to encourage their host governments—

16 (A) to participate in the ongoing negotia-
17 tions on financial services in the World Trade
18 Organization;

19 (B) to revise their existing schedules to the
20 General Agreement on Trade in Services of the
21 World Trade Organization in light of the suc-
22 cessful conclusion of negotiations on basic tele-
23 communications services; and

24 (C) to make further commitments in their
25 schedules to the General Agreement on Trade

1 in Services in order to encourage the removal of
2 tariff and nontariff barriers and to foster com-
3 petition in the services sector in those countries.

4 **SEC. 11. SUB-SAHARAN AFRICA EQUITY AND INFRASTRUC-**
5 **TURE FUNDS.**

6 (a) INITIATION OF FUNDS.—It is the sense of the
7 Congress that the Overseas Private Investment Corpora-
8 tion should, within 12 months after the date of the enact-
9 ment of this Act, exercise the authorities it has to initiate
10 2 or more equity funds in support of projects in the coun-
11 tries in sub-Saharan Africa.

12 (b) STRUCTURE AND TYPES OF FUNDS.—

13 (1) STRUCTURE.—Each fund initiated under
14 subsection (a) should be structured as a partnership
15 managed by professional private sector fund man-
16 agers and monitored on a continuing basis by the
17 Corporation.

18 (2) CAPITALIZATION.—Each fund should be
19 capitalized with a combination of private equity cap-
20 ital, which is not guaranteed by the Corporation,
21 and debt for which the Corporation provides guaran-
22 ties.

23 (3) TYPES OF FUNDS.—

24 (A) EQUITY FUND FOR SUB-SAHARAN AF-
25 RICA.—One of the funds should be an equity

1 fund, with assets of up to \$150,000,000, the
2 primary purpose of which is to achieve long-
3 term capital appreciation through equity invest-
4 ments in support of projects in countries in
5 sub-Saharan Africa.

6 (B) INFRASTRUCTURE FUND.—One or
7 more of the funds, with combined assets of up
8 to \$500,000,000, should be used in support of
9 infrastructure projects in countries of sub-Saha-
10 ran Africa. The primary purpose of any such
11 fund would be to achieve long-term capital ap-
12 preciation through investing in financing for in-
13 frastructure projects in sub-Saharan Africa, in-
14 cluding for the expansion of businesses in sub-
15 Saharan Africa, restructurings, management
16 buyouts and buyins, businesses with local own-
17 ership, and privatizations.

18 (4) EMPHASIS.—The Corporation shall ensure
19 that the funds are used to provide support in par-
20 ticular to women entrepreneurs and to innovative in-
21 vestments that expand opportunities for women and
22 maximize employment opportunities for poor individ-
23 uals.

1 **SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION**
2 **AND EXPORT-IMPORT BANK INITIATIVES.**

3 (a) OVERSEAS PRIVATE INVESTMENT CORPORA-
4 TION.—

5 (1) BOARD OF DIRECTORS TO INCLUDE MEM-
6 BER WITH PRIVATE SECTOR EXPERIENCE IN SUB-SA-
7 HARAN AFRICA.—Section 233(b) of the Foreign As-
8 sistance Act of 1961 (22 U.S.C. 2193(b)) is amend-
9 ed in the first paragraph by inserting after the
10 fourth sentence the following: “At least one of the
11 eight Directors appointed under the third sentence
12 shall have extensive private sector experience in sub-
13 Saharan Africa.”.

14 (2) ADVISORY BOARD.—

15 (A) IN GENERAL.—Section 233 of the For-
16 eign Assistance Act of 1961 is amended by add-
17 ing at the end the following:

18 “(e) ADVISORY BOARD.—The Board shall take
19 prompt measures to increase the loan, guarantee, and in-
20 surance programs, and financial commitments, of the Cor-
21 poration in sub-Saharan Africa, including through the es-
22 tablishment and use of an advisory committee to assist
23 the Board in developing and implementing policies, pro-
24 grams, and financial instruments designed to support the
25 expansion of, and increase in, the provision of loans, guar-
26 antees, and insurance with respect to sub-Saharan Africa.

1 In addition, the advisory board shall make recommenda-
2 tions to the Board on how the Corporation can facilitate
3 greater support by the United States for trade and invest-
4 ment with and in sub-Saharan Africa.”.

5 (B) REPORTS TO THE CONGRESS.—Within
6 6 months after the date of the enactment of
7 this Act, and annually for each of the 4 years
8 thereafter, the Board of Directors of the Over-
9 seas Private Investment Corporation shall sub-
10 mit to the Congress a report on the steps that
11 the Board has taken to implement section
12 233(e) of the Foreign Assistance Act of 1961
13 and any recommendations of the advisory board
14 established pursuant to such section.

15 (b) EXPORT-IMPORT BANK.—

16 (1) BOARD OF DIRECTORS TO INCLUDE MEM-
17 BER WITH PRIVATE SECTOR EXPERIENCE IN SUB-SA-
18 HARAN AFRICA.—Section 3(c)(8)(B) of the Export-
19 Import Bank Act of 1945 (12 U.S.C. 635a(c)(8)(B))
20 is amended by inserting “, and one such member
21 shall be selected from among persons who have ex-
22 tensive private sector experience in sub-Saharan Af-
23 rica” before the period.

24 (2) ADVISORY BOARD.—

1 (A) IN GENERAL.—Section 3 of such Act
2 (12 U.S.C. 635a) is amended by adding at the
3 end the following:

4 “(f) The Board of Directors shall take prompt meas-
5 ures to increase the loan, guarantee, and insurance pro-
6 grams, and financial commitments, of the Bank in sub-
7 Saharan Africa, including through the establishment and
8 use of an advisory committee to assist the Board of Direc-
9 tors in developing and implementing policies, programs,
10 and financial instruments designed to support the expan-
11 sion of, and increase in, the provision of loans, guarantees,
12 and insurance with respect to sub-Saharan Africa. In ad-
13 dition, the advisory board shall make recommendations to
14 the Board of Directors on how the Bank can facilitate
15 greater support by United States commercial banks for
16 trade and investment with and in sub-Saharan Africa.”.

17 (B) REPORTS TO THE CONGRESS.—Within
18 6 months after the date of the enactment of
19 this Act, and annually for each of the 4 years
20 thereafter, the Board of Directors of the Ex-
21 port-Import Bank shall submit to the Congress
22 a report on the steps that the Board has taken
23 to implement section 3(f) of the Export-Import
24 Bank Act of 1945 and any recommendations of

1 the advisory board established pursuant to such
2 section.

3 **SEC. 13. ESTABLISHMENT OF ASSISTANT UNITED STATES**
4 **TRADE REPRESENTATIVE FOR SUB-SAHARAN**
5 **AFRICA.**

6 (a) ESTABLISHMENT.—The President shall establish
7 a position of Assistant United States Trade Representa-
8 tive within the Office of the United States Trade Rep-
9 resentative to focus on trade issues relating to sub-Saha-
10 ran Africa.

11 (b) FUNDING AND STAFF.—The President shall en-
12 sure that the Assistant United States Trade Representa-
13 tive appointed pursuant to paragraph (1) has adequate
14 funding and staff to carry out the duties described in
15 paragraph (1).

16 **SEC. 14. REPORTING REQUIREMENT.**

17 The President shall submit to the Congress, not later
18 than 1 year after the date of the enactment of this Act,
19 and not later than the end of each of the next 4 1-year
20 periods thereafter, a report on the implementation of this
21 Act.

22 **SEC. 15. SUB-SAHARAN AFRICA DEFINED.**

23 For purposes of this Act, the terms “sub-Saharan Af-
24 rica”, “sub-Saharan African country”, “country in sub-

1 Saharan Africa”, and “countries in sub-Saharan Africa”

2 refer to the following:

3 Republic of Angola (Angola)

4 Republic of Botswana (Botswana)

5 Republic of Burundi (Burundi)

6 Republic of Cape Verde (Cape Verde)

7 Republic of Chad (Chad)

8 Republic of the Congo (Congo)

9 Republic of Djibouti (Djibouti)

10 State of Eritrea (Eritrea)

11 Gabonese Republic (Gabon)

12 Republic of Ghana (Ghana)

13 Republic of Guinea-Bissau (Guinea-Bissau)

14 Kingdom of Lesotho (Lesotho)

15 Republic of Madagascar (Madagascar)

16 Republic of Mali (Mali)

17 Republic of Mauritius (Mauritius)

18 Republic of Namibia (Namibia)

19 Federal Republic of Nigeria (Nigeria)

20 Democratic Republic of Sao Tomé and Principe

21 (Sao Tomé and Principe)

22 Republic of Sierra Leone (Sierra Leone)

23 Somalia

24 Kingdom of Swaziland (Swaziland)

25 Republic of Togo (Togo)

- 1 Republic of Zaire (Zaire)
- 2 Republic of Zimbabwe (Zimbabwe)
- 3 Republic of Benin (Benin)
- 4 Burkina Faso (Burkina)
- 5 Republic of Cameroon (Cameroon)
- 6 Central African Republic
- 7 Federal Islamic Republic of the Comoros
- 8 (Comoros)
- 9 Republic of Côte d'Ivoire (Côte d'Ivoire)
- 10 Republic of Equatorial Guinea (Equatorial
- 11 Guinea)
- 12 Ethiopia
- 13 Republic of the Gambia (Gambia)
- 14 Republic of Guinea (Guinea)
- 15 Republic of Kenya (Kenya)
- 16 Republic of Liberia (Liberia)
- 17 Republic of Malawi (Malawi)
- 18 Islamic Republic of Mauritania (Mauritania)
- 19 Republic of Mozambique (Mozambique)
- 20 Republic of Niger (Niger)
- 21 Republic of Rwanda (Rwanda)
- 22 Republic of Senegal (Senegal)
- 23 Republic of Seychelles (Seychelles)
- 24 Republic of South Africa (South Africa)
- 25 Republic of Sudan (Sudan)

- 1 United Republic of Tanzania (Tanzania)
- 2 Republic of Uganda (Uganda)
- 3 Republic of Zambia (Zambia)

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