

106TH CONGRESS  
1ST SESSION

# S. 1636

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

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24, 1999

Mr. FEINGOLD introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To authorize a new trade, investment, and development 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 “HOPE for Africa Act  
5       of 1999”.

6       **SEC. 2. TABLE OF CONTENTS.**

7       The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Findings.
- Sec. 4. Declarations of policy.
- Sec. 5. Sense of Congress.
- Sec. 6. Sub-Saharan Africa defined.

## TITLE I—CANCELLATION OF DEBT OWED BY SUB-SAHARAN AFRICAN COUNTRIES

- Sec. 101. Cancellation of debt owed to the United States Government by sub-Saharan African countries.
- Sec. 102. Advocacy of cancellation of debt owed to foreign governments by sub-Saharan African countries.
- Sec. 103. Report to Congress on plan of advocacy for the cancellation of debt owed to the International Monetary Fund and the International Bank for Reconstruction and development by sub-Saharan African countries.
- Sec. 104. Report on the cancellation of debt owed to United States lenders by sub-Saharan African countries.
- Sec. 105. Study on repayment of debt in local currencies by sub-Saharan African countries.
- Sec. 106. Sense of Congress relating to the allocation of savings from debt relief of sub-Saharan African countries for basic services.
- Sec. 107. Sense of Congress relating to level of interim debt payments prior to full debt cancellation by sub-Saharan African countries.

## TITLE II—TRADE PROVISIONS RELATING TO SUB-SAHARAN AFRICA

- Sec. 201. Encouraging mutually beneficial trade and investment.
- Sec. 202. Generalized system of preferences.
- Sec. 203. Additional enforcement.

## TITLE III—DEVELOPMENT ASSISTANCE FOR SUB-SAHARAN AFRICAN COUNTRIES

- Sec. 301. Findings.
- Sec. 302. Private and voluntary organizations.
- Sec. 303. Types of assistance.
- Sec. 304. Critical sectoral priorities.
- Sec. 305. Reporting requirements.
- Sec. 306. Separate account for Development Fund for Africa.

## TITLE IV—SUB-SAHARAN AFRICA EQUITY AND INFRASTRUCTURE FUNDS

- Sec. 401. Sub-Saharan Africa equity and infrastructure funds.

## TITLE V—OVERSEAS PRIVATE INVESTMENT CORPORATION AND EXPORT-IMPORT BANK INITIATIVES

- Sec. 501. Overseas private investment corporation initiatives.
- Sec. 502. Export-Import Bank initiative.

## TITLE VI—MISCELLANEOUS PROVISIONS

- Sec. 601. Anticorruption efforts.
- Sec. 602. Requirements relating to sub-Saharan African intellectual property and competition law.
- Sec. 603. Expansion of the United States and foreign commercial service in sub-Saharan Africa.

## TITLE VII—OFFSET

Sec. 701. Private sector funding for research and development by NASA relating to aircraft performance.

1 **SEC. 3. FINDINGS.**

2 Congress finds the following:

3 (1) It is in the mutual interest of the United  
4 States and the countries of sub-Saharan Africa to  
5 promote broad-based economic development and equitable trade and investment policies in sub-Saharan  
6 Africa.  
7

8 (2) Many sub-Saharan African countries have  
9 made notable progress toward democratization in recent years.  
10

11 (3) Despite the enormous political and economic  
12 potential in Africa, Africa has the largest number of  
13 the poorest countries in the world, with an average  
14 per capita income of less than \$500 annually. Thirty-three of the 41 highly indebted poor countries  
15 (HIPC) are located in sub-Saharan Africa.  
16

17 (4) A plan for sustainable, equitable development for, and trade with, Africa must recognize the  
18 different levels of development that exist between  
19 countries and among different sectors within each  
20 country.  
21

22 (5) Sub-Saharan Africa is inordinately burdened by \$230,000,000,000 in bilateral and multi-  
23 lateral debt whose service requirements—  
24

1 (A) now take over 20 percent of the export  
2 earnings of the sub-Saharan African region, ex-  
3 cluding South Africa; and

4 (B) constitute a serious impediment to the  
5 development of stable democratic political struc-  
6 tures, broad-based economic growth, poverty  
7 eradication, and food security.

8 (6) The United Nations Declaration of Human  
9 Rights guarantees the right to food, shelter, health  
10 care, education, and a sustainable livelihood, as well  
11 as rights to political freedoms.

12 (7)(A) The key principles guiding any United  
13 States economic policy toward sub-Saharan Africa  
14 should include those repeatedly identified by African  
15 governments, including the priorities laid out in the  
16 “Lagos Plan” developed by the finance ministers of  
17 the sub-Saharan African countries in coordination  
18 with the Organization for African Unity.

19 (B) The overriding priority expressed in the  
20 “Lagos Plan” is freedom for each African country to  
21 self-determine the economic policies that—

22 (i) suit the needs and development of their  
23 people;

24 (ii) help achieve food self-sufficiency and  
25 security; and

1 (iii) provide broad access to potable water,  
2 shelter, primary health care, education, and af-  
3 fordable transport.

4 (8) Fair trade and mutually beneficial invest-  
5 ment can be important tools for broad-based eco-  
6 nomic development.

7 **SEC. 4. DECLARATIONS OF POLICY.**

8 Congress makes the following declarations:

9 (1) Economic relations between sub-Saharan  
10 Africa and the United States must be oriented to-  
11 ward benefiting the majority of the people of sub-Sa-  
12 haran Africa and of the United States.

13 (2) Congress endorses the goals stated in the  
14 Lagos Plan developed by sub-Saharan African Fi-  
15 nance Ministers in cooperation with the Organiza-  
16 tion for African Unity.

17 (3) In developing new economic relations with  
18 sub-Saharan Africa, the United States should pur-  
19 sue the following:

20 (A) Strengthening and diversifying the eco-  
21 nomic production capacity of sub-Saharan Afri-  
22 ca.

23 (B) Improving the level of people's incomes  
24 and the pattern of distribution in sub-Saharan  
25 Africa.

1 (C) Adjusting the pattern of public expend-  
2 itures to satisfy people's essential needs in sub-  
3 Saharan Africa.

4 (D) Providing institutional support for  
5 transition to functioning market economies in  
6 sub-Saharan Africa through debt relief.

7 (E) Supporting environmentally sustain-  
8 able development in sub-Saharan Africa.

9 (F) Promoting democracy, human rights,  
10 and the strength of civil society in sub-Saharan  
11 Africa.

12 (G) Assisting sub-Saharan African coun-  
13 tries in efforts to make safe and efficacious  
14 pharmaceuticals and medical technologies as  
15 widely available to their populations as possible.

16 **SEC. 5. SENSE OF CONGRESS.**

17 It is the sense of Congress that—

18 (1) for the majority of people in sub-Saharan  
19 Africa to be able to benefit from new trade, invest-  
20 ment, and other economic opportunities provided by  
21 this Act, and the amendments made by this Act, the  
22 pre-existing burden of external debt of sub-Saharan  
23 African countries must be eliminated; and

24 (2) only significant debt relief will allow oper-  
25 ation of local credit markets and eliminate distor-

1        tions currently hindering development in sub-Saha-  
 2        ran Africa.

3    **SEC. 6. SUB-SAHARAN AFRICA DEFINED.**

4        In this Act, the terms “sub-Saharan Africa”, “sub-  
 5    Saharan African country”, “country in sub-Saharan Afri-  
 6    ca”, “sub-Saharan African countries”, and “countries in  
 7    sub-Saharan Africa” refer to the following:

8            Republic of Angola (Angola)  
 9            Republic of Benin (Benin)  
 10          Republic of Botswana (Botswana)  
 11          Burkina Faso (Burkina)  
 12          Republic of Burundi (Burundi)  
 13          Republic of Cameroon (Cameroon)  
 14          Republic of Cape Verde (Cape Verde)  
 15          Central African Republic  
 16          Republic of Chad (Chad)  
 17          Federal Islamic Republic of the Comorors  
 18          (Comoros)  
 19          Democratic Republic of Congo (DROC)  
 20          Republic of the Congo (Congo)  
 21          Republic of Côte d’Ivoire (Côte d’Ivoire)  
 22          Republic of Djibouti (Djibouti)  
 23          Republic of Equatorial Guinea (Equatorial  
 24          Guinea)  
 25          Ethiopia

- 1 State of Eritrea (Eritrea)
- 2 Gabonese Republic (Gabon)
- 3 Republic of the Gambia (Gambia)
- 4 Republic of Ghana (Ghana)
- 5 Republic of Guinea (Guinea)
- 6 Republic of Guinea-Bissau (Guinea-Bissau)
- 7 Republic of Kenya (Kenya)
- 8 Kingdom of Lesotho (Lesotho)
- 9 Republic of Liberia (Liberia)
- 10 Republic of Madagascar (Madagascar)
- 11 Republic of Malawi (Malawi)
- 12 Republic of Mali (Mali)
- 13 Islamic Republic of Mauritania (Mauritania)
- 14 Republic of Mauritius (Mauritius)
- 15 Republic of Mozambique (Mozambique)
- 16 Republic of Namibia (Namibia)
- 17 Republic of Niger (Niger)
- 18 Federal Republic of Nigeria (Nigeria)
- 19 Republic of Rwanda (Rwanda)
- 20 Democratic Republic of Sao Tome and Principe
- 21 (Sao Tome and Principe)
- 22 Republic of Senegal (Senegal)
- 23 Republic of Seychelles (Seychelles)
- 24 Republic of Sierra Leone (Sierra Leone)
- 25 Somalia



1 Republic of South Africa (South Africa)

2 Republic of Sudan (Sudan)

3 Kingdom of Swaziland (Swaziland)

4 United Republic of Tanzania (Tanzania)

5 Republic of Togo (Togo)

6 Republic of Uganda (Uganda)

7 Republic of Zambia (Zambia)

8 Republic of Zimbabwe (Zimbabwe)

9 **TITLE I—CANCELLATION OF**  
10 **DEBT OWED BY SUB-SAHARAN**  
11 **AFRICAN COUNTRIES**

12 **SEC. 101. CANCELLATION OF DEBT OWED TO THE UNITED**  
13 **STATES GOVERNMENT BY SUB-SAHARAN AF-**  
14 **RICAN COUNTRIES.**

15 The Foreign Assistance Act of 1961 (22 U.S.C. 2151  
16 et seq.) is amended by adding at the end the following:

17 **“PART VI—CANCELLATION OF DEBT OWED TO**  
18 **THE UNITED STATES BY SUB-SAHARAN AFRI-**  
19 **CAN COUNTRIES**

20 **“SEC. 901. CANCELLATION OF DEBT.**

21 **“(a) IN GENERAL.—**

22 **“(1) IN GENERAL.—**Except as provided in para-  
23 graph (2), the President shall cancel all amounts  
24 owed to the United States (or any agency of the  
25 United States) by sub-Saharan African countries de-

1       fined in section 6 of HOPE for Africa Act of 1999  
2       resulting from—

3               “(A) concessional loans made or credits ex-  
4               tended under any provision of law, including the  
5               provisions of law described in subsection (b)(1);  
6               and

7               “(B) nonconcessional loans made, guaran-  
8               tees issued, or credits extended under any pro-  
9               vision of law, including the provisions of law de-  
10              scribed in subsection (b)(2).

11              “(2) EXCEPTION.—The provisions of paragraph  
12              (1) relating to cancellation of debt shall not apply to  
13              any sub-Saharan country if the government of the  
14              country—

15              “(A) (including its military or other secu-  
16              rity forces) engages in a pattern of significant  
17              violations of internationally recognized human  
18              rights;

19              “(B) has an excessive level of military ex-  
20              penditures;

21              “(C) has repeatedly provided support for  
22              acts of international terrorism, as determined  
23              by the Secretary of State under section 6(j)(1)  
24              of the Export Administration Act of 1979 (50  
25              U.S.C. app. 2405(j)(1)) or section 620A(a) of

1 the Foreign Assistance Act of 1961 (22 U.S.C.  
2 2371(a)); or

3 “(D) is failing to cooperate on inter-  
4 national narcotics control matters.

5 “(3) CERTIFICATION BY PRESIDENT.—The  
6 President shall certify to Congress that any country  
7 with respect to which debt is canceled under this  
8 subsection is not engaged in an activity described in  
9 paragraph (2).

10 “(b) PROVISIONS OF LAW.—

11 “(1) CONCESSIONAL PROVISIONS OF LAW.—The  
12 provisions of law described in this paragraph are the  
13 following:

14 “(A) Part I of this Act, chapter 4 of part  
15 II of this Act, or predecessor foreign economic  
16 assistance legislation.

17 “(B) Title I of the Agricultural Trade De-  
18 velopment and Assistance Act of 1954 (7  
19 U.S.C. 1701 et seq.).

20 “(2) NONCONCESSIONAL PROVISIONS OF  
21 LAW.—The provisions of law described in this para-  
22 graph are the following:

23 “(A) Sections 221 and 222 of this Act.

24 “(B) The Arms Export Control Act (22  
25 U.S.C. 2751 et seq.).

1                   “(C) Section 5(f) of the Commodity Credit  
2                   Corporation Charter Act.

3                   “(D) Sections 201 and 202 of the Agricul-  
4                   tural Trade Act of 1978 (7 U.S.C. 5621 and  
5                   5622).

6                   “(E) The Export-Import Bank Act of  
7                   1945 (12 U.S.C. 635 et seq.).

8                   “(c) TERMINATION OF AUTHORITY.—The authority  
9                   to cancel debt under this section shall terminate on Sep-  
10                  tember 30, 2002.

11                  **“SEC. 902. ADDITIONAL REQUIREMENTS.**

12                  “(a) REDUCTION OF DEBT NOT CONSIDERED TO BE  
13                  ASSISTANCE.—A reduction of debt under section 901 shall  
14                  not be considered to be assistance for purposes of any pro-  
15                  vision of law limiting assistance to a country.

16                  “(b) INAPPLICABILITY OF CERTAIN PROHIBITIONS  
17                  RELATING TO REDUCTION OF DEBT.—The authority to  
18                  provide for reduction of debt under section 901 may be  
19                  exercised notwithstanding section 620(r) of this Act.

20                  **“SEC. 903. REPORTS TO CONGRESS.**

21                  “(a) IN GENERAL.—Not later than December 31,  
22                  1999, and December 31 of each of the next 3 years, the  
23                  President shall prepare and transmit to the appropriate  
24                  congressional committees an annual report concerning the

1 cancellation of debt under section 901 for the prior fiscal  
2 year.

3 “(b) DEFINITION.—In this section, the term ‘appro-  
4 priate congressional committees’ means—

5 “(1) the Committee on Banking and Financial  
6 Services and the Committee on International Rela-  
7 tions of the House of Representatives; and

8 “(2) the Committee on Foreign Relations and  
9 the Committee on Banking, Housing, and Urban Af-  
10 fairs of the Senate.

11 **“SEC. 904. AUTHORIZATION OF APPROPRIATIONS.**

12 “For the cost (as defined in section 502(5) of the  
13 Federal Credit Reform Act of 1990) for the cancellation  
14 of debt under section 901, there are authorized to be ap-  
15 propriated to the President such sums as may be nec-  
16 essary for each of the fiscal years 2000 through 2002.”.

17 **SEC. 102. ADVOCACY OF CANCELLATION OF DEBT OWED TO**  
18 **FOREIGN GOVERNMENTS BY SUB-SAHARAN**  
19 **AFRICAN COUNTRIES.**

20 (a) ADVOCACY OF CANCELLATION OF DEBT.—The  
21 Secretary of State shall provide written notification to  
22 each foreign government that has outstanding loans, guar-  
23 antees, or credits to the government of a sub-Saharan Af-  
24 rican country (qualifying under section 901(a) of the For-  
25 eign Assistance Act of 1961, as added by this Act) that

1 it is the policy of the United States to fully and uncondi-  
2 tionally cancel all debts owed by each such sub-Saharan  
3 African country to the United States. In addition, the Sec-  
4 retary shall urge in writing each such foreign government  
5 to follow the example of the United States and fully and  
6 unconditionally cancel all debts owed by sub-Saharan Afri-  
7 can countries to each such foreign government.

8 (b) REPORT.—Not later than 9 months after the date  
9 of enactment of this Act, the Secretary of State shall pre-  
10 pare and submit to Congress a report containing—

11 (1) a description of each written notification  
12 provided to a foreign government under subsection

13 (a);

14 (2) a description of the response of each foreign  
15 government to the notification; and

16 (3) a description of the amount (if any) owed  
17 to the United States by any foreign government op-  
18 posing the United States policy advocated pursuant  
19 to subsection (a).

1 **SEC. 103. REPORT TO CONGRESS ON PLAN OF ADVOCACY**  
2 **FOR THE CANCELLATION OF DEBT OWED TO**  
3 **THE INTERNATIONAL MONETARY FUND AND**  
4 **THE INTERNATIONAL BANK FOR RECON-**  
5 **STRUCTION AND DEVELOPMENT BY SUB-SA-**  
6 **HARAN AFRICAN COUNTRIES.**

7 (a) IN GENERAL.—Not later than January 1, 2000,  
8 the Secretary of the Treasury shall submit to Congress  
9 a plan to advocate the cancellation of debt owed to the  
10 International Monetary Fund and the International Bank  
11 for Reconstruction and Development by sub-Saharan Afri-  
12 can countries and report on its implementation. The plan  
13 shall include proposed instructions to the United States  
14 Executive Directors of the International Monetary Fund  
15 and the International Bank for Reconstruction and Devel-  
16 opment to use the voice, vote, and influence of the United  
17 States to advocate that their respective institutions—

18 (1) fully and unconditionally cancel all debts  
19 owed by any country in sub-Saharan Africa to such  
20 institution;

21 (2) encourage each country that benefits from  
22 such debt cancellation to allocate 20 percent of the  
23 national budget of the country, including savings  
24 from such debt cancellation, to basic services, as the  
25 country has committed to do under the United Na-

1        tions 20/20 Initiative, with appropriate input from  
2        civil society in developing basic service plans; and

3            (3) provide that until all debts owed to such in-  
4        stitution have been fully and unconditionally can-  
5        celed, such institution not be party to, and that no  
6        future loan from such institution be used to finance  
7        in whole or part the implementation of, any agree-  
8        ment which requires the government of any such  
9        country, during any 12-month period beginning on  
10      the date of enactment of this section to pay an  
11      amount exceeding 5 percent of the annual export  
12      earnings of the country toward the servicing of for-  
13      eign loans.

14      (b) DIRECTIONS TO EXECUTIVE DIRECTORS.—The  
15      Executive Directors of the International Monetary Fund  
16      and the International Bank for Reconstruction and Devel-  
17      opment shall carry out the instructions described in sub-  
18      section (a) by all appropriate means, including sending  
19      written notice to the governing bodies of members, and  
20      by requesting formal votes on the matters described in  
21      subsection (a).



1 **SEC. 104. REPORT ON THE CANCELLATION OF DEBT OWED**  
 2 **TO UNITED STATES LENDERS BY SUB-SAHA-**  
 3 **RAN AFRICAN COUNTRIES.**

4 Not later than January 1, 2000, the Secretary of the  
 5 Treasury shall submit to the Congress a report on the  
 6 amount of debt owed to any United States person by any  
 7 country in sub-Saharan Africa. The report shall specify  
 8 the amount owed to each such person by each country,  
 9 the face value and market value of the debt, and the  
 10 amount of interest paid to date on the debt. The report  
 11 shall also include a plan to acquire each debt obligation  
 12 owed to any United States person by any country in sub-  
 13 Saharan Africa at the market value of the debt obligation  
 14 as of January 1, 1999.

15 **SEC. 105. STUDY ON REPAYMENT OF DEBT IN LOCAL CUR-**  
 16 **RENCIES BY SUB-SAHARAN AFRICAN COUN-**  
 17 **TRIES.**

18 Section 603 of the Foreign Operations, Export Fi-  
 19 nancing, and Related Programs Appropriations Act, 1999  
 20 (as contained in section 101(d) of division A of the Omni-  
 21 bus Consolidated and Emergency Supplemental Appro-  
 22 priations Act, 1999) is amended—

23 (1) in subsection (e)—

24 (A) by striking “and” at the end of para-  
 25 graph (3);

1 (B) by redesignating paragraph (4) as  
2 paragraph (5); and

3 (C) by inserting after paragraph (3) the  
4 following:

5 “(4) the viability and desirability of having each  
6 indebted country in sub-Saharan Africa (as defined  
7 in section 6 of the HOPE for Africa Act of 1999)  
8 repay foreign loans made to the country (whether  
9 made bilaterally, multilaterally, or privately) in the  
10 currency of the indebted country; and”;

11 (2) in subsection (g), by adding at the end the  
12 following:

13 “(6) The matters described in subsection  
14 (e)(4).”.

15 **SEC. 106. SENSE OF CONGRESS RELATING TO THE ALLOCA-**  
16 **TION OF SAVINGS FROM DEBT RELIEF OF**  
17 **SUB-SAHARAN AFRICAN COUNTRIES FOR**  
18 **BASIC SERVICES.**

19 It is the sense of Congress that the government of  
20 each sub-Saharan African country should allocate 20 per-  
21 cent of its national budget, including the savings from the  
22 cancellation of debt owed by the country to—

23 (1) the United States (pursuant to part VI of  
24 the Foreign Assistance Act of 1961, as added by  
25 section 101 of this Act);

1           (2) other foreign countries (pursuant to section  
2       103 of this Act);

3           (3) the International Monetary Fund and the  
4       International Bank for Reconstruction and Develop-  
5       ment (pursuant to section 104 of this Act); and

6           (4) United States persons (pursuant to section  
7       106 of this Act);

8       for the provision of basic services to individuals in each  
9       such country, as provided for in the United Nations 20/  
10   20 Initiative. In providing such basic services, each gov-  
11   ernment should seek input from appropriate nongovern-  
12   mental organizations.

13   **SEC. 107. SENSE OF CONGRESS RELATING TO LEVEL OF IN-**  
14                   **TERIM DEBT PAYMENTS PRIOR TO FULL**  
15                   **DEBT CANCELLATION BY SUB-SAHARAN AFRI-**  
16                   **CAN COUNTRIES.**

17       It is the sense of Congress that, prior to the full and  
18   unconditional cancellation of all debts owed by sub-Saha-  
19   ran African countries to the United States (pursuant to  
20   part VI of the Foreign Assistance Act of 1961, as added  
21   by section 101 of this Act), to other foreign countries, and  
22   to United States persons, each sub-Saharan African coun-  
23   try should not, in making debt payments described in this  
24   title, pay in any calendar year an aggregate amount great-

1 er than an amount equal to 5 percent of the export earn-  
2 ings of the country for the preceding calendar year.

3 **TITLE II—TRADE PROVISIONS**  
4 **RELATING TO SUB-SAHARAN**  
5 **AFRICA**

6 **SEC. 201. ENCOURAGING MUTUALLY BENEFICIAL TRADE**  
7 **AND INVESTMENT.**

8 (a) FINDINGS.—Congress makes the following find-  
9 ings:

10 (1) A mutually beneficial United States Sub-Sa-  
11 haran Africa trade policy will grant new access to  
12 the United States market for a broad range of goods  
13 produced in Africa, by Africans, and include safe-  
14 guards to ensure that the corporations manufac-  
15 turing these goods (or the product or manufacture  
16 of the oil or mineral extraction industry) respect the  
17 rights of their employees and the local environment.  
18 Such trade opportunities will promote equitable eco-  
19 nomic development and thus increase demand in Af-  
20 rican countries for United States goods and service  
21 exports.

22 (2) Recognizing that the global system of textile  
23 and apparel quotas under the MultiFiber Arrange-  
24 ment will be phased out under the Uruguay Round  
25 Agreements over the next 5 years with the total ter-

1 mination of the quota system in 2005, the grant of  
2 additional access to the United States market in  
3 these sectors is a short-lived benefit.

4 (b) TREATMENT OF QUOTAS.—

5 (1) KENYA AND MAURITIUS.—Pursuant to the  
6 Agreement on Textiles and Clothing, the United  
7 States shall eliminate the existing quotas on textile  
8 and apparel imports to the United States from  
9 Kenya and Mauritius, respectively, not later than 30  
10 days after each country demonstrates the following:

11 (A) The country is not ineligible for bene-  
12 fits under section 502(b)(2) of the Trade Act of  
13 1974 (19 U.S.C. 2462(b)(2)).

14 (B) The country does not engage in signifi-  
15 cant violations of internationally recognized  
16 human rights and the Secretary of State agrees  
17 with this determination.

18 (C)(i) The country is providing for effec-  
19 tive enforcement of internationally recognized  
20 worker rights throughout the country (including  
21 in export processing zones) as determined under  
22 paragraph (5), including the core labor stand-  
23 ards enumerated in the appropriate treaties of  
24 the International Labor Organization, and  
25 including—

1 (I) the right of association;

2 (II) the right to organize and bargain  
3 collectively;

4 (III) a prohibition on the use of any  
5 form of coerced or compulsory labor;

6 (IV) the international minimum age  
7 for the employment of children (age 15);  
8 and

9 (V) acceptable conditions of work with  
10 respect to minimum wages, hours of work,  
11 and occupational safety and health.

12 (ii) The government of the country ensures  
13 that the Secretary of Labor, the head of the na-  
14 tional labor agency of the government of that  
15 country, and the head of the International Con-  
16 federation of Free Trade Unions-Africa Region  
17 Office (ICFTU-AFRO) each has access to all  
18 appropriate records and other information of all  
19 business enterprises in the country.

20 (D) The country is taking adequate meas-  
21 ures to prevent illegal transshipment of goods  
22 that is carried out by rerouting, false declara-  
23 tion concerning country of origin or place of or-  
24 igin, falsification of official documents, evasion  
25 of United States rules of origin for textile and

1 apparel goods, or any other means, in accord-  
2 ance with the requirements of subsection (d).

3 (E) The country is taking adequate meas-  
4 ures to prevent being used as a transit point for  
5 the shipment of goods in violation of the Agree-  
6 ment on Textiles and Clothing or any other ap-  
7 plicable textile agreement.

8 (F) The cost or value of the textile or ap-  
9 parel product produced in the country, or by  
10 companies in any 2 or more sub-Saharan Afri-  
11 can countries, plus the direct costs of proc-  
12 essing operations performed in the country or  
13 such countries, is not less than 60 percent of  
14 the appraised value of the product at the time  
15 it is entered into the customs territory of the  
16 United States.

17 (G) Not less than 90 percent of employees  
18 in business enterprises producing the textile  
19 and apparel goods are citizens of that country,  
20 or any 2 or more sub-Saharan African coun-  
21 tries.

22 (2) OTHER SUB-SAHARAN COUNTRIES.—The  
23 President shall continue the existing no quota policy  
24 for each other country in sub-Saharan Africa if the  
25 country is in compliance with the requirements ap-

1       plicable to Kenya and Mauritius under subpara-  
2       graphs (A) through (G) of paragraph (1).

3               (3) TECHNICAL ASSISTANCE.—The Customs  
4       Service shall provide the necessary technical assist-  
5       ance to sub-Saharan African countries in the devel-  
6       opment and implementation of adequate measures  
7       against the illegal transshipment of goods.

8               (4) OFFSETTING REDUCTION OF CHINESE  
9       QUOTA.—When the quota for textile and apparel  
10      products imported from Kenya or Mauritius is elimi-  
11      nated, the quota for textile and apparel products  
12      from the People’s Republic of China for each cal-  
13      endar year in each product category shall be reduced  
14      by the amount equal to the volume of all textile and  
15      apparel products in that product category imported  
16      from all sub-Saharan African countries into the  
17      United States in the preceding calendar year, plus 5  
18      percent of that amount.

19              (5) DETERMINATION OF COMPLIANCE WITH  
20      INTERNATIONALLY RECOGNIZED WORKER RIGHTS.—

21                      (A) DETERMINATION.—

22                              (i) IN GENERAL.—For purposes of  
23                              carrying out paragraph (1)(C), the Sec-  
24                              retary of Labor, in consultation with the  
25                              individuals described in clause (ii) and pur-



1           suant to the procedures described in clause  
2           (iii), shall determine whether or not each  
3           sub-Saharan African country is providing  
4           for effective enforcement of internationally  
5           recognized worker rights throughout the  
6           country (including in export processing  
7           zones).

8           (ii) INDIVIDUALS DESCRIBED.—The  
9           individuals described in this clause are the  
10          head of the national labor agency of the  
11          government of the sub-Saharan African  
12          country in question and the head of the  
13          International Confederation of Free Trade  
14          Unions-Africa Region Office (ICFTU-  
15          AFRO).

16          (iii) PUBLIC COMMENT.—Not later  
17          than 90 days before the Secretary of Labor  
18          makes a determination that a country is in  
19          compliance with the requirements of para-  
20          graph (1)(C), the Secretary shall publish  
21          notice in the Federal Register and an op-  
22          portunity for public comment. The Sec-  
23          retary shall take into consideration the  
24          comments received in making a determina-  
25          tion under such paragraph (1)(C).

1 (B) CONTINUING COMPLIANCE.—In the  
2 case of a country for which the Secretary of  
3 Labor has made an initial determination under  
4 subparagraph (A) that the country is in compli-  
5 ance with the requirements of paragraph  
6 (1)(C), the Secretary, in consultation with the  
7 individuals described in subparagraph (A),  
8 shall, not less than once every 3 years there-  
9 after, conduct a review and make a determina-  
10 tion with respect to that country to ensure con-  
11 tinuing compliance with the requirements of  
12 paragraph (1)(C). The Secretary shall submit  
13 the determination to Congress.

14 (C) REPORT.—Not later than 6 months  
15 after the date of enactment of this Act, and on  
16 an annual basis thereafter, the Secretary of  
17 Labor shall prepare and submit to Congress a  
18 report containing—

19 (i) a description of each determination  
20 made under this paragraph during the pre-  
21 ceding year;

22 (ii) a description of the position taken  
23 by each of the individuals described in sub-  
24 paragraph (A)(ii) with respect to each such  
25 determination; and

1 (iii) a report on the public comments  
2 received pursuant to subparagraph (A)(iii).

3 (6) REPORT.—Not later than March 31 of each  
4 year, the President shall publish in the Federal Reg-  
5 ister and submit to Congress a report on the growth  
6 in textiles and apparel imported into the United  
7 States from countries in sub-Saharan Africa in order  
8 to inform United States consumers, workers, and  
9 textile manufacturers about the effects of the no  
10 quota policy.

11 (c) TREATMENT OF TARIFFS.—The President shall  
12 provide an additional benefit of a 50 percent tariff reduc-  
13 tion for any textile and apparel product of a sub-Saharan  
14 African country that meets the requirements of subpara-  
15 graphs (A) through (G) of subsections (b)(1) and (d) and  
16 that is imported directly into the United States from such  
17 sub-Saharan African country if the business enterprise, or  
18 a subcontractor of the enterprise, producing the product  
19 is in compliance with the following:

20 (1) Citizens of 1 or more sub-Saharan African  
21 countries own not less than 51 percent of the busi-  
22 ness enterprise.

23 (2) If the business enterprise involves a joint-  
24 venture arrangement with, or related to as a sub-  
25 sidiary, trust, or subcontractor, a business enterprise

1 organized under the laws of the United States, the  
 2 European Union, Japan, or any other developed  
 3 country (or group of developed countries), or oper-  
 4 ating in such countries, the business enterprise com-  
 5 plies with the environmental standards that would  
 6 apply to a similar operation in the United States,  
 7 the European Union, Japan, or any other developed  
 8 country (or group of developed countries), as the  
 9 case may be.

10 (d) CUSTOMS PROCEDURES AND ENFORCEMENT.—

11 (1) OBLIGATIONS OF IMPORTERS AND PARTIES  
 12 ON WHOSE BEHALF APPAREL AND TEXTILES ARE  
 13 IMPORTED.—

14 (A) IN GENERAL.—Notwithstanding any  
 15 other provision of law, all imports to the United  
 16 States of textile and apparel goods pursuant to  
 17 this Act shall be accompanied by—

18 (i)(I) the name and address of the  
 19 manufacturer or producer of the goods,  
 20 and any other information with respect to  
 21 the manufacturer or producer that the  
 22 Customs Service may require; and

23 (II) if there is more than one manu-  
 24 facturer or producer, or if there is a con-  
 25 tractor or subcontractor of the manufac-

1 turer or producer with respect to the man-  
2 ufacture or production of the goods, the in-  
3 formation required under subclause (I)  
4 with respect to each such manufacturer,  
5 producer, contractor, or subcontractor, in-  
6 cluding a description of the process per-  
7 formed by each such entity;

8 (ii) a certification by the importer of  
9 record that the importer has exercised rea-  
10 sonable care to ascertain the true country  
11 of origin of the textile and apparel goods  
12 and the accuracy of all other information  
13 provided on the documentation accom-  
14 panying the imported goods, as well as a  
15 certification of the specific action taken by  
16 the importer to ensure reasonable care for  
17 purposes of this paragraph; and

18 (iii) a certification by the importer  
19 that the goods being entered do not violate  
20 applicable trademark, copyright, and pat-  
21 ent laws.

22 (B) LIABILITY.—The importer of record  
23 and the final retail seller of the merchandise  
24 shall be jointly liable for any material false

statement, act, or omission made with the intention or effect of—

(i) circumventing any quota that applies to the merchandise; or

(ii) avoiding any duty that would otherwise be applicable to the merchandise.

(2) OBLIGATIONS OF COUNTRIES TO TAKE ACTION AGAINST TRANSSHIPMENT AND CIRCUMVENTION.—The President shall ensure that any country in sub-Saharan Africa that intends to import textile and apparel goods into the United States—

(A) has in place adequate measures to guard against unlawful transshipment of textile and apparel goods and the use of counterfeit documents; and

(B) will cooperate fully with the United States to address and take action necessary to prevent circumvention of any provision of this section or of any agreement regulating trade in apparel and textiles between that country and the United States.

(3) STANDARDS OF PROOF.—

(A) FOR IMPORTERS AND RETAILERS.—

(i) IN GENERAL.—The United States Customs Service (in this Act referred to as

1 the “Customs Service”) shall seek imposi-  
2 tion of a penalty against an importer or re-  
3 tailer for a violation of any provision of  
4 this section if the Customs Service deter-  
5 mines, after appropriate investigation, that  
6 there is a substantial likelihood that the  
7 violation occurred.

8 (ii) USE OF BEST AVAILABLE INFOR-  
9 MATION.—If an importer or retailer fails to  
10 cooperate with the Customs Service in an  
11 investigation to determine if there has been  
12 a violation of any provision of this section,  
13 the Customs Service shall base its deter-  
14 mination on the best available information.

15 (B) FOR COUNTRIES.—

16 (i) IN GENERAL.—The President may  
17 determine that a country is not taking ade-  
18 quate measures to prevent illegal trans-  
19 shipment of goods or to prevent being used  
20 as a transit point for the shipment of  
21 goods in violation of this section if the  
22 Customs Service determines, after con-  
23 sultations with the country concerned, that  
24 there is a substantial likelihood that a vio-  
25 lation of this section occurred.

1 (ii) USE OF BEST AVAILABLE INFOR-  
2 MATION.—

3 (I) IN GENERAL.—If a country  
4 fails to cooperate with the Customs  
5 Service in an investigation to deter-  
6 mine if an illegal transshipment has  
7 occurred, the Customs Service shall  
8 base its determination on the best  
9 available information.

10 (II) EXAMPLES.—Actions indi-  
11 cating failure of a country to cooper-  
12 ate under subclause (I) include—

13 (aa) denying or unreason-  
14 ably delaying entry of officials of  
15 the Customs Service to inves-  
16 tigate violations of, or promote  
17 compliance with, this section or  
18 any textile agreement;

19 (bb) providing appropriate  
20 United States officials with inac-  
21 curate or incomplete information,  
22 including information required  
23 under the provisions of this sec-  
24 tion; and



1 (cc) denying appropriate  
 2 United States officials access to  
 3 information or documentation re-  
 4 lating to production capacity of,  
 5 and outward processing done by,  
 6 manufacturers, producers, con-  
 7 tractors, or subcontractors within  
 8 the country.

9 (4) PENALTIES.—

10 (A) FOR IMPORTERS AND RETAILERS.—

11 The penalty for a violation of any provision of  
 12 this section by an importer or retailer of textile  
 13 and apparel goods—

14 (i) for a first offense (except as pro-  
 15 vided in clause (iii)), shall be a civil pen-  
 16 alty in an amount equal to 200 percent of  
 17 the declared value of the merchandise, plus  
 18 forfeiture of the merchandise;

19 (ii) for a second offense (except as  
 20 provided in clause (iii)), shall be a civil  
 21 penalty in an amount equal to 400 percent  
 22 of the declared value of the merchandise,  
 23 plus forfeiture of the merchandise, and,  
 24 shall be punishable by a fine of not more

1 than \$100,000, imprisonment for not more  
2 than 1 year, or both; and

3 (iii) for a third or subsequent offense,  
4 or for a first or second offense if the viola-  
5 tion of the provision of this section is com-  
6 mitted knowingly and willingly, shall be  
7 punishable by a fine of not more than  
8 \$1,000,000, imprisonment for not more  
9 than 5 years, or both, and, in addition,  
10 shall result in forfeiture of the merchan-  
11 dise.

12 (B) FOR COUNTRIES.—If a country fails to  
13 undertake the measures or fails to cooperate as  
14 required by this section, the President shall im-  
15 pose a quota on textile and apparel goods im-  
16 ported from the country, based on the volume  
17 of such goods imported during the first 12 of  
18 the preceding 24 months, or shall impose a  
19 duty on the apparel or textile goods of the  
20 country, at a level designed to secure future co-  
21 operation.

22 (5) APPLICABILITY OF UNITED STATES LAWS  
23 AND PROCEDURES.—All provisions of the laws, regu-  
24 lations, and procedures of the United States relating  
25 to the denial of entry of articles or penalties against

1 individuals or entities for engaging in illegal trans-  
2 shipment, fraud, or other violations of the customs  
3 laws, shall apply to imports of textiles and apparel  
4 from sub-Saharan African countries, in addition to  
5 the specific provisions of this section.

6 (6) MONITORING AND REPORTS TO CON-  
7 GRESS.—Not later than March 31 of each year, the  
8 Customs Service shall monitor and the Commis-  
9 sioner of Customs shall submit to Congress a report  
10 on the measures taken by each country in sub-Saha-  
11 ran Africa that imports textiles or apparel goods  
12 into the United States—

13 (A) to prevent transshipment; and

14 (B) to prevent circumvention of this sec-  
15 tion or of any agreement regulating trade in  
16 textiles and apparel between that country and  
17 the United States.

18 (e) DEFINITION.—In this section, the term “Agree-  
19 ment on Textiles and Clothing” means the Agreement on  
20 Textiles and Clothing referred to in section 101(d)(4) of  
21 the Uruguay Round Agreements Act (19 U.S.C.  
22 3511(d)(4)).

1 **SEC. 202. GENERALIZED SYSTEM OF PREFERENCES.**

2 (a) PREFERENTIAL TARIFF TREATMENT FOR CER-  
 3 TAIN ARTICLES.—Section 503(a)(1) of the Trade Act of  
 4 1974 (19 U.S.C. 2463(a)(1)) is amended—

5 (1) by redesignating subparagraph (C) as sub-  
 6 paragraph (D); and

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

9 “(C) ELIGIBLE COUNTRIES IN SUB-SAHA-  
 10 RAN AFRICA.—

11 “(i) IN GENERAL.—(I) Subject to  
 12 clause (ii), the President may provide duty-  
 13 free treatment for any article described in  
 14 subclause (II) that is imported directly into  
 15 the United States from a sub-Saharan Af-  
 16 rican country.

17 “(II) ARTICLE DESCRIBED.—

18 “(aa) IN GENERAL.—An article  
 19 described in this subclause is an arti-  
 20 cle set forth in the most current Lome  
 21 Treaty product list, that is the  
 22 growth, product, or manufacture of a  
 23 sub-Saharan African country that is a  
 24 beneficiary developing country and  
 25 that is in compliance with the require-  
 26 ments of subsections (b) and (d) of

1 section 201 of the HOPE for Africa  
2 Act of 1999, with respect to such arti-  
3 cle, if, after receiving the advice of the  
4 International Trade Commission in  
5 accordance with subsection (e), the  
6 President determines that such article  
7 is not import-sensitive in the context  
8 of all articles imported from United  
9 States Trading partners. This sub-  
10 paragraph shall not affect the des-  
11 ignation of eligible articles under sub-  
12 paragraph (B).

13 “(bb) OTHER REQUIREMENTS.—

14 In addition to meeting the require-  
15 ments of division (aa), in the case of  
16 an article that is the product or man-  
17 ufacture of the oil or mineral extrac-  
18 tion industry, and the business enter-  
19 prise that produces or manufactures  
20 the article is involved in a joint-ven-  
21 ture arrangement with, or related to  
22 as a subsidiary, trust, or subcon-  
23 tractor, a business enterprise orga-  
24 nized under the laws of the United  
25 States, the European Union, Japan,

1 or any other developed country (or  
 2 group of developed countries), or oper-  
 3 ating in such countries, the business  
 4 enterprise complies with the environ-  
 5 mental standards that would apply to  
 6 a similar operation in the United  
 7 States, the European Union, Japan,  
 8 or any other developed country (or  
 9 group of developed countries), as the  
 10 case may be.

11 “(ii) RULE OF CONSTRUCTION.—For  
 12 purposes of clause (i), in applying subpara-  
 13 graphs (A) through (G) of section  
 14 201(b)(1) and section 201(d) of the Hope  
 15 for Africa Act of 1999, any reference to  
 16 textile and apparel goods or products shall  
 17 be deemed to refer to the article provided  
 18 duty-free treatment under clause (i).”.

19 (b) TERMINATION.—Title V of the Trade Act of 1974  
 20 is amended by inserting after section 505 the following  
 21 new section:

22 **“SEC. 505A. TERMINATION OF BENEFITS FOR SUB-SAHARAN**  
 23 **AFRICAN COUNTRIES.**

24 “No duty-free treatment provided under this title  
 25 shall remain in effect after September 30, 2006 in the case

1 of a beneficiary developing country that is a sub-Saharan  
2 African country.”.

3 (d) DEFINITIONS.—Section 507 of the Trade Act of  
4 1974 (19 U.S.C. 2467) is amended by adding at the end  
5 the following:

6 “(6) SUB-SAHARAN AFRICAN COUNTRY.—The  
7 terms ‘sub-Saharan African country’ and ‘sub-Saha-  
8 ran African countries’ mean a country or countries  
9 in sub-Saharan Africa, as defined in section 6 of the  
10 HOPE For Africa Act of 1999.

11 “(7) LOME TREATY PRODUCT LIST.—The term  
12 ‘Lome Treaty product list’ means the list of prod-  
13 ucts that may be granted duty-free access into the  
14 European Union according to the provisions of the  
15 fourth iteration of the Lome Covention between the  
16 European Union and the African-Caribbean and Pa-  
17 cific States (commonly referred to as ‘Lome IV’)  
18 signed on November 4, 1995.”.

19 (e) CLERICAL AMENDMENT.—The table of contents  
20 for title V of the Trade Act of 1974 is amended by insert-  
21 ing after the item relating to section 505 the following  
22 new item:

“505A. Termination of benefits for sub-Saharan African countries.”.

23 (f) EFFECTIVE DATE.—The amendments made by  
24 this section take effect on the date that is 30 days after  
25 the date enactment of this Act.

1 **SEC. 203. ADDITIONAL ENFORCEMENT.**

2 A citizen of the United States shall have a cause of  
3 action in the United States district court in the district  
4 in which the citizen resides or in any other appropriate  
5 district to seek compliance with the standards set forth  
6 under subparagraphs (A) through (G) of section  
7 201(b)(1), section 201(c), and section 201(d) of this Act  
8 with respect to any sub-Saharan African country, includ-  
9 ing a cause of action in an appropriate United States dis-  
10 trict court for other appropriate equitable relief. In addi-  
11 tion to any other relief sought in such an action, a citizen  
12 may seek three times the value of any damages caused  
13 by the failure of a country or company to comply. The  
14 amount of damages described in the preceding sentence  
15 shall be paid by the business enterprise (or business enter-  
16 prises) the operations or conduct of which is responsible  
17 for the failure to meet the standards set forth under sub-  
18 paragraphs (A) through (G) of section 201(b)(1), section  
19 201(c), and section 201(d) of this Act.

20 **TITLE III—DEVELOPMENT AS-**  
21 **SISTANCE FOR SUB-SAHARAN**  
22 **AFRICAN COUNTRIES**

23 **SEC. 301. FINDINGS.**

24 (a) IN GENERAL.—Congress makes the following  
25 findings:



1           (1) In addition to drought and famine, the  
 2           HIV/AIDS epidemic has caused countless deaths  
 3           and untold suffering among the people of sub-Saha-  
 4           ran Africa.

5           (2) The Food and Agricultural Organization es-  
 6           timates that 543,000,000 people, representing nearly  
 7           40 percent of the population of sub-Saharan Africa,  
 8           are chronically undernourished.

9           (b) AMENDMENT TO FOREIGN ASSISTANCE ACT OF  
 10          1961.—Section 496(a)(1) of the Foreign Assistance Act  
 11          of 1961 (22 U.S.C. 2293(a)(1)) is amended by striking  
 12          “drought and famine” and inserting “drought, famine,  
 13          and the HIV/AIDS epidemic”.

14       **SEC. 302. PRIVATE AND VOLUNTARY ORGANIZATIONS.**

15          Section 496(e) of the Foreign Assistance Act of 1961  
 16          (22 U.S.C. 2293(e)) is amended—

17               (1) by redesignating paragraph (2) as para-  
 18               graph (3); and

19               (2) by inserting after paragraph (1) the fol-  
 20               lowing:

21               “(2) CAPACITY BUILDING.—In addition to as-  
 22               sistance provided under subsection (h), the United  
 23               States Agency for International Development shall  
 24               provide capacity building assistance through  
 25               participatory planning to private and voluntary orga-

1       nizations that are involved in providing assistance  
2       for sub-Saharan Africa under this chapter.”.

3   **SEC. 303. TYPES OF ASSISTANCE.**

4       Section 496(h) of the Foreign Assistance Act of 1961  
5   (22 U.S.C. 2293(h)) is amended by adding at the end the  
6   following:

7               “(4) PROHIBITION ON MILITARY ASSISTANCE.—  
8       Assistance under this section—

9               “(A) may not include military training or  
10       weapons; and

11              “(B) may not be obligated or expended for  
12       military training or the procurement of weap-  
13       ons.”.

14   **SEC. 304. CRITICAL SECTORAL PRIORITIES.**

15       (a) AGRICULTURE, FOOD SECURITY AND NATURAL  
16   RESOURCES.—Section 496(i)(1) of the Foreign Assistance  
17   Act of 1961 (22 U.S.C. 2293(i)(1)) is amended—

18              (1) in the heading, to read as follows:

19              “(1) AGRICULTURE, FOOD SECURITY AND NAT-  
20       URAL RESOURCES.—”;

21              (2) in subparagraph (A)—

22              (A) in the heading, to read as follows:

23              “(A) AGRICULTURE AND FOOD SECUR-  
24       RITY.—”;

25              (B) in the first sentence—

1 (i) by striking “agricultural produc-  
2 tion in ways” and inserting “food security  
3 by promoting agriculture policies”; and

4 (ii) by striking “, especially food pro-  
5 duction,”; and

6 (3) in subparagraph (B), in the matter pre-  
7 ceding clause (i), by striking “agricultural produc-  
8 tion” and inserting “food security and sustainable  
9 resource use”.

10 (b) HEALTH.—Section 496(i)(2) of the Foreign As-  
11 sistance Act of 1961 (22 U.S.C. 2293(i)(2)) is amended  
12 by striking “(including displaced children)” and inserting  
13 “(including displaced children and improving HIV/AIDS  
14 prevention and treatment programs)”.

15 (c) VOLUNTARY FAMILY PLANNING SERVICES.—Sec-  
16 tion 496(i)(3) of the Foreign Assistance Act of 1961 (22  
17 U.S.C. 2293(i)(3)) is amended by adding at the end before  
18 the period the following: “and access to prenatal  
19 healthcare”.

20 (d) EDUCATION.—Section 496(i)(4) of the Foreign  
21 Assistance Act of 1961 (22 U.S.C. 2293(i)(4)) is amended  
22 by adding at the end before the period the following: “and  
23 vocational education, with particular emphasis on primary  
24 education and vocational education for women”.

1 (e) INCOME-GENERATING OPPORTUNITIES.—Section  
 2 496(i)(5) of the Foreign Assistance Act of 1961 (22  
 3 U.S.C. 2293(i)(5)) is amended—

4 (1) by striking “labor-intensive”; and

5 (2) by adding at the end before the period the  
 6 following: “, including development of manufacturing  
 7 and processing industries and microcredit projects”.

8 **SEC. 305. REPORTING REQUIREMENTS.**

9 Section 496 of the Foreign Assistance Act of 1961  
 10 (22 U.S.C. 2293) is amended by adding at the end the  
 11 following:

12 “(p) REPORTING REQUIREMENTS.—The Adminis-  
 13 trator of the United States Agency for International De-  
 14 velopment shall, on a semiannual basis, prepare and sub-  
 15 mit to Congress a report containing—

16 “(1) a description of how, and the extent to  
 17 which, the Agency has consulted with nongovern-  
 18 mental organizations in sub-Saharan Africa regard-  
 19 ing the use of amounts made available for sub-Saha-  
 20 ran African countries under this chapter;

21 “(2) the extent to which the provision of such  
 22 amounts has been successful in increasing food secu-  
 23 rity and access to health and education services  
 24 among the people of sub-Saharan Africa;

1           “(3) the extent to which the provision of such  
2           amounts has been successful in capacity building  
3           among local nongovernmental organizations; and

4           “(4) a description of how, and the extent to  
5           which, the provision of such amounts has furthered  
6           the goals of sustainable economic and agricultural  
7           development, gender equity, environmental protec-  
8           tion, and respect for workers’ rights in sub-Saharan  
9           Africa.”.

10 **SEC. 306. SEPARATE ACCOUNT FOR DEVELOPMENT FUND**  
11 **FOR AFRICA.**

12           Amounts appropriated to the Development Fund for  
13           Africa shall be appropriated to a separate account under  
14           the heading “Development Fund for Africa” and not to  
15           the account under the heading “Development Assistance”.

16 **TITLE IV—SUB-SAHARAN AFRICA**  
17 **EQUITY AND INFRASTRUC-**  
18 **TURE FUNDS**

19 **SEC. 401. SUB-SAHARAN AFRICA EQUITY AND INFRASTRUC-**  
20 **TURE FUNDS.**

21           (a) INITIATION OF FUNDS.—Not later than 12  
22           months after the date of enactment of this Act, the Over-  
23           seas Private Investment Corporation shall exercise the au-  
24           thorities it has to initiate 1 or more equity funds in sup-  
25           port of projects in the countries in sub-Saharan Africa,

1 in addition to any existing equity fund for sub-Saharan  
2 Africa established by the Corporation before the date of  
3 enactment of this Act.

4 (b) STRUCTURE AND TYPES OF FUNDS.—

5 (1) STRUCTURE.—Each fund initiated under  
6 subsection (a) shall be structured as a partnership  
7 managed by professional private sector fund man-  
8 agers and monitored on a continuing basis by the  
9 Corporation.

10 (2) CAPITALIZATION.—Each fund shall be cap-  
11 italized with a combination of private equity capital,  
12 which is not guaranteed by the Corporation, and  
13 debt for which the Corporation provides guaranties.

14 (3) TYPES OF FUNDS.—One or more of the  
15 funds, with combined assets of up to \$500,000,000,  
16 shall be used in support of infrastructure projects in  
17 countries of sub-Saharan Africa, including basic  
18 health services (including AIDS prevention and  
19 treatment), hospitals, potable water, sanitation,  
20 schools, electrification of rural areas, and publicly-  
21 accessible transportation in sub-Saharan African  
22 countries.

23 (c) ADDITIONAL REQUIREMENTS.—The Corporation  
24 shall ensure that—

1           (1) not less than 70 percent of trade financing  
2           and investment insurance provided through the eq-  
3           uity funds established under subsection (a), and  
4           through any existing equity fund for sub-Saharan  
5           Africa established by the Corporation before the date  
6           of enactment of this Act, are allocated to small,  
7           women- and minority-owned businesses—

8                   (A) of which not less than 60 percent of  
9                   the ownership is comprised of citizens of sub-  
10                  Saharan African countries and 40 percent of  
11                  the ownership is comprised of citizens of the  
12                  United States; and

13                   (B) that have assets of not more than  
14                  \$1,000,000; and

15           (2) not less than 50 percent of the funds allo-  
16           cated to energy projects are used for renewal or al-  
17           ternative energy projects.

1 **TITLE V—OVERSEAS PRIVATE**  
 2 **INVESTMENT CORPORATION**  
 3 **AND EXPORT-IMPORT BANK**  
 4 **INITIATIVES**

5 **SEC. 501. OVERSEAS PRIVATE INVESTMENT CORPORATION**  
 6 **INITIATIVES.**

7 Section 233 of the Foreign Assistance Act of 1961  
 8 (22 U.S.C. 2193) is amended by adding at the end the  
 9 following:

10 “(e) ADVISORY COMMITTEE.—

11 “(1) ESTABLISHMENT.—The President shall es-  
 12 tablish an advisory committee to work with and as-  
 13 sist the Board in developing and implementing poli-  
 14 cies, programs, and financial instruments with re-  
 15 spect to sub-Saharan Africa, including with respect  
 16 to equity and infrastructure funds established under  
 17 title IV of the HOPE for Africa Act of 1999.

18 “(2) MEMBERSHIP.—

19 “(A) IN GENERAL.—The advisory com-  
 20 mittee established under paragraph (1) shall  
 21 consist of 15 members appointed by the Presi-  
 22 dent, of which 7 members shall be employees of  
 23 the United States Government and 8 members  
 24 shall be representatives of the private sector, in-  
 25 cluding a representative from—



1 “(i) a not-for-profit public interest or-  
2 ganization;

3 “(ii) an organization with expertise in  
4 development issues;

5 “(iii) an organization with expertise in  
6 human rights issues;

7 “(iv) an organization with expertise in  
8 environmental issues; and

9 “(v) an organization with expertise in  
10 international labor rights.

11 “(B) TERMS.—Each member of the advi-  
12 sory committee shall be appointed for a term of  
13 2 years.

14 “(C) COMPENSATION OF MEMBERS.—

15 “(i) PRIVATE SECTOR.—Members of  
16 the advisory committee who are represent-  
17 atives of the private sector shall not receive  
18 compensation by reason of their service on  
19 the advisory committee.

20 “(ii) OFFICERS AND EMPLOYEES OF  
21 GOVERNMENT.—Members of the advisory  
22 committee who are officers or employees of  
23 the Federal Government may not receive  
24 additional pay, allowances, or benefits by

1           reason of their service on the advisory  
2           committee.

3           “(3) MEETINGS.—

4           “(A) OPEN TO PUBLIC.—Meetings of the  
5           advisory committee shall be open to the public.

6           “(B) ADVANCE NOTICE.—The advisory  
7           committee shall provide advance notice in the  
8           Federal Register of any meeting of the com-  
9           mittee, shall provide notice of all proposals or  
10          projects to be considered by the committee at  
11          the meeting, and shall solicit written comments  
12          from the public relating to such proposals or  
13          projects.

14          “(C) DECISIONS.—Any decision of the ad-  
15          visory committee relating to a proposal or  
16          project shall be published in the Federal Reg-  
17          ister with an explanation of the extent to which  
18          the committee considered public comments re-  
19          ceived with respect to the proposal or project,  
20          if any.

21          “(4) ENVIRONMENTAL IMPACT ASSESS-  
22          MENTS.—The Corporation shall complete and release  
23          to the public the environmental impact assessments  
24          in compliance with the National Environmental Pol-  
25          icy Act with respect to any proposal or project not

1 later than 120 days before the advisory committee,  
2 or the Board, considers such proposal or project,  
3 whichever occurs earlier.”.

4 **SEC. 502. EXPORT-IMPORT BANK INITIATIVE.**

5 Section 2(b)(9) of the Export-Import Bank Act of  
6 1945 (12 U.S.C. 635(b)(9)) is amended to read as follows:

7 “(9) For purposes of the funds allocated by the  
8 Bank for projects in countries in sub-Saharan Africa  
9 (as defined in section 6 of the HOPE for Africa Act  
10 of 1999):

11 “(A) The President shall establish an advi-  
12 sory committee to work with and assist the  
13 Board in developing and implementing policies,  
14 programs, and financial instruments with re-  
15 spect to such countries.

16 “(B) The advisory committee established  
17 under subparagraph (A) shall consist of 15  
18 members, appointed by the President, of which  
19 7 members shall be employees of the United  
20 States Government and 8 members shall be rep-  
21 resentatives of the private sector, including a  
22 representative from—

23 “(i) a not-for-profit public interest or-  
24 ganization;

1                   “(ii) an organization with expertise in  
2                   development issues;

3                   “(iii) an organization with expertise in  
4                   human rights;

5                   “(iv) an organization with expertise in  
6                   environmental issues; and

7                   “(v) an organization with expertise in  
8                   international labor rights.

9                   “(C) Each member of the advisory com-  
10                  mittee shall serve for a term of 2 years.

11                  “(D)(i) Members of the advisory committee  
12                  who are representatives of the private sector  
13                  shall not receive compensation by reason of  
14                  their service on the advisory committee.

15                  “(ii) Members of the advisory committee  
16                  who are officers or employees of the Federal  
17                  Government may not receive additional pay, al-  
18                  lowances, or benefits by reason of their service  
19                  on the advisory committee.

20                  “(E) Meetings of the advisory committee  
21                  shall be open to the public.

22                  “(F) The advisory committee shall give  
23                  timely advance notice of each meeting of the  
24                  advisory committee, including a description of  
25                  any matters to be considered at the meeting,

shall establish a public docket, shall solicit written comments in advance on each proposal, and shall make each decision in writing with an explanation of disposition of the public comments.

“(G) The Bank shall complete and release to the public an environmental impact assessment in compliance with the National Environmental Policy Act with respect to a proposal or project with potential environmental effects, not later than 120 days before the advisory committee, or the Board, considers the proposal or project, whichever occurs earlier.

“(H) Section 14(a)(2) of the Federal Advisory Committee Act shall not apply to the advisory committee.”.

## **TITLE VI—MISCELLANEOUS PROVISIONS**

### **SEC. 601. ANTICORRUPTION EFFORTS.**

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

(1) Corruption and bribery of public officials is a major problem in many African countries and represents a serious threat to the development of a functioning domestic private sector, to United States business and trade interests, and to prospects for

1 democracy and good governance in African coun-  
2 tries.

3 (2) Of the 17 countries in sub-Saharan Africa  
4 rated by the international watchdog group, Trans-  
5 parency International, as part of the 1998 Corrup-  
6 tion Perception Index, 13 ranked in the bottom half.

7 (3) The Organization for Economic Cooperation  
8 and Development (OECD) Convention on Combating  
9 Bribery of Foreign Public Officials in International  
10 Business Transactions, which has been signed by all  
11 29 members of the OECD plus Argentina, Brazil,  
12 Bulgaria, Chile, and the Slovak Republic and which  
13 entered into force on February 15, 1999, represents  
14 a significant step in the elimination of bribery and  
15 corruption in international commerce.

16 (4) As a party to the OECD Convention on  
17 Combating Bribery of Foreign Public Officials in  
18 International Business Transactions, the United  
19 States should encourage the highest standards pos-  
20 sible with respect to bribery and corruption.

21 (b) SENSE OF CONGRESS.—It is the sense of Con-  
22 gress that the United States should encourage at every  
23 opportunity the accession of sub-Saharan African coun-  
24 tries, as defined in section 6, to the OECD Convention

1 on Combating Bribery of Foreign Public Officials in Inter-  
2 national Business Transactions.

3 **SEC. 602. REQUIREMENTS RELATING TO SUB-SAHARAN AF-**  
4 **RICAN INTELLECTUAL PROPERTY AND COM-**  
5 **PETITION LAW.**

6 (a) FINDINGS.—Congress finds that—

7 (1) since the onset of the worldwide HIV/AIDS  
8 epidemic, approximately 34,000,000 people living in  
9 sub-Saharan Africa have been infected with the dis-  
10 ease;

11 (2) of those infected, approximately 11,500,000  
12 have died; and

13 (3) the deaths represent 83 percent of the total  
14 HIV/AIDS-related deaths worldwide.

15 (b) SENSE OF CONGRESS.—It is the sense of Con-  
16 gress that—

17 (1) it is in the interest of the United States to  
18 take all necessary steps to prevent further spread of  
19 infectious disease, particularly HIV/AIDS; and

20 (2) individual countries should have the ability  
21 to determine the availability of pharmaceuticals and  
22 health care for their citizens in general, and particu-  
23 larly with respect to the HIV/AIDS epidemic.

24 (c) LIMITATIONS ON FUNDING.—Funds appropriated  
25 or otherwise made available to any department or agency

1 of the United States may not be obligated or expended  
 2 to seek, through negotiation or otherwise, the revocation  
 3 or revisions of any sub-Saharan African intellectual prop-  
 4 erty or competition law or policy that is designed to pro-  
 5 mote access to pharmaceuticals or other medical tech-  
 6 nologies if the law or policy, as the case may be, complies  
 7 with the Agreement on Trade-Related Aspects of Intellec-  
 8 tual Property Rights referred to in section 101(d)(15) of  
 9 the Uruguay Round Agreements Act.

10 **SEC. 603. EXPANSION OF THE UNITED STATES AND FOR-**  
 11 **EIGN COMMERCIAL SERVICE IN SUB-SAHA-**  
 12 **RAN AFRICA.**

13 (a) FINDINGS.—Congress makes the following find-  
 14 ings:

15 (1) The United States and Foreign Commercial  
 16 Service (in this section referred to as the “Commer-  
 17 cial Service”) plays an important role in helping  
 18 United States businesses identify export opportuni-  
 19 ties and develop reliable sources of information on  
 20 commercial prospects in foreign countries.

21 (2) During the 1980’s, the presence of the  
 22 Commercial Service in sub-Saharan Africa consisted  
 23 of 14 professionals providing services in 8 countries.  
 24 By early 1997, that presence had been reduced by  
 25 one-half to 7, in only 4 countries.



1           (3) Since 1997, the Department of Commerce  
2           has slowly begun to increase the presence of the  
3           Commercial Service in sub-Saharan Africa, adding 5  
4           full-time officers to established posts.

5           (4) Although the Commercial Service Officers  
6           in these countries have regional responsibilities, this  
7           kind of coverage does not adequately service the  
8           needs of United States businesses attempting to do  
9           business in sub-Saharan Africa.

10          (5) Because market information is not widely  
11          available in many sub-Saharan African countries,  
12          the presence of additional Commercial Service Offi-  
13          cers and resources can play a significant role in as-  
14          sisting United States businesses in markets in those  
15          countries.

16          (b) APPOINTMENTS.—Subject to the availability of  
17          appropriations, by not later than December 31, 2000, the  
18          Secretary of Commerce, acting through the Assistant Sec-  
19          retary of Commerce and Director General of the United  
20          States and Foreign Commercial Service, shall take steps  
21          to ensure that—

22                 (1) at least 20 full-time Commercial Service  
23                 employees are stationed in sub-Saharan Africa; and

1           (2) full-time Commercial Service employees are  
 2           stationed in not less than 10 different sub-Saharan  
 3           African countries.

4           (c) REPORTS TO CONGRESS.—Not later than 1 year  
 5           after the date of enactment of this Act, and each year  
 6           thereafter for 5 years, the Secretary of Commerce, in con-  
 7           sultation with the Secretary of State, shall report to Con-  
 8           gress on actions taken to carry out subsection (b). Each  
 9           report shall specify—

10           (1) in what countries full-time Commercial  
 11           Service Officers are stationed, and the number of  
 12           such officers placed in each such country; and

13           (2) the effectiveness of the presence of the addi-  
 14           tional Commercial Service Officers in increasing  
 15           United States exports to sub-Saharan African coun-  
 16           tries.

## 17           **TITLE VII—OFFSET**

### 18   **SEC. 701. PRIVATE SECTOR FUNDING FOR RESEARCH AND** 19           **DEVELOPMENT BY NASA RELATING TO AIR-** 20           **CRAFT PERFORMANCE.**

21           The Administrator of the National Aeronautics and  
 22           Space Administration may not carry out research and de-  
 23           velopment activities relating to the performance of aircraft  
 24           (including supersonic aircraft and subsonic aircraft) un-

- 1 less the Administrator receives payment in full for such
- 2 activities from the private sector.

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