

109TH CONGRESS
1ST SESSION

H. R. 4319

To provide assistance for small and medium enterprises in sub-Saharan African countries, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 15, 2005

Mr. LANTOS (for himself and Mr. SMITH of New Jersey) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committee on Ways and Means, 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 provide assistance for small and medium enterprises in sub-Saharan African countries, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Assistance for Small and Medium Enterprises in Sub-
6 Saharan African Countries Act of 2005”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Sense of Congress; declaration of policy.
- Sec. 4. Activities of the Overseas Private Investment Corporation to strengthen financial institutions in sub-Saharan African countries.
- Sec. 5. Assistance for small and medium enterprises in sub-Saharan African countries.
- Sec. 6. Actions to improve trade between sub-Saharan African countries and the United States.
- Sec. 7. Definitions.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) According to the Organization for Economic
 4 Co-operation and Development (OECD), the econo-
 5 mies of sub-Saharan African countries have reg-
 6 istered their highest overall growth in eight years—
 7 more than five percent in 2004—due to rising global
 8 commodity prices, the expansion of production in oil-
 9 producing sub-Saharan African countries, and pru-
 10 dent macro-economic policies.

11 (2) While economic liberalization has reduced
 12 the involvement of governments of sub-Saharan Afri-
 13 can countries in the economic sector, it has not re-
 14 sulted in improved credit delivery to finance domes-
 15 tic businesses, particularly small and medium enter-
 16 prises in sub-Saharan African countries, in the pri-
 17 vate sector.

18 (3) Despite the privatization of over 2,273 busi-
 19 nesses in sub-Saharan African countries and \$9.1
 20 billion raised, private sector investment still lags be-

1 hind Asia, in large part due to inadequate infra-
2 structure, including electricity, water, roads, and
3 commerce facilities, and a risk-averse retail banking
4 sector.

5 (4) Sub-Saharan Africa countries hold billions
6 of uninvested capital in central banks and financial
7 holding institutions. In the eight-nation West Afri-
8 can Economic and Monetary Union the amount of
9 excess capital in the central bank recently peaked at
10 almost \$2 billion.

11 (5) Excess reserves of uninvested capital in sub-
12 Saharan African countries have often been illicitly
13 diverted or invested in economically inefficient enter-
14 prises and other purposes, often for the benefit of
15 politically-connected persons or entities.

16 (6) Nigerian President Olusegun Obasanjo re-
17 cently estimated that corrupt leaders of sub-Saharan
18 African countries have stolen at least \$140 billion
19 from their citizens in the four decades since inde-
20 pendence. This theft contributes to the fact that the
21 people of sub-Saharan African countries owe
22 unsustainably large public and foreign debts, face
23 high rates of extreme poverty, and have enjoyed lit-
24 tle basic economic development.

1 (7) Increasingly, governments of sub-Saharan
2 African countries are making concerted efforts to in-
3 vestigate such activities, prosecute corrupt officials,
4 and recover public funds through the creation of
5 agencies such as the Economic and Financial Crimes
6 Commission in Nigeria, the Serious Fraud Office in
7 Ghana, the Federal Ethics and Anticorruption Com-
8 mission in Ethiopia, and the Anticorruption Com-
9 mission in Zambia.

10 (8) These efforts will require technical assist-
11 ance and law enforcement cooperation from the
12 international community, including the United
13 States.

14 (9) A major challenge for sub-Saharan African
15 countries is to productively invest their own capital
16 to expand domestic business ownership and create
17 employment, particularly for youth, in order to pro-
18 mote broad and sustainable economic growth.

19 (10) While the microenterprise movement has
20 shown itself to be an important generator of self-em-
21 ployment, research and experience throughout sub-
22 Saharan Africa also have proven that small and me-
23 dium enterprises are the greatest catalyst for job
24 creation, skills transfer, and wealth creation in sub-
25 Saharan Africa.

1 (11) Although small and medium enterprises in
2 sub-Saharan African countries make up the largest
3 portion of the formal economy in sub-Saharan Afri-
4 can countries, the average annual contribution of in-
5 vestments of such small and medium enterprises to
6 growth in the gross domestic product of sub-Saha-
7 ran African countries by proportion declined from an
8 average of 14 percent in the 1970s, to 13 percent
9 in the 1980s, and to 12 percent in the first half of
10 the 1990s, while during the same period, the propor-
11 tion of gross domestic product investment by small
12 and medium enterprises in other developing regions
13 increased.

14 (12) Investments in small and medium enter-
15 prises in sub-Saharan African countries also have
16 declined, in part because an estimated 37 percent of
17 personal wealth in sub-Saharan African countries is
18 held in assets and cash located outside of sub-Saha-
19 ran African countries, even though the global region
20 with the highest return on capital investment is sub-
21 Saharan Africa.

22 (13) Many retail banks avoid lending to small
23 and medium enterprises in sub-Saharan African
24 countries or engage in predatory lending practices,
25 considering such small and medium enterprises as

1 presenting a high credit default risk and as costly to
2 administer, and instead concentrate on providing
3 credit to larger local or international firms or on
4 holding high-yield government bonds.

5 (14) This approach harms the prospects for
6 sustainable private sector development by ignoring
7 the necessity of a bottom-up capital formation—a
8 key factor in creating jobs which is necessary to re-
9 duce poverty and income inequalities.

10 (15) Governments of sub-Saharan African
11 countries must develop the fiscal policies, economic
12 institutions, legal frameworks, labor market protec-
13 tions, commercial infrastructures, and lending prac-
14 tices to create and manage competitive business en-
15 vironments for investors in small and medium enter-
16 prises in sub-Saharan African countries. Further,
17 small and medium enterprises in sub-Saharan Afri-
18 can countries must acquire the business skills, ex-
19 pertise, and capital financing necessary to manage
20 successful businesses.

21 **SEC. 3. SENSE OF CONGRESS; DECLARATION OF POLICY.**

22 (a) SENSE OF CONGRESS.— It is the sense of Con-
23 gress that in an increasingly competitive global environ-
24 ment driven by transformations in technology, commu-
25 nications, transportation, finance, production, labor mar-

1 kets, and markets for goods and services, sub-Saharan Af-
 2 rican countries should develop the private sector, particu-
 3 larly small and medium enterprises, and human capital,
 4 goods and services, banking and finance systems, and cre-
 5 ate markets to be full participants in the global economy.

6 (b) DECLARATION OF POLICY.—It shall be the policy
 7 of the Government of the United States to make available
 8 for private sector development in sub-Saharan African
 9 countries professional, technical, and other resources for
 10 capacity-building for finance ministries, central and retail
 11 banks, and small and medium enterprises to promote en-
 12 trepreneurship, expand the formal sector, and increase
 13 trade under the African Growth and Opportunity Act (19
 14 U.S.C. 3701 et seq.) of exports from Africa to the United
 15 States.

16 **SEC. 4. ACTIVITIES OF THE OVERSEAS PRIVATE INVEST-**
 17 **MENT CORPORATION TO STRENGTHEN FI-**
 18 **NANCIAL INSTITUTIONS IN SUB-SAHARAN AF-**
 19 **RICAN COUNTRIES.**

20 Section 240 of the Foreign Assistance Act of 1961
 21 (22 U.S.C. 2200) is amended by adding at the end the
 22 following:

23 “(c) SUPPORT FOR FINANCIAL INSTITUTIONS IN
 24 SUB-SAHARAN AFRICAN COUNTRIES.—

1 “(1) SUPPORT.—The Corporation is com-
2 mended for its activities in support of the develop-
3 ment of small and medium enterprises, and is en-
4 couraged to exercise its authorities to promote
5 United States investments in financial institutions
6 that are duly incorporated in sub-Saharan African
7 countries, to the extent that the purpose of such in-
8 vestments is to expand investment and lending op-
9 portunities to small and medium enterprises in sub-
10 Saharan African countries that are engaged in do-
11 mestic commerce in areas that are responsible for
12 significant job creation.

13 “(2) CONSIDERATION.—In making a determina-
14 tion to provide insurance and financing to financial
15 institutions referred to in paragraph (1), the Cor-
16 poration should take into consideration the extent to
17 which a project establishes and implements a non-
18 discrimination in lending policy to prohibit discrimi-
19 nation based on ethnicity, sex, color, race, religion,
20 physical disability, marital status, or age, and a pol-
21 icy against predatory lending practices.

22 “(3) TECHNICAL ASSISTANCE.—In supporting a
23 project referred to in paragraph (1), the Corporation
24 may provide technical assistance to—

1 “(A) improve the quality of management of
2 financial institutions referred to in paragraph
3 (1) to ensure the safety and stability of such in-
4 stitutions;

5 “(B) create in such financial institutions
6 effective credit risk management systems to im-
7 prove the quality of the assets of such institu-
8 tions and the ability of such institutions to re-
9 search and assess the overall credit risk of crit-
10 ical industries in the domestic economy;

11 “(C) support effective credit risk manage-
12 ment by developing internal credit rating sys-
13 tems and credit assessment tools that improve
14 the ability of such financial institutions to
15 evaluate individual credit worthiness and meas-
16 ure the overall amount of risk posed by the
17 total number of borrowers; and

18 “(D) establish comprehensive collateral
19 management programs to control borrower as-
20 sets against default and exposure as part of the
21 risk management process.

22 “(4) DEFINITIONS.—In this subsection:

23 “(A) SMALL AND MEDIUM ENTERPRISES
24 IN SUB-SAHARAN AFRICAN COUNTRIES.—The
25 term ‘small and medium enterprises in sub-Sa-

1 haran African countries’ has the meaning given
2 the term in section 496A(e)(2) of this Act.

3 “(B) SUB-SAHARAN AFRICAN COUN-
4 TRIES.—The term ‘sub-Saharan African coun-
5 tries’ means the countries specified in section
6 107 of the African Growth and Opportunity Act
7 (19 U.S.C. 3706).”.

8 **SEC. 5. ASSISTANCE FOR SMALL AND MEDIUM ENTER-**
9 **PRISES IN SUB-SAHARAN AFRICAN COUN-**
10 **TRIES.**

11 (a) IN GENERAL.—Chapter 10 of part I of the For-
12 eign Assistance Act of 1961 (22 U.S.C. 2293 et seq.) is
13 amended by inserting after section 496 the following new
14 section:

15 **“SEC. 496A. ASSISTANCE FOR SMALL AND MEDIUM ENTER-**
16 **PRISES IN SUB-SAHARAN AFRICAN COUN-**
17 **TRIES.**

18 “(a) AUTHORIZATION.—The President, acting
19 through the Administrator of the United States Agency
20 for International Development, is authorized to provide as-
21 sistance, on such terms and conditions as the President
22 may determine, for small and medium enterprises in sub-
23 Saharan African countries.

1 “(b) ACTIVITIES SUPPORTED.—Assistance provided
2 under subsection (a) shall, to the maximum extent prac-
3 ticable, be used to carry out the following activities:

4 “(1) EFFECTIVENESS OF FINANCIAL SEC-
5 TORS.—Activities to improve the effectiveness of the
6 financial sectors of sub-Saharan African countries to
7 promote increased business and employment oppor-
8 tunities for small and medium enterprises in sub-Sa-
9 haran African countries. Such activities may include
10 providing technical assistance relating to—

11 “(A) tax policy and administration;

12 “(B) government debt issuance and man-
13 agement;

14 “(C) policies and regulation of financial in-
15 stitutions;

16 “(D) prevention, detection, and prosecution
17 of financial crimes;

18 “(E) regulatory systems;

19 “(F) innovative services and specialized in-
20 stitutions to serve the small and medium enter-
21 prise market; and

22 “(G) compliance with international finan-
23 cial standards.

24 “(2) LENDING PROGRAMS OF FINANCIAL INSTI-
25 TUTIONS.—Activities to promote the establishment

1 of lending programs of financial institutions for
2 small and medium enterprises in sub-Saharan Afri-
3 can countries by—

4 “(A) improving the quality of management
5 of such financial institutions to ensure their
6 safety and stability;

7 “(B) establishing effective credit risk man-
8 agement systems to improve the quality of the
9 assets of such financial institutions and the
10 ability of such financial institutions to research
11 and assess overall credit risk;

12 “(C) supporting effective credit risk man-
13 agement systems described in subparagraph (B)
14 by developing internal credit rating systems and
15 credit assessment tools that improve the ability
16 of such financial institutions to evaluate indi-
17 vidual credit worthiness and measure the overall
18 amount of risk posed by the total number of
19 borrowers; and

20 “(D) establishing comprehensive collateral
21 management programs to control borrower as-
22 sets against default and exposure as part of the
23 risk management process.

24 “(3) TECHNOLOGY AND INFORMATION RE-
25 SOURCES.—Activities to improve the technology and

1 information resources of financial institutions and
2 small and medium enterprises in sub-Saharan Afri-
3 can countries. Such activities may include—

4 “(A) developing computer programs and
5 networking capabilities to provide connectivity
6 between domestic and international banking
7 sectors;

8 “(B) increasing access by finance min-
9 istries and central banks to information man-
10 agement systems and high-speed Internet
11 connectivity; and

12 “(C) promoting the development of Inter-
13 net service providers.

14 “(4) BUSINESS DEVELOPMENT IN RURAL AND
15 PERI-URBAN AREAS.—Activities to promote the de-
16 velopment of small and medium enterprises in sub-
17 Saharan African countries that are located in rural
18 and peri-urban areas. Such activities may include—

19 “(A) carrying out short- and long-term
20 training in entrepreneurship, such as the ‘Busi-
21 ness Opportunity Centers’ program of the
22 United States Agency for International Devel-
23 opment in the Republic of Zimbabwe;

24 “(B) providing training in entrepreneur-
25 ship, including basic business management, ac-

1 counting, bookkeeping, marketing, risk manage-
2 ment, and computer skills;

3 “(C) providing assistance to meet inter-
4 national, particularly United States, quality
5 control standards;

6 “(D) providing business services on a fee-
7 for-service basis, such as telephone, fax, email,
8 e-learning, and money transfer services, based
9 on the cost recovery model of the ‘Business Op-
10 portunity Centers’ program in Zimbabwe;

11 “(E) carrying out capacity-building activi-
12 ties for microenterprise business associations
13 and microfinance networks; and

14 “(F) providing training in internationally
15 recognized labor rights and core labor stand-
16 ards.

17 “(5) SMALL BUSINESS DEVELOPMENT IN POST-
18 CONFLICT STATES.—Activities to promote small
19 business development in post-conflict sub-Saharan
20 African countries. Such activities may include—

21 “(A) providing rural agriculture entrepre-
22 neurship training to aid displaced persons, par-
23 ticularly youth, with the purpose of helping
24 such persons return to rural areas and re-en-
25 gage in agricultural activities;

1 “(B) adopting more productive and profit-
2 able production systems such as conservation
3 farming technologies, biotechnologies, biosafety
4 technologies, and increasing the marketability
5 of the surplus production of such systems;

6 “(C) providing assistance to add commer-
7 cial value to agricultural goods and to sell such
8 goods to local and regional markets; and

9 “(D) encouraging agricultural entrepre-
10 neurship and the formation of cooperatives and
11 marketing associations and providing such asso-
12 ciations with organizational and technical as-
13 sistance.

14 “(6) YOUTH ENTREPRENEURSHIP PROGRAMS.—
15 Activities to establish youth entrepreneurship train-
16 ing programs in schools or through community part-
17 nerships with business and youth organizations in
18 sub-Saharan African countries to promote economic
19 skills, ethics, integrity, and healthy life skills among
20 youth in such countries. Such activities may include
21 providing assistance through United States and
22 international youth organizations located in sub-Sa-
23 haran African countries and ministries of education,
24 local schools, businesses, and youth groups to—

1 “(A) teach basic concepts of business eco-
2 nomics and free enterprise and the relevance of
3 education for such youth to improving the qual-
4 ity of their lives;

5 “(B) teach basic concepts of good govern-
6 ance, the rule of law, human rights, and citizen-
7 ship as they relate to national development;

8 “(C) assist youth to make decisions about
9 their educational and professional future and
10 develop communication skills that are vital to
11 succeed in the domestic, regional, and inter-
12 national business world;

13 “(D) develop a specialized curriculum for
14 youth in rural and peri-urban areas and utilize,
15 whenever possible, business and community vol-
16 unteers to deliver such curriculum; and

17 “(E) organize student-led enterprises.

18 “(7) INTELLECTUAL PROPERTY RIGHTS PRO-
19 TECTION.—Activities to introduce and strengthen
20 laws, regulations, and enforcement mechanisms to
21 protect national and international intellectual prop-
22 erty rights and to protect the people and industries
23 of sub-Saharan African countries against imported
24 counterfeit consumer and other goods.

1 “(8) ANTI-CORRUPTION INITIATIVES.—Activi-
2 ties that combat corruption, improve transparency
3 and accountability, and promote other forms of good
4 governance and management in sub-Saharan African
5 countries. Such activities may include—

6 “(A) providing technical assistance to gov-
7 ernments of sub-Saharan African countries that
8 are implementing the United Nations Conven-
9 tion against Corruption, including assistance to
10 combat anti-competitive, unethical, and corrupt
11 activities, including protection against actions
12 that may distort or inhibit transparency in mar-
13 ket mechanisms and impair the development of
14 small and medium enterprises.

15 “(B) providing assistance to develop a
16 legal framework for commercial transactions
17 that fosters business practices that promote
18 transparent, ethical, and competitive behavior
19 in the economic sector, such as commercial
20 codes that incorporate international standards
21 and protection of national and international in-
22 tellectual property rights and core labor stand-
23 ards; and

24 “(C) providing training and technical as-
25 sistance relating to drafting of anti-corruption,

1 privatization, and competitive statutory and ad-
2 ministrative codes, and providing technical as-
3 sistance to ministries and agencies imple-
4 menting anti-corruption laws and regulations.

5 “(c) CONSIDERATION.—In making a determination to
6 provide assistance to financial institutions referred to in
7 subsection (b), the President should take into consider-
8 ation the extent to which a project establishes and imple-
9 ments a nondiscrimination in lending policy to prohibit
10 discrimination based on ethnicity, sex, color, race, religion,
11 physical disability, marital status, or age, and a policy
12 against predatory lending practices.

13 “(d) ACCEPTANCE AND USE OF GIFTS, DEVISES, BE-
14 QUESTS, AND GRANTS.—In accordance with section
15 635(d) of this Act, the President may accept and use in
16 furtherance of the purposes of this section, money, funds,
17 property, and services of any kind made available by gift,
18 devise, bequest, grant, or otherwise for such purposes.

19 “(e) REPORT.—

20 “(1) IN GENERAL.—Not later than January 31
21 of each year, the President shall transmit to the ap-
22 propriate congressional committees a report that
23 contains a detailed description of the implementation
24 of this section for the prior fiscal year.

1 “(2) CONTENTS.—The report required by para-
2 graph (1) shall contain a description of the number
3 of grants, contracts, cooperative agreements, or
4 other form of assistance provided under this section
5 with a detailed description of—

6 “(A) the amount of each grant, contract,
7 cooperative agreement, or other form of assist-
8 ance; and

9 “(B) the name of each recipient and each
10 country with respect to which projects or activi-
11 ties under the grant, contract, cooperative
12 agreement, or other form of assistance were
13 carried out.

14 “(3) AVAILABILITY TO THE PUBLIC.—The re-
15 port required by this subsection shall be made avail-
16 able to the public on the Internet website of the
17 United States Agency for International Develop-
18 ment.

19 “(f) DEFINITIONS.—In this section:

20 “(1) APPROPRIATE CONGRESSIONAL COMMIT-
21 TEES.—The term ‘appropriate congressional com-
22 mittees’ means—

23 “(A) the Committee on International Rela-
24 tions of the House of Representatives; and

1 “(B) the Committee on Foreign Relations
2 of the Senate.

3 “(2) SMALL AND MEDIUM ENTERPRISES IN
4 SUB-SAHARAN AFRICAN COUNTRIES.—

5 “(A) IN GENERAL.—The term ‘small and
6 medium enterprises in sub-Saharan African
7 countries’ means corporations and other legal
8 entities that meet the requirements of this sub-
9 paragraph. A legal entity meets the require-
10 ments of this subparagraph if it—

11 “(i) is organized under the laws of a
12 sub-Saharan African country and has its
13 principal place of business within such
14 country;

15 “(ii) is owned or controlled by natural
16 persons who are citizens of the sub-Saha-
17 ran African country referred to in clause
18 (i); and

19 “(iii) has fewer than 50 employees.

20 “(B) OWNED OR CONTROLLED.—In sub-
21 paragraph (A), the term ‘owned or controlled’
22 means—

23 “(i) in the case of a corporation, the
24 holding of at least 50 percent (by vote or

1 value) of the capital structure of the cor-
2 poration; and

3 “(ii) in the case of any other kind of
4 legal entity, the holding of interests rep-
5 resenting at least 50 percent of the capital
6 structure of the entity.

7 “(3) SUB-SAHARAN AFRICAN COUNTRIES.—The
8 term ‘sub-Saharan African countries’ means the
9 countries specified in section 107 of the African
10 Growth and Opportunity Act (19 U.S.C. 3706).

11 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to the President to carry
13 out this section \$30,000,000 for each of the fiscal years
14 2007 and 2008.”.

15 (b) CONFORMING AMENDMENT.—Section 497 of the
16 Foreign Assistance Act of 1961 (22 U.S.C. 2294) is
17 amended in the second sentence by adding at the end be-
18 fore the period the following: “or section 496A”.

19 **SEC. 6. ACTIONS TO IMPROVE TRADE BETWEEN SUB-SAHA-**
20 **RAN AFRICAN COUNTRIES AND THE UNITED**
21 **STATES.**

22 (a) ACTIONS OF THE UNITED STATES TRADE REP-
23 RESENTATIVE.—

24 (1) PLAN.—The United States Trade Rep-
25 resentative, in consultation with the Administrator

1 of the United States Agency for International Devel-
2 opment and the Secretary of Agriculture, shall de-
3 velop a comprehensive plan for the expansion and di-
4 versification of agricultural trade between sub-Saha-
5 ran African countries and the United States under
6 the African Growth and Opportunity Act (19 U.S.C.
7 3701 et seq.).

8 (2) ELEMENTS.—The plan required by para-
9 graph (1) shall—

10 (A) identify the major agricultural prod-
11 ucts that are exported between sub-Saharan Af-
12 rican countries and the United States;

13 (B) analyze critical constraints to agricul-
14 tural trade between sub-Saharan African coun-
15 tries and the United States and efforts to re-
16 move such constraints;

17 (C) increase capacity building for research
18 and development for local, regional, and inter-
19 national markets, agricultural export products,
20 quality improvement, and international food
21 standards;

22 (D) strengthen infrastructure and commu-
23 nication networks to reduce marketing and
24 transaction costs, in collaboration with the

1 United States Agency for International Devel-
2 opment;

3 (E) increase access to market information
4 (such as information relating to prices, product
5 quality and demand, input quality and costs,
6 and customs rules and regulations) for
7 smallholder farmers, farmer groups and co-
8 operatives, and relevant government ministries
9 of sub-Saharan African countries;

10 (F) establish and strengthen public-private
11 partnerships in sub-Saharan African countries
12 to enhance agricultural trade between such
13 countries and the United States;

14 (G) establish consultation mechanisms be-
15 tween the five United States Agricultural Tech-
16 nical Advisory Committees and counterpart
17 groups in sub-Saharan African countries and
18 regional economic organizations; and

19 (H) support ongoing discussions with agri-
20 cultural government ministries of sub-Saharan
21 African countries and private sector agricultural
22 organizations in sub-Saharan African countries
23 on issues of mutual concern in the context of
24 World Trade Organization (WTO) agricultural
25 negotiations.

1 (3) REPORT.—Not later than one year after the
2 date of the enactment of this Act, the United States
3 Trade Representative shall submit to Congress a re-
4 port that contains—

5 (A) a detailed description of the plan re-
6 quired by this subsection; and

7 (B) recommendations for legislation, ad-
8 ministrative actions, or other actions that the
9 Trade Representative considers appropriate to
10 implement the plan.

11 (b) ACTIONS OF THE DEPARTMENT OF STATE.—

12 (1) ACTIVITIES TO STRENGTHEN FUNDA-
13 MENTAL LABOR RIGHTS.—

14 (A) SENSE OF CONGRESS.— It is the sense
15 of Congress that sustained economic growth
16 and development in sub-Saharan Africa will de-
17 pend on building strong, effective enforcement
18 of international labor standards and democratic
19 trade unions that can responsibly represent
20 workers' interests at the workplace and with
21 their governments in sub-Saharan African coun-
22 tries.

23 (B) ACTIVITIES.—The Secretary of State
24 shall undertake activities to strengthen inter-

1 nationally recognized labor rights and standards
2 in sub-Saharan African countries by—

3 (i) ensuring that governments and
4 businesses in sub-Saharan African coun-
5 tries are aware of their obligations
6 (through membership in the International
7 Labor Organization (ILO) as well as under
8 United States trade preference programs
9 such as the generalized system of pref-
10 erences and the African Growth and Op-
11 portunity Act) to respect, promote, and re-
12 alize the international labor standards es-
13 tablished by the ILO;

14 (ii) monitoring the enforcement of
15 labor laws in sub-Saharan African coun-
16 tries, including labor laws relating to work-
17 ers' rights to free association, prohibitions
18 on child labor, forced labor, and discrimi-
19 nation, safety in the work environment,
20 workplace standards laws regulating min-
21 imum wage and hours of work, and collec-
22 tive bargaining, through ensuring, among
23 other things, that reporting on labor rights
24 at United States missions is a priority; and

1 (iii) providing technical assistance to
2 enhance enforcement of labor laws in sub-
3 Saharan African countries and for institu-
4 tional capacity building of trade unions to
5 increase their capabilities to represent
6 workers at workplaces and with their gov-
7 ernments.

8 (2) ACTIVITIES TO PROMOTE DIALOGUE AMONG
9 BUSINESS, GOVERNMENT, LABOR, AND NONGOVERN-
10 MENTAL ORGANIZATIONS.—The Secretary of State
11 shall undertake activities to promote social dialogue
12 among business, government, labor, and nongovern-
13 mental organizations, including all types of negotia-
14 tions, consultations, or exchanges of information be-
15 tween, or among, representatives of business, gov-
16 ernment, labor, and nongovernmental organizations,
17 on issues of common interest relating to economic
18 and social policy.

19 (c) ACTIONS OF THE FOOD AND DRUG ADMINISTRA-
20 TION.—The Secretary Health and Human Services, acting
21 through the Food and Drug Administration—

22 (1) shall provide training to agricultural pro-
23 ducers in sub-Saharan African countries to ensure
24 that exports of such producers meet United States
25 food safety standards;

1 (2) should provide technical assistance and ca-
2 pacity building to agricultural producers in sub-Sa-
3 haran African countries to ensure such producers
4 meet phytosanitary standards in planting, culti-
5 vating, harvesting, and processing agricultural prod-
6 ucts for export, with particular attention to institu-
7 tions serving smallholder producers, small-scale rural
8 businesses, and cooperatives; and

9 (3) should provide assistance to strengthen ag-
10 ricultural research and extension capacity to dis-
11 seminate relevant information on pests and diseases
12 to smallholder farmers in sub-Saharan African coun-
13 tries, as well as successful, cost efficient and envi-
14 ronmentally sound solutions.

15 (d) ACTIONS OF THE FOREIGN AGRICULTURE SERV-
16 ICE.—The Secretary of Agriculture, acting through the
17 Foreign Agriculture Service, should improve market ac-
18 cess for United States agricultural products in sub-Saha-
19 ran African countries by—

20 (1) in conjunction with the Secretary of Com-
21 merce, strengthening the capacity of agricultural
22 producer organizations in sub-Saharan African coun-
23 tries to identify agricultural equipment and supply
24 needs;

1 (2) working with United States financial insti-
2 tutions to increase the number of such financial in-
3 stitutions that cooperate with the Supplier Credit
4 Guarantee Program;

5 (3) working with financial institutions in sub-
6 Saharan African countries to remove obstacles that
7 inhibit fuller implementation of the Export Credit
8 Guarantee and Intermediate Export Credit Guar-
9 antee programs; and

10 (4) facilitating access for ports of entry and
11 warehouse facilities in sub-Saharan African coun-
12 tries to the Facilities Guarantee Program.

13 (e) ACTIONS OF THE UNITED STATES AGENCY FOR
14 INTERNATIONAL DEVELOPMENT.—

15 (1) TECHNICAL ASSISTANCE RELATING TO
16 AGOA ELIGIBILITY.—The President, acting through
17 the Administrator of the United States Agency for
18 International Development, shall provide technical
19 assistance to eligible sub-Saharan African countries
20 under the African Growth and Opportunity Act (19
21 U.S.C. 3701 et seq.) to assist such countries to con-
22 tinue to meet the eligibility requirements under such
23 Act, including eligibility requirements relating to po-
24 litical and economic reforms.

1 (2) TECHNICAL ASSISTANCE RELATING TO
2 AGOA BENEFITS.—The President, acting through the
3 Administrator of the United States Agency for
4 International Development, shall provide technical
5 assistance to eligible sub-Saharan African countries
6 under the African Growth and Opportunity Act to
7 enable small and medium enterprises in sub-Saharan
8 African countries, including agricultural producers,
9 processors and traders, to maximize benefits under
10 such Act (and the amendments made by that Act),
11 including—

12 (A) specific training for business owners
13 on expanding access to the benefits of the Afri-
14 can Growth and Opportunity Act (and the
15 amendments made by that Act) and other trade
16 preference programs;

17 (B) capacity building for entrepreneurs on
18 production strategies, quality standards, forma-
19 tion of cooperatives, market research, and mar-
20 ket development;

21 (C) capacity building to promote diver-
22 sification of products and value-added proc-
23 essing; and

24 (D) capacity building and technical assist-
25 ance for businesses and institutions to help

1 them comply with United States counter-ter-
2 rorism laws.

3 (3) TRANSPORTATION AND COMMUNICA-
4 TIONS.—

5 (A) FINDINGS.—Congress finds the fol-
6 lowing:

7 (i) A major impediment to trade be-
8 tween sub-Saharan African countries and
9 the United States is inadequate direct and
10 regular transport, for products and people,
11 between such countries and the United
12 States.

13 (ii) This transport deficit has reduced
14 the competitiveness of products of sub-Sa-
15 haran African countries, hindered the peo-
16 ple of sub-Saharan African countries from
17 expanding exports of perishable items,
18 such as cut flowers or fresh fruits and
19 vegetables, limited the ability of sub-Saha-
20 ran African countries to increase tourism,
21 and limited the overall volume of trade be-
22 tween sub-Saharan African countries and
23 the United States.

24 (B) SENSE OF CONGRESS.—It is the sense
25 of Congress that there should be an expansion

1 of port-to-port relationships between sub-Saha-
2 ran African countries and the United States.
3 Such relationships should facilitate—

4 (i) increased coordination between
5 land, sea, and airports to reduce time in
6 transit and thus freight charges;

7 (ii) interaction between technical staff
8 from land, sea, and airports in sub-Saha-
9 ran African countries and the United
10 States to increase efficiency and safety
11 procedures and protocols;

12 (iii) coordination between chambers of
13 commerce, freight forwarders, customs bro-
14 kers, and others involved in consolidating
15 and moving freight; and

16 (iv) joint negotiations with shipping
17 companies and airlines on direct shipping
18 and flights between land, sea, and airports
19 in sub-Saharan African countries and the
20 United States to increase frequency and
21 capacity.

22 (C) ASSISTANCE.—The President, acting
23 through the Administrator of the United States
24 Agency for International Development and the
25 Global Development Alliance of the Agency,

1 shall facilitate trade between sub-Saharan Afri-
2 can countries and the United States by encour-
3 aging public-private partnerships involving busi-
4 nesses in sub-Saharan African countries and
5 the United States, national and local govern-
6 ments, bilateral donors, and international finan-
7 cial institutions, to create needed transportation
8 and communication infrastructure for products
9 and people between rural areas and markets
10 (such as “farm-to-market” roads), and between
11 sub-Saharan African countries.

12 (f) ACTIONS OF THE SMALL BUSINESS ADMINISTRA-
13 TION.—The Administrator of the Small Business Adminis-
14 tration should conduct trade training programs for small
15 businesses in the United States, such as the Export Trade
16 Assistance Program, which convey basic information on
17 selling goods to foreign markets, including markets in sub-
18 Saharan African countries.

19 (g) AUTHORIZATION OF APPROPRIATIONS.—

20 (1) GENERAL ACTIVITIES.—There are author-
21 ized to be appropriated to carry out this section
22 (other than subsection (b)) \$5,000,000 for each of
23 the fiscal years 2007 and 2008.

24 (2) ACTIVITIES OF THE DEPARTMENT OF
25 STATE.—There are authorized to be appropriated to

1 carry out subsection (b) \$3,000,000 for each of the
2 fiscal years 2007 and 2008.

3 (3) AVAILABILITY.—Amounts appropriated pur-
4 suant to the authorization of appropriations under
5 paragraphs (1) and (2) are authorized to remain
6 available until expended.

7 **SEC. 7. DEFINITIONS.**

8 In this Act:

9 (1) SMALL AND MEDIUM ENTERPRISES IN SUB-
10 SAHARAN AFRICAN COUNTRIES.—The term “small
11 and medium enterprises in sub-Saharan African
12 countries” has the meaning given the term in section
13 496A(e)(2) of the Foreign Assistance Act of 1961
14 (as added by section 5(a) of this Act).

15 (2) SUB-SAHARAN AFRICAN COUNTRIES.—The
16 term “sub-Saharan African countries” means the
17 countries specified in section 107 of the African
18 Growth and Opportunity Act (19 U.S.C. 3706).

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