

113TH CONGRESS
2D SESSION

S. 2831

To direct the President to establish an interagency mechanism to coordinate United States development programs and private sector investment activities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 16, 2014

Mr. ISAKSON (for himself and Mr. RUBIO) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

To direct the President to establish an interagency mechanism to coordinate United States development programs and private sector investment activities, 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.**

4 This Act may be cited as the “Economic Growth and
5 Development Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) The promotion of sustainable economic
2 growth is the only long-term solution to lifting peo-
3 ple out of poverty and addressing development chal-
4 lenges such as infectious disease, food security, edu-
5 cation, and access to clean water.

6 (2) Several of the greatest development success
7 stories in the last 50 years demonstrate how private
8 sector investment and economic growth are funda-
9 mental to lifting populations out of poverty.

10 (3) There has been a dramatic shift in the com-
11 position of capital flows to the developing world.
12 Whereas 40 years ago more than 70 percent of cap-
13 ital flowing to developing countries was public sector
14 foreign assistance, today 87 percent of capital flow-
15 ing to the developing world comes from the private
16 sector.

17 (4) Eleven of the 15 largest importers of
18 United States goods and services are countries that
19 graduated from United States foreign assistance,
20 and 12 of the 15 fastest growing markets for United
21 States exports are former United States foreign as-
22 sistance recipients.

23 (5) With 12 departments, 26 agencies, and
24 more than 60 Federal Government offices all in-
25 volved in the delivery of United States foreign assist-

1 ance, it is extremely difficult for United States busi-
2 nesses to navigate the bureaucracy in search of op-
3 portunities to partner with such United States agen-
4 cies.

5 (6) Although many United States development
6 agencies have taken steps to improve their private
7 sector coordination capabilities in recent years, these
8 agency-specific strategies remain opaque and must
9 be integrated into a coherent interagency coordina-
10 tion structure to engage the private sector.

11 (7) President Barack Obama's 2010 Policy Di-
12 rective on Global Development created an Inter-
13 agency Policy Committee (IPC) for Global Develop-
14 ment. However, the IPC has not yet established a
15 streamlined, interagency mechanism for coordination
16 with the private sector.

17 (8) In order to better leverage United States
18 foreign assistance dollars and to promote sustainable
19 economic development in partner countries, the pri-
20 vate sector should be consulted during development
21 planning and programming processes.

22 (9) Whether it is in the context of country, sec-
23 tor, or global development strategy, decisions on pro-
24 gram prioritization and resource allocations would

1 benefit greatly from private sector perspectives and
2 market data.

3 (10) By consulting with the private sector from
4 the outset, development programs can be designed to
5 better attract private sector investment and to pro-
6 mote public-private partnerships in key development
7 sectors.

8 (11) The Millennium Challenge Corporation
9 and the Partnership for Growth both analyze con-
10 straints to growth as part of their planning proc-
11 esses, but these analyses need to be included in
12 agency country, sector, and global development
13 strategies to more effectively inform and guide the
14 full spectrum of United States development pro-
15 grams.

16 **SEC. 3. DEFINITIONS.**

17 In this Act:

18 (1) ADMINISTRATOR.—The term “Adminis-
19 trator” means the Administrator of the United
20 States Agency for International Development.

21 (2) UNITED STATES DEVELOPMENT AGEN-
22 CIES.—The term “United States development agen-
23 cies” means the Department of State, the United
24 States Agency for International Development, the
25 Millennium Challenge Corporation, the Overseas Pri-

1 vate Investment Corporation, the Trade and Devel-
2 opment Agency, the Inter-American Foundation, and
3 the African Development Foundation.

4 (3) PRIVATE SECTOR.—The term “private sec-
5 tor” means for-profit United States businesses.

6 (4) SECRETARY.—The term “Secretary” means
7 the Secretary of State.

8 **SEC. 4. PURPOSE.**

9 The purpose of this Act is to maximize the impact
10 of United States development programs by—

11 (1) enhancing coordination between United
12 States development agencies and their programs and
13 the private sector and its investment activities;

14 (2) integrating private sector input into United
15 States development agencies planning and program-
16 ming processes;

17 (3) institutionalizing analyses of constraints to
18 growth and investment throughout United States de-
19 velopment agencies planning and programming proc-
20 esses; and

21 (4) ensuring United States development agen-
22 cies are accountable for progress toward improving
23 coordination of United States development programs
24 and private sector investment activities.

1 **SEC. 5. INTERAGENCY MECHANISM TO COORDINATE**
2 **UNITED STATES DEVELOPMENT PROGRAMS**
3 **AND PRIVATE SECTOR INVESTMENT ACTIVI-**
4 **TIES.**

5 (a) IN GENERAL.—The President, in consultation
6 with the Secretary, the Administrator, the Chief Executive
7 Officer of the Millennium Challenge Corporation, the De-
8 partment of Commerce, and the heads of other United
9 States agencies that undertake development efforts, shall
10 establish a primary mechanism to assist the private sector
11 in coordinating United States development programs with
12 private sector investment activities.

13 (b) DUTIES.—The mechanism established under sub-
14 section (a) shall—

15 (1) streamline and integrate the various private
16 sector liaison functions of United States develop-
17 ment agencies;

18 (2) facilitate the use of various development
19 and finance tools across United States development
20 agencies to attract greater private sector participa-
21 tion in development activities; and

22 (3) establish a single point of contact for the
23 private sector for partnership opportunities with
24 United States development agencies.

1 **SEC. 6. INTEGRATING PRIVATE SECTOR CONSULTATION IN**
 2 **COUNTRY, SECTOR, AND GLOBAL DEVELOP-**
 3 **MENT STRATEGIES.**

4 The Secretary and the Administrator shall direct
 5 their respective policy and country teams to include pri-
 6 vate sector consultation in all country, sector, and global
 7 development strategies, including integrated country strat-
 8 egies, regional and functional strategies, country develop-
 9 ment cooperation strategies, mission strategic resource
 10 plans, and global development strategies.

11 **SEC. 7. ANALYSIS OF CONSTRAINTS TO GROWTH AND IN-**
 12 **VESTMENT IN FOREIGN COUNTRIES AND**
 13 **SECTORS.**

14 (a) IN GENERAL.—The Secretary, the Administrator,
 15 and the heads of other agencies that conduct relevant de-
 16 velopment activities shall ensure that rigorous constraints
 17 to growth and investment analyses are available and inte-
 18 grated as a component of all appropriate country, region,
 19 and sector development strategies.

20 (b) MATTERS TO BE INCLUDED.—The analysis re-
 21 quired under subsection (a) shall include, at a minimum,
 22 an identification and analysis of—

23 (1) constraints posed by the inadequacies of
 24 critical infrastructure, rule of law, tax and invest-
 25 ment codes, and customs and regulatory regimes of
 26 recipient countries, as appropriate; and

1 (2) particular economic sectors that are central
2 to achieving economic growth, such as agriculture,
3 transportation, energy, and financial services.

4 (c) CONDUCT.—If a credible constraints analysis
5 meeting the requirements set out in subsection (b) for a
6 particular country, region, or sector has not already been
7 conducted by another United States Government entity or
8 multilateral institution, the analysis shall be conducted by
9 teams composed of representatives of relevant United
10 States agencies which will consult with international orga-
11 nizations, the private sector, including representatives
12 from commercial sectors of recipient countries, and other
13 stakeholders. In all instances, whether using an existing
14 constraints analysis or a specially conducted one, the con-
15 straints analysis shall be made available to the public, and
16 for comment by all stakeholders prior to finalization of
17 development strategies.

18 (d) RESULTS.—The results of the analysis required
19 under subsection (a) shall be incorporated into develop-
20 ment strategies of United States development agencies
21 and shall be used to inform and guide resource allocations.

22 **SEC. 8. REPORT.**

23 Not later than one year after the date of the enact-
24 ment of this Act, the President shall transmit to the Com-
25 mittee on Foreign Relations and the Committee on Appro-

1 priations of the Senate and the Committee on Foreign Af-
2 fairs and the Committee on Appropriations of the House
3 of Representatives a report that describes the specific
4 measures that have been taken to implement this Act and
5 the outcomes that such measures are intended to produce.

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