

109TH CONGRESS
2^D SESSION

H. R. 5480

To promote economic diversification, entrepreneurship, and private sector development in Africa, and to promote partnerships among small and medium enterprises in the United States and the African private sector in qualified sub-Saharan African countries.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2006

Mr. McDERMOTT (for himself, Mr. LANTOS, Mr. RANGEL, Mr. PAYNE, Mr. ENGLISH of Pennsylvania, Ms. MCCOLLUM of Minnesota, Mr. JEFFERSON, Mr. BERMAN, Mr. DOGGETT, Ms. MILLENDER-McDONALD, Mr. MEEKS of New York, Mr. McNULTY, Mr. MCGOVERN, Ms. BORDALLO, Ms. WATSON, Ms. CORRINE BROWN of Florida, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. GONZALEZ, Mr. MILLER of North Carolina, and Ms. JACKSON-LEE of Texas) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committees on Ways and Means, Small Business, and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To promote economic diversification, entrepreneurship, and private sector development in Africa, and to promote partnerships among small and medium enterprises in the United States and the African private sector in qualified sub-Saharan African countries.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “African Entrepreneur-
3 ship Act of 2006”.

4 **SEC. 2. FINDINGS.**

5 Congress finds the following:

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

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

21 (3) Increasingly, governments of sub-Saharan
22 African countries are making concerted efforts to in-
23 vestigate corruption, prosecute corrupt officials, and
24 recover public funds through the creation of agencies
25 such as the Economic and Financial Crimes Com-
26 mission in Nigeria, the Serious Fraud Office in

1 Ghana, the Federal Ethics and Anticorruption Com-
2 mission in Ethiopia, and the Anticorruption Com-
3 mission in Zambia.

4 (4) A major challenge for sub-Saharan African
5 countries is to productively invest their own capital
6 to expand domestic business ownership and create
7 employment, particularly for youth, in order to pro-
8 mote broad and sustainable economic growth and de-
9 moeracy.

10 (5) While the microenterprise movement has
11 shown itself to be an important generator of self-em-
12 ployment, research and experience throughout sub-
13 Saharan Africa also have proven that small and me-
14 dium enterprises are the greatest catalyst for job
15 creation, skills transfer, and wealth creation in sub-
16 Saharan Africa.

17 (6) Although small and medium enterprises in
18 sub-Saharan African countries make up the largest
19 portion of the formal economy in sub-Saharan Afri-
20 can countries, the average annual contribution of in-
21 vestments of such small and medium enterprises to
22 growth in the gross domestic product of sub-Saha-
23 ran African countries by proportion declined from an
24 average of 14 percent in the 1970s, to 13 percent
25 in the 1980s, and to 12 percent in the first half of

1 the 1990s, while during the same period, the propor-
2 tion of gross domestic product investment by small
3 and medium enterprises in other developing regions
4 increased.

5 (7) Many retail banks avoid lending to small
6 and medium enterprises in sub-Saharan African
7 countries or engage in predatory lending practices,
8 considering such small and medium enterprises as
9 presenting a high credit default risk and as costly to
10 administer, and instead concentrate on providing
11 credit to larger local or international firms or on
12 holding high-yield government bonds.

13 (8) This approach harms the prospects for sus-
14 tainable private sector development by ignoring the
15 necessity of a bottom-up capital formation—a key
16 factor in creating jobs which is necessary to reduce
17 poverty and income inequalities.

18 (9) Governments of sub-Saharan African coun-
19 tries must develop the fiscal policies, economic insti-
20 tutions, legal frameworks, labor market protections,
21 commercial infrastructures, and lending practices to
22 create and manage competitive business environ-
23 ments for investors in small and medium enterprises
24 in sub-Saharan African countries. Further, small
25 and medium enterprises in sub-Saharan African

1 countries must acquire the business skills, expertise,
2 and capital financing necessary to manage successful
3 businesses.

4 (10) The innovative trade capacity building ef-
5 forts underway with African nations through the
6 United States Agency for International Develop-
7 ment's Regional Trade Hubs enable African econo-
8 mies to become better integrated into regional and
9 global markets to take advantage of trade opportuni-
10 ties afforded by the African Growth and Opportunity
11 Act (19 U.S.C. 3701 et seq.). These efforts can be
12 further augmented by providing technical assistance
13 to small and medium enterprises, to help diversify
14 and grow the economies of sub-Saharan Africa.

15 (11) The experience of United States private
16 volunteer organizations shows that deliberately tar-
17 geting the capacity of small and medium enterprises,
18 including farmers' cooperatives and rural businesses,
19 to access and participate in local, national, and re-
20 gional markets effectively builds the capacity of
21 small and medium enterprises to participate in ex-
22 port markets.

23 (12) A World Bank study estimates that coun-
24 tries chiefly exporting a single commodity, such as
25 oil, may be 22 times more likely have a civil war

1 break out than a country with a diverse mix of ex-
2 ports.

3 (13) By the year 2015, it is estimated that 25
4 percent of United States oil imports will originate in
5 sub-Saharan Africa, making the political and eco-
6 nomic stability of the region of paramount impor-
7 tance to United States national security. Recent in-
8 cidents of violence and the recurrent disruption of
9 oil production, including, for example, in the Niger
10 Delta of Nigeria, highlight the need to work closely
11 with local communities to create jobs and spread the
12 benefits of the global economy to local residents.
13 Many oil corporations have established local content
14 programs to provide contracting opportunities to in-
15 digenous business leaders, but many of these busi-
16 ness people lack the skills necessary to benefit from
17 the highly profitable business projects available to
18 them.

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

20 (a) SENSE OF CONGRESS.—It is the sense of Con-
21 gress that in an increasingly competitive global environ-
22 ment driven by transformations in technology, commu-
23 nications, transportation, finance, production, labor mar-
24 kets, sub-Saharan African countries should develop a
25 strong and diverse private sector, particularly small and

1 medium enterprises, to be full participants in the global
2 economy.

3 (b) **DECLARATION OF POLICY.**—It shall be the policy
4 of the Government of the United States to make available
5 for private sector development in sub-Saharan African
6 countries professional, technical, and other resources for
7 capacity-building for retail banks and small and medium
8 enterprises, including farmers’ cooperatives and busi-
9 nesses, to promote entrepreneurship and economic and ex-
10 port diversification, to expand the formal sector, and to
11 increase trade under the African Growth and Opportunity
12 Act (19 U.S.C. 3701 et seq.) of exports from Africa to
13 the United States and trade among sub-Saharan African
14 countries.

15 **SEC. 4. AFRICAN ECONOMIC DIVERSIFICATION FINANCING**
16 **RATE.**

17 (a) **IN GENERAL.**—Subsection (c) of section 4611 of
18 the Internal Revenue Code of 1986 is amended—

19 (1) in paragraph (1), by striking “and” in sub-
20 paragraph (A), by striking the period and inserting
21 “, and” in subparagraph (B), and by adding at the
22 end the following new subparagraph:

23 “(C) the African Economic Diversification
24 Fund financing rate.”, and

1 (2) in paragraph (2), by striking “and” in sub-
2 paragraph (A), by striking the period and inserting
3 “, and” in subparagraph (B), and by adding at the
4 end the following new subparagraph:

5 “(C) the African Economic Diversification
6 Fund financing rate is, with respect to a petro-
7 leum product, the column 1 general rate of duty
8 under the Harmonized Tariff Schedule of the
9 United States that applies to such petroleum
10 product.”.

11 (b) APPLICATION OF AFRICAN ECONOMIC DIVER-
12 SIFICATION FUND FINANCING RATE.—Section 4611 of
13 such Code (relating to environmental tax on petroleum)
14 is amended by adding at the end the following new sub-
15 section:

16 “(g) APPLICATION OF AFRICAN ECONOMIC DIVER-
17 SIFICATION FUND FINANCING RATE.—

18 “(1) IN GENERAL.—The African Economic Di-
19 versification Fund financing rate shall apply only to
20 petroleum products entered into the United States
21 directly from a beneficiary sub-Saharan African
22 country described in section 506A(c) of the Trade
23 Act of 1974.

1 “(2) TERMINATION.—The African Economic
2 Diversification Fund financing rate shall not apply
3 after December 31, 2011.”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2006.

7 **SEC. 5. AFRICAN ECONOMIC DIVERSIFICATION FUND.**

8 (a) CREATION OF TRUST FUND.—Subchapter A of
9 chapter 98 of the Internal Revenue Code of 1986 is
10 amended by inserting at the end the following new section:

11 **“SEC. 9511. AFRICAN ECONOMIC DIVERSIFICATION FUND.**

12 “(a) CREATION OF TRUST FUND.—There is estab-
13 lished in the Treasury of the United States a trust fund
14 to be known as the ‘African Economic Diversification
15 Fund’, consisting of such amounts as may be appropriated
16 or credited to the African Economic Diversification Fund.

17 “(b) TRANSFER OF CERTAIN TAXES.—There are
18 hereby appropriated to the African Economic Diversifica-
19 tion Fund amounts equivalent to the taxes received in the
20 Treasury under section 4611 (relating to environmental
21 tax on petroleum) to the extent attributable to the African
22 Economic Diversification Fund financing rate under sec-
23 tion 4611(c).

24 “(c) EXPENDITURES.—Amounts in the African Eco-
25 nomic Diversification Fund shall be available, as provided

1 by appropriation Acts, only for purposes of making the
2 following expenditures—

3 “(1) DEPARTMENT OF AGRICULTURE.—Ex-
4 penditures related to personnel and technical assist-
5 ance provided by the Secretary of Agriculture,
6 through the Foreign Agriculture Service, for the
7 purpose of—

8 “(A) developing and facilitating value-
9 added agricultural processing activities, as de-
10 termined by the Secretary of Agriculture, in
11 qualified sub-Saharan African countries,

12 “(B) developing a comprehensive plan for
13 the expansion and diversification of agricultural
14 trade between qualified sub-Saharan African
15 countries and the United States under the Afri-
16 can Growth and Opportunity Act and among
17 sub-Saharan African countries,

18 “(C) arranging trade and investment mis-
19 sions to qualified sub-Saharan African countries
20 to generate joint venture investment and joint
21 venture marketing agreements between farmers
22 in the United States and qualified sub-Saharan
23 African countries, and

1 “(D) improving market access for United
2 States agricultural products and equipment in
3 qualified sub-Saharan African countries by—

4 “(i) strengthening the capacity of ag-
5 ricultural producer organizations in quali-
6 fied sub-Saharan African countries to iden-
7 tify agricultural equipment and supply
8 needs,

9 “(ii) working with United States fi-
10 nancial institutions to increase the number
11 of such financial institutions that cooper-
12 ate with the Supplier Credit Guarantee
13 Program,

14 “(iii) working with financial institu-
15 tions in qualified sub-Saharan African
16 countries to remove obstacles that inhibit
17 fuller implementation of the Export Credit
18 Guarantee and Intermediate Export Credit
19 Guarantee programs, and

20 “(iv) facilitating access for ports of
21 entry and warehouse facilities in qualified
22 sub-Saharan African countries to the Fa-
23 cilities Guarantee Program.

24 “(2) SMALL BUSINESS ADMINISTRATION.—Ex-
25 penditures related to carrying out the 21st Century

1 African Entrepreneurs Program, established pursu-
2 ant to section 22(g) of the Small Business Act, in
3 qualified sub-Saharan African countries.

4 “(3) DEPARTMENT OF COMMERCE.—Expendi-
5 tures related to personnel and technical assistance
6 provided by the Secretary of Commerce for the pur-
7 pose of—

8 “(A) promoting business partnerships be-
9 tween entrepreneurs in the United States and
10 in qualified sub-Saharan African countries,

11 “(B) hosting conferences and initiating 2-
12 way trade missions to discover and encourage
13 opportunities for private sector cooperation be-
14 tween the United States and qualified sub-Sa-
15 haran African countries,

16 “(C) helping United States firms fully un-
17 derstand the risks and benefits of doing busi-
18 ness in qualified sub-Saharan African countries
19 and developing tools and mechanisms to reduce
20 such risks and enhance such benefits,

21 “(D) facilitating the transfer of United
22 States commercial and manufacturing tech-
23 nology to qualified sub-Saharan African coun-
24 tries for the purposes of expanding commercial
25 opportunities,

1 “(E) promoting the establishment of lend-
2 ing programs of financial institutions for quali-
3 fied small and medium African enterprises by
4 establishing effective credit risk management
5 systems to improve the quality of the assets of
6 such financial institutions and the ability of
7 such financial institutions to research and as-
8 sess overall credit risk, and

9 “(F) promoting the development of quali-
10 fied small and medium African enterprises that
11 are located in rural and peri-urban areas by
12 carrying out capacity-building activities for
13 microenterprise business associations and
14 microfinance networks.

15 “(4) U.S.-AFRICA PRIVATE SECTOR ADVISORY
16 COUNCIL AND AFRICAN DEVELOPMENT BANK.—Ex-
17 penditures related to carrying out sections 7 and 8
18 of the African Entrepreneurship Act of 2006.

19 “(5) UNITED STATES TRADE REPRESENTA-
20 TIVE.—Expenditures related to activities by the
21 United States Trade Representative to convene trade
22 capacity building programs in qualified sub-Saharan
23 African countries to provide technical assistance
24 aimed to increase international trade under the Afri-
25 can Growth and Opportunity Act.

1 “(d) DEFINITIONS.—For purposes of this section—

2 “(1) QUALIFIED SUB-SAHARAN AFRICAN COUN-
3 TRY.—The term ‘qualified sub-Saharan African
4 country’ means a beneficiary sub-Saharan African
5 country described in section 506A(c) of the Trade
6 Act of 1974.

7 “(2) QUALIFIED SMALL AND MEDIUM AFRICAN
8 ENTERPRISE.—The term ‘qualified small and me-
9 dium African enterprise’ means a business in a
10 qualified sub-Saharan African country that meets
11 the standards developed for such country by the Ad-
12 ministrator of the Small Business Administration, in
13 cooperation with the Administrator of the United
14 States Agency for International Development, pursu-
15 ant to section 22(g)(4) of the Small Business Act.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 for subchapter A of chapter 98 of such Code is amended
18 by inserting at the end the following new item:

“Sec. 9511. African Economic Diversification Fund.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2006.

1 **SEC. 6. 21ST CENTURY AFRICAN ENTREPRENEURS PRO-**
2 **GRAM.**

3 Section 22 of the Small Business Act (15 U.S.C. 649)
4 is amended by adding at the end the following new sub-
5 section:

6 “(g) AFRICAN ENTREPRENEURS PROGRAM.—

7 “(1) ESTABLISHMENT.—The Administrator
8 shall establish in the Office of International Trade
9 a program to be known as the ‘21st Century African
10 Entrepreneurs Program’ to provide assistance to
11 qualified small and medium African enterprises.

12 “(2) AFRICAN ENTREPRENEURS PROGRAM CEN-
13 TERS.—

14 “(A) ESTABLISHMENT OF CENTERS.—As
15 part of the program established under para-
16 graph (1), the Administrator shall establish not
17 less than three African Entrepreneurs Program
18 Centers during each of fiscal years 2007
19 through 2012. The Administrator shall estab-
20 lish the Centers in central and accessible places
21 in qualified sub-Saharan African countries.

22 “(B) FUNCTIONS.—The function of each
23 African Entrepreneurs Program Center estab-
24 lished under subparagraph (A) is to provide in-
25 formation and guidance to qualified small and
26 medium African enterprises, including—

1 “(i) providing quality training, coun-
2 seling, and access to financial resources to
3 enable qualified small and medium African
4 enterprises to present well-developed busi-
5 ness plans to banks in qualified sub-Saha-
6 ran African countries for the purpose of
7 accessing capital;

8 “(ii) providing counseling, training,
9 and technical assistance in all aspects of
10 small business management, including
11 marketing and production, to qualified
12 small and medium African enterprises;

13 “(iii) providing management assist-
14 ance to current and prospective owners of
15 qualified small and medium African enter-
16 prises;

17 “(iv) partnering with banks in quali-
18 fied sub-Saharan African countries, the
19 United States Agency for International
20 Development (specifically the Development
21 Credit Account), the Department of the
22 Treasury, and international financial insti-
23 tutions, such as the World Bank and the
24 African Development Bank, to provide loan
25 guarantees to financial institutions in

1 qualified sub-Saharan African countries
2 that make loans to qualified small and me-
3 dium African enterprises;

4 “(v) developing programs to help
5 qualified small and medium African enter-
6 prises to understand export opportunities
7 that may exist, an in particular, to under-
8 stand trade preferences available to busi-
9 nesses located in qualified sub-Saharan Af-
10 rican countries; and

11 “(vi) reaching out particularly to cur-
12 rent and prospective women entrepreneurs
13 to provide assistance relating to launching
14 or growing a small business, and imple-
15 menting the model of the women’s business
16 centers under section 29, with regard to
17 services and assistance provided.

18 “(C) PERSONNEL.—

19 “(i) DIRECTOR; STAFF.—Each Afri-
20 can Entrepreneurs Program Center estab-
21 lished under subparagraph (A) shall have a
22 director and staff.

23 “(ii) VOLUNTEERS; PART-TIME
24 STAFF.—The director of an African Entre-
25 preneurs Program Center may hire volun-

1 teers or part-time staff, as the director
2 finds appropriate.

3 “(iii) CONSULTANTS.—The director of
4 an African Entrepreneurs Program Center
5 may hire a consultant or engineer or pay
6 for the use of a testing laboratory, if the
7 consultant, engineer, or laboratory is nec-
8 essary to provide assistance to a qualified
9 small and medium African enterprises that
10 is in need of specialized expertise and that
11 requests assistance from the Center.

12 “(D) ADVISORY COMMITTEE.—For each
13 country in which the Administrator establishes
14 an African Entrepreneurs Program Center, the
15 Administrator shall establish an advisory com-
16 mittee made up of members from the private
17 sector for the purpose of obtaining input and
18 advice from the members on how the Center
19 may best serve the needs of qualified small and
20 medium African enterprises in that country.

21 “(E) SELF-SUFFICIENCY.—

22 “(i) INITIAL FUNDING.—The Admin-
23 istrator should seek to obtain 30 percent of
24 the funds required for each African Entre-
25 preneurs Program Center through partner-

1 ships and in-kind support, including build-
2 ing space, instructor time, furniture dona-
3 tion, and co-funding from the public or pri-
4 vate sector, in the country in which the
5 Center is located.

6 “(ii) LONG-TERM FUNDING.—Not
7 later than the date that is five years after
8 the date on which the Center is estab-
9 lished, the Administrator should seek to
10 obtain 100 percent of the funds required
11 for each African Entrepreneurs Program
12 Center through mechanisms, such as pub-
13 lic and private partnerships and small or
14 modest fees-for-service.

15 “(3) AFRICAN SMALL BUSINESS
16 ROUNDTABLES.—The Administrator shall convene
17 two roundtables each year in each country in which
18 an African Entrepreneurs Program Center is estab-
19 lished under paragraph (2) to promote cooperation
20 between banks and entrepreneurs in the United
21 States and in qualified sub-Saharan African coun-
22 tries and to identify problems in the delivery of fi-
23 nancial services to small businesses. Each roundtable
24 should include representatives from banks in the
25 United States with experience working with and ben-

1 efitting from existing United States financial pro-
2 grams that support small businesses and farmers’
3 cooperatives.

4 “(4) SME CONGRESS OF SUB-SAHARAN AFRI-
5 CA.—The Administrator shall seek to establish the
6 SME Congress of Sub-Saharan Africa. The SME
7 Congress of Sub-Saharan Africa shall be modeled
8 after the SME Congress of the Americas, a hemi-
9 sphere network of micro, small and medium enter-
10 prise service providers created to enhance the ability
11 of small business to effectively participate in and
12 benefit from international trade by seeking to reduce
13 the time and costs associated with starting and
14 growing a small or medium enterprise. The Adminis-
15 trator shall seek to coordinate SME Congress of
16 Sub-Saharan Africa meetings with the annual meet-
17 ings described in section 105(c)(2)(B) of the African
18 Growth and Opportunity Act (19 U.S.C. 3704).

19 “(5) QUALIFIED SMALL AND MEDIUM AFRICAN
20 ENTERPRISE.—

21 “(A) IN GENERAL.—The Administrator, in
22 cooperation with the Administrator of the
23 United States Agency for International Devel-
24 opment, shall develop standards, specific to the
25 qualified sub-Saharan African country in which

1 the business is located, for determining whether
2 such business is a qualified small and medium
3 African enterprise.

4 “(B) QUALIFIED SUB-SAHARAN AFRICAN
5 COUNTRY.—For purposes of this subsection, the
6 term ‘qualified sub-Saharan African country’
7 means a beneficiary sub-Saharan African coun-
8 try described in section 506A(c) of the Trade
9 Act of 1974 (19 U.S.C. 2466a).”.

10 **SEC. 7. U.S.-AFRICA PRIVATE SECTOR ADVISORY COUNCIL.**

11 (a) ESTABLISHMENT.—The Administrator of the
12 Small Business Administration shall establish an advisory
13 council to be known as the “U.S.-Africa Private Sector
14 Advisory Council” (hereinafter referred to as the Council).

15 (b) DUTIES.—The Council shall—

16 (1) advise the Congress and Federal agencies
17 on—

18 (A) the use of expenditures made from
19 amounts available in the African Economic Di-
20 versification Fund, established under section
21 9511 of the Internal Revenue Code of 1986;
22 and

23 (B) the implementation of policies and pro-
24 grams described in subsection (c) of such sec-
25 tion;

1 (2) assist the private sector in the United
2 States and qualified sub-Saharan African countries
3 in carrying out the opportunities identified by—

4 (A) conferences and 2-way trade missions
5 organized by the Secretary of Commerce to dis-
6 cover and encourage opportunities for private
7 sector cooperation between the United States
8 and qualified sub-Saharan African countries,
9 and

10 (B) trade and investment missions to
11 qualified sub-Saharan African countries ar-
12 ranged by the Secretary of Agriculture to gen-
13 erate joint venture investment and joint venture
14 marketing agreements between farmers in the
15 United States and in qualified sub-Saharan Af-
16 rican countries;

17 (3) assist in the coordination of annual meet-
18 ings hosted by United States representatives of the
19 private sector with representatives of the private sec-
20 tor from sub-Saharan Africa, as described in section
21 105(c)(2)(B) of the African Growth and Opportunity
22 Act (19 U.S.C. 3704); and

23 (4) advise the President on providing assistance
24 to qualified small and medium African enterprises in

1 accordance with section 496A of the Foreign Assist-
2 ance Act of 1961 (as amended by section 10).

3 (c) APPOINTMENT.—

4 (1) MEMBERS.—The Council shall be composed
5 of 20 members, as follows:

6 (A) 1 member, appointed jointly by the
7 chair and ranking minority member of the
8 Committee on Ways and Means of the House of
9 Representatives and the chair and ranking mi-
10 nority member of the Committee on Finance of
11 the Senate, from the private-sector business
12 community in qualified sub-Saharan African
13 countries,

14 (B) 1 member, appointed jointly by the
15 chair and ranking minority member of the
16 Committee on Ways and Means of the House of
17 Representatives and the chair and ranking mi-
18 nority member of the Committee on Finance of
19 the Senate, from the private-sector business
20 community in the United States,

21 (C) 1 member, appointed by the President,
22 from the private-sector business community in
23 qualified sub-Saharan African countries,

1 (D) 1 member, appointed by the President,
2 from the private-sector business community in
3 the United States,

4 (E) 8 members, appointed jointly by the
5 Council members identified in subparagraphs
6 (A) through (D), from the private-sector busi-
7 ness community in qualified sub-Saharan Afri-
8 can countries, and

9 (F) 8 members, appointed jointly by the
10 Council members identified in subparagraphs
11 (A) through (D), from the private-sector busi-
12 ness community in the United States.

13 (2) CONSULTATION REQUIRED.—The Council
14 members identified in subparagraphs (A) through
15 (D) of paragraph (1) shall consult among themselves
16 prior to the appointment of additional members of
17 the Council in order to achieve, to the maximum ex-
18 tent possible, fair and equitable representation of
19 various points of view with respect to the matters to
20 be studied by the Council under subsection (b).

21 (3) TERMS OF APPOINTMENT.—The members
22 of the Council shall be appointed not more than 90
23 days after the date of the enactment of this Act.
24 The members of the Council shall serve for the life
25 of the Council.

1 (4) CO-CHAIRS.—The member of the Council
2 identified in subparagraphs (A) through (D) of para-
3 graph (1) shall serve as Co-chairs of the Council.

4 (d) MEETINGS.—

5 (1) INITIAL MEETING.—Not later than 180
6 days after the date of the enactment of this Act, the
7 Council shall conduct its first meeting.

8 (2) OPEN MEETINGS.—Each meeting of the
9 Council shall be open to the public.

10 (e) VACANCIES.—A vacancy on the Council—

11 (1) shall be filled in the same manner as the
12 original appointment not later than 30 days after
13 the Council is given notice of the vacancy, and

14 (2) shall not affect the power of the remaining
15 members to execute the duties of the Council.

16 (f) TRAVEL EXPENSES.—Members of the Council
17 shall receive travel expenses, including per diem in lieu
18 of subsistence, in accordance with sections 5702 and 5703
19 of title 5, United States Code.

20 (g) DIRECTOR; STAFF.—

21 (1) DIRECTOR.—The Co-chairs shall appoint a
22 Director.

23 (2) STAFF.—The Director, with the approval of
24 the Council, may appoint and fix the pay of addi-
25 tional personnel.

1 (h) MANAGEMENT.—The Council shall be managed
2 by the Council members, the director, and staff in a man-
3 ner consistent with the purposes of this section.

4 (i) OTHER AUTHORITY.—The Council may lease
5 space and acquire personal property to the extent that
6 funds are available.

7 (j) SELF-SUFFICIENCY.—Not later than the date
8 that is 5 years after the date on which the Council is es-
9 tablished, the Council should seek to obtain 100 percent
10 of the funds required to carry out this section through
11 partnerships, cash contributions, membership fees, and in-
12 kind support.

13 (k) REPORTS.—Not later than 1 year after the date
14 of the first meeting of the Council, and annually there-
15 after, the Council shall make public and transmit to the
16 Congress and the Small Business Administration a re-
17 port—

18 (1) detailing the actions the Council has taken
19 during the previous year in fulfillment of the duties
20 described in subsection (b),

21 (2) making recommendations related to policies
22 that would further encourage the development of the
23 private sector in qualified sub-Saharan African coun-
24 tries, particularly with regard to qualified small and
25 medium African enterprises, and

1 (3) including a budget proposal for the next fis-
2 cal year.

3 **SEC. 8. COORDINATION WITH AFRICAN DEVELOPMENT**
4 **BANK.**

5 (a) AFRICAN ENTREPRENEURS PROGRAM.—The Ad-
6 ministrator of the Small Business Administration should
7 provide the Secretary of the Treasury with information
8 pertaining to how African Development Bank programs
9 can be used to improve the 21st Century African Entre-
10 preneurs Program, established pursuant to section 22(g)
11 of the Small Business Act (15 U.S.C. 649(g)). The Sec-
12 retary of the Treasury should instruct the United States
13 Executive Director at the African Development Bank to
14 urge the African Development Bank to use programs of
15 the African Development Bank in this manner.

16 (b) VALUE-ADDED AGRICULTURE LOAN FACILITY.—
17 The Secretary of Agriculture should provide the Secretary
18 of the Treasury with information pertaining to how the
19 establishment of a value-added agricultural loan facility
20 can be used to support the development of qualified small
21 and medium African enterprises devoted to the processing
22 of agricultural commodities. The Secretary of the Treas-
23 ury should instruct the United States Executive Director
24 at the African Development Bank to urge the African De-
25 velopment Bank to use loan programs of the African De-

1 velopment Bank to foster the establishment of such a facil-
2 ity.

3 (c) FEASIBILITY STUDIES.—

4 (1) The Secretary of Agriculture, through the
5 Foreign Agricultural Service, should provide tech-
6 nical assistance to farmers in qualified sub-Saharan
7 African countries in the development of pre-feasi-
8 bility studies to identify potentially profitable
9 projects for submission to the African Development
10 Bank.

11 (2) The United States Trade Development
12 Agency should provide assistance in the preparation
13 of final feasibility studies for projects to be sub-
14 mitted to African Development Bank under the
15 United States Department of Agriculture-African
16 Development Bank loan facility program.

17 (d) TECHNICAL ASSISTANCE FOR AGRICULTURAL
18 FACILITIES.—The Secretary of Agriculture, through the
19 Foreign Agricultural Service, should provide technical as-
20 sistance to farmers in qualified sub-Saharan African coun-
21 tries who are funded by the African Development Bank
22 loan facility.

1 **SEC. 9. ACTIVITIES TO STRENGTHEN FUNDAMENTAL**
2 **LABOR RIGHTS.**

3 (a) IN GENERAL.—The Secretary of State should un-
4 dertake activities to strengthen internationally recognized
5 labor rights and standards in qualified sub-Saharan Afri-
6 can countries by—

7 (1) ensuring that governments and businesses
8 in qualified sub-Saharan African countries are aware
9 of their obligations (through membership in the
10 International Labor Organization (ILO) as well as
11 under United States trade preference programs such
12 as the generalized system of preferences and the Af-
13 rican Growth and Opportunity Act) to respect, pro-
14 mote, and realize the international labor standards
15 established by the ILO,

16 (2) monitoring the enforcement of labor laws in
17 qualified sub-Saharan African countries, including
18 labor laws relating to workers' rights to free associa-
19 tion, prohibitions on child labor, forced labor, and
20 discrimination, safety in the work environment,
21 workplace standards laws regulating minimum wage
22 and hours of work, and collective bargaining,
23 through ensuring, among other things, that report-
24 ing on labor rights at United States missions is a
25 priority, and

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

7 (b) DEFINITIONS.—For purposes of section 7, 8, and
8 9 of this Act:

9 (1) QUALIFIED SUB-SAHARAN AFRICAN COUN-
10 TRY.—The term “qualified sub-Saharan African
11 country” means a beneficiary sub-Saharan African
12 country described in section 506A(c) of the Trade
13 Act of 1974 (19 U.S.C. 2466a).

14 (2) QUALIFIED SMALL AND MEDIUM AFRICAN
15 ENTERPRISE.—The term “qualified small and me-
16 dium African enterprise” means a business in a
17 qualified sub-Saharan African country that meet the
18 standards developed for such country by the Admin-
19 istrator of the Small Business Administration, in co-
20 operation with the Administrator of the United
21 States Agency for International Development, pursu-
22 ant to section 22(g)(4) of the Small Business Act
23 (15 U.S.C. 649).

1 **SEC. 10. ASSISTANCE FOR QUALIFIED SMALL AND MEDIUM**
2 **AFRICAN ENTERPRISES.**

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

7 **“SEC. 496A. ASSISTANCE FOR QUALIFIED SMALL AND ME-**
8 **DIUM AFRICAN ENTERPRISES.**

9 “(a) AUTHORIZATION.—The President, acting
10 through the Administrator of the United States Agency
11 for International Development, is authorized to provide as-
12 sistance, on such terms and conditions as the President
13 may determine, for qualified small and medium African
14 enterprises.

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

18 “(1) YOUTH ENTREPRENEURSHIP PROGRAMS.—
19 Activities to establish youth entrepreneurship train-
20 ing programs in schools or through community part-
21 nerships with business and youth organizations in
22 qualified sub-Saharan African countries to promote
23 economic skills, ethics, integrity, and healthy life
24 skills among youth in such countries. Such activities
25 may include providing assistance through United
26 States and international youth organizations located

1 in qualified sub-Saharan African countries and min-
2 istries of education, local schools, businesses, and
3 youth groups to—

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

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

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

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

20 “(E) organize student-led enterprises.

21 “(2) ANTI-CORRUPTION INITIATIVES.—Activi-
22 ties that combat corruption, improve transparency
23 and accountability, and promote other forms of good
24 governance and management in qualified sub-Saha-
25 ran African countries. Such activities may include—

1 “(A) providing technical assistance to gov-
2 ernments of qualified sub-Saharan African
3 countries that are implementing the United Na-
4 tions Convention against Corruption, including
5 assistance to combat anti-competitive, unethical,
6 and corrupt activities, including protection
7 against actions that may distort or inhibit
8 transparency in market mechanisms and impair
9 the development of qualified small and medium
10 African enterprises;

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

20 “(C) providing training and technical as-
21 sistance relating to drafting of anti-corruption,
22 privatization, and competitive statutory and ad-
23 ministrative codes, and providing technical as-
24 sistance to ministries and agencies imple-
25 menting anti-corruption laws and regulations.

1 “(c) DEFINITIONS.—In this section:

2 “(1) QUALIFIED SUB-SAHARAN AFRICAN COUN-
3 TRY.—The term ‘qualified sub-Saharan African
4 country’ means a beneficiary sub-Saharan African
5 country described in section 506A(c) of the Trade
6 Act of 1974 (19 U.S.C. 2466a).

7 “(2) QUALIFIED SMALL AND MEDIUM AFRICAN
8 ENTERPRISE.—The term ‘qualified small and me-
9 dium African enterprise’ means a business in a
10 qualified sub-Saharan African country that meet the
11 standards developed for such country by the Admin-
12 istrator of the Small Business Administration, in co-
13 operation with the Administrator of the United
14 States Agency for International Development, pursu-
15 ant to section 22(g)(4) of the Small Business Act
16 (15 U.S.C. 649).”.

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

21 (c) AUTHORIZATION OF APPROPRIATIONS.—For pur-
22 poses of carrying out this section, there are authorized to
23 be appropriated \$5,000,000 for each of fiscal years 2007
24 and 2008.

1 **SEC. 11. REPORT.**

2 Not later than 6 months after the date of the enact-
3 ment of this Act, the President shall transmit to Congress
4 a report including legislative recommendations for the cre-
5 ation of American jobs, particularly in economically dis-
6 advantaged areas, by utilizing opportunities that arise
7 from an increase in United States imports.

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