

Union Calendar No. 241

105TH CONGRESS
2^D SESSION

H. R. 1432

[Report No. 105-423, Parts I and II]

A BILL

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

MARCH 2, 1998
Reported from the Committee on International Relations
with an amendment

MARCH 2, 1998
Reported from the Committee on Ways and Means with
an amendment

MARCH 2, 1998
Referral to the Committee on Banking and Financial
Services extended for a period ending not later than
March 2, 1998

MARCH 2, 1998
The Committee on Banking and Financial Services dis-
charged; committed to the Committee of the Whole
House on the State of the Union and ordered to be
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[Report No. 105-423, Parts I and II]

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 24, 1997

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

MARCH 2, 1998

Additional sponsors: Mr. MATSUI, Mr. SHAYS, Mr. KLUG, Ms. LOFGREN, Mr. FROST, Mr. ENGEL, Mr. FOX of Pennsylvania, Mrs. MALONEY of New York, Mr. FLAKE, Mr. DIXON, Ms. DEGETTE, Mr. SABO, Mr. MCGOVERN, Mr. NEAL of Massachusetts, Ms. KILPATRICK, Mr. WATT of North Carolina, Mr. CLEMENT, Mr. CUMMINGS, Mr. WEXLER, and Mr. WYNN

MARCH 2, 1998

Reported from the Committee on International Relations with an amendment
[Strike out all after the enacting clause and insert the part printed in *italic*]

MARCH 2, 1998

Reported from the Committee on Ways and Means with an amendment

[Strike out all after the enacting clause and insert the part printed in boldface roman]

MARCH 2, 1998

Referral to the Committee on Banking and Financial Services extended for a period ending not later than March 2, 1998

MARCH 2, 1998

The Committee on Banking and Financial Services discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on April 24, 1997]

A BILL

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

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

4 *This Act may be cited as the “African Growth and*
 5 *Opportunity Act”.*

6 **SEC. 2. FINDINGS.**

7 *The Congress finds that it is in the mutual economic*
 8 *interest of the United States and sub-Saharan Africa to*
 9 *promote stable and sustainable economic growth and devel-*
 10 *opment in sub-Saharan Africa. To that end, the United*
 11 *States seeks to facilitate market-led economic growth in,*
 12 *and thereby the social and economic development of, the*
 13 *countries of sub-Saharan Africa. In particular, the United*
 14 *States seeks to assist sub-Saharan African countries, and*

1 *the private sector in those countries, to achieve economic*
2 *self-reliance by—*

3 (1) *strengthening and expanding the private sec-*
4 *tor in sub-Saharan Africa, especially women-owned*
5 *businesses;*

6 (2) *encouraging increased trade and investment*
7 *between the United States and sub-Saharan Africa;*

8 (3) *reducing tariff and nontariff barriers and*
9 *other trade obstacles;*

10 (4) *expanding United States assistance to sub-*
11 *Saharan Africa's regional integration efforts;*

12 (5) *negotiating free trade areas;*

13 (6) *establishing a United States-Sub-Saharan*
14 *Africa Trade and Investment Partnership;*

15 (7) *focusing on countries committed to account-*
16 *able government, economic reform, and the eradi-*
17 *cation of poverty;*

18 (8) *establishing a United States-Sub-Saharan*
19 *Africa Economic Cooperation Forum; and*

20 (9) *continuing to support development assistance*
21 *for those countries in sub-Saharan Africa attempting*
22 *to build civil societies.*

1 **SEC. 3. STATEMENT OF POLICY.**

2 *The Congress supports economic self-reliance for sub-*
3 *Saharan African countries, particularly those committed*
4 *to—*

5 *(1) economic and political reform;*

6 *(2) market incentives and private sector growth;*

7 *(3) the eradication of poverty; and*

8 *(4) the importance of women to economic growth*
9 *and development.*

10 **SEC. 4. ELIGIBILITY REQUIREMENTS.**

11 *(a) IN GENERAL.—A sub-Saharan African country*
12 *shall be eligible to participate in programs, projects, or ac-*
13 *tivities, or receive assistance or other benefits under this Act*
14 *if the President determines that the country does not engage*
15 *in gross violations of internationally recognized human*
16 *rights and has established, or is making continual progress*
17 *toward establishing, a market-based economy, such as the*
18 *establishment and enforcement of appropriate policies relat-*
19 *ing to—*

20 *(1) promoting free movement of goods and serv-*
21 *ices between the United States and sub-Saharan Afri-*
22 *ca and among countries in sub-Saharan Africa;*

23 *(2) promoting the expansion of the production*
24 *base and the transformation of commodities and non-*
25 *traditional products for exports through joint venture*
26 *projects between African and foreign investors;*

1 (3) trade issues, such as protection of intellectual
2 property rights, improvements in standards, testing,
3 labeling and certification, and government procure-
4 ment;

5 (4) the protection of property rights, such as pro-
6 tection against expropriation and a functioning and
7 fair judicial system;

8 (5) appropriate fiscal systems, such as reducing
9 high import and corporate taxes, controlling govern-
10 ment consumption, participation in bilateral invest-
11 ment treaties, and the harmonization of such treaties
12 to avoid double taxation;

13 (6) foreign investment issues, such as the provi-
14 sion of national treatment for foreign investors and
15 other measures to create an environment conducive to
16 domestic and foreign investment;

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

19 (8) governance issues, such as eliminating gov-
20 ernment corruption, minimizing government inter-
21 vention in the market such as price controls and sub-
22 sidies, and streamlining the business license process;

23 (9) supporting the growth of the private sector,
24 in particular by promoting the emergence of a new
25 generation of African entrepreneurs;

1 (10) *encouraging the private ownership of gov-*
2 *ernment-controlled economic enterprises through di-*
3 *vestiture programs;*

4 (11) *removing restrictions on investment; and*

5 (12) *observing the rule of law, including equal*
6 *protection under the law and the right to due process*
7 *and a fair trial.*

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

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

14 (2) *The extent to which such country has made*
15 *substantial progress toward—*

16 (A) *reducing tariff levels;*

17 (B) *binding its tariffs in the World Trade*
18 *Organization and assuming meaningful binding*
19 *obligations in other sectors of trade; and*

20 (C) *eliminating nontariff barriers to trade.*

21 (3) *Whether such country, if not already a mem-*
22 *ber of the World Trade Organization, is actively pur-*
23 *suing membership in that Organization.*

24 (4) *Where applicable, the extent to which such*
25 *country is in material compliance with its obligations*

1 *to the International Monetary Fund and other inter-*
2 *national financial institutions.*

3 (5) *The extent to which such country has a rec-*
4 *ognizable commitment to reducing poverty, providing*
5 *basic health and education for poor citizens, the ex-*
6 *ansion of physical infrastructure in a manner de-*
7 *signed to maximize accessibility, increased access to*
8 *market and credit facilities for small farmers and*
9 *producers, and improved economic opportunities for*
10 *women as entrepreneurs and employees.*

11 (6) *Whether or not such country engages in ac-*
12 *tivities that undermine United States national secu-*
13 *rity or foreign policy interests.*

14 (c) *CONTINUING COMPLIANCE.—*

15 (1) *MONITORING AND REVIEW OF CERTAIN COUN-*
16 *TRIES.—The President shall monitor and review the*
17 *progress of sub-Saharan African countries in order to*
18 *determine their current or potential eligibility under*
19 *subsection (a). Such determinations shall be based on*
20 *quantitative factors to the fullest extent possible and*
21 *shall be included in the annual report required by*
22 *section 15.*

23 (2) *INELIGIBILITY OF CERTAIN COUNTRIES.—A*
24 *sub-Saharan African country described in paragraph*
25 *(1) that has not made continual progress in meeting*

1 *agricultural markets and improve food security, and the*
2 *support for the rule of law and democratic governance*
3 *should continue to be encouraged and enhanced on a bilat-*
4 *eral and regional basis.*

5 (b) *DECLARATIONS OF POLICY.*—*The Congress makes*
6 *the following declarations:*

7 (1) *The Development Fund for Africa established*
8 *under chapter 10 of part I of the Foreign Assistance*
9 *Act of 1961 (22 U.S.C. 2293 et seq.) has been an effec-*
10 *tive tool in providing development assistance to sub-*
11 *Saharan Africa since 1988.*

12 (2) *The Development Fund for Africa will com-*
13 *plement the other provisions of this Act and lay a*
14 *foundation for increased trade and investment oppor-*
15 *tunities between the United States and sub-Saharan*
16 *Africa.*

17 (3) *Assistance provided through the Development*
18 *Fund for Africa will continue to support programs*
19 *and activities that promote the long term economic*
20 *development of sub-Saharan Africa, such as programs*
21 *and activities relating to the following:*

22 (A) *Strengthening primary and vocational*
23 *education systems, especially the acquisition of*
24 *middle-level technical skills for operating modern*
25 *private businesses and the introduction of college*

1 *level business education, including the study of*
2 *international business, finance, and stock ex-*
3 *changes.*

4 *(B) Strengthening health care systems.*

5 *(C) Strengthening family planning service*
6 *delivery systems.*

7 *(D) Supporting democratization, good gov-*
8 *ernance and civil society and conflict resolution*
9 *efforts.*

10 *(E) Increasing food security by promoting*
11 *the expansion of agricultural and agriculture-*
12 *based industrial production and productivity*
13 *and increasing real incomes for poor individ-*
14 *uals.*

15 *(F) Promoting an enabling environment for*
16 *private sector-led growth through sustained eco-*
17 *nomie reform, privatization programs, and mar-*
18 *ket-led economic activities.*

19 *(G) Promoting decentralization and local*
20 *participation in the development process, espe-*
21 *cially linking the rural production sectors and*
22 *the industrial and market centers throughout Af-*
23 *rica.*

1 (H) *Increasing the technical and manage-*
2 *rial capacity of sub-Saharan African individuals*
3 *to manage the economy of sub-Saharan Africa.*

4 (I) *Ensuring sustainable economic growth*
5 *through environmental protection.*

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

23 (c) *ADDITIONAL AUTHORITIES.—*

1 (1) *IN GENERAL.*—Section 496(h) of the Foreign
2 *Assistance Act of 1961 (22 U.S.C. 2293(h)) is amend-*
3 *ed—*

4 (A) *by redesignating paragraph (3) as*
5 *paragraph (4); and*

6 (B) *by inserting after paragraph (2) the fol-*
7 *lowing:*

8 “(3) *DEMOCRATIZATION AND CONFLICT RESOLU-*
9 *TION CAPABILITIES.*—*Assistance under this section*
10 *may also include program assistance—*

11 (A) *to promote democratization, good gov-*
12 *ernance, and strong civil societies in sub-Saha-*
13 *ran Africa; and*

14 (B) *to strengthen conflict resolution capa-*
15 *bilities of governmental, intergovernmental, and*
16 *nongovernmental entities in sub-Saharan*
17 *Africa.”.*

18 (2) *CONFORMING AMENDMENT.*—Section
19 *496(h)(4) of such Act, as amended by paragraph (1),*
20 *is further amended by striking “paragraphs (1) and*
21 *(2)” in the first sentence and inserting “paragraphs*
22 *(1), (2), and (3)”.*

23 (d) *WAIVER AUTHORITY.*—Section 496 of the Foreign
24 *Assistance Act of 1961 (22 U.S.C. 2293) is amended by add-*
25 *ing at the end the following:*

1 “(p) *WAIVER AUTHORITY.*—

2 “(1) *IN GENERAL.*—*Except as provided in para-*
3 *graph (2), the President may waive any provision of*
4 *law that earmarks, for a specified country, organiza-*
5 *tion, or purpose, funds made available to carry out*
6 *this chapter if the President determines, subject to the*
7 *notification procedures under section 634A, that the*
8 *waiver of such provision of law would provide im-*
9 *proved conditions for the people of Africa. The Presi-*
10 *dent shall notify the appropriate congressional com-*
11 *mittees, in accordance with the procedures applicable*
12 *to reprogramming notifications under section 634A of*
13 *this Act, at least 15 days before any determination*
14 *under this paragraph takes effect.*

15 “(2) *EXCEPTIONS.*—

16 “(A) *CHILD SURVIVAL ACTIVITIES.*—*The*
17 *authority contained in paragraph (1) may not*
18 *be used to waive a provision of law that ear-*
19 *marks funds made available to carry out this*
20 *chapter for the following purposes:*

21 “(i) *Immunization programs.*

22 “(ii) *Oral rehydration programs.*

23 “(iii) *Health and nutrition programs,*
24 *and related education programs, which ad-*
25 *dress the needs of mothers and children.*

1 “(iv) *Water and sanitation programs.*

2 “(v) *Assistance for displaced and or-*
3 *phaned children.*

4 “(vi) *Programs for the prevention,*
5 *treatment, and control of, and research on,*
6 *tuberculosis, HIV/AIDS, polio, malaria,*
7 *and other diseases.*

8 “(vii) *Basic education programs for*
9 *children.*

10 “(viii) *Contribution on a grant basis*
11 *to the United Nations Children’s Fund*
12 *(UNICEF) pursuant to section 301 of this*
13 *Act.*

14 “(B) *REQUIREMENT TO SUPERSEDE WAIVER*
15 *AUTHORITY.—The provisions of this subsection*
16 *shall not be superseded except by a provision of*
17 *law enacted after the date of the enactment of the*
18 *African Growth and Opportunity Act which spe-*
19 *cifically repeals, modifies, or supersedes such*
20 *provisions.”.*

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

23 (a) *DECLARATION OF POLICY.—The President shall*
24 *convene annual high-level meetings between appropriate of-*
25 *ficials of the United States Government and officials of the*

1 *governments of sub-Saharan African countries in order to*
2 *foster close economic ties between the United States and sub-*
3 *Saharan Africa.*

4 *(b) ESTABLISHMENT.—Not later than 12 months after*
5 *the date of the enactment of this Act, the President, after*
6 *consulting with the governments concerned, shall establish*
7 *a United States–Sub-Saharan Africa Trade and Economic*
8 *Cooperation Forum (hereafter in this section referred to as*
9 *the “Forum”).*

10 *(c) REQUIREMENTS.—In creating the Forum, the*
11 *President shall meet the following requirements:*

12 *(1) The President shall direct the Secretary of*
13 *Commerce, the Secretary of the Treasury, the Sec-*
14 *retary of State, and the United States Trade Rep-*
15 *resentative to host the first annual meeting with the*
16 *counterparts of such Secretaries from the governments*
17 *of sub-Saharan African countries eligible under sec-*
18 *tion 4, the Secretary General of the Organization of*
19 *African Unity, and government officials from other*
20 *appropriate countries in Africa, to discuss expanding*
21 *trade and investment relations between the United*
22 *States and sub-Saharan Africa and the implementa-*
23 *tion of this Act.*

24 *(2)(A) The President, in consultation with the*
25 *Congress, shall encourage United States nongovern-*

1 *mental organizations to host annual meetings with*
2 *nongovernmental organizations from sub-Saharan Af-*
3 *rica in conjunction with the annual meetings of the*
4 *Forum for the purpose of discussing the issues de-*
5 *scribed in paragraph (1).*

6 *(B) The President, in consultation with the Con-*
7 *gress, shall encourage United States representatives of*
8 *the private sector to host annual meetings with rep-*
9 *resentatives of the private sector from sub-Saharan*
10 *Africa in conjunction with the annual meetings of the*
11 *Forum for the purpose of discussing the issues de-*
12 *scribed in paragraph (1).*

13 *(3) The President shall, to the extent practicable,*
14 *meet with the heads of governments of sub-Saharan*
15 *African countries eligible under section 4 not less*
16 *than once every two years for the purpose of discuss-*
17 *ing the issues described in paragraph (1). The first*
18 *such meeting should take place not later than twelve*
19 *months after the date of the enactment of this Act.*

20 *(d) DISSEMINATION OF INFORMATION BY USIA.—In*
21 *order to assist in carrying out the purposes of the Forum,*
22 *the United States Information Agency shall disseminate*
23 *regularly, through multiple media, economic information in*
24 *support of the free market economic reforms described in*
25 *this Act.*

1 (e) *AUTHORIZATION OF APPROPRIATIONS.*—*There are*
2 *authorized to be appropriated such sums as may be nec-*
3 *essary to carry out this section.*

4 **SEC. 7. UNITED STATES–SUB-SAHARAN AFRICA FREE TRADE**
5 **AREA.**

6 (a) *DECLARATION OF POLICY.*—*The Congress declares*
7 *that a United States-Sub-Saharan Africa Free Trade Area*
8 *should be established, or free trade agreements should be en-*
9 *tered into, in order to serve as the catalyst for increasing*
10 *trade between the United States and sub-Saharan Africa*
11 *and increasing private sector development in sub-Saharan*
12 *Africa.*

13 (b) *PLAN REQUIREMENT.*—

14 (1) *IN GENERAL.*—*The President, taking into ac-*
15 *count the provisions of the treaty establishing the Af-*
16 *rican Economic Community and the willingness of*
17 *the governments of Sub-Saharan African countries to*
18 *engage in negotiations to enter into free trade agree-*
19 *ments, shall develop a plan for the purpose of entering*
20 *into one or more trade agreements with sub-Saharan*
21 *African countries eligible under section 4 in order to*
22 *establish a United States-Sub-Saharan Africa Free*
23 *Trade Area (hereafter in this section referred to as the*
24 *“Free Trade Area”).*

1 (2) *ELEMENTS OF PLAN.*—*The plan shall include*
2 *the following:*

3 (A) *The specific objectives of the United*
4 *States with respect to the establishment of the*
5 *Free Trade Area and a suggested timetable for*
6 *achieving those objectives.*

7 (B) *The benefits to both the United States*
8 *and sub-Saharan Africa with respect to the Free*
9 *Trade Area.*

10 (C) *A mutually agreed-upon timetable for*
11 *establishing the Free Trade Area.*

12 (D) *The implications for and the role of re-*
13 *gional and sub-regional organizations in sub-Sa-*
14 *haran Africa with respect to the Free Trade*
15 *Area.*

16 (E) *Subject matter anticipated to be covered*
17 *by the agreement for establishing the Free Trade*
18 *Area and United States laws, programs, and*
19 *policies, as well as the laws of participating eli-*
20 *gible African countries and existing bilateral*
21 *and multilateral and economic cooperation and*
22 *trade agreements, that may be affected by the*
23 *agreement or agreements.*

24 (F) *Procedures to ensure the following:*

1 (i) *Adequate consultation with the*
2 *Congress and the private sector during the*
3 *negotiation of the agreement or agreements*
4 *for establishing the Free Trade Area.*

5 (ii) *Consultation with the Congress re-*
6 *garding all matters relating to implementa-*
7 *tion of the agreement or agreements.*

8 (iii) *Approval by the Congress of the*
9 *agreement or agreements.*

10 (iv) *Adequate consultations with the*
11 *relevant African governments and African*
12 *regional and subregional intergovernmental*
13 *organizations during the negotiations of the*
14 *agreement or agreements.*

15 (c) *REPORTING REQUIREMENT.—Not later than 12*
16 *months after the date of the enactment of this Act, the Presi-*
17 *dent shall prepare and transmit to the Congress a report*
18 *containing the plan developed pursuant to subsection (b).*

19 **SEC. 8. ELIMINATING TRADE BARRIERS AND ENCOURAGING**
20 **EXPORTS.**

21 (a) *FINDINGS.—The Congress makes the following*
22 *findings:*

23 (1) *The lack of competitiveness of sub-Saharan*
24 *Africa in the global market, especially in the manu-*

1 *facturing sector, make it a limited threat to market*
2 *disruption and no threat to United States jobs.*

3 *(2) Annual textile and apparel exports to the*
4 *United States from sub-Saharan Africa represent less*
5 *than 1 percent of all textile and apparel exports to*
6 *the United States, which totaled \$45,932,000,000 in*
7 *1996.*

8 *(3) Sub-Saharan Africa has limited textile man-*
9 *ufacturing capacity. During 1998 and the succeeding*
10 *4 years, this limited capacity to manufacture textiles*
11 *and apparel is projected to grow at a modest rate.*
12 *Given this limited capacity to export textiles and ap-*
13 *parel, it will be very difficult for these exports from*
14 *sub-Saharan Africa, during 1998 and the succeeding*
15 *9 years, to exceed 3 percent annually of total imports*
16 *of textile and apparel to the United States. If these*
17 *exports from sub-Saharan Africa remain around 3*
18 *percent of total imports, they will not represent a*
19 *threat to United States workers, consumers, or manu-*
20 *facturers.*

21 *(b) SENSE OF THE CONGRESS.—It is the sense of the*
22 *Congress that—*

23 *(1) it would be to the mutual benefit of the coun-*
24 *tries in sub-Saharan Africa and the United States to*
25 *ensure that the commitments of the World Trade Or-*

1 *ganization and associated agreements are faithfully*
2 *implemented in each of the member countries, so as*
3 *to lay the groundwork for sustained growth in textile*
4 *and apparel exports and trade under agreed rules and*
5 *disciplines;*

6 *(2) reform of trade policies in sub-Saharan Afri-*
7 *ca with the objective of removing structural impedi-*
8 *ments to trade, consistent with obligations under the*
9 *World Trade Organization, can assist the countries of*
10 *the region in achieving greater and greater diver-*
11 *sification of textile and apparel export commodities*
12 *and products and export markets; and*

13 *(3) the President should support textile and ap-*
14 *parel trade reform in sub-Saharan Africa by, among*
15 *other measures, providing technical assistance, shar-*
16 *ing of information to expand basic knowledge of how*
17 *to trade with the United States, and encouraging*
18 *business-to-business contacts with the region.*

19 *(c) TREATMENT OF QUOTAS.—*

20 *(1) KENYA AND MAURITIUS.—Pursuant to the*
21 *Agreement on Textiles and Clothing, the United*
22 *States shall eliminate the existing quotas on textile*
23 *and apparel exports to the United States—*

24 *(A) from Kenya within 30 days after that*
25 *country adopts a cost-effective and efficient visa*

1 *system to guard against unlawful transshipment*
2 *of textile and apparel goods; and*

3 *(B) from Mauritius within 30 days after*
4 *that country adopts such a visa system.*

5 *The Customs Service shall provide the necessary as-*
6 *sistance to Kenya and Mauritius in the development*
7 *and implementation of those visa systems. The Cus-*
8 *toms Service shall monitor and the Commissioner of*
9 *Customs shall submit to the Congress, not later than*
10 *March 31 of each year, a report on the effectiveness*
11 *of those visa systems during the preceding calendar*
12 *year.*

13 *(2) OTHER SUB-SAHARAN COUNTRIES.—The*
14 *President shall continue the existing no quota policy*
15 *for countries in sub-Saharan Africa. The President*
16 *shall submit to the Congress, not later than March*
17 *31 of each year, a report on the growth in textiles*
18 *and apparel exports to the United States from coun-*
19 *tries in sub-Saharan Africa in order to protect*
20 *United States consumers, workers, and textile manu-*
21 *facturers from economic injury on account of the no*
22 *quota policy. The President should ensure that any*
23 *country in sub-Saharan Africa that intends to export*
24 *substantial textile and apparel goods to the United*
25 *States has in place a functioning and efficient visa*

1 *system to guard against unlawful transshipment of*
2 *textile and apparel goods.*

3 (d) *DEFINITION.*—*For purposes of this section, the*
4 *term “Agreement on Textiles and Clothing” means the*
5 *Agreement on Textiles and Clothing referred to in section*
6 *101(d)(4) of the Uruguay Round Agreements Act (19 U.S.C.*
7 *3511(d)(4)).*

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

9 (a) *PREFERENTIAL TARIFF TREATMENT FOR CERTAIN*
10 *ARTICLES.*—*Section 503(a)(1) of the Trade Act of 1974 (19*
11 *U.S.C. 2463(a)) is amended—*

12 (1) *by redesignating subparagraph (C) as sub-*
13 *paragraph (D); and*

14 (2) *by inserting after subparagraph (B) the fol-*
15 *lowing:*

16 “(C) *ELIGIBLE COUNTRIES IN SUB-SAHARAN*
17 *AFRICA.*—*The President may provide duty-free*
18 *treatment for any article set forth in paragraph*
19 *(1) of subsection (b) that is the growth, product,*
20 *or manufacture of an eligible country in sub-Sa-*
21 *haran Africa that is a beneficiary developing*
22 *country, if, after receiving the advice of the*
23 *International Trade Commission in accordance*
24 *with subsection (e), the President determines that*
25 *such article is not import-sensitive in the context*

1 *of imports from eligible countries in sub-Saha-*
2 *ran Africa. This subparagraph shall not affect*
3 *the designation of eligible articles under sub-*
4 *paragraph (B).”.*

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

8 **“(C) ELIGIBLE COUNTRIES IN SUB-SAHARAN**
9 **AFRICA.**—*For purposes of determining the per-*
10 *centage referred to in subparagraph (A) in the*
11 *case of an article of an eligible country in sub-*
12 *Saharan Africa that is a beneficiary developing*
13 *country—*

14 *“(i) if the cost or value of materials*
15 *produced in the customs territory of the*
16 *United States is included with respect to*
17 *that article, an amount not to exceed 15*
18 *percent of the appraised value of the article*
19 *at the time it is entered that is attributed*
20 *to such United States cost or value may be*
21 *applied toward determining the percentage*
22 *referred to in subparagraph (A); and*

23 *“(ii) the cost or value of the materials*
24 *included with respect to that article that are*
25 *produced in any beneficiary developing*

1 country that is an eligible country in sub-
2 Saharan Africa shall be applied in deter-
3 mining such percentage.”.

4 (c) *WAIVER OF COMPETITIVE NEED LIMITATION.*—
5 Section 503(c)(2)(D) of the Trade Act of 1974 (19 U.S.C.
6 2463(c)(2)(D)) is amended to read as follows:

7 “(D) *LEAST-DEVELOPED BENEFICIARY DE-*
8 *VELOPING COUNTRIES AND ELIGIBLE COUNTRIES*
9 *IN SUB-SAHARAN AFRICA.*—Subparagraph (A)
10 shall not apply to any least-developed beneficiary
11 developing country or any eligible country in
12 sub-Saharan Africa.”.

13 (d) *EXTENSION OF PROGRAM.*—Section 505 of the
14 Trade Act of 1974 (19 U.S.C. 2465) is amended to read
15 as follows:

16 “**SEC. 505. DATE OF TERMINATION.**

17 “(a) *COUNTRIES IN SUB-SAHARAN AFRICA.*—No duty-
18 free treatment provided under this title shall remain in ef-
19 fect after May 31, 2007, with respect to beneficiary develop-
20 ing countries that are eligible countries in sub-Saharan Af-
21 rica.

22 “(b) *OTHER COUNTRIES.*—No duty-free treatment pro-
23 vided under this title shall remain in effect after May 31,
24 1997, with respect to beneficiary developing countries other
25 than those provided for in subsection (a).”.

1 (e) *DEFINITION.*—Section 507 of the Trade Act of 1974
2 (19 U.S.C. 2467) is amended by adding at the end the fol-
3 lowing:

4 “(6) *ELIGIBLE COUNTRY IN SUB-SAHARAN AFRI-*
5 *CA.*—The terms ‘eligible country in sub-Saharan Afri-

6 *ca*’ and ‘eligible countries in sub-Saharan Africa’
7 means a country or countries that the President has
8 determined to be eligible under section 4 of the *Afri-*
9 *can Growth and Opportunity Act.*”.

10 **SEC. 10. INTERNATIONAL FINANCIAL INSTITUTIONS AND**
11 **DEBT REDUCTION.**

12 (a) *BETTER MECHANISMS TO FURTHER GOALS FOR*
13 *SUB-SAHARAN AFRICA.*—It is the sense of the Congress that
14 the Secretary of the Treasury should instruct the United
15 States Executive Directors of the International Bank for
16 Reconstruction and Development, the International Mone-
17 tary Fund, and the African Development Bank to use the
18 voice and votes of the Executive Directors to encourage vig-
19 orously their respective institutions to develop enhanced
20 mechanisms which further the following goals in eligible
21 countries in sub-Saharan Africa:

22 (1) *Strengthening and expanding the private sec-*
23 *tor, especially among women-owned businesses.*

1 (2) *Reducing tariffs, nontariff barriers, and*
2 *other trade obstacles, and increasing economic inte-*
3 *gration.*

4 (3) *Supporting countries committed to account-*
5 *able government, economic reform, the eradication of*
6 *poverty, and the building of civil societies.*

7 (4) *Supporting deep debt reduction at the earli-*
8 *est possible date with the greatest amount of relief for*
9 *eligible poorest countries under the “Heavily Indebted*
10 *Poor Countries” (HIPC) debt initiative.*

11 (b) *SENSE OF CONGRESS.—It is the sense of the Con-*
12 *gress that relief provided to countries in sub-Saharan Afri-*
13 *ca which qualify for the Heavily Indebted Poor Countries*
14 *debt initiative should primarily be made through grants*
15 *rather than through extended-term debt, and that interim*
16 *relief or interim financing should be provided for eligible*
17 *countries that establish a strong record of macroeconomic*
18 *reform.*

19 (c) *EXECUTIVE BRANCH INITIATIVES.—The Congress*
20 *supports and encourages the implementation of the follow-*
21 *ing initiatives of the executive branch:*

22 (1) *AMERICAN-AFRICAN BUSINESS PARTNER-*
23 *SHIP.—The Agency for International Development de-*
24 *voting up to \$1,000,000 annually to help catalyze re-*
25 *lationships between United States firms and firms in*

1 *sub-Saharan Africa through a variety of business as-*
2 *sociations and networks.*

3 (2) *TECHNICAL ASSISTANCE TO PROMOTE RE-*
4 *FORMS.—The Agency for International Development*
5 *providing up to \$5,000,000 annually in short-term*
6 *technical assistance programs to help the governments*
7 *of sub-Saharan African countries to—*

8 (A) *liberalize trade and promote exports;*

9 (B) *bring their legal regimes into compli-*
10 *ance with the standards of the World Trade Or-*
11 *ganization in conjunction with membership in*
12 *that Organization; and*

13 (C) *make financial and fiscal reforms, as*
14 *well as the United States Department of Agri-*
15 *culture providing support to promote greater ag-*
16 *ribusiness linkages.*

17 (3) *AGRICULTURAL MARKET LIBERALIZATION.—*
18 *The Agency for International Development devoting*
19 *up to \$15,000,000 annually as part of the multi-year*
20 *Africa Food Security Initiative to help address such*
21 *critical agricultural policy issues as market liberal-*
22 *ization, agricultural export development, and agri-*
23 *business investment in processing and transporting*
24 *agricultural commodities.*

1 (4) *TRADE PROMOTION.*—*The Trade Develop-*
2 *ment Agency increasing the number of reverse trade*
3 *missions to growth-oriented countries in sub-Saharan*
4 *Africa.*

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

8 (A) *to participate in the ongoing negotia-*
9 *tions on financial services in the World Trade*
10 *Organization;*

11 (B) *to revise their existing schedules to the*
12 *General Agreement on Trade in Services of the*
13 *World Trade Organization in light of the suc-*
14 *cessful conclusion of negotiations on basic tele-*
15 *communications services; and*

16 (C) *to make further commitments in their*
17 *schedules to the General Agreement on Trade in*
18 *Services in order to encourage the removal of*
19 *tariff and nontariff barriers and to foster com-*
20 *petition in the services sector in those countries.*

21 **SEC. 11. SUB-SAHARAN AFRICA EQUITY AND INFRASTRUC-**
22 **TURE FUNDS.**

23 (a) *INITIATION OF FUNDS.*—*It is the sense of the Con-*
24 *gress that the Overseas Private Investment Corporation*
25 *should, within 12 months after the date of the enactment*

1 *of this Act, exercise the authorities it has to initiate 2 or*
2 *more equity funds in support of projects in the countries*
3 *in sub-Saharan Africa.*

4 *(b) STRUCTURE AND TYPES OF FUNDS.—*

5 *(1) STRUCTURE.—Each fund initiated under*
6 *subsection (a) should 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 should be cap-*
11 *italized with a combination of private equity capital,*
12 *which is not guaranteed by the Corporation, and debt*
13 *for which the Corporation provides guaranties.*

14 *(3) TYPES OF FUNDS.—*

15 *(A) EQUITY FUND FOR SUB-SAHARAN AFRI-*
16 *CA.—One of the funds should be an equity fund,*
17 *with assets of up to \$150,000,000, the primary*
18 *purpose of which is to achieve long-term capital*
19 *appreciation through equity investments in sup-*
20 *port of projects in countries in sub-Saharan Af-*
21 *rica.*

22 *(B) INFRASTRUCTURE FUND.—One or more*
23 *of the funds, with combined assets of up to*
24 *\$500,000,000, should be used in support of infra-*
25 *structure projects in countries of sub-Saharan*

1 *Africa. The primary purpose of any such fund*
2 *would be to achieve long-term capital apprecia-*
3 *tion through investing in financing for infra-*
4 *structure projects in sub-Saharan Africa, includ-*
5 *ing for the expansion of businesses in sub-Saha-*
6 *ran Africa, restructurings, management buyouts*
7 *and buyins, businesses with local ownership, and*
8 *privatizations.*

9 (4) *EMPHASIS.—The Corporation shall ensure*
10 *that the funds are used to provide support in particu-*
11 *lar to women entrepreneurs and to innovative invest-*
12 *ments that expand opportunities for women and*
13 *maximize employment opportunities for poor individ-*
14 *uals.*

15 **SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION**
16 **AND EXPORT-IMPORT BANK INITIATIVES.**

17 (a) *OVERSEAS PRIVATE INVESTMENT CORPORA-*
18 *TION.—*

19 (1) *ADVISORY COMMITTEE.—Section 233 of the*
20 *Foreign Assistance Act of 1961 is amended by adding*
21 *at the end the following:*

22 “(e) *ADVISORY COMMITTEE.—The Board shall take*
23 *prompt measures to increase the loan, guarantee, and in-*
24 *surance programs, and financial commitments, of the Cor-*
25 *poration in sub-Saharan Africa, including through the es-*

1 *tablishment and use of an advisory committee to assist the*
2 *Board in developing and implementing policies, programs,*
3 *and financial instruments with respect to sub-Saharan Af-*
4 *rica. In addition, the advisory committee shall make rec-*
5 *ommendations to the Board on how the Corporation can*
6 *facilitate greater support by the United States for trade and*
7 *investment with and in sub-Saharan Africa. The advisory*
8 *committee shall terminate 4 years after the date of the en-*
9 *actment of this subsection.”.*

10 (2) *REPORTS TO THE CONGRESS.*—*Within 6*
11 *months after the date of the enactment of this Act,*
12 *and annually for each of the 4 years thereafter, the*
13 *Board of Directors of the Overseas Private Investment*
14 *Corporation shall submit to the Congress a report on*
15 *the steps that the Board has taken to implement sec-*
16 *tion 233(e) of the Foreign Assistance Act of 1961 and*
17 *any recommendations of the advisory board estab-*
18 *lished pursuant to such section.*

19 (b) *EXPORT-IMPORT BANK.*—

20 (1) *ADVISORY COMMITTEE FOR SUB-SAHARAN AF-*
21 *RICA.*—*Section 2(b) of the Export-Import Bank Act of*
22 *1945 (12 U.S.C. 635(b)) is amended by inserting*
23 *after paragraph (8) the following:*

24 “(9)(A) *The Board of Directors of the Bank shall take*
25 *prompt measures, consistent with the credit standards oth-*

1 *erwise required by law, to promote the expansion of the*
2 *Bank's financial commitments in sub-Saharan Africa*
3 *under the loan, guarantee, and insurance programs of the*
4 *Bank.*

5 “(B)(i) *The Board of Directors shall establish and use*
6 *an advisory committee to advise the Board of Directors on*
7 *the development and implementation of policies and pro-*
8 *grams designed to support the expansion described in sub-*
9 *paragraph (A).*

10 “(ii) *The advisory committee shall make recommenda-*
11 *tions to the Board of Directors on how the Bank can facili-*
12 *tate greater support by United States commercial banks for*
13 *trade with sub-Saharan Africa.*

14 “(iii) *The advisory committee shall terminate 4 years*
15 *after the date of the enactment of this subparagraph.”.*

16 (2) *REPORTS TO THE CONGRESS.*—*Within 6*
17 *months after the date of the enactment of this Act,*
18 *and annually for each of the 4 years thereafter, the*
19 *Board of Directors of the Export-Import Bank of the*
20 *United States shall submit to the Congress a report*
21 *on the steps that the Board has taken to implement*
22 *section 2(b)(9)(B) of the Export-Import Bank Act of*
23 *1945 and any recommendations of the advisory com-*
24 *mittee established pursuant to such section.*

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

4 (a) *ESTABLISHMENT.*—*The President shall establish a*
5 *position of Assistant United States Trade Representative*
6 *within the Office of the United States Trade Representative*
7 *to focus on trade issues relating to sub-Saharan Africa.*

8 (b) *FUNDING AND STAFF.*—*The President shall ensure*
9 *that the Assistant United States Trade Representative ap-*
10 *pointed pursuant to paragraph (1) has adequate funding*
11 *and staff to carry out the duties described in paragraph*
12 *(1).*

13 **SEC. 14. EXPANSION OF THE UNITED STATES AND FOREIGN**
14 **COMMERCIAL SERVICE IN SUB-SAHARAN AF-**
15 **RICA.**

16 (a) *SENSE OF THE CONGRESS.*—*It is the sense of the*
17 *Congress that the United States and Foreign Commercial*
18 *Service should expand its presence in sub-Saharan Africa*
19 *by increasing the number of posts and the number of per-*
20 *sonnel it allocates to sub-Saharan Africa.*

21 (b) *REPORTING REQUIREMENT.*—*Not later than 120*
22 *days after the date of the enactment of this Act, the Sec-*
23 *retary of Commerce, in consultation with the Secretary of*
24 *State, should report to the Congress on the feasibility of ex-*
25 *panding the presence in sub-Saharan Africa of the United*
26 *States and Foreign Commercial Service.*

1 **SEC. 15. REPORTING REQUIREMENT.**

2 *The President shall submit to the Congress, not later*
3 *than 1 year after the date of the enactment of this Act, and*
4 *not later than the end of each of the next 4 1-year periods*
5 *thereafter, a report on the implementation of this Act.*

6 **SEC. 16. SUB-SAHARAN AFRICA DEFINED.**

7 *For purposes of this Act, the terms “sub-Saharan Afri-*
8 *ca”, “sub-Saharan African country”, “country in sub-Sa-*
9 *haran Africa”, and “countries in sub-Saharan Africa” refer*
10 *to the following:*

11 *Republic of Angola (Angola)*
12 *Republic of Botswana (Botswana)*
13 *Republic of Burundi (Burundi)*
14 *Republic of Cape Verde (Cape Verde)*
15 *Republic of Chad (Chad)*
16 *Democratic Republic of Congo*
17 *Republic of the Congo (Congo)*
18 *Republic of Djibouti (Djibouti)*
19 *State of Eritrea (Eritrea)*
20 *Gabonese Republic (Gabon)*
21 *Republic of Ghana (Ghana)*
22 *Republic of Guinea-Bissau (Guinea-Bissau)*
23 *Kingdom of Lesotho (Lesotho)*
24 *Republic of Madagascar (Madagascar)*
25 *Republic of Mali (Mali)*
26 *Republic of Mauritius (Mauritius)*

- 1 *Republic of Namibia (Namibia)*
- 2 *Federal Republic of Nigeria (Nigeria)*
- 3 *Democratic Republic of Sao Tomé and Príncipe*
- 4 *(Sao Tomé and Príncipe)*
- 5 *Republic of Sierra Leone (Sierra Leone)*
- 6 *Somalia*
- 7 *Kingdom of Swaziland (Swaziland)*
- 8 *Republic of Togo (Togo)*
- 9 *Republic of Zimbabwe (Zimbabwe)*
- 10 *Republic of Benin (Benin)*
- 11 *Burkina Faso (Burkina)*
- 12 *Republic of Cameroon (Cameroon)*
- 13 *Central African Republic*
- 14 *Federal Islamic Republic of the Comoros*
- 15 *(Comoros)*
- 16 *Republic of Côte d'Ivoire (Côte d'Ivoire)*
- 17 *Republic of Equatorial Guinea (Equatorial*
- 18 *Guinea)*
- 19 *Ethiopia*
- 20 *Republic of the Gambia (Gambia)*
- 21 *Republic of Guinea (Guinea)*
- 22 *Republic of Kenya (Kenya)*
- 23 *Republic of Liberia (Liberia)*
- 24 *Republic of Malawi (Malawi)*
- 25 *Islamic Republic of Mauritania (Mauritania)*

1 *Republic of Mozambique (Mozambique)*
2 *Republic of Niger (Niger)*
3 *Republic of Rwanda (Rwanda)*
4 *Republic of Senegal (Senegal)*
5 *Republic of Seychelles (Seychelles)*
6 *Republic of South Africa (South Africa)*
7 *Republic of Sudan (Sudan)*
8 *United Republic of Tanzania (Tanzania)*
9 *Republic of Uganda (Uganda)*
10 *Republic of Zambia (Zambia)*

11 **SECTION 1. SHORT TITLE.**

12 **This Act may be cited as the “African**
13 **Growth and Opportunity Act”.**

14 **SEC. 2. FINDINGS.**

15 **The Congress finds that it is in the mutual**
16 **economic interest of the United States and**
17 **sub-Saharan Africa to promote stable and sus-**
18 **tainable economic growth and development**
19 **in sub-Saharan Africa. To that end, the United**
20 **States seeks to facilitate market-led economic**
21 **growth in, and thereby the social and eco-**
22 **nomic development of, the countries of sub-**
23 **Saharan Africa. In particular, the United**
24 **States seeks to assist sub-Saharan African**
25 **countries, and the private sector in those**

1 countries, to achieve economic self-reliance
2 by—

3 (1) strengthening and expanding the
4 private sector in sub-Saharan Africa, es-
5 pecially women-owned businesses;

6 (2) encouraging increased trade and
7 investment between the United States
8 and sub-Saharan Africa;

9 (3) reducing tariff and nontariff bar-
10 riers and other trade obstacles;

11 (4) expanding United States assist-
12 ance to sub-Saharan Africa's regional in-
13 tegration efforts;

14 (5) negotiating free trade areas;

15 (6) establishing a United States-Sub-
16 Saharan Africa Trade and Investment
17 Partnership;

18 (7) focusing on countries committed
19 to accountable government, economic re-
20 form, and the eradication of poverty;

21 (8) establishing a United States-Sub-
22 Saharan Africa Economic Cooperation
23 Forum; and

24 (9) continuing to support develop-
25 ment assistance for those countries in

1 **sub-Saharan Africa attempting to build**
2 **civil societies.**

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

4 **The Congress supports economic self-reli-**
5 **ance for sub-Saharan African countries, par-**
6 **ticularly those committed to—**

7 **(1) economic and political reform;**

8 **(2) market incentives and private sec-**
9 **tor growth;**

10 **(3) the eradication of poverty; and**

11 **(4) the importance of women to eco-**
12 **nomi c growth and development.**

13 **SEC. 4. ELIGIBILITY REQUIREMENTS.**

14 **(a) IN GENERAL.—A sub-Saharan African**
15 **country shall be eligible to participate in pro-**
16 **grams, projects, or activities, or receive assist-**
17 **ance or other benefits under this Act if the**
18 **President determines that the country does**
19 **not engage in gross violations of internation-**
20 **ally recognized human rights and has estab-**
21 **lished, or is making continual progress to-**
22 **ward establishing, a market-based economy,**
23 **such as the establishment and enforcement of**
24 **appropriate policies relating to—**

1 **(1) promoting free movement of goods**
2 **and services between the United States**
3 **and sub-Saharan Africa and among coun-**
4 **tries in sub-Saharan Africa;**

5 **(2) promoting the expansion of the**
6 **production base and the transformation**
7 **of commodities and nontraditional prod-**
8 **ucts for exports through joint venture**
9 **projects between African and foreign in-**
10 **vestors;**

11 **(3) trade issues, such as protection of**
12 **intellectual property rights, improve-**
13 **ments in standards, testing, labeling and**
14 **certification, and government procure-**
15 **ment;**

16 **(4) the protection of property rights,**
17 **such as protection against expropriation**
18 **and a functioning and fair judicial sys-**
19 **tem;**

20 **(5) appropriate fiscal systems, such as**
21 **reducing high import and corporate**
22 **taxes, controlling government consump-**
23 **tion, participation in bilateral investment**
24 **treaties, and the harmonization of such**
25 **treaties to avoid double taxation;**

1 **(6) foreign investment issues, such as**
2 **the provision of national treatment for**
3 **foreign investors and other measures to**
4 **create an environment conducive to do-**
5 **mestic and foreign investment;**

6 **(7) supporting the growth of regional**
7 **markets within a free trade area frame-**
8 **work;**

9 **(8) governance issues, such as elimi-**
10 **nating government corruption, minimiz-**
11 **ing government intervention in the mar-**
12 **ket such as price controls and subsidies,**
13 **and streamlining the business license**
14 **process;**

15 **(9) supporting the growth of the pri-**
16 **vate sector, in particular by promoting**
17 **the emergence of a new generation of Af-**
18 **rican entrepreneurs;**

19 **(10) encouraging the private owner-**
20 **ship of government-controlled economic**
21 **enterprises through divestiture pro-**
22 **grams;**

23 **(11) removing restrictions on invest-**
24 **ment; and**

1 **(12) observing the rule of law, includ-**
2 **ing equal protection under the law and**
3 **the right to due process and a fair trial.**

4 **(b) ADDITIONAL FACTORS.—In determining**
5 **whether a sub-Saharan African country is eli-**
6 **gible under subsection (a), the President shall**
7 **take into account the following factors:**

8 **(1) An expression by such country of**
9 **its desire to be an eligible country under**
10 **subsection (a).**

11 **(2) The extent to which such country**
12 **has made substantial progress toward—**

13 **(A) reducing tariff levels;**

14 **(B) binding its tariffs in the World**
15 **Trade Organization and assuming**
16 **meaningful binding obligations in**
17 **other sectors of trade; and**

18 **(C) eliminating nontariff barriers**
19 **to trade.**

20 **(3) Whether such country, if not al-**
21 **ready a member of the World Trade Orga-**
22 **nization, is actively pursuing member-**
23 **ship in that Organization.**

24 **(4) Where applicable, the extent to**
25 **which such country is in material compli-**

1 **ance with its obligations to the Inter-**
2 **national Monetary Fund and other inter-**
3 **national financial institutions.**

4 **(5) The extent to which such country**
5 **has a recognizable commitment to reduc-**
6 **ing poverty, increasing the availability of**
7 **health care and educational opportuni-**
8 **ties, the expansion of physical infrastruc-**
9 **ture in a manner designed to maximize**
10 **accessibility, increased access to market**
11 **and credit facilities for small farmers and**
12 **producers, and improved economic op-**
13 **portunities for women as entrepreneurs**
14 **and employees, and promoting and ena-**
15 **bling the formation of capital to support**
16 **the establishment and operation of**
17 **micro-enterprises.**

18 **(6) Whether or not such country en-**
19 **gages in activities that undermine United**
20 **States national security or foreign policy**
21 **interests.**

22 **(c) CONTINUING COMPLIANCE.—**

23 **(1) MONITORING AND REVIEW OF CER-**
24 **TAIN COUNTRIES.—The President shall**
25 **monitor and review the progress of sub-**

1 **Saharan African countries in order to de-**
2 **termine their current or potential eligi-**
3 **bility under subsection (a). Such deter-**
4 **minations shall be based on quantitative**
5 **factors to the fullest extent possible and**
6 **shall be included in the annual report re-**
7 **quired by section 15.**

8 **(2) INELIGIBILITY OF CERTAIN COUN-**
9 **TRIES.—A sub-Saharan African country**
10 **described in paragraph (1) that has not**
11 **made continual progress in meeting the**
12 **requirements with which it is not in com-**
13 **pliance shall be ineligible to participate**
14 **in programs, projects, or activities, or re-**
15 **ceive assistance or other benefits, under**
16 **this Act.**

17 **(d) VIOLATIONS OF HUMAN RIGHTS AND IN-**
18 **ELIGIBLE COUNTRIES.—It is the sense of the**
19 **Congress that a sub-Saharan African country**
20 **should not be eligible to participate in pro-**
21 **grams, projects, or activities, or receive assist-**
22 **ance or other benefits under this Act if the**
23 **government of that country is determined by**
24 **the President to engage in a consistent pat-**

1 **tern of gross violations of internationally rec-**
2 **ognized human rights.**

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

6 **(a) USE OF SUSTAINABLE DEVELOPMENT AS-**
7 **SISTANCE TO SUPPORT FURTHER ECONOMIC**
8 **GROWTH.—It is the sense of the Congress that**
9 **sustained economic growth in sub-Saharan**
10 **Africa depends in large measure upon the de-**
11 **velopment of a receptive environment for**
12 **trade and investment, and that to achieve this**
13 **objective the United States Agency for Inter-**
14 **national Development should continue to sup-**
15 **port programs which help to create this envi-**
16 **ronment. Investments in human resources,**
17 **development, and implementation of free**
18 **market policies, including policies to liberal-**
19 **ize agricultural markets and improve food se-**
20 **curity, and the support for the rule of law and**
21 **democratic governance should continue to be**
22 **encouraged and enhanced on a bilateral and**
23 **regional basis.**

24 **(b) DECLARATIONS OF POLICY.—The Con-**
25 **gress makes the following declarations:**

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

7 **(2) The Development Fund for Africa**
8 **will complement the other provisions of**
9 **this Act and lay a foundation for in-**
10 **creased trade and investment opportuni-**
11 **ties between the United States and sub-**
12 **Saharan Africa.**

13 **(3) Assistance provided through the**
14 **Development Fund for Africa will con-**
15 **tinue to support programs and activities**
16 **that promote the long term economic de-**
17 **velopment of sub-Saharan Africa, such as**
18 **programs and activities relating to the**
19 **following:**

20 **(A) Strengthening primary and**
21 **vocational education systems, espe-**
22 **cially the acquisition of middle-level**
23 **technical skills for operating modern**
24 **private businesses and the introduc-**
25 **tion of college level business edu-**

1 **cation, including the study of inter-**
2 **national business, finance, and stock**
3 **exchanges.**

4 **(B) Strengthening health care sys-**
5 **tems.**

6 **(C) Strengthening family plan-**
7 **ning service delivery systems.**

8 **(D) Supporting democratization,**
9 **good governance and civil society**
10 **and conflict resolution efforts.**

11 **(E) Increasing food security by**
12 **promoting the expansion of agricul-**
13 **tural and agriculture-based industrial**
14 **production and productivity and in-**
15 **creasing real incomes for poor indi-**
16 **viduals.**

17 **(F) Promoting an enabling envi-**
18 **ronment for private sector-led growth**
19 **through sustained economic reform,**
20 **privatization programs, and market-**
21 **led economic activities.**

22 **(G) Promoting decentralization**
23 **and local participation in the devel-**
24 **opment process, especially linking**
25 **the rural production sectors and the**

1 **industrial and market centers**
2 **throughout Africa.**

3 **(H) Increasing the technical and**
4 **managerial capacity of sub-Saharan**
5 **African individuals to manage the**
6 **economy of sub-Saharan Africa.**

7 **(I) Ensuring sustainable economic**
8 **growth through environmental pro-**
9 **tection.**

10 **(4) The African Development Founda-**
11 **tion has a unique congressional mandate**
12 **to empower the poor to participate fully**
13 **in development and to increase opportu-**
14 **nities for gainful employment, poverty al-**
15 **leviation, and more equitable income dis-**
16 **tribution in sub-Saharan Africa. The Afri-**
17 **can Development Foundation has worked**
18 **successfully to enhance the role of**
19 **women as agents of change, strengthen**
20 **the informal sector with an emphasis on**
21 **supporting micro and small sized enter-**
22 **prises, indigenous technologies, and mo-**
23 **bilizing local financing. The African De-**
24 **velopment Foundation should develop**
25 **and implement strategies for promoting**

1 participation in the socioeconomic devel-
2 opment process of grassroots and infor-
3 mal sector groups such as nongovern-
4 mental organizations, cooperatives, arti-
5 sans, and traders into the programs and
6 initiatives established under this Act.

7 **(c) ADDITIONAL AUTHORITIES.—**

8 **(1) IN GENERAL.—**Section 496(h) of the
9 **Foreign Assistance Act of 1961 (22 U.S.C.**
10 **2293(h)) is amended—**

11 **(A) by redesignating paragraph**

12 **(3) as paragraph (4); and**

13 **(B) by inserting after paragraph**

14 **(2) the following:**

15 **“(3) DEMOCRATIZATION AND CONFLICT**
16 **RESOLUTION CAPABILITIES.—**Assistance
17 **under this section may also include pro-**
18 **gram assistance—**

19 **“(A) to promote democratization,**
20 **good governance, and strong civil so-**
21 **cieties in sub-Saharan Africa; and**

22 **“(B) to strengthen conflict resolu-**
23 **tion capabilities of governmental,**
24 **intergovernmental, and nongovern-**

1 **mental entities in sub-Saharan**
2 **Africa.”.**

3 **(2) CONFORMING AMENDMENT.—Section**
4 **496(h)(4) of such Act, as amended by**
5 **paragraph (1), is further amended by**
6 **striking “paragraphs (1) and (2)” in the**
7 **first sentence and inserting “paragraphs**
8 **(1), (2), and (3)”.**

9 **(d) WAIVER AUTHORITY.—Section 496 of the**
10 **Foreign Assistance Act of 1961 (22 U.S.C. 2293)**
11 **is amended by adding at the end the follow-**
12 **ing:**

13 **“(p) WAIVER AUTHORITY.—**

14 **“(1) IN GENERAL.—Except as provided**
15 **in paragraph (2), the President may**
16 **waive any provision of law that ear-**
17 **marks, for a specified country, organiza-**
18 **tion, or purpose, funds made available to**
19 **carry out this chapter if the President de-**
20 **termines, subject to the notification pro-**
21 **cedures under section 634A, that the**
22 **waiver of such provision of law would**
23 **provide improved conditions for the peo-**
24 **ple of Africa. The President shall notify**
25 **the appropriate congressional commit-**

1 **tees, in accordance with the procedures**
2 **applicable to reprogramming notifica-**
3 **tions under section 634A of this Act, at**
4 **least 15 days before any determination**
5 **under this paragraph takes effect.**

6 **“(2) EXCEPTIONS.—**

7 **“(A) CHILD SURVIVAL ACTIVITIES.—**

8 **The authority contained in paragraph**
9 **(1) may not be used to waive a provi-**
10 **sion of law that earmarks funds made**
11 **available to carry out this chapter for**
12 **the following purposes:**

13 **“(i) Immunization programs.**

14 **“(ii) Oral rehydration pro-**
15 **grams.**

16 **“(iii) Health and nutrition**
17 **programs, and related education**
18 **programs, which address the**
19 **needs of mothers and children.**

20 **“(iv) Water and sanitation**
21 **programs.**

22 **“(v) Assistance for displaced**
23 **and orphaned children.**

24 **“(vi) Programs for the preven-**
25 **tion, treatment, and control of,**

1 and research on, tuberculosis,
2 HIV/AIDS, polio, malaria, and
3 other diseases.

4 “(vii) Basic education pro-
5 grams for children.

6 “(viii) Contribution on a grant
7 basis to the United Nations Chil-
8 dren’s Fund (UNICEF) pursuant
9 to section 301 of this Act.

10 “(B) REQUIREMENT TO SUPERSEDE
11 WAIVER AUTHORITY.—The provisions of
12 this subsection shall not be super-
13 seded except by a provision of law en-
14 acted after the date of the enactment
15 of the African Growth and Oppor-
16 tunity Act which specifically repeals,
17 modifies, or supersedes such provi-
18 sions.”.

19 SEC. 6. UNITED STATES–SUB-SAHARAN AFRICA TRADE AND
20 ECONOMIC COOPERATION FORUM.

21 (a) DECLARATION OF POLICY.—The Presi-
22 dent shall convene annual high-level meetings
23 between appropriate officials of the United
24 States Government and officials of the gov-
25 ernments of sub-Saharan African countries in

1 order to foster close economic ties between
2 the United States and sub-Saharan Africa.

3 (b) ESTABLISHMENT.—Not later than 12
4 months after the date of the enactment of this
5 Act, the President, after consulting with the
6 governments concerned, shall establish a
7 United States–Sub-Saharan Africa Trade and
8 Economic Cooperation Forum (hereafter in
9 this section referred to as the “Forum”).

10 (c) REQUIREMENTS.—In creating the
11 Forum, the President shall meet the following
12 requirements:

13 (1) The President shall direct the Sec-
14 retary of Commerce, the Secretary of the
15 Treasury, the Secretary of State, and the
16 United States Trade Representative to
17 host the first annual meeting with the
18 counterparts of such Secretaries from the
19 governments of sub-Saharan African
20 countries eligible under section 4, the
21 Secretary General of the Organization of
22 African Unity, and government officials
23 from other appropriate countries in Afri-
24 ca, to discuss expanding trade and invest-
25 ment relations between the United States

1 **and sub-Saharan Africa and the imple-**
2 **mentation of this Act.**

3 **(2)(A) The President, in consultation**
4 **with the Congress, shall encourage**
5 **United States nongovernmental organiza-**
6 **tions to host annual meetings with non-**
7 **governmental organizations from sub-Sa-**
8 **haran Africa in conjunction with the an-**
9 **annual meetings of the Forum for the pur-**
10 **pose of discussing the issues described in**
11 **paragraph (1).**

12 **(B) The President, in consultation**
13 **with the Congress, shall encourage**
14 **United States representatives of the pri-**
15 **vate sector to host annual meetings with**
16 **representatives of the private sector from**
17 **sub-Saharan Africa in conjunction with**
18 **the annual meetings of the Forum for the**
19 **purpose of discussing the issues de-**
20 **scribed in paragraph (1).**

21 **(3) The President shall, to the extent**
22 **practicable, meet with the heads of gov-**
23 **ernments of sub-Saharan African coun-**
24 **tries eligible under section 4 not less**
25 **than once every two years for the pur-**

1 **pose of discussing the issues described in**
2 **paragraph (1). The first such meeting**
3 **should take place not later than twelve**
4 **months after the date of the enactment of**
5 **this Act.**

6 **(d) DISSEMINATION OF INFORMATION BY**
7 **USIA.—In order to assist in carrying out the**
8 **purposes of the Forum, the United States In-**
9 **formation Agency shall disseminate regularly,**
10 **through multiple media, economic informa-**
11 **tion in support of the free market economic**
12 **reforms described in this Act.**

13 **(e) AUTHORIZATION OF APPROPRIATIONS.—**
14 **There are authorized to be appropriated such**
15 **sums as may be necessary to carry out this**
16 **section.**

17 **(f) LIMITATION ON USE OF FUNDS.—None of**
18 **the funds authorized under this section may**
19 **be used to create or support any nongovern-**
20 **mental organization for the purpose of ex-**
21 **panding or facilitating trade between the**
22 **United States and sub-Saharan Africa.**

1 SEC. 7. UNITED STATES–SUB-SAHARAN AFRICA FREE
2 TRADE AREA.

3 (a) **DECLARATION OF POLICY.**—The Con-
4 gress declares that a United States–Sub-Saha-
5 ran Africa Free Trade Area should be estab-
6 lished, or free trade agreements should be en-
7 tered into, in order to serve as the catalyst for
8 increasing trade between the United States
9 and sub-Saharan Africa and increasing pri-
10 vate sector development in sub-Saharan Afri-
11 ca.

12 (b) **PLAN REQUIREMENT.**—

13 (1) **IN GENERAL.**—The President, tak-
14 ing into account the provisions of the
15 treaty establishing the African Economic
16 Community and the willingness of the
17 governments of sub-Saharan African
18 countries to engage in negotiations to
19 enter into free trade agreements, shall
20 develop a plan for the purpose of enter-
21 ing into one or more trade agreements
22 with sub-Saharan African countries eligi-
23 ble under section 4 in order to establish
24 a United States–Sub-Saharan Africa Free
25 Trade Area (hereafter in this section re-
26 ferred to as the “Free Trade Area”).

1 **(2) ELEMENTS OF PLAN.—The plan shall**
2 **include the following:**

3 **(A) The specific objectives of the**
4 **United States with respect to the es-**
5 **tablishment of the Free Trade Area**
6 **and a suggested timetable for achiev-**
7 **ing those objectives.**

8 **(B) The benefits to both the**
9 **United States and sub-Saharan Africa**
10 **with respect to the Free Trade Area.**

11 **(C) A mutually agreed-upon time-**
12 **table for establishing the Free Trade**
13 **Area.**

14 **(D) The implications for and the**
15 **role of regional and sub-regional or-**
16 **ganizations in sub-Saharan Africa**
17 **with respect to the Free Trade Area.**

18 **(E) Subject matter anticipated to**
19 **be covered by the agreement for es-**
20 **tablishing the Free Trade Area and**
21 **United States laws, programs, and**
22 **policies, as well as the laws of partici-**
23 **pating eligible African countries and**
24 **existing bilateral and multilateral**
25 **and economic cooperation and trade**

1 **agreements, that may be affected by**
2 **the agreement or agreements.**

3 **(F) Procedures to ensure the fol-**
4 **lowing:**

5 **(i) Adequate consultation with**
6 **the Congress and the private sec-**
7 **tor during the negotiation of the**
8 **agreement or agreements for es-**
9 **tablishing the Free Trade Area.**

10 **(ii) Consultation with the**
11 **Congress regarding all matters**
12 **relating to implementation of the**
13 **agreement or agreements.**

14 **(iii) Approval by the Congress**
15 **of the agreement or agreements.**

16 **(iv) Adequate consultations**
17 **with the relevant African govern-**
18 **ments and African regional and**
19 **subregional intergovernmental**
20 **organizations during the negotia-**
21 **tions of the agreement or agree-**
22 **ments.**

23 **(c) REPORTING REQUIREMENT.—Not later**
24 **than 12 months after the date of the enact-**
25 **ment of this Act, the President shall prepare**

1 and transmit to the Congress a report con-
2 taining the plan developed pursuant to sub-
3 section (b).

4 SEC. 8. ELIMINATING TRADE BARRIERS AND ENCOURAG-
5 ING EXPORTS.

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

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

14 (2) Annual textile and apparel exports
15 to the United States from sub-Saharan Af-
16 rica represent less than 1 percent of all
17 textile and apparel exports to the United
18 States, which totaled \$45,932,000,000 in
19 1996.

20 (3) Sub-Saharan Africa has limited
21 textile manufacturing capacity. During
22 1998 and the succeeding 4 years, this lim-
23 ited capacity to manufacture textiles and
24 apparel is projected to grow at a modest
25 rate. Given this limited capacity to ex-

1 port textiles and apparel, it will be very
2 difficult for these exports from sub-Saha-
3 ran Africa, during 1998 and the succeed-
4 ing 9 years, to exceed 3 percent annually
5 of total imports of textile and apparel to
6 the United States. If these exports from
7 sub-Saharan Africa remain around 3 per-
8 cent of total imports, they will not rep-
9 resent a threat to United States workers,
10 consumers, or manufacturers.

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

13 (1) it would be to the mutual benefit
14 of the countries in sub-Saharan Africa
15 and the United States to ensure that the
16 commitments of the World Trade Organi-
17 zation and associated agreements are
18 faithfully implemented in each of the
19 member countries, so as to lay the
20 groundwork for sustained growth in tex-
21 tile and apparel exports and trade under
22 agreed rules and disciplines;

23 (2) reform of trade policies in sub-Sa-
24 haran Africa with the objective of remov-
25 ing structural impediments to trade, con-

1 sistent with obligations under the World
2 Trade Organization, can assist the coun-
3 tries of the region in achieving greater
4 and greater diversification of textile and
5 apparel export commodities and products
6 and export markets; and

7 (3) the President should support tex-
8 tile and apparel trade reform in sub-Sa-
9 haran Africa by, among other measures,
10 providing technical assistance, sharing of
11 information to expand basic knowledge
12 of how to trade with the United States,
13 and encouraging business-to-business
14 contacts with the region.

15 (c) TREATMENT OF QUOTAS.—

16 (1) KENYA AND MAURITIUS.—Pursuant
17 to the Agreement on Textiles and Cloth-
18 ing, the United States shall eliminate the
19 existing quotas on textile and apparel ex-
20 ports to the United States—

21 (A) from Kenya within 30 days
22 after that country adopts an efficient
23 visa system to guard against unlawful
24 transshipment of textile and apparel

1 goods and the use of counterfeit doc-
2 uments; and

3 (B) from Mauritius within 30 days
4 after that country adopts such a visa
5 system.

6 The Customs Service shall provide the
7 necessary technical assistance to Kenya
8 and Mauritius in the development and
9 implementation of those visa systems.

10 (2) OTHER SUB-SAHARAN COUNTRIES.—

11 The President shall continue the existing
12 no quota policy for countries in sub-Saha-
13 ran Africa. The President shall submit to
14 the Congress, not later than March 31 of
15 each year, a report on the growth in tex-
16 tiles and apparel exports to the United
17 States from countries in sub-Saharan Af-
18 rica in order to protect United States
19 consumers, workers, and textile manufac-
20 turers from economic injury on account
21 of the no quota policy.

22 (d) CUSTOMS PROCEDURES AND ENFORCE-
23 MENT.—

24 (1) ACTIONS BY COUNTRIES AGAINST
25 TRANSSHIPMENT AND CIRCUMVENTION.—The

1 **President should ensure that any country**
2 **in sub-Saharan Africa that intends to ex-**
3 **port textile and apparel goods to the**
4 **United States—**

5 **(A) has in place a functioning and**
6 **effective visa system and domestic**
7 **laws and enforcement procedures to**
8 **guard against unlawful trans-**
9 **shipment of textile and apparel goods**
10 **and the use of counterfeit documents;**
11 **and**

12 **(B) will cooperate fully with the**
13 **United States to address and take ac-**
14 **tion necessary to prevent circumven-**
15 **tion, as provided in Article 5 of the**
16 **Agreement on Textiles and Clothing.**

17 **(2) PENALTIES AGAINST EXPORTERS.—If**
18 **the President determines, based on suffi-**
19 **cient evidence, that an exporter has will-**
20 **fully falsified information regarding the**
21 **country of origin, manufacture, process-**
22 **ing, or assembly of a textile or apparel**
23 **article for which duty-free treatment**
24 **under section 503(a)(1)(C) of the Trade**
25 **Act of 1974 is claimed, then the President**

1 shall deny to such exporter, and any suc-
2 cessors of such exporter, for a period of 2
3 years, duty-free treatment under such
4 section for textile and apparel articles.

5 (3) **APPLICABILITY OF UNITED STATES**
6 **LAWS AND PROCEDURES.**—All provisions of
7 the laws, regulations, and procedures of
8 the United States relating to the denial of
9 entry of articles or penalties against indi-
10 viduals or entities for engaging in illegal
11 transshipment, fraud, or other violations
12 of the customs laws shall apply to im-
13 ports from Sub-Saharan countries.

14 (4) **MONITORING AND REPORTS TO CON-**
15 **GRESS.**—The Customs Service shall mon-
16 itor and the Commissioner of Customs
17 shall submit to the Congress, not later
18 than March 31 of each year, a report on
19 the effectiveness of the visa systems de-
20 scribed in subsection (c)(1) and para-
21 graph (1) of this subsection and on meas-
22 ures taken by countries in Sub-Saharan
23 Africa which export textiles or apparel to
24 the United States to prevent circumven-

1 **tion as described in Article 5 of the**
2 **Agreement on Textiles and Clothing.**

3 **(e) DEFINITION.—For purposes of this sec-**
4 **tion, the term “Agreement on Textiles and**
5 **Clothing” means the Agreement on Textiles**
6 **and Clothing referred to in section 101(d)(4)**
7 **of the Uruguay Round Agreements Act (19**
8 **U.S.C. 3511(d)(4)).**

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

10 **(a) PREFERENTIAL TARIFF TREATMENT FOR**
11 **CERTAIN ARTICLES.—Section 503(a)(1) of the**
12 **Trade Act of 1974 (19 U.S.C. 2463(a)(1)) is**
13 **amended—**

14 **(1) by redesignating subparagraph**
15 **(C) as subparagraph (D); and**

16 **(2) by inserting after subparagraph**
17 **(B) the following:**

18 **“(C) ELIGIBLE COUNTRIES IN SUB-SA-**
19 **HARAN AFRICA.—The President may**
20 **provide duty-free treatment for any**
21 **article set forth in paragraph (1) of**
22 **subsection (b) that is the growth,**
23 **product, or manufacture of an eligi-**
24 **ble country in sub-Saharan Africa**
25 **that is a beneficiary developing coun-**

1 try, if, after receiving the advice of
2 the International Trade Commission
3 in accordance with subsection (e), the
4 President determines that such arti-
5 cle is not import-sensitive in the con-
6 text of imports from eligible countries
7 in sub-Saharan Africa. This subpara-
8 graph shall not affect the designation
9 of eligible articles under subpara-
10 graph (B).”.

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

14 **“(C) ELIGIBLE COUNTRIES IN SUB-SA-**
15 **HARAN AFRICA.**—For purposes of deter-
16 mining the percentage referred to in
17 subparagraph (A) in the case of an ar-
18 ticle of an eligible country in sub-Sa-
19 haran Africa that is a beneficiary de-
20 veloping country—

21 **“(i) if the cost or value of ma-**
22 **terials produced in the customs**
23 **territory of the United States is**
24 **included with respect to that arti-**
25 **cle, an amount not to exceed 15**

1 percent of the appraised value of
2 the article at the time it is en-
3 tered that is attributed to such
4 United States cost or value may
5 be applied toward determining
6 the percentage referred to in sub-
7 paragraph (A); and

8 “(ii) the cost or value of the
9 materials included with respect
10 to that article that are produced
11 in any beneficiary developing
12 country that is an eligible country
13 in sub-Saharan Africa shall be ap-
14 plied in determining such per-
15 centage.”.

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

20 “(D) **LEAST-DEVELOPED BENEFICIARY**
21 **DEVELOPING COUNTRIES AND ELIGIBLE**
22 **COUNTRIES IN SUB-SAHARAN AFRICA.—**
23 **Subparagraph (A) shall not apply to**
24 **any least-developed beneficiary de-**

1 **veloping country or any eligible coun-**
2 **try in sub-Saharan Africa.”.**

3 **(d) EXTENSION OF PROGRAM.—Section 505**
4 **of the Trade Act of 1974 (19 U.S.C. 2465) is**
5 **amended to read as follows:**

6 **“SEC. 505. DATE OF TERMINATION.**

7 **“(a) COUNTRIES IN SUB-SAHARAN AFRICA.—**
8 **No duty-free treatment provided under this**
9 **title shall remain in effect after June 30, 2008,**
10 **with respect to beneficiary developing coun-**
11 **tries that are eligible countries in sub-Saha-**
12 **ran Africa.**

13 **“(b) OTHER COUNTRIES.—No duty-free**
14 **treatment provided under this title shall re-**
15 **main in effect after June 30, 1998, with re-**
16 **spect to beneficiary developing countries**
17 **other than those provided for in subsection**
18 **(a).”.**

19 **(e) DEFINITION.—Section 507 of the Trade**
20 **Act of 1974 (19 U.S.C. 2467) is amended by add-**
21 **ing at the end the following:**

22 **“(6) ELIGIBLE COUNTRY IN SUB-SAHARAN**
23 **AFRICA.—The terms ‘eligible country in**
24 **sub-Saharan Africa’ and ‘eligible coun-**
25 **tries in sub-Saharan Africa’ mean a coun-**

1 try or countries that the President has
2 determined to be eligible under section 4
3 of the African Growth and Opportunity
4 Act.”.

5 (f) **EFFECTIVE DATE.**—The amendments
6 made by this section take effect on July 1,
7 1998.

8 **SEC. 10. INTERNATIONAL FINANCIAL INSTITUTIONS AND**
9 **DEBT REDUCTION.**

10 (a) **BETTER MECHANISMS TO FURTHER**
11 **GOALS FOR SUB-SAHARAN AFRICA.**—It is the
12 sense of the Congress that the Secretary of
13 the Treasury should instruct the United
14 States Executive Directors of the Inter-
15 national Bank for Reconstruction and Devel-
16 opment, the International Monetary Fund,
17 and the African Development Bank to use the
18 voice and votes of the Executive Directors to
19 encourage vigorously their respective institu-
20 tions to develop enhanced mechanisms which
21 further the following goals in eligible coun-
22 tries in sub-Saharan Africa:

23 (1) **Strengthening and expanding the**
24 **private sector, especially among women-**
25 **owned businesses.**

1 **(2) Reducing tariffs, nontariff bar-**
2 **riers, and other trade obstacles, and in-**
3 **creasing economic integration.**

4 **(3) Supporting countries committed**
5 **to accountable government, economic re-**
6 **form, the eradication of poverty, and the**
7 **building of civil societies.**

8 **(4) Supporting deep debt reduction at**
9 **the earliest possible date with the great-**
10 **est amount of relief for eligible poorest**
11 **countries under the “Heavily Indebted**
12 **Poor Countries” (HIPC) debt initiative.**

13 **(b) SENSE OF CONGRESS.—It is the sense of**
14 **the Congress that relief provided to countries**
15 **in sub-Saharan Africa which qualify for the**
16 **Heavily Indebted Poor Countries debt initia-**
17 **tive should primarily be made through grants**
18 **rather than through extended-term debt, and**
19 **that interim relief or interim financing should**
20 **be provided for eligible countries that estab-**
21 **lish a strong record of macroeconomic reform.**

22 **(c) EXECUTIVE BRANCH INITIATIVES.—The**
23 **Congress supports and encourages the imple-**
24 **mentation of the following initiatives of the**
25 **executive branch:**

1 **(1) AMERICAN-AFRICAN BUSINESS PART-**
2 **NERSHIP.—The Agency for International**
3 **Development devoting up to \$1,000,000**
4 **annually to help catalyze relationships**
5 **between United States firms and firms in**
6 **sub-Saharan Africa through a variety of**
7 **business associations and networks.**

8 **(2) TECHNICAL ASSISTANCE TO PROMOTE**
9 **REFORMS.—The Agency for International**
10 **Development providing up to \$5,000,000**
11 **annually in short-term technical assist-**
12 **ance programs to help the governments**
13 **of sub-Saharan African countries to—**

14 **(A) liberalize trade and promote**
15 **exports;**

16 **(B) bring their legal regimes into**
17 **compliance with the standards of the**
18 **World Trade Organization in conjunc-**
19 **tion with membership in that Organi-**
20 **zation; and**

21 **(C) make financial and fiscal re-**
22 **forms, as well as the United States**
23 **Department of Agriculture providing**
24 **support to promote greater agri-**
25 **business linkages.**

1 **(3) AGRICULTURAL MARKET LIBERALIZA-**
2 **TION.—The Agency for International De-**
3 **velopment devoting up to \$15,000,000 an-**
4 **nually as part of the multi-year Africa**
5 **Food Security Initiative to help address**
6 **such critical agricultural policy issues as**
7 **market liberalization, agricultural export**
8 **development, and agribusiness invest-**
9 **ment in processing and transporting agri-**
10 **cultural commodities.**

11 **(4) TRADE PROMOTION.—The Trade De-**
12 **velopment Agency increasing the number**
13 **of reverse trade missions to growth-ori-**
14 **ented countries in sub-Saharan Africa.**

15 **(5) TRADE IN SERVICES.—Efforts by**
16 **United States embassies in the countries**
17 **in sub-Saharan Africa to encourage their**
18 **host governments—**

19 **(A) to participate in the ongoing**
20 **negotiations on financial services in**
21 **the World Trade Organization;**

22 **(B) to revise their existing sched-**
23 **ules to the General Agreement on**
24 **Trade in Services of the World Trade**
25 **Organization in light of the successful**

1 **conclusion of negotiations on basic**
2 **telecommunications services; and**

3 **(C) to make further commitments**
4 **in their schedules to the General**
5 **Agreement on Trade in Services in**
6 **order to encourage the removal of**
7 **tariff and nontariff barriers and to**
8 **foster competition in the services sec-**
9 **tor in those countries.**

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

12 **(a) INITIATION OF FUNDS.—It is the sense of**
13 **the Congress that the Overseas Private In-**
14 **vestment Corporation should, within 12**
15 **months after the date of the enactment of this**
16 **Act, exercise the authorities it has to initiate**
17 **2 or more equity funds in support of projects**
18 **in the countries in sub-Saharan Africa.**

19 **(b) STRUCTURE AND TYPES OF FUNDS.—**

20 **(1) STRUCTURE.—Each fund initiated**
21 **under subsection (a) should be structured**
22 **as a partnership managed by professional**
23 **private sector fund managers and mon-**
24 **itored on a continuing basis by the Cor-**
25 **poration.**

1 **(2) CAPITALIZATION.—Each fund**
2 **should be capitalized with a combination**
3 **of private equity capital, which is not**
4 **guaranteed by the Corporation, and debt**
5 **for which the Corporation provides guar-**
6 **anties.**

7 **(3) TYPES OF FUNDS.—**

8 **(A) EQUITY FUND FOR SUB-SAHARAN**
9 **AFRICA.—One of the funds should be**
10 **an equity fund, with assets of up to**
11 **\$150,000,000, the primary purpose of**
12 **which is to achieve long-term capital**
13 **appreciation through equity invest-**
14 **ments in support of projects in coun-**
15 **tries in sub-Saharan Africa.**

16 **(B) INFRASTRUCTURE FUND.—One**
17 **or more of the funds, with combined**
18 **assets of up to \$500,000,000, should be**
19 **used in support of infrastructure**
20 **projects in countries of sub-Saharan**
21 **Africa. The primary purpose of any**
22 **such fund would be to achieve long-**
23 **term capital appreciation through in-**
24 **vesting in financing for infrastruc-**
25 **ture projects in sub-Saharan Africa,**

1 including for the expansion of busi-
2 nesses in sub-Saharan Africa,
3 restructurings, management buyouts
4 and buyins, businesses with local
5 ownership, and privatizations.

6 (4) **EMPHASIS.**—The Corporation shall
7 ensure that the funds are used to provide
8 support in particular to women entre-
9 preneurs and to innovative investments
10 that expand opportunities for women and
11 maximize employment opportunities for
12 poor individuals.

13 **SEC. 12. OVERSEAS PRIVATE INVESTMENT CORPORATION**
14 **AND EXPORT-IMPORT BANK INITIATIVES.**

15 (a) **OVERSEAS PRIVATE INVESTMENT COR-**
16 **PORATION.**—

17 (1) **ADVISORY COMMITTEE.**—Section 233
18 of the Foreign Assistance Act of 1961 is
19 amended by adding at the end the follow-
20 ing:

21 “(e) **ADVISORY COMMITTEE.**—The Board
22 shall take prompt measures to increase the
23 loan, guarantee, and insurance programs, and
24 financial commitments, of the Corporation in
25 sub-Saharan Africa, including through the es-

1 **tablishment and use of an advisory committee**
2 **to assist the Board in developing and imple-**
3 **menting policies, programs, and financial in-**
4 **struments with respect to sub-Saharan Africa.**
5 **In addition, the advisory committee shall**
6 **make recommendations to the Board on how**
7 **the Corporation can facilitate greater support**
8 **by the United States for trade and investment**
9 **with and in sub-Saharan Africa. The advisory**
10 **committee shall terminate 4 years after the**
11 **date of the enactment of this subsection.”.**

12 **(2) REPORTS TO THE CONGRESS.—Within**
13 **6 months after the date of the enactment**
14 **of this Act, and annually for each of the**
15 **4 years thereafter, the Board of Directors**
16 **of the Overseas Private Investment Cor-**
17 **poration shall submit to the Congress a**
18 **report on the steps that the Board has**
19 **taken to implement section 233(e) of the**
20 **Foreign Assistance Act of 1961 (as added**
21 **by paragraph (1)) and any recommenda-**
22 **tions of the advisory board established**
23 **pursuant to such section.**

24 **(b) EXPORT-IMPORT BANK.—**

1 **(1) ADVISORY COMMITTEE FOR SUB-SAHA-**
2 **RAN AFRICA.—Section 2(b) of the Export-**
3 **Import Bank Act of 1945 (12 U.S.C. 635(b))**
4 **is amended by inserting after paragraph**
5 **(12) the following:**

6 **“(13)(A) The Board of Directors of the**
7 **Bank shall take prompt measures, consistent**
8 **with the credit standards otherwise required**
9 **by law, to promote the expansion of the**
10 **Bank’s financial commitments in sub-Saharan**
11 **Africa under the loan, guarantee, and insur-**
12 **ance programs of the Bank.**

13 **“(B)(i) The Board of Directors shall estab-**
14 **lish and use an advisory committee to advise**
15 **the Board of Directors on the development**
16 **and implementation of policies and programs**
17 **designed to support the expansion described**
18 **in subparagraph (A).**

19 **“(ii) The advisory committee shall make**
20 **recommendations to the Board of Directors**
21 **on how the Bank can facilitate greater sup-**
22 **port by United States commercial banks for**
23 **trade with sub-Saharan Africa.**

1 “(iii) The advisory committee shall termi-
2 nate 4 years after the date of the enactment
3 of this subparagraph.”.

4 (2) REPORTS TO THE CONGRESS.—Within
5 6 months after the date of the enactment
6 of this Act, and annually for each of the
7 4 years thereafter, the Board of Directors
8 of the Export-Import Bank of the United
9 States shall submit to the Congress a re-
10 port on the steps that the Board has
11 taken to implement section 2(b)(13)(B) of
12 the Export-Import Bank Act of 1945 (as
13 added by paragraph (1)) and any rec-
14 ommendations of the advisory committee
15 established pursuant to such section.

16 SEC. 13. ESTABLISHMENT OF ASSISTANT UNITED STATES
17 TRADE REPRESENTATIVE FOR SUB-SAHARAN
18 AFRICA.

19 (a) ESTABLISHMENT.—The President shall
20 establish a position of Assistant United States
21 Trade Representative within the Office of the
22 United States Trade Representative to focus
23 on trade issues relating to sub-Saharan Afri-
24 ca.

1 **(b) FUNDING AND STAFF.—The President**
2 **shall ensure that the Assistant United States**
3 **Trade Representative appointed pursuant to**
4 **subsection (a) has adequate funding and staff**
5 **to carry out the duties described in sub-**
6 **section (a).**

7 **SEC. 14. EXPANSION OF THE UNITED STATES AND FOREIGN**
8 **COMMERCIAL SERVICE IN SUB-SAHARAN AF-**
9 **RICA.**

10 **(a) SENSE OF THE CONGRESS.—It is the**
11 **sense of the Congress that the United States**
12 **and Foreign Commercial Service should ex-**
13 **pand its presence in sub-Saharan Africa by in-**
14 **creasing the number of posts and the number**
15 **of personnel it allocates to sub-Saharan Afri-**
16 **ca.**

17 **(b) REPORTING REQUIREMENT.—Not later**
18 **than 120 days after the date of the enactment**
19 **of this Act, the Secretary of Commerce, in con-**
20 **sultation with the Secretary of State, should**
21 **report to the Congress on the feasibility of ex-**
22 **panding the presence in sub-Saharan Africa**
23 **of the United States and Foreign Commercial**
24 **Service.**

1 **SEC. 15. REPORTING REQUIREMENT.**

2 **The President shall submit to the Con-**
3 **gress, not later than 1 year after the date of**
4 **the enactment of this Act, and not later than**
5 **the end of each of the next 4 1-year periods**
6 **thereafter, a report on the implementation of**
7 **this Act.**

8 **SEC. 16. SUB-SAHARAN AFRICA DEFINED.**

9 **For purposes of this Act, the terms “sub-**
10 **Saharan Africa”, “sub-Saharan African coun-**
11 **try”, “country in sub-Saharan Africa”, and**
12 **“countries in sub-Saharan Africa” refer to the**
13 **following:**

14 **Republic of Angola (Angola)**
15 **Republic of Botswana (Botswana)**
16 **Republic of Burundi (Burundi)**
17 **Republic of Cape Verde (Cape Verde)**
18 **Republic of Chad (Chad)**
19 **Democratic Republic of Congo**
20 **Republic of the Congo (Congo)**
21 **Republic of Djibouti (Djibouti)**
22 **State of Eritrea (Eritrea)**
23 **Gabonese Republic (Gabon)**
24 **Republic of Ghana (Ghana)**
25 **Republic of Guinea-Bissau (Guinea-**
26 **Bissau)**

- 1 **Kingdom of Lesotho (Lesotho)**
- 2 **Republic of Madagascar (Madagascar)**
- 3 **Republic of Mali (Mali)**
- 4 **Republic of Mauritius (Mauritius)**
- 5 **Republic of Namibia (Namibia)**
- 6 **Federal Republic of Nigeria (Nigeria)**
- 7 **Democratic Republic of Sao Tomé**
- 8 **and Principe (Sao Tomé and Principe)**
- 9 **Republic of Sierra Leone (Sierra**
- 10 **Leone)**
- 11 **Somalia**
- 12 **Kingdom of Swaziland (Swaziland)**
- 13 **Republic of Togo (Togo)**
- 14 **Republic of Zimbabwe (Zimbabwe)**
- 15 **Republic of Benin (Benin)**
- 16 **Burkina Faso (Burkina)**
- 17 **Republic of Cameroon (Cameroon)**
- 18 **Central African Republic**
- 19 **Federal Islamic Republic of the**
- 20 **Comoros (Comoros)**
- 21 **Republic of Côte d'Ivoire (Côte**
- 22 **d'Ivoire)**
- 23 **Republic of Equatorial Guinea (Equa-**
- 24 **torial Guinea)**
- 25 **Ethiopia**

1 **Republic of the Gambia (Gambia)**

2 **Republic of Guinea (Guinea)**

3 **Republic of Kenya (Kenya)**

4 **Republic of Liberia (Liberia)**

5 **Republic of Malawi (Malawi)**

6 **Islamic Republic of Mauritania (Mau-**
7 **ritania)**

8 **Republic of Mozambique (Mozam-**
9 **bique)**

10 **Republic of Niger (Niger)**

11 **Republic of Rwanda (Rwanda)**

12 **Republic of Senegal (Senegal)**

13 **Republic of Seychelles (Seychelles)**

14 **Republic of South Africa (South Afri-**
15 **ca)**

16 **Republic of Sudan (Sudan)**

17 **United Republic of Tanzania (Tanza-**
18 **nia)**

19 **Republic of Uganda (Uganda)**

20 **Republic of Zambia (Zambia)**

21 **SEC. 17. CLARIFICATION OF DEDUCTION FOR SEVERANCE**

22 **PAY.**

23 **(a) IN GENERAL.—Section 404(a) of the In-**
24 **ternal Revenue Code of 1986 (relating to de-**
25 **duction for contributions of an employer to**

1 an employee's trust or annuity plan and com-
2 pensation under a deferred-payment plan) is
3 amended by adding at the end the following
4 new paragraph:

5 “(11) DETERMINATIONS RELATING TO
6 SEVERANCE PAY.—For purposes of deter-
7 mining under this section—

8 “(A) whether severance pay is de-
9 ferred compensation, and

10 “(B) when severance pay is paid,
11 no amount shall be treated as received by
12 the employee, or paid, until it is actually
13 received by the employee.”

14 (b) EFFECTIVE DATE.—

15 (1) IN GENERAL.—The amendment
16 made by subsection (a) shall apply to tax-
17 able years ending after October 8, 1997.

18 (2) CHANGE IN METHOD OF ACCOUNT-
19 ING.—In the case of any taxpayer re-
20 quired by the amendment made by sub-
21 section (a) to change its method of ac-
22 counting for its first taxable year ending
23 after October 8, 1997—

24 (A) such change shall be treated
25 as initiated by the taxpayer,

1 **(B) such change shall be treated**
2 **as made with the consent of the Sec-**
3 **retary of the Treasury, and**

4 **(C) the net amount of the adjust-**
5 **ments required to be taken into ac-**
6 **count by the taxpayer under section**
7 **481 of the Internal Revenue Code of**
8 **1986 shall be taken into account in**
9 **such first taxable year.**