

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> 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.

○