

115 TH CONGRESS 1ST SESSION S. 1274

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

IN THE SENATE OF THE UNITED STATES

May 25, 2017

Mr. Isakson (for himself, Mr. Coons, and Mr. Perdue) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations

A BILL

- To direct the President to establish an interagency mechanism to coordinate United States development programs and private sector investment activities, and for other purposes.
 - 1 Be it enacted by the Senate and House of Representa-
 - 2 tives of the United States of America in Congress assembled,
 - 3 SECTION 1. SHORT TITLE.
 - 4 This Act may be cited as the "Economic Growth and
 - 5 Development Act".
 - 6 SEC. 2. FINDINGS.
 - 7 Congress makes the following findings:

- The promotion of sustainable economic growth is the only long-term solution to lifting peo-ple out of poverty and addressing development chal-lenges such as infectious disease, food security, ac-cess to education, and access to clean water, as re-flected in the Sustainable Development Goals adopt-ed at the United Nations Sustainable Development Summit on September 25, 2015.
 - (2) Several of the greatest development success stories of the past 50 years demonstrate that private sector investment and economic growth are fundamental to lifting populations out of poverty.
 - (3) A dramatic shift in the composition of capital flows to the developing world necessitates a new approach to official development assistance; whereas 40 years ago more than 70 percent of capital flowing to developing countries was public sector foreign assistance, today over 80 percent of capital flowing to the developing world comes from the private sector.
 - (4) In order to better leverage United States foreign assistance dollars and to promote sustainable economic development in partner countries, the United States Government must seek to promote economic growth through private sector investment

- by consulting United States business during develop ment planning and programming processes.
- 3 (5) Eleven of the 15 largest importers of
 4 United States goods and services are countries that
 5 graduated from United States foreign assistance,
 6 and 12 of the 15 fastest growing markets for United
 7 States exports are former United States foreign assistance recipients.
 - (6) With 12 departments, 26 agencies, and more than 60 Federal Government offices involved in the delivery of United States foreign assistance and the promotion of United States investment overseas, it is unnecessarily difficult for United States businesses to navigate this bureaucracy in search of opportunities to partner with such United States agencies.
 - (7) Although many United States development agencies have taken steps to improve the private sector coordination capabilities of such agencies in recent years, these agency-specific strategies are not integrated into a coherent interagency coordination structure to effectively engage the private sector.
 - (8) The United States Government has no streamlined, interagency mechanism for coordination with the private sector for the purposes of develop-

- ment or promotion of opportunities for investment, nor are the activities of the United States Government in this area guided by a coherent set of strategic objectives, targets, or operating principles.
 - (9) Whether in the context of a country, sector, or global development strategy, decisions regarding program prioritization and resource allocation would benefit greatly from private sector perspectives and market data and coordination with the private sector from the outset.
 - (10) Development programs can be designed to better attract private sector investment and to promote public-private partnerships in key development sectors.
 - and the Partnership for Growth both analyze constraints on growth as part of the planning processes of these organizations, but these analyses need to be included in agency country, sector, and global development strategies to more effectively inform and guide the full spectrum of United States development programs.
- 23 SEC. 3. DEFINITIONS.
- 24 In this Act:

1	(1) Administrator.—The term "Adminis-
2	trator" means the Administrator of the United
3	States Agency for International Development.
4	(2) Appropriate congressional commit-
5	TEES.—The term "appropriate congressional com-
6	mittees" means—
7	(A) the Committee on Foreign Relations
8	and the Committee on Appropriations of the
9	Senate; and
10	(B) the Committee on Foreign Affairs and
11	the Committee on Appropriations of the House
12	of Representatives.
13	(3) Private sector.—The term "private sec-
14	tor" means for-profit United States businesses.
15	(4) Secretary.—The term "Secretary" means
16	the Secretary of State.
17	(5) United states development agen-
18	CIES.—The term "United States development agen-
19	cies" means—
20	(A) the Department of State;
21	(B) the United States Agency for Inter-
22	national Development;
23	(C) the Millennium Challenge Corporation;
24	(D) the Overseas Private Investment Cor-
25	poration;

1	(E) the Trade and Development Agency;
2	(F) the Inter-American Foundation; and
3	(G) the African Development Foundation.
4	SEC. 4. PURPOSE.
5	The purpose of this Act is to maximize the impact
6	of United States development programs by—
7	(1) enhancing coordination between United
8	States development agencies and the programs of
9	such agencies and the private sector and the invest-
10	ment activities of the private sector;
11	(2) integrating private sector input into the
12	planning and programming processes of United
13	States development agencies;
14	(3) institutionalizing analyses of constraints on
15	growth and investment throughout the planning and
16	programming processes of United States develop-
17	ment agencies;
18	(4) ensuring United States development agen-
19	cies are accountable for improving coordination be-
20	tween United States development programs and pri-
21	vate sector investment activities; and
22	(5) promoting and facilitating private sector in-
23	vestment.

SEC. 5. SENSE OF CONGRESS ON UNITED STATES DEVELOP-2 MENT ASSISTANCE. 3 It is the sense of Congress that— 4 (1)United States development assistance 5 should be pursued in a way that aims— 6 (A) to build and strengthen civic institu-7 tions; 8 (B) to provide for public accountability; 9 and 10 (C) to serve as the basis for a democratic 11 social contract between the people and their 12 government, and as a basis for graduation from 13 assistance; 14 (2) United States Government policies and deci-15 sions should be guided by clear benchmarks for the 16 evaluation of partner country commitment to fund-17 ing development priorities, including the "investing 18 in people" metric of the Millennium Challenge Cor-19 poration; 20 (3) United States Government programs should 21 be guided by a unified strategy, ambitious targets, and a robust monitoring, evaluation, and public ac-22 23 countability plan; 24 United States development assistance

should aim to help build the capacity of partner

1	countries to raise and commit partner country re-
2	sources toward development goals, including—
3	(A) the capacity to increase revenues;
4	(B) transparent budgeting and expendi-
5	tures;
6	(C) policies and laws that increase domes-
7	tic investment; and
8	(D) the ability to address the illicit flows
9	of capital from domestic and international
10	sources;
11	(5) the Addis Ababa Action Agenda, reached at
12	the Third International Conference on Financing for
13	Development, and the emphasis of the Addis Ababa
14	Action Agenda on economic growth and the commit-
15	ment of greater domestic resources towards develop-
16	ment goals, serves as a basis for concrete actions by
17	donors and partner countries to achieve greater ac-
18	countability and to foster broad-based economic
19	growth and the establishment of prosperous, middle
20	class-based societies;
21	(6) domestic resource commitments and domes-
22	tic resource mobilization for development purposes
23	provide a greater chance for sustainability and an
24	alignment of incentives among stakeholders, includ-

- ing donors, partner countries, citizens, and the private sector that drives economic growth;
 - (7) the domestic resource commitments described in paragraph (6) are opportunities to provide for greater accountability and the building of strong, just social contracts between people and their governments, allowing governments to raise revenue, address citizen priorities, and be held accountable for results;
 - (8) fostering domestic capacity and domestic responsibility for outcomes is the basis of true country ownership and a transition from assistance to sustainability by achieving development goals;
 - (9) public sector development finance programs, which mobilize private capital to achieve development objectives, are projected to soon overtake traditional grant-based assistance as measured by total capital investments, reflecting an increasing recognition by both donor and recipient countries of the potential that development finance holds for driving inclusive, sustainable economic growth;
 - (10) United States development finance programs should be used for development purposes, complement but not displace private capital, and operate free of political agendas;

- carry out development finance programs through the
 Overseas Private Investment Corporation, the Development Credit Authority of the United States Agency for International Development, and the United
 States Trade and Development Agency, that ability
 is under-appreciated as a matter of policy and underutilized as a matter of development strategy;
 - (12) the Overseas Private Investment Corporation lacks certain development finance tools, including the ability to make limited equity investments in projects rather than issuing debt and the authority and resources to provide first-loss guarantees or technical assistance;
 - (13) the Overseas Private Investment Corporation is also limited by uncertainty around the renewal of its legal authorities and would be more effective with the stability and predictability provided by a multi-year authorization and a reformulation of how the agency may use its proceeds for essential staff and overhead expenses while still returning money to the Treasury; and
 - (14) United States development assistance should prioritize and better coordinate resources that support enhanced trade capacity and facilitate

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1	fairer and more sustainable trade with partner coun-
2	tries.
3	SEC. 6. INTERAGENCY STRATEGY AND MECHANISM TO CO-
4	ORDINATE UNITED STATES DEVELOPMENT
5	PROGRAMS AND PRIVATE SECTOR INVEST-
6	MENT ACTIVITIES.
7	(a) In General.—The President shall establish a
8	primary, interagency mechanism to assist the private sec-
9	tor in coordinating United States development programs
10	with private sector investment activities.
11	(b) Duties.—The mechanism established under sub-
12	section (a) shall—
13	(1) streamline and integrate the various private
14	sector liaison, coordination, and investment pro-
15	motion functions of United States development agen-
16	cies;
17	(2) facilitate the use of various development
18	and finance tools across United States development
19	agencies to attract greater private sector participa-
20	tion in development activities; and
21	(3) establish a single point of contact for the
22	private sector for partnership opportunities with
23	United States development agencies.
24	(c) Annual Strategy.—

1	(1) In general.—Not later than 1 year after
2	the date of enactment of this Act, and annually
3	thereafter, the President shall submit to the appro-
4	priate congressional committees a strategy for the
5	facilitation and coordination of private sector invest-
6	ments and activities for the purposes of develop-
7	ment.
8	(2) Elements of the annual strategy.—
9	The annual strategy required under paragraph (1)
10	shall include—
11	(A) country, sectoral, and global targets
12	for private sector investment facilitation and co-
13	ordination;
14	(B) a description of the specific roles and
15	responsibilities of United States Government
16	departments and agencies involved in meeting
17	the targets described in subparagraph (A), in-
18	cluding within United States missions in-coun-
19	try; and
20	(C) a plan relating to monitoring, evalua-
21	tion, and public accountability.

1	SEC. 7. INTEGRATING PRIVATE SECTOR COORDINATION IN
2	COUNTRY, SECTOR, AND GLOBAL DEVELOP-
3	MENT STRATEGIES.
4	The Secretary and the Administrator shall direct
5	their respective policy teams, including the Assistant to
6	the Administrator for the Bureau of Policy, Planning and
7	Learning, and country teams, to include private sector fa-
8	cilitation and coordination in all country, sector, and glob-
9	al development strategies, including integrated country
10	strategies, regional and functional strategies, country de-
11	velopment cooperation strategies, mission strategic re-
12	source plans, and global development strategies.
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13	SEC. 8. ANALYSIS OF CONSTRAINTS ON GROWTH AND IN-
13	VESTMENT IN FOREIGN COUNTRIES AND
14	VESTMENT IN FOREIGN COUNTRIES AND
14 15	VESTMENT IN FOREIGN COUNTRIES AND SECTORS.
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114 115 116 117 118 119 220	VESTMENT IN FOREIGN COUNTRIES AND SECTORS. (a) IN GENERAL.—The Secretary, the Administrator, and the heads of other relevant Federal agencies shall ensure that analyses of rigorous, current constraints on growth and investment guide all country, region, and sector economic development strategies.
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14 15 16 17 18 19 20 21	VESTMENT IN FOREIGN COUNTRIES AND SECTORS. (a) IN GENERAL.—The Secretary, the Administrator, and the heads of other relevant Federal agencies shall ensure that analyses of rigorous, current constraints on growth and investment guide all country, region, and sector economic development strategies. (b) Matters To Be Included.—The analysis required under subsection (a) shall include the identification

1	ment codes, and customs and regulatory regimes of
2	recipient countries, as appropriate; and
3	(2) particular economic sectors that are central
4	to achieving economic growth, such as agriculture,
5	transportation, energy, and financial services.
6	(c) Results.—The results of the analyses described
7	under subsection (a) shall—
8	(1) be incorporated into the development strate-
9	gies of United States development agencies;
10	(2) be used to inform and guide resource alloca-
11	tions; and
12	(3) be made available to the public, and for
13	comment by all stakeholders, prior to finalization of
14	development strategies.
15	SEC. 9. REPORT.
16	Not later than 1 year after the date of the enactment
17	of this Act, the President shall transmit to the Committee
18	on Foreign Relations of the Senate and the Committee
19	on Foreign Affairs of the House of Representatives a re-
20	port that describes the specific measures that have been
21	taken to implement this Act and the outcomes that such
22	measures are intended to produce.