

112TH CONGRESS
2^D SESSION

S. _____

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

Mr. ISAKSON introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

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

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

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

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

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

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

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

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

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

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

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

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

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

16 **SEC. 3. DEFINITIONS.**

17 In this Act:

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

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

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

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

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

8 **SEC. 4. PURPOSE.**

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

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

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

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

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

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

5 (a) **IN GENERAL.**—The President, in consultation
6 with the Secretary, the Administrator, the Chief Executive
7 Officer of the Millennium Challenge Corporation, and the
8 heads of other United States development agencies, shall
9 establish an interagency mechanism to improve coordina-
10 tion of United States development programs with private
11 sector investment activities.

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

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

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.

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

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

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

14 (a) IN GENERAL.—The Secretary and the Adminis-
15 trator shall ensure that independent constraints to growth
16 and investment analyses are conducted as a component of
17 all appropriate country, sector, and global development
18 strategies.

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

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

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

4 (c) CONDUCT.—The analysis required under sub-
5 section (a) shall be conducted by teams composed of rep-
6 resentatives of United States development agencies, inter-
7 national organizations, the private sector, including rep-
8 resentatives from commercial sectors of recipient coun-
9 tries, and other stakeholders.

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

14 **SEC. 8. REPORT.**

15 Not later than one year after the date of the enact-
16 ment of this Act, the President shall transmit to the Com-
17 mittee on Foreign Relations and the Committee on Appro-
18 priations of the Senate and the Committee on Foreign Af-
19 fairs and the Committee on Appropriations of the House
20 of Representatives a report that describes the specific
21 measures that have been taken to implement this Act and
22 the outcomes that such measures are intended to produce.