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1ST SESSION

H. R. 2067

To improve the coordination of programs to provide trade capacity building assistance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 2019

Mr. GUEST introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To improve the coordination of programs to provide trade capacity building assistance, 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 “Aid for Trade Act of
5 2019”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) Productive international trading relation-
9 ships are vital to the economic growth and national
10 security of the United States.

1 (2) According to the United States Agency for
2 International Development, 11 of America's top 15
3 trading partners were once recipients of United
4 States foreign assistance, and some of the fastest
5 growing markets are former recipients of United
6 States foreign assistance.

7 (3) Stable trading relationships promote secu-
8 rity and prosperity, and leadership by the United
9 States in international trade fosters the expansion of
10 open markets and can help level the playing field for
11 United States businesses, workers, and consumers in
12 the global marketplace.

13 (4) Programs to provide trade capacity building
14 assistance strengthen good governance, advance rule
15 of law, combat corruption, promote human rights,
16 reduce poverty, and spur economic opportunity.

17 (5) Private-sector-led trade and investment are
18 fundamental components of inclusive growth and de-
19 velopment. Programs to provide trade capacity build-
20 ing assistance help developing countries to reduce
21 and eliminate nontariff trade barriers that inhibit
22 the ability of such countries to implement trade
23 agreements, participate in the global economy, cre-
24 ate jobs and economic opportunity, and reduce pov-
25 erty.

1 (6) Reducing trade transaction costs through
2 trade capacity improvements and trade facilitation
3 reforms will assist United States exporters and small
4 and medium-size enterprises reach new customers in
5 developing countries. Reducing these costs through
6 trade facilitation reforms will assist developing coun-
7 try businesses to trade and invest with each other
8 and take advantage of global supply and value
9 chains.

10 (7) According to the United States Trade Rep-
11 resentative, “the United States is one of the largest
12 single-country providers of trade-related assistance”
13 (also called trade capacity building assistance or
14 “Aid for Trade”).

15 (8) At the 9th Ministerial of the World Trade
16 Organization in Bali, Indonesia, in December 2013,
17 the 159 members of the World Trade Organization
18 (WTO) concluded the Trade Facilitation Agreement
19 (TFA), the first global WTO trade agreement in 20
20 years. WTO members amended the WTO agree-
21 ments to include the TFA on November 27, 2014,
22 and opened it for acceptance by WTO members. The
23 TFA entered into force on February 22, 2017, after
24 ratification by two-thirds of the WTO membership.

1 (9) The TFA includes measures and obligations
2 designed to streamline customs procedures, increase
3 customs transparency, and speed the flow of goods
4 across borders.

5 (10) According to the Organization for Eco-
6 nomic Cooperation and Development (OECD), full
7 implementation of the TFA could reduce trade costs
8 by as much as an estimated 16.5 percent of low in-
9 come countries, 17 percent for lower-middle income
10 countries, 14.6 percent for upper-middle income
11 countries, and 11.8 percent for OECD countries.

12 (11) The OECD has noted that trade barriers
13 created by ineffective policies and burdensome rules
14 and procedures can incentivize corrupt business
15 practices, and therefore all relevant stakeholders
16 have an interest in supporting efforts to streamline
17 trade regulation and reduce non-tariff barriers.

18 (12) The TFA requires developing countries to
19 identify impediments to trade facilitation and com-
20 mits developed countries to assist developing coun-
21 tries' efforts to come into compliance with the obli-
22 gations of the TFA.

23 (13) The United States is the largest provider
24 of trade capacity building assistance in the world,
25 according to the United States Agency for Inter-

1 national Development. In 2017, the United States
2 Government obligated nearly \$1,100,000,000 in
3 trade capacity building efforts in over 130 countries,
4 which were implemented by more than a dozen
5 United States Government departments and agen-
6 cies.

7 (14) There is no single coordinating agency for
8 trade capacity building activities in the United
9 States Government. Each agency has its own proc-
10 esses for ensuring proper and effective programming
11 of its appropriated funds.

12 (15) A clear, whole-of-government strategy is
13 needed to leverage and coordinate limited trade ca-
14 pacity funds to implement the TFA, advance pro-
15 ductive international trading relationships for United
16 States businesses, workers, consumers, foreign trad-
17 ing partners, and promote inclusive economic growth
18 and opportunity in developing countries.

19 **SEC. 3. DEFINITIONS.**

20 In this Act:

21 (1) **APPROPRIATE CONGRESSIONAL COMMIT-**
22 **TEES.**—The term “appropriate congressional com-
23 mittees” means—

24 (A) the Committee on Foreign Affairs, the
25 Committee on Ways and Means, and the Com-

1 committee on Appropriations of the House of Rep-
2 resentatives; and

3 (B) the Committee on Foreign Relations,
4 the Committee on Finance, and the Committee
5 on Appropriations of the Senate.

6 (2) PRIVATE SECTOR.—The term “private sec-
7 tor” means for-profit United States businesses and
8 not-for-profit entities.

9 (3) TRADE CAPACITY BUILDING ASSISTANCE.—
10 The term “trade capacity building assistance”
11 means United States bilateral, regional, or multilat-
12 eral assistance, the primary purpose of which is to
13 support the following activities for developing coun-
14 tries:

15 (A) Technical assistance to assist in acced-
16 ing, implementing, and adhering to inter-
17 national trade agreements, including trade pol-
18 icy development, trade negotiations assistance,
19 administrative management of trade obliga-
20 tions, regulatory reform related to trade agree-
21 ments, and trade-related education.

22 (B) Technical assistance to improve gov-
23 ernance and transparency with respect to im-
24 ports, exports, and international investment, in-

1 including improvement of the investment climate
2 and investor protections.

3 (C) Technical assistance to enable micro-,
4 small-, and medium-size enterprises to trade
5 and access markets more efficiently.

6 (D) Technical assistance to establish and
7 implement internationally recognized standards.

8 (E) Assistance to reduce nontariff barriers
9 to trade at national borders, including technical
10 assistance to reform and modernize customs op-
11 erations and procedures and to expedite the
12 movement, release, and clearance of goods, in-
13 cluding goods in transit.

14 (F) Assistance that will contribute directly
15 and substantially to facilitating trade flows.

16 (4) RELEVANT EXECUTIVE BRANCH AGEN-
17 CIES.—The term “relevant executive branch agen-
18 cies” means any Federal department or agency that
19 the President determines to be substantially involved
20 in programs to provide trade capacity building as-
21 sistance.

22 **SEC. 4. STATEMENT OF POLICY.**

23 It is the policy of the United States to—

1 (1) set strategic priorities for the efficient use
2 of programs to provide trade capacity building as-
3 sistance;

4 (2) build self-sustaining institutional capacity in
5 developing countries for expanding international
6 trade to accelerate inclusive, broad-based economic
7 growth, poverty reduction, and development, con-
8 sistent with international obligations and commit-
9 ments; and

10 (3) further the national interests of the United
11 States by—

12 (A) expanding prosperity through the
13 elimination of barriers to trade and investment
14 in developing countries;

15 (B) assisting developing country trading
16 partners to identify and reduce barriers to the
17 movement of goods in international commerce
18 and to investment;

19 (C) assisting developing country trading
20 partners in undertaking reforms that will en-
21 courage economic growth and development; and

22 (D) supporting businesses in developing
23 countries to engage in reform efforts to increase
24 trade and investment, and integrate into global
25 supply chains.

1 **SEC. 5. COORDINATION AND SUPERVISION OF PROGRAMS**
2 **TO PROVIDE TRADE CAPACITY BUILDING AS-**
3 **SISTANCE.**

4 (a) IN GENERAL.—Notwithstanding any other provi-
5 sion of law, the Secretary of State, in consultation with
6 the Administrator of the United States Agency for Inter-
7 national Development and the United States Trade Rep-
8 resentative, shall—

9 (1) have primary responsibility for overseeing
10 and carrying out programs to provide trade capacity
11 building assistance;

12 (2) give priority to programs to provide such
13 assistance for any developing country that—

14 (A) has demonstrated progress in, and a
15 commitment to, implementing the commitments
16 under the World Trade Organization’s Trade
17 Facilitation Agreement, including the establish-
18 ment and maintenance of a national committee
19 on trade facilitation and other relevant trade
20 obligations and commitments, taking into ac-
21 counts the country’s capacity building assist-
22 ance needs;

23 (B) has demonstrated consistent support
24 for economic policies that promote the develop-
25 ment of private enterprise;

1 (C) has expressed an interest in entering
2 into a free trade agreement with the United
3 States;

4 (D) is designated by the President—

5 (i) as an eligible sub-Saharan African
6 country under the African Growth and Op-
7 portunity Act (19 U.S.C. 3703); or

8 (ii) as a beneficiary developing coun-
9 try under section 502 or 506A of the
10 Trade Act of 1974 (19 U.S.C. 2462 or
11 2466a); or

12 (E) has the potential to benefit the private
13 sector and United States economy if such as-
14 sistance is provided to the developing country;
15 and

16 (3) ensure that programs to provide trade ca-
17 pacity building assistance by relevant executive
18 branch agencies are coordinate and not duplicated.

19 (b) INTERAGENCY TASK FORCE ON TRADE CAPACITY
20 BUILDING.—

21 (1) ESTABLISHMENT.—Not later than 60 days
22 after the date of enactment of this Act, the Presi-
23 dent shall establish an interagency task force to im-
24 prove the effectiveness and efficiency of programs to
25 provide trade capacity building assistance.

1 (2) CHAIRPERSON; VICE CHAIRPERSON.—The
2 Secretary of State, or the Secretary’s designee, shall
3 serve as chairperson of the interagency task force.
4 The Administrator of the United States Agency for
5 International Development, or the Administrator’s
6 designee, and the United States Trade Representa-
7 tive, or the Trade Representative’s designee, and
8 shall serve as vice chairpersons of the interagency
9 task force.

10 (3) MEMBERSHIP.—The President shall appoint
11 to the interagency task force senior officials of—

- 12 (A) the Department of Commerce;
13 (B) the Department of Agriculture;
14 (C) the Department of the Treasury;
15 (D) the Department of Homeland Security,
16 including at least one such senior official of
17 U.S. Customs and Border Protection;
18 (E) the Millennium Challenge Corporation;
19 (F) the United States Trade and Develop-
20 ment Agency; and
21 (G) other relevant executive branch agen-
22 cies.

23 (4) BUDGET REVIEW AND RECOMMENDATION
24 AUTHORITY.—The interagency task force, in coordi-

1 nation with the Director of the Office of Manage-
2 ment and Budget, shall—

3 (A) review the expenditures of each of rel-
4 evant executive branch agency with respect to
5 programs to provide trade capacity building as-
6 sistance; and

7 (B) report and make recommendations to
8 the President on appropriate budget allocations
9 to each such relevant executive branch agency
10 with respect to programs to provide trade ca-
11 pacity building assistance.

12 (5) JOINT STRATEGIC PLAN.—The interagency
13 task force, in consultation with relevant chiefs of
14 mission and representatives of the private sector,
15 shall develop a biennial joint strategic plan for pro-
16 grams to provide trade capacity building assistance
17 that establishes detailed and clear objectives, com-
18 mon metrics, and specific goals for the efficient de-
19 livery of such assistance, including—

20 (A) improving the effectiveness and effi-
21 ciency of such assistance by improving coordi-
22 nation among—

23 (i) relevant executive branch agencies,
24 including diplomatic missions of the United
25 States; and

1 (ii) international trade capacity build-
2 ing and technical assistance donors, includ-
3 ing efforts to promote the best use of re-
4 sources and avoid duplication, to share
5 best practices, and to pursue regional solu-
6 tions and common approaches, as appro-
7 priate;

8 (B) improving consultation with the pri-
9 vate sector to incorporate its operational exper-
10 tise and experience with respect to the full
11 range of trade barriers in developing countries
12 and setting priorities and target particular bar-
13 riers for reform;

14 (C) identifying and addressing structural
15 weaknesses, systemic flaws, or other impedi-
16 ments to the effectiveness of such assistance
17 across the relevant executive branch agencies
18 with actionable recommendations to address
19 such weaknesses, flaws, or other impediments;

20 (D) setting priorities for such assistance to
21 focus resources on developing countries in
22 which such assistance can deliver the best value
23 in identifying and eliminating barriers to trade
24 and investment in such developing countries, in-

1 including by fostering adherence to international
2 trade obligations;

3 (E) developing appropriate performance
4 measures and establishing yearly targets to
5 monitor and assess progress toward such tar-
6 gets, including measures to terminate unsuc-
7 cessful programs; and

8 (F) providing estimates of the resources
9 necessary to fulfill the priorities identified by
10 the interagency committee.

11 (6) REPORT.—Not later than one year after the
12 date of the enactment of this Act, and biennially
13 thereafter until the termination of the interagency
14 task force under subsection (d), the task force shall
15 submit to the President and the appropriate con-
16 gressional committees a report that contains—

17 (A) the joint strategic plan required under
18 paragraph (5); and

19 (B) as appropriate, recommendations for
20 changes to programs to provide trade capacity
21 building assistance, including with respect to
22 priorities for funding of such assistance.

23 (c) CONSISTENCY WITH OTHER TRADE OBLIGA-
24 TIONS.—The interagency task force shall ensure that the
25 joint strategic plan required under subsection (b)(5) is

1 consistent with the international trade obligations of the
2 United States.

3 (d) **TERMINATION.**—The President may terminate
4 the interagency task force shall after the submission of
5 the second report required under subsection (b)(6).

6 **SEC. 6. MISSION RESPONSIBILITIES.**

7 Section 207 of the Foreign Service Act of 1980 (22
8 U.S.C. 3927) is amended by adding at the end the fol-
9 lowing new subsection:

10 “(d) **TRADE CAPACITY BUILDING ASSISTANCE.**—

11 “(1) **IN GENERAL.**—Each chief of mission to a
12 developing country shall, working with the private
13 sector and government of such country, as appro-
14 priate—

15 “(A) identify local country barriers to
16 international trade and investment;

17 “(B) advise the Secretary of State on the
18 best use of trade capacity building assistance in
19 such country; and

20 “(C) coordinate and supervise programs to
21 provide trade capacity building assistance by
22 relevant executive branch agencies present in
23 such country (except for assistance under the
24 control of a United States area military com-
25 mander).

1 “(2) DEFINITIONS.—In this subsection, the
2 terms ‘trade capacity building assistance’ and ‘rel-
3 evant executive branch agencies’ have the meaning
4 given such terms in section 3 of the Aid for Trade
5 Act of 2019.”.

6 **SEC. 7. LIMITATIONS AND CONFORMING MEASURES.**

7 (a) RULE OF CONSTRUCTION.—This Act, and the
8 amendments made by this Act, shall be implemented in
9 a manner consistent with the duties and responsibilities
10 of the Office of the United States Trade Representative
11 as the agency with primary responsibility for developing,
12 and for coordinating the implementation of, United States
13 international trade policy under section 141 of the Trade
14 Act of 1974 (19 U.S.C. 2171).

15 (b) EXCEPTION, QUALIFICATION.—Section 660(b) of
16 the Foreign Assistance Act of 1961 (22 U.S.C. 2420(b))
17 is amended—

18 (1) in paragraph (4), by striking “or” at the
19 end;

20 (2) by moving the margin of paragraph (7) two
21 ems to the left;

22 (3) in paragraph (7), as so amended, by strik-
23 ing the period at the end and inserting “; or”; and

24 (4) by inserting after paragraph (7), as so
25 amended, the following new paragraph:

1 “(8) with respect to programs to provide trade
2 capacity building assistance (as such term is defined
3 in section 3 of the Aid for Trade Act of 2019), in-
4 cluding training and technical assistance, provided
5 to customs and transportation authorities and per-
6 sonnel in developing countries.”.

7 **SEC. 8. REPORT BY THE COMPTROLLER GENERAL OF THE**
8 **UNITED STATES.**

9 (a) **IN GENERAL.**—Not later than 2 years and 4
10 years after the date of the enactment of this Act, the
11 Comptroller General of the United States shall submit to
12 the appropriate committees a report on programs to pro-
13 vide trade capacity building assistance.

14 (b) **MATTERS TO BE INCLUDED.**—The report re-
15 quired under subsection (a) shall include the following:

16 (1) A review of the implementation of the joint
17 strategic plan required under section 5(b)(5).

18 (2) A description of interagency efforts to im-
19 prove coordination and effectiveness of programs to
20 provide trade capacity building assistance, including
21 collaboration with the private sector, sharing of best
22 practices, the development of common performance
23 metrics, and efforts to reduce duplication.

24 (3) What is known about the impact of trade
25 capacity assistance in supporting developing coun-

1 tries' efforts to implement the World Trade Organi-
2 zation's Trade Facilitation Agreement and advance
3 the policy described in section 4.

4 (4) What is known about progress made in
5 working with donor countries to coordinate trade ca-
6 pacity building donor activities to ensure the effec-
7 tiveness and reduce duplication of trade capacity
8 building assistance activities.

9 (5) Recommendations to improve programs to
10 provide trade capacity building assistance.

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