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EXIM SUB-SAHARAN AFRICA ADVISORY COMMITTEE (SAAC) MEETING

WEDNESDAY
SEPTEMBER 11, 2019

The EXIM Sub-Saharan Africa Advisory Committee met in Room 1125B, 811 Vermont Avenue, NW, Washington, DC, at 12:45 p.m., Daniel Runde, Advisory Committee Chair, presiding.

BOARD MEMBERS
JUDITH DELZOPPO PRYOR, Director

SUB-SAHARAN AFRICA ADVISORY COMMITTEE MEMBERS
DANIEL RUNDE, Chairman
GARY BLUMENTHAL
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JAMES O’BRIEN
EJIKE OKPA
PAUL SULLIVAN
JOHN WORKS

STAFF PRESENT
RICK ANGIUONI, Office of Policy Analysis & International Relations
ROSS BRANSON, SVP, Office of Congressional and Intergovernmental Affairs

DAVID FOGEL, Chief of Staff
ALSO PRESENT
MATTHEW REES, Interim Coordinator, Prosper Africa Initiative, USAID
MARK STUCKART, OPIC
JAMAL WARE, Senate Select Committee on Intelligence (SSCI)
A-G-E-N-D-A

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12:50 p.m.

CHAIRMAN RUNDE: I'm going to call the meeting to order of the EXIM Sub-Saharan Africa Advisory Committee.

Thank you, everybody, for coming. I'm Dan Runde. I'm the chair of the Sub-Saharan Africa Advisory Committee.

I'd like each of the every advisory members, I think everybody knows each other but I think we have a mandate -- we've got a number of things we need to go through. Is Ross Branson here?

MR. BRANSON: I'm here.

CHAIRMAN RUNDE: Okay. So I think everyone knows each other. I don't think we have to go and re-introduce ourselves because I think everybody who's here was in the other meeting. I don't think I have to say everybody's name. I think you see their names in front of you.

So maybe, Ross, why don't we turn to you and let's just go ahead and get started,
MR. BRANSON: Thank you, Mr. Chairman.

My portion is brief, but just wanted to lay out the call-out in the charter as it relates to the Sub-Saharan African Advisory Committee.

So, in the charter under section 2(b)(9)(A), that's as it's written in the charter. The bank has been tasked -- or let me just back up a little bit.

So this was established in the 2015 reauthorization of the bank. And given the political landscape with the lack of a board quorum this is the first establishment of this committee now with its membership. So you are the inaugural committee as a result of the 2015 reauthorization that mandated that this be established.

So the bank was tasked with working with the Secretary of Commerce and the Trade Promotion Coordinating Committee to promote the expansion of the bank's financial commitments in sub-Saharan Africa under the loan guarantee and
insurance programs of the bank.

Through that the establishment of the advisory committee was established to support this mission.

The committee is to make recommendations to the board of directors on how the bank can facilitate greater support by United States commercial banks for trade with sub-Saharan Africa.

The other part to note is that this subcommittee will terminate if we terminate in our authorization or if that language is not continued in our reauthorization. So there is a termination date set.

So there is a termination date set and then we're all working towards ensuring that that doesn't happen obviously.

So that is what is called out in the charter.

The only other thing that I will mention -- well, this isn't my slide deck so I apologize, but in my slide deck I called out a
couple of the other provisions that are in the charter that reference Africa.

They are not specifically tied to the Sub-Saharan Advisory Committee, but for instance, there is a provision in the charter that deals with prohibitions in dealing with Angola.

Under George H. W. Bush a certification was made that allowed the bank to do dealings in Angola and we currently operate under that certification. So we are engaged in that under that certification unless told otherwise by Congress or the President.

Similarly, the bank at large is tasked with providing in its annual report to Congress its dealings with the African Development Bank and the African Export-Import Bank.

So there is a reporting requirement on the bank at large, but the advisory committee itself does not have a reporting requirement in that vein.

CHAIRMAN RUNDE: Thank you, good.

Brief is good.
MR. BRANSON: Absolutely.

CHAIRMAN RUNDE: Thank you, sir.

Okay, Matt Rees, my friend from AID, please come up here. You're the interim coordinator of the Prosper Africa initiative.

For those of you on the SAAC you have his biography in the folder so I don't think you need to have a further -- so without further ado, Matt, why don't you just go into your presentation, please. Thanks for being here.

Nice to see you.

MR. REES: You too, Dan. Thank you, Chair, and thank you, Committee. It's great to be with you today. I am the interim coordinator of Prosper Africa so in 15 minutes I'm going to give you two years of history and more so importantly focus on what we're doing now that we are out and running and standing up.

My name's Matt Rees. I'll do what I can to project around.

CHAIRMAN RUNDE: Get a little closer. There's a chair there, please.
MR. REES: In December the Africa strategy was launched and part of that key implementing portion of the Africa strategy of the White House is the Prosper Africa initiative.

A great many questions in and around what is Prosper Africa. Largely the Africa strategy is 90 percent focused on projecting and pushing private sector engagement in Africa and Prosper Africa is the key implementing aspect of that strategy.

We are here for two reasons. One, to fundamentally change how the U.S. government supports the U.S. private sector in engaging and providing market share in overseas markets.

And two, to permanently change how we engage with our African partners.

Without exception particularly at the AGOA Forum in Ivory Coast this last month I had the opportunity to present this same discussion to all ministers of trade.

And without exception every one of them, the super pleased for the history of
humanitarian assistance, all the development
assistance, sustainability, food security of the
past decades has been the first foot in the door
of the U.S. government.

Prosper Africa aims to say thank you,
yes, but this is not how we talk to Africa
anymore. This is not how we engage anymore.

Our first foot in the door with Africa
is going to be led with our private sector
ingagement, going to be led to try to find a way
to substitute partnership and investment for the
debt and the colonial aspects of the Chinese
ingagement over the last couple of decades when
the U.S. simply hasn't been there.

So two outcomes of Prosper Africa
under a top line goal. Top line goal is to
substantially increase two-way trade and
investment.

The outcomes that we are really
looking towards is to permanently change how the
U.S. government supports the U.S. private sector
in the African marketplace and to permanently
change how we engage with our African counterparts.

Historically for years all of the deals that the U.S. government has helped the U.S. private sector chase down has been primarily in government tenders. Sure thing. That's how the U.S. government engages. That's the business that the U.S. government has been comfortable with.

That can no longer be if this is going to be a shift from just positioning U.S. businesses opportunistically to a change into how we position U.S. companies to be partners, to be embedded with, to be aware of where the African marketplaces are going.

To make this happen we've made some real changes. Some of those changes are utterly dependent upon the success of EXIM, there being an EXIM.

When we are meeting at the NSC, I made it very clear, very plainly clear that if you want to substantially increase two-way trade and
investment with Africa no matter what parameter, what top line goal you put on it, doubling, tripling, quadrupling, we cannot begin to have that conversation without a fully-fledged EXIM. Let's be serious about this. And that was broadly received by the NSC and that is why you have full support.

CHAIRMAN RUNDE: Just repeat that last sentence, please.

MR. REES: We will not be able to achieve the goals of Prosper Africa without an EXIM.

CHAIRMAN RUNDE: Thank you.

MR. REES: The second major component of what's new about Prosper Africa is what you're all aware of is the build-out. The Development Finance Corporation. I won't go into it.

The other major component of what's new about Prosper Africa is thanks to Assistant Secretary Nagy he has sent out cables to posts for the creation of deal teams.

Every single U.S. embassy in sub-
Saharan Africa now has a deal team. That deal team's task is to, okay, do what you've been doing. Identify the government tenders where there's an opportunity for U.S. firms.

Those government tenders where you need a touch and a point of assistance, advocacy, finance, legal support, whatever have you, raise those back to us so that we can all crowd in around it.

What's new about those deal teams is what I suggested on the private sector side of the house. The capacities of the thousand USAID employees at posts working in agriculture, working in the health services and -- health services and manufacture departments.

Working in agricultural and value addition and light manufacturing. These are the sectors where traditionally the U.S. embassies have had very limited purposeful bandwidth on.

And we're shifting the responsibility of those embassy counterparts to think more broadly, think more strategically outside of just
focusing on government tenders.

And then lastly to support all this, what's new, is taking the USAID trade and investment hubs and repurposing them.

Repurposing them to not just focus on African exports to the U.S., but using the Power Africa from my previous iteration, my last job the last three years running Power Africa serving as the deputy here in Washington, providing pinpointed technical assistance for legal reform, for governments, for private sector partners so that they can understand what the U.S. offer is and that we can better appreciate what the African marketplace is looking for and respond to that with a U.S. offer in kind.

So there's four main tools. One of them I place in your hands and that's EXIM.

The other one, Development and Finance Corporation come a month from now will be fully fledged.

The third, the deal teams at posts have already been executed and are standing up
now.

The fourth, repurposing the trade and investment hubs to serve as broader agency needs as trade and investment platforms, Administrator Green has already given that direction with the creation of another platform in north Africa.

This is not just sub-Saharan Africa for your awareness. This is an intentional move towards the pan-African approach covering the entire continent so that we can adapt as government the private sector's view of the marketplace.

There are very few bilateral markets in Africa apart from maybe Nigeria, South Africa, Egypt that would warrant a full-fledged all-in move, setting up boots on the ground from a U.S. private sector company.

When you try to weigh that versus do I expand in Asia, or do I expand even in the Americas marketplace.

We are trying to adapt a private sector view as to what your needs are by going
regional, by de-risking opportunities with both finance and technical assistance, and by assuring you that the U.S. government is there for advocacy and support in whatever you may encounter.

So demystify, de-risk, have a real institution to respond to U.S. private sector interests.

CHAIRMAN RUNDE: Okay. We have time for one question. Go ahead.

MEMBER WORKS: The difference with Power Africa?

MR. REES: Great question. Power Africa took an approach of crowding in all actors, not just U.S. actors.

So it was U.S. and its like-minded partners and 17 development partners. That has a great outcome when we're pushing just for policy reform broadly and a great outcome in advancing energy deals the likes of which very few energy deals are -- even if you're awarded to GE, for example, you're still getting EPCs coming from
another country or support services from another
country.

Prosper Africa is purposely focused
just on identifying opportunities for U.S. firms
with the understanding that given how
international business is done you may well have
other cohorts and exports coming from other
countries that combine with that deal, but our
primary focus is opportunities for U.S.
companies.

CHAIRMAN RUNDE: Okay. We're going to
have to end it here. Matt, thanks a lot. Thumbs
up. Good.

Rick, come on up, please. You're the
Office of Policy Analysis and you're going to
give us an update on EXIM in sub-Saharan Africa.
Please.

MR. ANGIUONI: Thank you, Chairman
Runde. And welcome back, returning members of
the Sub-Saharan Africa Advisory Committee.

I recognize a number of you and
Director Pryor, thank you for joining today. And
for new members we are happy to see you here.

So I will talk a little bit about EXIM Bank in sub-Saharan Africa. I'll give you a snapshot and I will emphasize a few themes.

One of the most important themes is an emphasis on the importance of your work.

And I'd like to also just pick up on the wisdom of my boss, Jim Cruse. I think his last slide had a statement about we're going to come back bolder and that reminds me of my Catholic school days.

We had a motto that said from the ashes we shall rise. And I am convinced that with the leadership that we have with Chairman Reed and the rest of the leadership I am convinced that we are on our way back.

And I encourage you to be bold. Some of my slides I think will give you that inspiration to be bold in order to make a difference.

And to make a difference in Africa you need to be bold and you need to be exceptional.
So I'm not going to dwell too much on this. Obviously Matt is a good friend. He spoke about Prosper Africa.

But I should mention a couple of other key initiatives of the U.S. government. Obviously, there is the PAC-DBIA, the President's Advisory Council on Doing Business in Africa, and there is a new council there of 27 companies.

That council reports to the President through the Secretary of Commerce. And I should note that their first recommendation in their final report last year was to make EXIM Bank fully functional.

Obviously we've alluded to Power Africa and I am encouraged by Power Africa 2.0 where they're pivoting a little bit more to an emphasis on U.S. exports for the power sector.

And of course the AGOA legislation. And we are honored to have Flori. She can teach us about AGOA.

But why I mention AGOA, obviously it is led by Ambassador Lighthizer, no better
individual to lead AGOA in trade negotiations.

But AGOA is very important because in the AGOA legislation the Sub-Saharan Africa Advisory Committee is referenced as being a key player in giving guidance to EXIM Bank.

This slide is to give you a snapshot. This slide is really a slide that reflects history-making events. And how this committee will actually make history I believe and make history in a good way.

Firstly, to give you a snapshot or exposure to sub-Saharan Africa, it's about 3.5 billion which represents roughly 7 percent of our total exposure.

I've also included north Africa, and the reason why I've included north Africa is because Prosper Africa you should be aware it's continent-wide, but we're going to focus primarily about Prosper Africa.

The other item that I'd like to reference to is the actual authorization to date. And of course you know the history. EXIM Bank
has not been fully functional over the last four
and a half years so we're just coming back.

    But as of July 31 our total
authorizations were only $51 million.

    Now, let's look at this other slide.
And of course many of you will remember
9/15/2008.  9/15/2008 is the largest bankruptcy
in world history, Lehman Brothers.

    And what you notice in the EXIM Bank's
authorizations, not just sub-Saharan Africa but
in the bank you see a tremendous pickup.

    I was speaking about history-making
events. You see that for the first time, and I
was honored to be here because I came to EXIM
Bank in 2009, for the first time we sort of
passed the billion dollars of authorization in
sub-Saharan Africa in 2011.

    And then we surpassed $2 billion in
2014, another record-breaking year.

    Well, of course then we all remember
7/1/2015, our authorization lapsed. And then we
come back on December 2015 we were reauthorized
but we did not have a quorum, another history-making event.

And then we have another history-making event. Chairman Reed and the board is confirmed in the Senate on 5/8/2019 and we will be making history by the end of the fiscal year and this committee will be part of that history I hope, that if Mozambique LNG is approved by the end of the fiscal year it will be the largest transaction ever done by the bank, one of the largest transactions done in Africa, one of the largest projects done in Africa, $25 billion. And that will be history-making.

But I'd like to spend just another minute on this. So by the end of the fiscal year if we were to look at a pro forma balance sheet September 31, 2019, we will probably then see if Mozambique LNG is approved that EXIM Bank would have approved $5,050,000,000 in sub-Saharan Africa.

So the whole world is going to be focused on that $5 billion Mozambique LNG, right.
Yet people will not realize that EXIM Bank will also have approved over 80 transactions in this fiscal year, over 80 transactions of which most of them were small business. So that is a critical point that I'd like to make about this slide.

The next slide, you know, my colleagues in Prosper Africa tease me a little bit because whenever we have a meeting I speak about creating economic wealth, creating economic value, trying to be different, trying to be transformational, and this is what I think Chairman Pearce spoke about.

It's about prosperity. And if you look at these two transactions that EXIM Bank hopefully will have -- well, transaction 2 has been approved. But Mozambique LNG, if that gets approved that is historic for a country like Mozambique that has a $15 billion GDP. They will have investments of up to $100 billion if the LNG infrastructure is approved.

So that is historic.
CHAIRMAN RUNDE: It's society-changing.

MR. ANGIUONI: Exactly.

MEMBER LISER: Transformative.

MR. ANGIUONI: Right, right. But interestingly enough, even transaction 2 is societal changes. Three minutes? Three minutes, okay.

Because look at transaction 2 and that shows how EXIM Bank and this leadership is making a difference as being exceptional.

That is a transaction for a small company in Tanzania close to Lake Victoria, you know, Kagera Sugar Limited. Pure corporate risk with some guarantees from the owners, but pure corporate risk.

But that is transformational because also in the case of Mozambique LNG we learn foreign exchange for the country.

In this case it's import substitution which is very similar to earning foreign exchange.
The only other point that you may be looking at that and you would be asking, well Rick, how can the supply contract be roughly $5.3 million and the EXIM Bank financing is $5.9 million.

Well, it's very simple about that. You know that we are all about made in USA. But we do have some flexibility. We can support local costs.

So the reason why we are doing more than $5.3 million is because we are supporting local cost and we are capitalizing also our exposure. That's the reason why.

So, since I have very limited time I want to quickly point out why now -- I'm going to skip many of these slides then.

I'm going to quickly point out why it's in the mutual interest of the United States and Africa to have a closer working relationship with the United States.

So I'm going to skip some of these slides because they're fairly straightforward.
But I just want to make the point that our exports to sub-Saharan Africa are nominal.

As you can see the calendar year, it's little. Seventy percent basically goes to seven markets.

But I want to focus here. And this is where I think you need to be bold and you need to -- this is where we can make a difference.

Clearly all of these slides, the next two or three slides, they point to one common denominator, our exports are weak and we need to do something about that.

There are many things that we can speak about. Obviously this is not the forum.

But clearly if you look at U.S. exports, that's global as a percentage of GDP we rank the lowest.

If we look at exports to sub-Saharan Africa as a percentage of GDP again compared to some of our competitors. I have put there Germany. Why Germany? Because Germany is a very I would say similar economy as ours. So again
it's very low.

So if we look at this slide, what's important about this slide, this is exports to sub-Saharan Africa as a percentage of total exports. Again you note that we are one of the lowest.

Another way of looking at this, for example, is that for every $100 of exports to sub-Saharan Africa by each of the competitors, $3 from China, China's exports go to Africa. Whereas from the U.S. only 50 cents.

And another way of looking at this is that for every $100 that sub-Saharan Africa imports, $25 comes from the EU, $24 come from the China and only like $4 comes from the U.S.

CHAIRMAN RUNDE: Thank you, Rick, that was fantastic. Thank you so much. Great. Okay.

(Applause)

CHAIRMAN RUNDE: So the Advisory Committee meeting in the room next to us has a congressional mandate to comment on EXIM's annual competitiveness report.
We the SAAC do not have the same requirement. However, Chairman Pearce has asked that our committee append our own commentary which is this to his letter to capture the importance of EXIM's work in sub-Saharan Africa.

I'd like to use this time to review the letter I sent to you prior to this meeting and solicit your input and feedback. So now we're supposed to spend a few minutes.

Some of you have sent me comments, but this is the time -- I will take under advisement your comments because I really like this draft. So that's my signal to you that suggest your views and I'll take them under advisement and we'll see if I'll include them or not. That's my way of saying that. So I'd welcome feedback.

MEMBER LISER: Dan, before you start can we ask Rick to share with us electronically the presentation so we can have all of it? Thank you.

CHAIRMAN RUNDE: Sure. Yes. Very well done, thank you.
So, comments, please, on the letter.
I have many other things I'd love to talk about.
But yes, sir, go ahead.

MEMBER SULLIVAN: I think a lot has
been said about China in there and certainly here.

I think the China issue also brings
into focus how the rest of the world has
responded to China and the way Europe is operating.

I thought maybe a line or two talking
about how the landscape and ECA activity and the way it's evolved since the financial crisis might be helpful.

And it still is tied into the China effect because they really are --

CHAIRMAN RUNDE: I think that's a great idea. Could I ask you to propose a notional sentence and suggest where it might live? And then we'll share it with everybody.

And I'm sure I'm going to have no objection to something like that. That sounds
like a great idea. Thumbs up. Okay, Flori.

MEMBER LISER: Can I add a sentence to Paul's?

CHAIRMAN RUNDE: Yes.

MEMBER LISER: The point that I made yesterday which is that our companies face significant competition from many countries including in the EU where some of their toughest competitors are, their most comparable competitors are. So added to Paul.

CHAIRMAN RUNDE: It's not just China.

MEMBER LISER: Yes. It's not just China, but also that our peers, the people who more directly compete with U.S. companies are the Europeans, and the French and the Germans are doing some stuff out there that's hurting our values.

MR. MARSHALL: To that point there's actually a statistic that somebody here at EXIM will know, but something to the equivalent of 10 or a dozen new ECAs have come online in the time that EXIM has been shuttered.
CHAIRMAN RUNDE: That's amazing. So I think that's really interesting. So I'd say, Flori, if you would suggest -- so could I ask you to -- I know we have an exchange, but could you please identify in the draft or suggest one sentence. Doesn't have to be where Paul's sentence lives, but we'll figure it out. Let's do that.

But my ask would be by tomorrow morning at 9 o'clock EDT. Okay? That's the deadline for any ideas.

I think Director Pryor's idea is a good one about this changed landscape. I think that's quite useful.

Other comments from the committee?

MEMBER SULLIVAN: Just to that last point. The stat that really struck me, and it's probably not 80 percent, but it was something very shockingly high Mr. Cruse shared in there.

And this is going to that point of how the rest of the OECD is operating now. I think it was like up to 80 percent of ECA deals now are
structured in a way that's outside of consensus rules.

MEMBER WORKS: More than 50 percent.

MEMBER SULLIVAN: More than 50 percent. But that's still shockingly high when it was 90 compliance --

CHAIRMAN RUNDE: Ten years ago.

MEMBER SULLIVAN: -- before. And that's a direct response to the China strategy that the European national strategy has been we're going in as a country with a pipeline of companies and that's how it's operating.

CHAIRMAN RUNDE: So Paul, I'm buying that. I agree with that.

Here's the issue I've got which is I hardly read these things and I don't know how many people are going to read this thing.

So I think it's like we need to balance getting people to read this thing versus showing them how smart we are.

So I'm buying that. I actually think we ought to do -- I do reports for a living at a
think tank.

There ought to be a big report about these very -- all the issues we're talking about, I'm onboard with all of it.

So when we think about what we're going to add, like how much will the traffic bear. Because like I said I want this to be in the permanent record, but if it turns into three pages how many people are we going to lose.

MEMBER SULLIVAN: One sentence. One sentence.

CHAIRMAN RUNDE: Okay, okay. So that's my point is we've got a space budget. We've got a space budget because we're in the persuasion and influence business here. We're not in the write the thesis business. You guys all understand what I'm saying.

MEMBER SULLIVAN: Yes.

CHAIRMAN RUNDE: Okay. What else?

MEMBER O'BRIEN: Could we have five words? Africans want to buy from us?

CHAIRMAN RUNDE: Yes, that's fine.
MEMBER O'BRIEN: Can we put that in there?

CHAIRMAN RUNDE: I'm fine with that. And if you want to suggest where that lives --

(Simultaneous speaking)

CHAIRMAN RUNDE: Yes, yes, I'm fine with that. Anything like that till 9 a.m. I'm just giving you my bias if you will.

Okay. Other comments from the committee on this.

MEMBER O'BRIEN: Well done.

CHAIRMAN RUNDE: I would suggest the following. I know this was the issue we have to -- at 1:30 we'll open it up to comments from the crowd.

But I want to suggest that if we're just meeting just to write this paper we ought to just go home. People didn't fly out on an airplane on their own dime or whatever. I don't know if you flew on your own dime, but people are investing multiple days of their time to come here.
If we're dickering over happy versus glad on a letter we ought to just do something else.

Seems to me that there are other things we should be doing as this committee. And so I would like to solicit -- I have ideas myself, but let's put this aside and let's just spend five to seven minutes brainstorming about what could we as a committee do.

Let's assume they have no dough to fly us to Africa, but to the extent that anybody's game, I'm personally game to fly on my own nickel to do something if we wanted to get on an airplane.

So let's not raise -- there's a significant budget constraint, but that there's not a time constraint and to the extent we play by the rules, put it in the Federal Register and getting all the permission slips, et cetera, what could we do as a group.

This is a very networked and interesting group so let me open the floor to my
colleagues to get some suggestions. Let me start with John since you had the Power Africa job before. What should we be doing?

MEMBER WORKS: Well, I think getting the message out to the industry that we're back in business and that we're able to stimulate job creation and sales of equipment and services.

I don't think that's completely known by a lot of people yet. Certainly not in Iowa and places like that. I think where the manufacturing mostly occur.

CHAIRMAN RUNDE: Is somebody secretary-ing this committee for me? Is there somebody taking notes for me, not just for the legal folks? Is there someone supporting this from the EXIM?

MR. FOGEL: Sure.

CHAIRMAN RUNDE: Good, great. So that's an idea. Good.

(Simultaneous speaking)

MEMBER O'BRIEN: Before the bank lost its reauthorization the Chairman actually came
out and did a whole series of events in different places around the U.S., specifically in this instance talking about exports to Africa.

And there were probably 50 people there at the one in Chicago and there was a month's worth of follow-up that went on after that.

I think if you did four or five of those around the U.S. it would be spectacular.

MEMBER LISER: Like a road show.

CHAIRMAN RUNDE: So there's a question. There's an EXIM specific road show in the context of Africa. Get our message out.

Flori, so you do this for a living. You do this for a living and you were working on African issues before Africa was cool. I know Africa was always cool, but you've been working — but Flori, if you were thinking about, if I look ahead over the next six months if we could convince Director Pryor and Chair Reed to get on a plane to go to a conference in Africa between now and February.
Because what I want for Christmas is for Director Pryor and Chair Reed to get on a plane and go visit a couple of countries in Africa.

What's sort of a sellable thing to our friends here at the EXIM Bank in the next 90 to 120 days that's like coming up on the calendar that they might either go speak about, it might be a hook for them to go visit a couple of countries. What's on your -- what do you think is coming up?

MR. MARSHALL: So I'm going.

CHAIRMAN RUNDE: Oh, you are. When are you going?

MR. MARSHALL: And who's got the best and most current data on this? I'm going in November, is that right? Early November.

MEMBER LISER: That's the DOC trip?

MR. MARSHALL: No. Maybe. There's like three speaking engagements. We're trying to block in three conferences.

CHAIRMAN RUNDE: Is Chair Reed coming
with you?

MR. MARSHALL: No.

CHAIRMAN RUNDE: Okay. Okay. So I think it's very important -- you are always good enough, Director Pryor, but I'd like Chair Reed to also make a trip to Africa.

So I think one thing is how can we support Director Pryor's trips to Africa.

MR. WARE: Chairman, I just want to mention that there is one that we are looking at potentially that the Chair would be a part of.

CHAIRMAN RUNDE: Okay. So I think my view is between now and the end of February my view is it's very important that Director Pryor goes. I think we're checking that box.

But it's also quite important in my view that Chair Reed between now and the end of February makes a trip to Africa.

So Flori, let me return to you and say, Flori, what is on the radar. What could we sell or pitch to Chair Reed that she ought to consider going to, either joining Director Pryor
or on something else between now and the end of February?

MEMBER LISER: Okay, so the idea of piggybacking on an event where there would be lots of people there.

I think the Africa Investment Forum that will be happening in Johannesburg. I think it is in November. I'll check my dates. They send me stuff all the time.

(Simultaneous speaking)

MEMBER LISER: So the Africa Investment Forum. It's run by the African Development Bank. I was there last year. It was its first time. They had thousands of people and people from all over. And the ECAs were there as well. So I think that would be the best one.

CHAIRMAN RUNDE: So Flori, in your professional opinion it's important that both Director Pryor and Chair Reed get to sub-Saharan Africa in the next six months?

MEMBER LISER: I do think that.

CHAIRMAN RUNDE: Okay. So that's duly
noted, chief of staff? Right? This is not just
Director Pryor. Chair Reed needs to go. You got
that?

(Simultaneous speaking)

MEMBER LISER: I had one other thing
that might be useful.

CHAIRMAN RUNDE: Yes.

MEMBER LISER: Afreximbank also has an
event that they do. They are the African
counterpart of EXIM Bank and they're mentioned in
some of our mandate here.

And I think we should check on the
date that they're next having a meeting. They
would welcome -- and this is what you were
talking about, Afreximbank.

And I think that per your comment and
one that was made about our mandate with them,
our joint mandate with them, they would also
welcome having U.S. Export-Import Bank.

So, Ejike, I'd love to hear from you.
I'd also like to hear from Kusum and I'd like to
hear from Gary. Please. Ejike, you first.
MEMBER OKPA: I think going to events, you know, like is more like a side cake. It's fine.

But you know, the president of the African Import-Export Bank is my schoolmate. We've been friends for years.

And so when I was appointed he was the one that sent me one of the letters of congratulations.

And what I suggested was to have a formal summit. Going to investment forums and talking is different, but when you go to African Import-Export Bank with the U.S. EXIM Bank it's having a summit.

Because African Export Bank is authorized by an African government, 49 of them. So if you have that in the dates, you level off attendance, you will abate the attention of the continent.

You will have ministers of trade and all kinds of people. In fact, I'm going to be in Nigeria in the next four days talking to one of
the former presidents who is promoting trade in
Africa.

So if Mr. Chair, it's okay with you
once I get to my hotel may I call my buddy and
say hey, there's some meetings of interest to the
committee. How do we begin to exchange paperwork
to formally.

Because if we can get the Commerce
Secretary to go, or the Chair then it takes the
conversation higher.

Going to some of our different
positions (phonetic) we can all do it, but I
think the summit which has never happened, for
the two banks to have a summit because then they
will bring some more institutions with them and
create the influence level that we need for both
the export and the import.

CHAIRMAN RUNDE: So let me just
suggest to this group and then I want to hear
from Kusum and Gary and make sure we hear from
other -- and Matthew.

I think that's a great idea. Does
this committee think that's a great idea that we ought to attempt to have a deeper, more formal conversation with the African EXIM Bank on the continent of -- does that make sense to everybody on this group? I think it does. Does that make sense?

Is it the sense of this group that you're going to take back that we think it's very important and that you ought to begin to have formal conversation with the African EXIM Bank about a conversation on the continent?

I know Ejike is available to help facilitate that. Does that all make sense?

MEMBER OKPA: We already have sponsors. I mean we have banks, Bank of Industry in Nigeria. These are all people that say hey, we would like to host it. We would like to have this.

CHAIRMAN RUNDE: I think this is a great idea and we should pursue this offline, but I think this is -- I think you've got now the support of this committee.
Having further dialogue about getting Chair Reed, having the senior leadership of the EXIM Bank with the African EXIM Bank on the continent of Africa is a wonderful idea and I completely agree with that.

Let me just make sure we hear from Kusum, Gary and Matthew. Kusum, please.

MEMBER O'BRIEN: And I have one.

CHAIRMAN RUNDE: Yes, sir.

MEMBER KAVIA: So I just wanted to say that instead of us going there there's also delegations coming here. CCA is a prime example of that.

So we should be making more of that outreach. If they're coming here for a UN meeting let's get this advisory board in front of them to be talking about -- because they're already here. But sometimes we just don't hear about it.

So it's a matter of whether they're coming to Houston or Los Angeles or to New York how can we interact with them.
And then I heard about the heads of state meeting. I mean, China had all those heads of state come. What about us trying to get that kind of a thing going?

If they're already here for a UN meeting --

CHAIRMAN RUNDE: I think it's a great idea.

MEMBER OKPA: Can I say something? This is what Africans tell me. Obama had the African heads of state come here. China is doing this.

First time there's a conduit in continent. Because that way you have a lot of people coming. Africans always come to America.

But if EXIM Bank is right there you have the small business people who come buying tickets to come. You have so many other people there participating and listening. That makes a difference.

CHAIRMAN RUNDE: I heard you.

(Simultaneous speaking)

MEMBER BLUMENTHAL: I'm just learning here, my first day, but I tell you I agree with John. I think it's getting word back to certainly the agriculture sector.

I work with all the agricultural exporters and we've done very little in Africa. Part of it's out of frustration.

I hope these deal teams work because we were there last year trying to basically get livestock production set up in Nigeria seeing it as a way of moving our grains.

The embassy wasn't so helpful. It was mostly the Europeans working on food safety and getting their systems in place to keep us out basically.

And our equipment manufacturers are sucking wind right now because of this whole trade war. We're not exporting.

And so I thought Rick's story about Tanzanian sugar equipment. I mean, that could be
expanded many fold. I think it's a matter of communication.


MEMBER KAVANAGH: Well, I think kind of the elephant in the room is the issue of authorization.

I guess we don't want to get too far ahead of ourselves before this issue is dealt with.

If there's a continuing resolution that goes on indefinitely. And then we were hearing about credibility. How do we reestablish EXIM as a credible partner without a long-term mandate?

Otherwise it's kind of are you really here to stay. Are you not. So I think that's a question a lot of people in the market will ask before taking us too seriously. Are we going to go away again.

CHAIRMAN RUNDE: James.

MEMBER O'BRIEN: Mine's kind of lower
level which is doing some capacity building in
country for how you actually do deals with U.S.
EXIM.

Because the kinds of documents and the
procedures are different than a lot of other
ECAs. And I think that sometimes puts folks off.

There are groups like the African
Legal Support Foundation where you could spend
some time with them and say look, this is how you
do a deal with EXIM.

And it makes it a lot easier than when
somebody says hey, should we use U.S. EXIM. They
say yes, I know how to do that stuff. It isn't
sexy, but I think it could be effective.

MEMBER WORKS: Write another book.

CHAIRMAN RUNDE: Did you write a book?

MEMBER WORKS: Project finance.

MEMBER O'BRIEN: Exactly.

CHAIRMAN RUNDE: Did you write a book
on project finance?

MEMBER O'BRIEN: No, ASLF did.

CHAIRMAN RUNDE: I was going to not
make it a Netflix night tonight and get your book, James.

MEMBER SULLIVAN: Acrow Bridge. We're on the PAC-DBIA as well. And we participated in a trip last summer which I thought was very effective. Stephen, I know you were on that.

But it had a lot of folks on it that weren't -- EXIM was not represented. And we're talking about this whole of government approach which emerged out of that PAC-DBIA work.

So if we're going to have deal teams, we're going to have all this stuff we've got to have the real deal players at the table.

And it also could attract a lot more direct participation from ministers of finance in those countries at those meetings because they know they actually have high-level EXIM Bank folks, whether it's the chair or somebody else.

That's more of a medium-term because that's not going to be immediate, but the PAC-DBIA just started another term and usually that results in some kind of trip.
I don't know what the schedule would be. Probably next summer or who knows.

MEMBER LISER: It's November.

MEMBER SULLIVAN: Oh, it's that soon?

MEMBER LISER: Yes.

CHAIRMAN RUNDE: There's another PAC-DBIA meeting in November?

MEMBER LISER: No, no, the PAC-DBIA is going to be going with the new Development Finance Corporation that's leading a high-level U.S. government/private sector trip to three countries in east Africa. Kenya, Uganda and then South Africa. So it's east and southern Africa.

And so the PAC-DBIA as I understand it is going to be a part of that. You all are being invited to be a part of that trip in November. And they already have the dates for it.

CHAIRMAN RUNDE: So it seems to me that there's a number of opportunities for some of our different agencies to piggyback on each other's trips.

And I think there's several things
I've heard here. One is about getting the word out.

Another is the opportunity -- I think it's very important that Chair Reed as well as Director Pryor in the next six months makes trips to sub-Saharan Africa themselves.

Third, I think there's an opportunity for the federal government to piggyback on each other's trips.

I think there's also an opportunity as people are coming through. And I think, Flori, you have a sense of this and others do too of doing just some intelligence, sharing a little bit of intelligence to make sure that we're helping our friends at EXIM kind of take advantage of who's coming through town.

It seems to me there's a couple of other things that are kind of longer-term things. Maybe it's something -- I'm happy to offer our space. So I asked to do this as sort of working meetings on this and we'll put it in the Federal Register or get whatever permission slips we need.
to do this.

But it seems to me that there is going to be ongoing specific work on ICT. Like we need to have EXIM Bank work better on ICT.

It seems to me that the EXIM Bank needs to do a better job of working in healthcare.

It seems to me we need a better whole of government approach in terms of how we are selling EXIM.

I think it's wonderful what we're doing in the United States. How are we leveraging, for example, TDA, the Trade and Development Agency has people overseas. They have a number of bodies overseas.

How are we cross-selling -- now, I'm skeptical myself of paying people to cross-sell, but how is that working?

Because it seems to me TDA and EXIM are sort of the natural sort of there's a lot of synergies with those. It's harder between DFC and EXIM. If you look at OPIC and EXIM deals,
only some like 2 percent of OPIC deals and EXIM
deals over -- my friends in the policy office
will correct me, but I don't think it's more than
-- it's less than 5 percent. Maybe we could work
real hard to double it. It'll be 4 percent.

But the point is TDA and EXIM are sort
of a synergy agency. I'm hopeful about some of
the changes through the Prosper Africa on these
hubs. But it seems that will take a while.

So it seems to me how are we --
there's sort of three things. Healthcare, ICT
and getting everybody to -- how do we play
collectively better, whole of government.

If China's eating our lunch it seems
to me those are some easy things. Yes, oh and by
the way we need to move from VCR to Netflix.

So, I think to be continued. I know
the agenda says that I need to open it up for
public comment. So I think this would be the
moment for public comments.

You are the public so this is your
chance for public comment. That doesn't mean
EXIM Bank staffers, that means the American public. So, please. If you would say your name and if you're an organization if you have a comment or question but just please keep it short.

MR. STUCKART: Thank you very much. I think it's terrific.

CHAIRMAN RUNDE: Sorry, your name, please.

MR. STUCKART: Mark Stuckart. I'm just recently retired from OPIC and the Commerce Department.

CHAIRMAN RUNDE: You need a microphone? So Mark, please go over here. I didn't realize the protocol is you're supposed to sit in the hot seat.

MR. STUCKART: So I spent the last two and a half years studying what China is doing in Africa. I had the leisure to do this in a very deep sense and I probably know more than anybody in the U.S. government, or as much as anybody on this topic.
China is just absolutely destroying us. And what they're doing, it's frightening.

They're going after the infrastructure projects in a huge way. And the numbers we saw, $510 billion. Sinosure and the presentation. This terrific presentation by Rick here. They're just killing us.

And they're systematically going after the deals. But three things in particular. Financing, and we absolutely have to have for U.S. national security the reauthorization of EXIM Bank.

But they are financing. I identified 20 separate financing vehicles for Africa alone. It's not just China EXIM, it's not just Sinosure, it's not just China Development Bank.

They have 20 percent ownership of the biggest bank in Africa, Standard Bank of South Africa.

They have ICBC. They owned part of the trade -- I could go on and on.

They're bribing. The bribery that
they're doing is just colossal. They are killing us on every single deal.

I tried to work deals and Steve Renna knows this. I was in his shop for a while before I was in the Office of Africa at Commerce.

They are bribing massively. They brag about it.

The propaganda that they have is an incredible hidden tool. They're spending billions of dollars on print advertising. They own most of the TV stations in Africa, or most of the major markets.

And they're pumping out billions of dollars in bribery and there's now a movie on the DRI that just came out that -- they're giving Africa, as Flori knows, tremendous priority to Africa. We're not.

They're putting together all these conferences, high-level meetings. It goes on and on and on.

I hope that you have in the future a transcript of the proceedings of this -- is that
--

CHAIRMAN RUNDE: Are we creating a transcript? Yes.

MR. STUCKART: That will be very helpful.

CHAIRMAN RUNDE: So that's three minutes. You've got three minutes.

MR. STUCKART: I could go on, but I'm happy -- the competitiveness report.

And I hope -- you weren't able to before because there wasn't an Advisory Committee, but now there is. I hope you can comment on this competitiveness report in a formal way.


Other comments from the public, please? Wow. There's time. Yes, so go ahead Mr. Rees and then I want to give Flori a chance. Sir.

MR. REES: Just quickly. Really
thankful to be here and hear all the conversations.

I did not get a chance to touch on and I hope that you are as your committee thinking about this.

We're not talking about the African marketplace of the du jour. I view it as the marketplace of 2030, 2040 and 2050.

So whatever extraordinary measures we need to take as a government now to position the private sector humbly.

I'm concerned about China. I'm less concerned about China if we were able to incrementally on an annual basis increase trade by 4, 5, 6 percent because that means those relationships and those brands and those companies will be in place to take advantage of the 2030, 2040, 2050 marketplace.

CHAIRMAN RUNDE: I'd like to make sure -- thank you for that. The committee has made a long trip. Sorry, did I see a hand? Okay.

Some of our friends from the committee
have made long journeys and I want to make sure -
- I'd like to hear from Flori, but I'd also like
to give just one minute to Flori and then anybody
who came outside of the Beltway to get one more
minute. So Flori, one minute, please.

MEMBER LISER: Yes. I just wanted to
-- I don't know how well received this will be,
but I just want to caution that we have to be
strategic because there's this huge
infrastructure gap in Africa and there's a
desperate need for trade to be an economic engine
of growth in Africa. They have only 3 percent of
all world trade.

And so the Africans themselves are
desperate for, not just hungry for, but desperate
for investment in infrastructure that will help
them to be more competitive in global trading.

And they are desperate to be able to
sell their products to the rest of the world even
though we are not a huge buyer of their products
even with AGOA which everyone knows how I feel
about AGOA.
So I just want to caution us that as we're going after the things that China and others are doing, that we not offput the Africans by seeming like, okay, if you're not doing it with us, the U.S., then we don't understand why you would be doing it with China, or France, or whoever else.

And we have to position ourselves that yes, you've been working with those folks. We're back now, EXIM. We've got Prosper Africa. AGOA will go on till 2025.

We've got MCC. We have all these tools and the U.S. just wants to up its game in Africa on its own merits, not vis-a-vis others, right, but on its own merits.

CHAIRMAN RUNDE: Because of the opportunity.

MEMBER LISER: Exactly. We have a lot to offer you. You have a lot to offer us.

And instead of it sounding like --

CHAIRMAN RUNDE: This is a Cold War.

MEMBER LISER: Yes.
CHAIRMAN RUNDE: Right. So we have to reframe Africa as an opportunity.

MEMBER LISER: Thank you.

CHAIRMAN RUNDE: Okay. James, Kusum, please, 30 seconds each.

MEMBER O'BRIEN: Thank you. My only add to that is I think you have to be on the ground.

I think the key thing that we keep hearing is that where are you folks. How come you Americans aren't here.

And all of the things, all of the statistics that we see and sort of the numbers that you look at sort of are proven out when you actually are down in the trenches competing for a project and you're dealing with folks and they're saying, no, you're going to go there. And all of it kind of filters up.

You don't see those big numbers at the time and it doesn't really affect the deal that you're trying to do, but ultimately it's what drives it.
And so actually being there, and whether it's the encouragement, Dan, that you made to say let's go out and make sure people get there is critical.

CHAIRMAN RUNDE: Kusum, please.

MEMBER KAVIA: At the last EXIM conference, annual conference I actually brought over a Nigerian customer and we were talking about project financing.

And when I took that deal to EXIM Bank it was said that project financing takes a long time, and your deal is not big enough for project financing.

I was very pleased to hear this morning that no deal is small enough to look at project financing. So I'll end there.

CHAIRMAN RUNDE: And you agree with that? No deal is too small for financing?

(Simultaneous speaking)

CHAIRMAN RUNDE: I want to give my friend Ejike the last word because he came from Texas. Go ahead.
MEMBER OKPA: I mean, everything that we've said is in line. I'm just a proponent that for you to expose yourself to winning a lottery you have bought a ticket. So for Africa you have to be present to win.

The statistics on China, you know, will easily vanish if America -- Africa has always had a natural historic relationship -- shows up.

And that showing up is a strength.

Most Africans like to come to college in America. Most Africans like to come to America to have their baby. Nobody celebrates a Chinese baby. They say we made an American baby.

So we can play into that emotional value and connection and we'll see things happen. I have active relationship in every African country because I've been on trade missions to go there, I went to school there, some of my classmates are running governments. They will say Edward, or Ejike, what are you Americans waiting for.
So I hope to be in that book. I hope to be in that channel to have communication. Because again, I can reach an African president. I mean, I'm going there to meet with one of them. Who wants to promote trade better than the fact that I got appointed to this committee.

CHAIRMAN RUNDE: And the United States needs to leverage the African and the African-American diaspora in this country as part of our approach to the continent. We haven't done that yet.

Okay. It's 1:47. I want you guys to come back to meetings that I run so I want to end it on time. But I want to make sure everyone had a chance to speak.

I think we have some homework assignments. I'm prepared to put some time and effort into following up.

My ask of you, if you have additional comments. And I've taken them all. Please insert them into the draft, 9 a.m. EDT tomorrow.

Everything you guys put on the table
sounds good to me. I'll promise to incorporate what we've discussed. If you have additional ones send them. I'll consider it.

But let's -- if we're just here doing the meeting and we're just writing a piece of paper we ought to get out of business. Let's go kick some butt. Okay?

Thanks, everybody. I'll just adjourn.

Thank you.

(Applause)

(Whereupon, the above-entitled matter went off the record at 1:45 p.m.)
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CERTIFICATE

This is to certify that the foregoing transcript

In the matter of: Sub-Saharan African Adv. Comm.

Before: Export-Import Bank of the U.S.

Date: 09-11-19

Place: Washington, DC

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

______________________
Neal R. Gross
Court Reporter