About the Brookings Africa Growth Initiative

For Africa to achieve transformative progress, policy solutions must come from African sources. The Africa Growth Initiative brings together African scholars to provide policymakers with high-quality research, expertise and innovative solutions that promote Africa’s economic development. The Initiative also collaborates with research partners in the region to raise the African voice in global policy debates on Africa. Our mission is to deliver research from an African perspective that informs sound policy, creating sustained economic growth and development for the people of Africa.
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Introduction: Why Africa Matters to the United States

Mwangi Kimenyi, Senior Fellow and Director, Africa Growth Initiative, Brookings Institution

For over a decade now, the continent of Africa, especially sub-Saharan Africa, has undergone a major transformation. In 2000, *The Economist* referred to Africa as the “Hopeless Continent.” This nickname was based on an evaluation of the many disadvantages that characterized the continent: poverty and disease, cycles of conflict, military and dictatorial one-party states, etc. Despite large endowments of natural resources, the continent’s economic performance was dismal as a result of poor macroeconomic management and a hostile environment for doing business.

In 2011, *The Economist* referred to Africa as the “Rising Continent” and a March 2013 issue of the magazine contained a special report referring to Africa as the “Hopeful Continent.” These days, Africa is variously referred to in positive terms such as emerging, rising and hopeful. This positive view of Africa is justified—sub-Saharan Africa is the host of some of the fastest growing economies in the world. This growth is not just due to rising commodity prices but is also driven by a more vibrant private sector supported by an improved business climate. There have also been dramatic improvements in governance and economic management. The region has seen major improvements in various sectors of the economy, especially in services. The information technology revolution has become an important aspect of the new Africa, particularly in terms of mobile technologies. As a result of these developments, Africa’s middle class is now growing rapidly, and the continent has become a major market for consumer goods. While sub-Saharan Africa still faces many development challenges, it is a far cry from the one described by *The Economist* in 2000. Africa is indeed on the path to claiming the 21st century.

With the dramatic changes that have taken place over the last decade, sub-Saharan Africa has become increasingly important to the rest of the world. In the past, relationships for many African countries were dominated by the former colonial powers. Today, new players have begun to engage Africa in a big way. Notably, China and India are investing in the continent, and increasingly Russia, Brazil, Turkey, Iran and many others have increased their engagement with Africa both diplomatically and commercially. The increased interest in Africa by these new actors has been due to the realization that Africa has much to offer.

In many respects, the United States has been slow to seize the opportunities availed by the new Africa. While the American private sector has begun to take advantage of some of these opportunities, the scope of engagement by American businesses is still small in scale. Likewise, the U.S. government’s engagement has not changed much. But Africa matters to the United States, a reality that will only grow more important as the continent’s economies and governance structures continue to transform. While it is indeed true that Africa benefits from American engagement, it is also true that the U.S. benefits from African engagement.

The following briefing papers in this collection are meant to touch on only some of the reasons why Africa matters for United States as well as strategic opportunities for U.S. engagement in the region. These
briefs focus on five key issues: national security, China, energy, trade and investment, and U.S. development assistance.

In preparing these papers, the Africa Growth Initiative hopes to contribute to a better understanding of Africa for U.S. government policymakers. An appreciation of the fact that engaging with Africa benefits both the United States and Africa should be the foundation for U.S. foreign policy toward Africa. We believe that a better understanding of the many reasons why Africa matters to the U.S. should help American policymakers take a more positive view of the region in their foreign policy decision-making.

Lesley Anne Warner highlights why Africa matters for U.S. national security. Warner asserts that the security of African countries is interlinked to broader global security. Therefore, proactive engagement with Africa in securing peace and security is vital for the mutual benefit of both Africa and the United States.

Yun Sun examines the increasing role of China in Africa and the need for the United States to be more engaged in the region vis-à-vis China. She argues that the U.S. must take this opportunity to engage more substantively with African countries in order to mitigate some of the environmental and human rights consequences of China’s “no strings attached” approach to Africa. Sun also highlights opportunities for joint U.S.-China collaboration in order to advance common goals in the region.

John Banks discusses the importance of Africa’s energy needs for U.S. foreign policy. Specifically, Banks explores why helping African countries expand their access to energy and manage their new oil and natural gas resources is critically important for U.S. national security and economic interests.

Witney Schneidman discusses the importance of Africa for U.S. trade and investment. He emphasizes the need to extend the African Growth and Opportunity Act beyond its 2015 expiration date and proposes some new initiatives that could help American firms invest in and do more business across the African continent.

U.S. development assistance forms a major part of U.S.-Africa relations. George Ingram and Steven Rocker stress that U.S. development assistance to Africa serves a number of key U.S. humanitarian, national security and economic goals, and recommend several strategies for the U.S. government to better utilize and direct its foreign assistance to the region.
Advancing Peace and Security in Africa

Lesley Anne Warner, Research Fellow, Center for Complex Operations, National Defense University

The Priority

In a complex and globalized security environment, having strong and capable partners on the African continent to tackle transnational challenges advances U.S. national security interests. In this regard, the growing capabilities of African countries to respond to regional security challenges are an asset to the United States. Globally, African nations account for 10 out of the top 20 contributors to United Nations peacekeeping missions. Furthermore, African countries and the regional organizations to which they belong are starting to play a larger role in leading peacekeeping operations on the continent through the African Union Mission in Somalia (AMISOM), the AU-UN Hybrid Operation in Darfur (UNAMID) and the possible African-led International Support Mission in Mali (AFISMA).

These positive developments aside, U.S. efforts to advance peace and security in Africa face several challenges. Unable to monitor, interdict and prosecute predatory actors in their sovereign territories, many African countries face localized security challenges that hold the potential for global reach. Transnational organized crime such as the illicit arms trade and narcotrafficking empowers predatory actors and increasingly corrupts government and military officials in West Africa. Piracy and armed robbery at sea in the Gulf of Guinea and off the coast of Somalia affect local livelihoods and are detrimental to global maritime commerce. Violent extremist organizations (VEOs)—such as al-Qaida in the Islamic Maghreb, Ansar Dine, and the Movement for Unity and Jihad in West Africa (all in northern Mali), al-Shabaab in Somalia, and Boko Haram in Nigeria—jeopardize human security and threaten to ignite communal violence. As demonstrated by Ansar al-Sharia’s September 2012 attack on the U.S. consulate in Benghazi, VEOs pose a threat not only to the security of U.S. partners in the region, but also to U.S. citizens. Intrastate conflict remains a security challenge, with countries like the Central African Republic, the Democratic Republic of the Congo, Mali and Sudan presently facing new phases of unfrozen, previously unresolved conflicts. And while Côte d’Ivoire, Liberia and Sierra Leone have transitioned from war to peace, similar transitions remain fragile in Libya, Somalia and South Sudan.

Why is it Important for the U.S.?

The peace and security of the African continent is increasingly important to the United States for several reasons. First, the security of Africans and of the countries in which they reside can have an impact on global security and U.S. interests. African governments incapable of maintaining sufficient control over their territories or of fulfilling the basic needs of their populations can create a permissive environment for criminal or terrorist networks. Second, since the establishment of the U.S. Africa Command (AFRICOM) in 2008, the United States is playing a greater role in African security—perhaps in spite of the Department of Defense’s recent efforts to rebalance toward Asia. One of the cornerstones of U.S. military engagement in Africa entails assisting African countries in the management of their own security challenges through partner capacity building. In an era of declining defense budgets, working
with African countries in addressing security challenges on the continent is an effort to prevent conflict and share the cost of global security. In principle, this cooperation ultimately enhances the United States’ ability to ensure its own national security. Finally, from a whole of government perspective, the security of African countries can either support or undermine U.S. investment in other sectors such as trade, good governance, health and education.

THE OPPORTUNITY FOR THE U.S.

The United States’ ability to advance peace and security on the continent is contingent on the convergence of interests with African partners and their willingness to work with the United States on mutual security challenges. Accordingly, Congress and government agencies should consider the following steps:

1. **Rebalance U.S. engagement with African countries so that it is more proactive than reactive.** The United States requires a more holistic approach to African security—one that does not solely lie within the domain of the Department of Defense. Efforts to prevent and mitigate conflict cut across agencies and often address some of the root causes of conflict in Africa. If the United States is ever to depart from responding to one crisis after another in Africa, it is imperative that Congress better resource agencies that have prominent roles in conflict prevention, such as the State Department and USAID.

2. **Establish multi-year funding authorities for building partner capacity programs.** Moving away from episodic engagements with African countries towards sustained security partnerships will require that the authorities that govern security cooperation become more flexible and streamlined. This move should help improve the planning of U.S. military engagement on the continent and work towards facilitating interagency coordination.

3. **Address the deficient capabilities of African law enforcement personnel.** The training of foreign law enforcement personnel by the United States is restricted by Section 660, an amendment to the Foreign Assistance Act of 1961. Yet, in terms of providing security for individuals and communities in Africa, police forces are often the soft underbelly of African security sectors. Congress should either revisit restrictions against U.S. engagement on police reform or should work with European allies to remedy this capacity gap.

4. **Continue to support regional and sub-regional mechanisms for conflict resolution.** Although the Economic Community of West African States (ECOWAS) has taken the lead in responding to the crises in Mali, its efforts have been impeded by limited crisis response planning capabilities, accompanied by the insufficient military readiness of several troop-contributing nations. These deficiencies demonstrate several opportunities for U.S. assistance to regional and sub-regional organizations.

5. **Use ongoing insecurity in the Sahel as an impetus to re-evaluate the scope of U.S. military engagement on the continent.** The crisis in Mali and the difficulties faced by African militaries in responding demonstrate that U.S. engagement with African militaries may be necessary but insufficient for stability. Moving forward, the U.S. should ensure that its engagement in Africa bolsters non-military pillars of stability and prioritizes defense sector reform—even if these efforts occur at the expense of tactical or technical military capacity-building programs in the near term.
Further Reading


China in Africa: Implications for U.S. Competition and Diplomacy

Yun Sun, Visiting Fellow, Africa Growth Initiative and John L. Thornton China Center, Brookings Institution

The Priority

China is an increasingly important player in the politics, economic development and security of Africa. Historically, China has prioritized strong diplomatic relations and political ties with African states with an ideological aspiration anchored on the “solidarity among the Third World countries.” However, since 2001, China’s pursuit in the continent has rapidly expanded into the economic arena, focusing on Africa’s rich natural resources to fuel China’s domestic economic growth.

China’s growing economic presence in Africa is hardly altruistic and is guided by the principle of “mutual benefits” to both sides. Under the framework of “resources for development,” Beijing mobilizes its vast state financial resources to invest broadly in infrastructure projects across Africa and extract natural resources in return. Moreover, these investments generate multiple layers of benefits for China, including contracts for Chinese service companies, the relocation of labor-intensive, heavy-pollution industries from China, political favors extracted from African governments on foreign policy issues at multilateral forums such as the United Nations, and a positive international image of China being a “responsible stakeholder.” These motivations are particularly true in explaining China’s interests in resource-poor African countries.

This strategy most likely will continue in the foreseeable future. In July 2012, China doubled its 2009 commitment to provide $20 billion in financing to Africa to further its strategic blueprint in the next three years. The contemporary analysis of China’s role in Africa is dramatically split. Dragon-slayers emphasize China’s selfish quest for Africa’s natural resources and how it sabotages international efforts to keep unpalatable African regimes in check. On the other hand, panda-huggers applaud China’s contribution to Africa’s economic development through infrastructure projects and revenue creation. Neither reflects the nuanced, complicated nature of what China means for Africa. China enjoys unique financial and political advantages in promoting Africa’s growth but neglects the governance, fairness and sustainability of such development. Therefore, the short-term benefit China provides to Africa is intrinsically flawed and has long-term negative consequences.

Meanwhile, along with China’s enhanced role in Africa is the reality that the U.S. is being increasingly edged out of the continent politically and economically. To compete with the Chinese presence and to counter the negative consequences of China’s approach, the U.S. must become more engaged in Africa with effective strategies. China’s unique approach also has tremendous implications for the U.S. role in global governance and the future of its African partners.

Why is it Important for the U.S.?

China’s approach to Africa represents a fundamental challenge to U.S. interests in promoting democracy, good governance and sustainable development in Africa. Chinese funding flows to Africa with “no strings attached,” such as requirements on transparency, anti-corruption, environmental protection, human
development and better governance. Chinese players in Africa exacerbate the problems through their active endorsement and participation in the flawed process. Therefore, Beijing offers an easy alternative to the principled or disciplined development assistance from the West and multilateral financial institutions, and undercuts the latter’s effort to address the systematic and institutional deficiencies of African countries and to promote long-term sustainable development and democratic systems.

Furthermore, China’s engagement in Africa has profound geopolitical implications for the U.S. global strategy. As the U.S. rebalances to the Asia-Pacific region, China has identified increasing hindrances in its strategic advancement in East Asia and the Pacific. In response, China is shifting its attention westward to South Asia, the Middle East and Africa to expand arenas for its political and strategic influence. These areas are seen as the most promising by Beijing given the stagnant or declining U.S. involvement. Especially in Africa, China is looking beyond the traditional pursuit of economic benefits and aspires to increase and solidify its strategic presence through enhanced political, economic, diplomatic and academic resources. The failure to perceive and prepare for China’s moves would be dangerous, unwise and potentially detrimental for the United States in the near future.

THE OPPORTUNITY FOR THE U.S.

Given China’s involvement in Africa, there is an even greater need for the U.S. to engage and cooperate with China for its own national interests and global agenda, such as security and governance. Not engaging China in Africa could undercut and even nullify U.S. objectives given China’s approach. Cooperation on security issues, like South Sudan, most likely will not excite China in that China believes the U.S. might ask Beijing to carry a disproportionate share of economic and political responsibility. Furthermore, China worries that a U.S.-China/G-2 approach to African security issues might alienate China’s traditional friendship with African countries since China prefers bilateral or multilateral approaches.

Meanwhile, there are key issues on which the U.S. could and should focus. The U.S. needs to raise its concerns and request that China adjust its investment and assistance policies toward Africa through the Africa consultation under the U.S.-China Strategic and Economic Dialogue. The U.S. needs to better coordinate with China on providing aid, technology and technical support in the fields of health care, and medical and agricultural assistance. Furthermore, inside Africa, the U.S. needs to mobilize its political, diplomatic and soft power influences to mitigate the negative impact of the mercantilist approach of China. Last but not least, a conscious educational effort should be made to help Africa achieve the long-term vision about the consequences of China’s myopic development model.

ENDNOTES

1 “Hu Jintao visit eight African countries and deepened friendship with the African continent”, [胡锦涛访问非洲八国 深入非洲大陆友谊之旅], Xinhua News Agency, Feb 10, 2007

Key Sub-Saharan Energy Trends and their Importance for the U.S.

John P. Banks, Nonresident Fellow, Energy Security Initiative, Brookings Institution

**The Priority**

The countries of sub-Saharan Africa are confronted with a confluence of energy challenges and opportunities directly relevant for U.S. foreign policy and economic interests.

The first challenge is the lack of access to affordable, modern forms of commercial energy. The International Energy Agency (IEA) estimates that there are 590 million people in sub-Saharan Africa, mostly in rural areas, without access to electricity, representing nearly 6 in 10 people in the region.¹ In addition, 700 million people, or 70 percent of the population, rely on traditional, non-commercial sources of energy, such as biomass, for cooking.

Second, with the exception of a few oil-producing states, sub-Saharan African countries do not have large domestic energy resources, relying on imports of energy for over 65 percent of total energy use.² The IEA recently estimated that the region spends more on oil imports ($18 billion) than it receives in international aid ($15.6 billion),³ with attendant negative impacts on trade balances, debt and GDP growth.

Third, significant new discoveries have prompted the IEA to anoint sub-Saharan Africa the “new frontier” in global oil and gas.⁴ Countries such as Cameroon, Ghana, Equatorial Guinea, the Republic of the Congo, Kenya, Tanzania and Uganda are emerging as potentially major new producers of oil. There have also been discoveries of large offshore natural gas resources in Mozambique and Tanzania, prompting plans to develop East Africa into a major exporter of liquefied natural gas. South Africa is estimated to have significant shale gas resources as well.

**Why is it Important for the U.S.?**

Failure to expand energy access, reduce energy imports, diversify energy sources and manage newfound oil and gas wealth for the benefit of society, especially the poor, directly impacts U.S. interests.

**Humanitarian Interests**

There is a clear moral imperative for the U.S. to play a leading role in expanding energy access for hundreds of millions of people in the region. Helping to lift people out of energy poverty—creating dignified living conditions and expanding economic opportunity—is consistent with our democratic values.

**National Security Interests**

Energy poverty undermines economic development, fueling political instability and the creation of failed states that can harbor our enemies and threaten our allies. Indeed, there is a strong correlation between political stability and electrification rates. A joint effort of the Fund for Peace and Foreign Policy magazine, the Failed States Index indicates that 15 of world’s 20 most vulnerable states are in sub-Saharan Africa, many with electrification rates below 20 percent. Among them are countries confronted with the emergence of non-state terrorist groups or undergoing violent civil strife such as Niger, Chad,
Somalia and the Democratic Republic of the Congo. Mali, currently in the midst of battling a radical Islamic threat, has a rural electrification rate of just 15 percent. Without commercial energy to support economic growth and modernization, the pathway to jobs and the middle class for hundreds of millions of young people will be stymied, sowing growing dissatisfaction.

The emergence of new oil and gas producers in the region presents potential benefits for U.S. national security interests, if this new-found wealth is managed appropriately. Oil and gas resources not only can provide energy and revenues for local use, but also can help stabilize oil and gas prices by diversifying and enhancing available supplies for regional and global markets. Several countries could also potentially become oil suppliers to the U.S., further diversifying the sources of U.S. imported oil.

**Economic Interests**

The energy trends described above offer trade and investment opportunities for U.S. businesses. In the area of expanding electricity access, there is a large potential market for off-grid and mini-grid decentralized power solutions, especially in rural sub-Saharan Africa where electrification rates are well below the global average. The IEA estimates that most of the capacity deployed in this area will be renewable, clean energy technologies. For cooking facilities, there is also an opportunity to capture a market now satisfied by traditional and dirtier forms of energy with advanced cook stoves based on commercial energy sources. Furthermore, the emergence of new oil and gas producers offers investment opportunities for U.S. firms in exploration, production and related services, and infrastructure development.

**The Opportunity for the U.S.**

Energy needs to play a more prominent role in U.S. policy toward sub-Saharan Africa. This enhanced role could be achieved by utilizing and leveraging existing programs and institutions to incorporate more sub-Saharan African countries, and expanding financial resources available to target the energy sector. Some specific opportunities for further engagement include:

1. **Operationalize a greater sub-Saharan focus within the Department of State’s newly-formed Bureau of Energy Resources**, created to address three strategic pillars of energy strategy: energy diplomacy, energy transformation and energy poverty.

2. **Continue and expand financial support for energy access initiatives** in sub-Saharan Africa through the Overseas Private Investment Corporation, the U.S. Treasury, USAID’s Development Credit Authority and the Millennium Challenge Corporation, as well as through multilateral entities.

3. **Promote the strengthening of institutions and governance** especially related to the development of hydrocarbon resources, utilizing the Department of State’s Energy Governance and Capacity Initiative and U.S. participation in the Extractive Industries Transparency Initiative.

4. **Support and promote U.S. energy investment, trade and technology and knowledge transfer in the region with a focus on renewable technologies** for mini-grid and off-grid solutions, and sustainable oil and gas development, utilizing institutions and programs such as: (a) Global Alliance for Clean Cookstoves; (b) Department of State’s Unconventional Gas Technical Engagement Program; (c) U.S. Trade and Development Agency; (d) U.S. Export-Import Bank; (e) the Department of Commerce’s “Doing Business in Africa” program; and (f) bilateral and regional trade and investment agreements.
EnDNOTES

2 “Data: sub-Saharan Africa”, World Bank 2010
3 Fiona Harvey,”Overseas aid to Africa being outweighed by hefty costs of importing oil,” The Guardian, April 1, 2012
4 Oil and Gas Markets 2011, International Energy Agency, 240
Transforming the U.S.-Africa Commercial Relationship

Witney Schneidman, Nonresident Fellow, Africa Growth Initiative, Brookings Institution

THE PRIORITY

This 113th session of the U.S. Congress has an opportunity to transform U.S. trade and investment relations with Africa.

A key issue is the extension of the African Growth and Opportunity Act (AGOA), now set to expire in September 2015. The Obama administration and key members of Congress have pledged to work for an “early” extension of AGOA which, presumably, means that the legislation would be extended within the next 22 months. This extension needs to occur for a number of reasons.

For one, the African market is not on the radar screen of the American business community. In fact, the U.S. is effectively ceding the African marketplace to companies from China, India, Brazil, Russia, Turkey, the European Union and elsewhere.

Apart from the natural resource sector and some recent investments by major companies such as GE, Symbion, Wal-Mart, Microsoft and Proctor & Gamble, only 1 percent of U.S. foreign direct investment worldwide is in Africa, and half of this is in extractive industries.1

At the same time, U.S. exports to Africa were just over $22 billion in 2012, or about 2 percent of U.S. exports worldwide. While the volume may be small, these exports support more than 100,000 jobs in the United States.2 Not only is this trade transforming the U.S.-African commercial relationship into a more genuine partnership, it raises the immediate question of how to accelerate U.S. trade and investment with Africa so that more American workers and companies derive a direct benefit.

As Senator Chris Coons writes in the preface to his March 7, 2013 report, Embracing Africa’s Economic Potential, “Engagement with Africa is critical to America’s economic interests in the years ahead. Meeting Africa’s growing demand with American goods and services will strengthen our economy, help U.S. businesses grow and create jobs here at home.”

WHY IS IT IMPORTANT FOR THE U.S.?

The U.S.’s lack of attention to Africa’s commercial opportunity comes at a time when the region is poised for an economic takeoff. Six of the world’s 10 fastest growing economies (according to data from the International Monetary Fund for 2001-2010) are in sub-Saharan Africa, and a middle class of nearly 350 million individuals, rivaling that of China and India, has emerged across the continent.3 Moreover, according to the McKinsey Global Institute, by 2020 Africa’s consumers—in areas such as financial services, tourism, telecommunications and retail—are projected to contribute more than five times as much revenue to the region’s economic growth as the natural resource sector.

A key element of Africa’s economic growth has been an improvement in governance. While leaders in some countries continue to remain in office too long, and Freedom House has found that the percentage of “partly free” countries in sub-Saharan Africa has grown from 43 percent to only 47 percent between
2002 and 2012, the increased frequency of elections has led to an expansion of democracy across the continent. In addition, the emergence of civil society, social media and, in many countries, a robust press has contributed to greater accountability of government officials at the national, state and local levels.

**The Opportunity for the U.S.**

In extending AGOA, therefore, Congress needs to make it more balanced so that the U.S. is doing as much to support the expansion of American trade and investment on the rapidly changing continent as it does to support African exports to the U.S.

From the perspective of the 40 African AGOA beneficiary countries, the extension of the legislation represents a critical opportunity to strengthen and deepen their commercial relationship with the U.S.

To achieve that objective, several critical questions need to be addressed: Why have only an estimated 300 of the eligible 6,400 product lines been utilized; why have only a small group of countries benefitted from the export of apparel and manufactured products; and what other products should be added to make AGOA more relevant to African producers and manufacturers?

There are other issues. Rosa Whitaker, former assistant U.S. trade representative for Africa, estimates that AGOA has created 300,000 new jobs in beneficiary countries. How can this number be increased?

AGOA was never intended to be permanent, so how far past 2015 should the legislation be extended: five years, 10 years, longer? And is it time to graduate certain countries, such as South Africa, or can AGOA be a stepping stone to a more mature trading relationship, as it was intended to be?

The AGOA Forum that is tentatively scheduled to be held in Ethiopia at the end of May 2013 provides an important opportunity for the U.S. and African nations to exchange recommendations on how AGOA can be strengthened.

AGOA continues to be the cornerstone of the U.S.-African commercial relationship but it must do more to help U.S. companies win market share on the continent. As Congress begins deliberations on how to strengthen AGOA, here is one suggestion:

Since its inception, USAID has played a critical role in providing resources for trade capacity building, including the $200 million African Global Competitiveness Initiative, from 2006-2011, and, more recently, the African Competitiveness and Trade Expansion Initiative. This support is vital to the trade hubs in Ghana, Botswana and Kenya, and the satellite office in Dakar, and it has been critical in assisting African businesses exporting to the U.S. under AGOA.

The problem is that the U.S. government provides virtually no support for American businesses seeking to trade or invest in Africa.

The Foreign Commercial Service of the Commerce Department, which should be playing a lead role, has been reduced to a skeletal presence in Africa and has officers only in Kenya, Nigeria and South Africa (the Pentagon now has U.S. troops in five African countries: Djibouti, Seychelles, Ethiopia, Kenya and Niger). Increasingly, U.S. embassies are playing a more active role, and one of Hillary Clinton’s most important legacies as secretary of state was to integrate commercial statecraft into core U.S. diplomatic responsibilities.

Given the size, complexities and differences among the many markets on the continent, the U.S. government has to do a better job supporting American companies in Africa, a market with which they have little experience. China has an estimated 155 commercial attachés in the region, or more than three per country in sub-Saharan Africa. Other countries such as Brazil, India, Russia and Turkey have dramatically increased their commercial presence on the continent as well.

To address the situation, Congress should encourage USAID to restructure trade hubs as U.S. trade hubs in Ghana, Botswana and Kenya, and the satellite office in Dakar, and it has been critical in assisting African businesses exporting to the U.S. under AGOA.
and investment centers that would work as closely with American companies coming into the African market as they do supporting African companies exporting to the U.S. under AGOA. The trade and investment centers should utilize foreign service nationals throughout sub-regions to keep U.S. companies informed of market developments, among other services. The cost to staff these centers to work with U.S. companies would be minimal, and companies could pay for services. A restructuring of the trade hubs would significantly enhance the ability of American companies to win market share throughout the continent.

There are other critical issues to consider, such as local content requirements, regional integration and tax incentives for U.S. companies to invest in Africa’s productive sectors. A good place to start, however, would be to help American businesses understand the complexities—and opportunities—of the African market. As Senator Coons writes, “Now is the time to invest in economic engagement with Africa.”

ENDNOTES


U.S. Development Assistance and Sub-Saharan Africa: Opportunities for Engagement

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Steven Rocker, Project Coordinator, Development Assistance and Governance Initiative, Brookings Institution

The Priority

Total bilateral U.S. development assistance from the U.S. Agency for International Development (USAID) and the State Department to sub-Saharan Africa nearly quadrupled from roughly $1.94 billion in FY2002 to an estimated $7.08 billion in FY2012. The rapid uptick in U.S. development assistance to the region was largely driven by global health spending, specifically the President’s Emergency Plan for AIDS Relief (PEPFAR), which concentrates HIV/AIDS resources primarily to 14 countries, 12 of which are in sub-Saharan Africa.

Currently, USAID operates 27 bilateral and regional missions in sub-Saharan Africa, which in FY2012 provided bilateral assistance to 47 sub-Saharan African countries. The Africa region’s top five recipients of U.S. assistance in FY2012 were Kenya, Nigeria, Ethiopia, Tanzania and South Africa.

Beyond global health, the U.S. is the leading donor of humanitarian aid to sub-Saharan Africa, particularly in the area of emergency food aid. The Obama administration has also made assistance to agriculture sector development a key priority in recent years through its Feed the Future program, a global hunger and food security initiative.

In June 2012, President Obama signaled his development priorities toward the region with the release of the White House’s U.S. Strategy toward Sub-Saharan Africa. Economic growth, food security, public health, women and youth, humanitarian response and climate change are explicitly listed in the Obama Strategy as U.S. priority areas to further accelerate development progress in the region.

Why Is It Important for the U.S.?

U.S. development assistance funds programs on the ground in ways that bring government agencies and American organizations and businesses into collaborative activities with Africans who are trying to lift their countries onto a higher plane of social, political and economic development. The region warrants sustained U.S. engagement for a range of humanitarian, national security and economic reasons.

Humanitarian interests

As a clear sign of America’s moral leadership around the globe, the U.S. has historically been and remains the leading donor of humanitarian assistance to the region. In response to the Horn of Africa drought and subsequent famine in the summer of 2011, for example, U.S. emergency food aid programs provided $740 million to Ethiopia, Kenya, Somalia, South Sudan and Sudan (according to the U.S. State Department). It is fully consistent with American values to continue to respond vigorously and generously to emergencies in the region.

National security interests

Continued terrorist activities in Somalia, the recent insurgency in Mali, and the potential threat of Boko Haram on Nigeria—the U.S.‘s largest trading partner in sub-Saharan Africa—emphasizes that the U.S. has important national security interests in the region.
Development assistance from the State Department addresses U.S. national security concerns by funding counterterrorism partnerships between the U.S. and African militaries as well as training for African soldiers to conduct peacekeeping missions in countries like Sudan, Somalia, the Democratic Republic of the Congo and Liberia.

**Economic interests**

Sub-Saharan Africa is a region of great economic promise. From 2001-2010, six of the fastest growing economies in the world were in the region. In fact in 2011, foreign direct investment to sub-Saharan Africa amounted to more than global bilateral official development assistance in 2011. Other countries, including China, are recognizing and acting on the increasing commercial opportunities in sub-Saharan Africa. A recent GAO report found that China’s total trade in goods over the past decade increased faster than and surpassed U.S. trade in the region in 2009.

**What is the Opportunity for the U.S.?**

1. **Sustainable health systems:** The vast majority of U.S. global health assistance to sub-Saharan Africa is used to finance the delivery of health services, which is not sustainable in the long term. Greater focus needs to be directed to building sustainable health systems so African countries can increasingly meet their own needs.

2. **Disaster preparedness and resilience:** The U.S. is the leading donor of official humanitarian aid to sub-Saharan Africa. However, very little assistance is allocated toward disaster prevention and preparedness. By focusing more resources and expertise toward these areas, the U.S. could contribute in the long term to achieving a reduction in loss of life and the need for large international responses to disasters.

3. **Economic growth:** The U.S. should leverage its assistance and other policies to stimulate economic growth in sub-Saharan Africa. Members of Congress and U.S. government officials should engage the Export-Import Bank, Department of Commerce, Overseas Private Investment Corporation, U.S. Trade and Development Agency and the U.S. Trade Representative to ensure that the U.S. is providing a range of government policies and programs to encourage equitable economic growth and commercial opportunities for U.S. businesses in the region.

4. **Democratization and good governance:** The U.S. needs to devote greater attention and support toward governance in sub-Saharan Africa, including improving governmental collection of revenues and transparent budgeting as well as building the capacities of civil society and legislative bodies. In FY2011 and FY2012, U.S. global health requests for sub-Saharan Africa averaged $4.82 billion per year while funding requests for rule of law and human rights, good governance, political competition and consensus-building and civil society under the USAID-managed Development Assistance account averaged only $75.73 million over the same period.
ENDNOTES


2 Sessions, Myra, “Overview of the President's Emergency Plan for AIDS Relief (PEPFAR)” Center for Global Development


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