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A large, light gray silhouette of a tree with a wide, flat canopy and a complex, spreading root system. The roots are shaped to resemble the map of the African continent, symbolizing deep roots and growth.

A Renewed Framework for US-Africa Relations: Peace, Progress, and Economic Growth

A project of the Policy Working Group
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Executive Summary

Most often when reflecting on the impact of the West on Africa's past and present, the focus is on the legacy of colonialism; and thus Europe. One of the greatest paradoxes of history is, with Europe's discovery of America in the Fifteenth Century; there has been an inextricable link between Africa and America. The first African slaves arrived in the Americas in 1502.¹ For the next 305 years, the slave trade – and the slavery that ensued – was legal in the United States and England. The result being, Africa was central to the enrichment of the Old World and the development of the New World. The relationship of Africa to America reflects an "intimate familiarity." There would not be the United States, as we know it, were it not for the African slave trade and slavery. From establishing Liberia to solve its "Negro problem" in 1819, to the more progressive turn in relations after Bill Clinton's election as President in 1992, there have been clear and distinct chapters in America's story in Africa.

Present US foreign policy relative to Africa rests on what the Bush Administration has coined the "three pillars": (i) establishing a strategic approach; (ii) setting clear policy priorities; and, (iii) following principles of bilateral engagement. Through these pillars the US is committed to work with key nations in each sub-region on the continent, support sub-regional organization, engage the African Union, combat HIV/AIDS, advance political and economic freedom, promote peace and regional security, support good governance and economic reform, and promote health and education initiatives. Based on several successful policy initiatives enacted during the Clinton Administration, US policy towards Africa has shifted from interventionist strategies – based mostly on military aid – to empowerment initiatives in the form of trade. This shift was consolidated with the *African Growth and Opportunity Act* (AGOA) of 2000. Prior to AGOA, African countries often found themselves excluded from global trade markets.

Through AGOA, benchmarks were established that marked the potential of important incremental benefits to both US and African countries. By extending preferential access to sub-Saharan African (SSA) countries under the Generalized System of Preferences (GSP) and increasing the range of products for which preferential access is granted, AGOA, with its incentives, led African countries to pursue market-oriented policies to create conditions for growth. AGOA, along with the *Heavily Indebted Poor Countries Initiative* (HIPC), gave incentives to African countries to privatize key sectors, liberalize currency controls, establish agencies to promote foreign investment, introduce mechanisms and laws to combat corruption, and implement transparent regulatory procedures. Indeed, with the passage of AGOA, US trade with Africa increased 50 percent in 2000 to \$29.4 billion. Moreover, increased trade with Africa included an increase in US exports of aircraft and parts, oil field equipment, motor vehicles and parts, industrial chemicals, peripherals and software, construction machinery and parts, and telecommunications equipment — all crucial to improving Africa's infrastructure and performance both in absolute and relative terms.

This policy framework has been expanded upon during the Bush Administration. US trade with Africa has increased exponentially under the current administration. Thirty-eight of the 48 sub-Saharan African (SSA) countries are now eligible for AGOA in 2007; Liberia was added to this eligibility list as of January 1, 2007. Twenty-six of these 38 countries are eligible to receive AGOA's apparel benefits. In 2005, the US was Africa's single largest country market, purchasing 29.6 percent of the region's exports. In 2006, US total exports to SSA rose by 17 percent over 2005 to \$12.1 billion, driven mainly by increases in machinery, aircraft, vehicles and parts, electrical machinery, and non-crude oil. US imports from Africa increased by 17 percent from 2005 to \$59.2 billion. With fuel products excluded, AGOA exports to the US increased by seven percent to \$3.2 billion. Indeed, in 2006, over 98 percent of US imports from AGOA-eligible countries entered the United States duty-free. The effect of this trade partnership has been increased commitment on the part of the US to strengthen trade capacity in SSA. The US

¹ Clarence C. Clendenen and Peter Duignan, "Americans in Black Africa up to 1865," *The American Historical Review* 71:1 (October 1965), 16.

devoted \$394 million to trade capacity building initiatives in FY2006, notably up 95 percent from FY2005. Moreover, it was the leading provider of foreign direct investment to Africa, rising 16 percent from 2004 to \$14.8 billion; this supported US trade with the region and enhanced US-African business partnerships.

The changes prompted during the Clinton Administration and embraced during the Bush Administration, and the successes of such policy shifts provide compelling reasons for the US to fashion a new policy framework toward Africa. Given the events surrounding 9/11, the subsequent war on terror, and the United States' need to operate more purposely in a multi-polar world, Africa's strategic importance to the United States cannot be ignored. As such, the next US Administration must continue the current efforts to invest in Africa and should make a renewed and expanded commitment to progress and peace in Africa. In order to do so, the US should focus on five (5) parameters in order to define its policy framework for engaging Africa in the future – (i) Health; (ii) Education; (iii) Infrastructure; (iv) Economic Growth and Trade; and (v) Peace and Security.

- **Health:** The President's Emergency Plan for AIDS Relief (PEPFAR) set out in 2003 ends in October 2008, and PEPFAR's budget will have to continue to increase each year in order to maintain and expand existing treatment programs. Ultimately, if Africa is going to deal with the health care issues confronting the continent it will mean developing the "infrastructure" to accommodate a burgeoning need. Beyond the PEPFAR commitment, an increased commitment would entail expanding Medical Education and the Development of Infrastructure in Africa. The short-hand name of the initiative would be **MediAfrica**. *MediAfrica* would have three elements: (i) a Health Care Facilities Fund (\$4 billion per annum for five (5) years), (ii) Training Initiatives for Health Care Professionals (\$500 million per annum for three (3) years), (iii) and the establishment of an African Medical Corps (\$250 million start-up fund).
- **Education:** By establishing new partnerships, encouraging the continued implementation of existing programming, as well as creating new programming, Africa can overcome its capacity gap in education. This starts with maintaining and bolstering the commitment to USAID's Africa Education Initiative (AEI) through continued and increased financial support from the United States. The total USAID spending on the Africa Education Initiative (based on 2002-2007 USAID Budget Justifications) is \$218,700,000 from 2002-2007. AEI should be increased to \$1.25 billion per annum and committed through 2012. Additionally, to help Africa get on equal footing with emerging powers like China and India, the United States should establish a *Math and Science Corps*. The corps would coordinate the placement of recent US graduates in math and science in schools in African countries that qualify under the Millennium Challenge standards. A second element of the Corps would be to provide two-year fellowships to US university faculty to teach and train African faculty and scholars in indigenous African institutions. The Math and Science Corps would receive a \$250 million appropriation for three (3) years.
- **Infrastructure:** In order to confront issues associated with infrastructure development, and in line with infrastructure development initiatives of the New Partnership for Africa's Development (NEPAD) and the African Development Bank (ADB), the US should establish an African Infrastructure Fund to be administered by the Millennium Challenge Corporation. The fund would facilitate NEPAD's pre-established Short Term Action Plan (STAP) for development that includes 18 capacity building programs, 52 facilitation projects, 36 investment projects and 18 studies, and covers the period from 2002 to 2007. The cost of these projects has been estimated at \$8 billion USD. To date, funding has been approved for 25 projects and \$630 million USD has been committed; an additional \$1.6 billion USD in co-financing has been "mobilized" in support of these projects. Given the shortfall in funding – \$5.57 billion USD – over the original period from 2002 to 2007, the African Infrastructure Fund would commit \$5.5 billion USD over three (3) years for these NEPAD initiatives.

- Economic Growth and Trade:** Improvements will need to be made to allow sub-Saharan Africa more opportunities to truly benefit from AGOA. For this to occur, AGOA will need to be adjusted to reflect a truly overarching approach to US – Africa trade policy. As such, AGOA needs to be expanded in order to address the “supply side” issues presently affecting trade in sub-Saharan Africa. Lack of basic infrastructure (transportation, telecommunication, energy, etc); financial/currency issues; and the need for dramatic legal and banking reforms pose huge challenges for sub-Saharan countries attempting to take advantage of current AGOA incentives. Additionally, US policy should address the problems associated with land ownership on the continent that continue to shadow politics at many levels in most African countries. In order to maintain growth and develop viable options for home ownership, most sub-Saharan African countries will need to develop the use of residential mortgage-backed securities (RMBS) to provide Africans with home loans at reasonable rates, thus bridging a key structural funding gap that presently exists throughout sub-Saharan Africa. Through OPIC, the United States would create a \$10 billion fund over five (5) years in order to successfully finance the inclusion of RMBS into the sub-Saharan African market.
- Peace and Security:** The upcoming election poses an opportunity for a fresh start in engaging Africa on peace and security matters. If the newly formed US Africa Command (AFRICOM) is to be viable it will require the next administration to address the numerous African apprehensions regarding a US military command on the continent. It should be clear that to be effective, a US Africa Command cannot be unilaterally imposed. In addition to the diplomatic negotiations that have to work its course in trying to affect a policy as controversial as this, there must be elements to the design and focus of AFRICOM that make it mutually acceptable. Its thrust must include peaceful as well as peace keeping functions. Keeping in line with these goals and modeling on the US Army Corps of Engineers, funding should be appropriated for the development and training of an Africa Army Corps of Engineers and Development at \$1 billion per annum.

The world today has clearly moved into a multi-polar era, and as the lone super power, America is at the axis. The US has some unique opportunities and obligations to protect its interests and to make the world a safer and more stable place. One of the key regions of the world that begs America's attention is Africa. As much as America's reputation has suffered internationally as a result of the US incursion into Iraq, there is still a wellspring of goodwill toward America in Africa and as such the US should strive to make Africa a higher priority relative to its foreign engagements. This is particularly important for a number of reasons. First, America has a moral obligation to engage Africa. From the Fifteenth Century, with the extraction of natural resources and human resources, Africa has been critical to the enrichment of the Old World and the development of the then New World. Historically, Africa has been vital to the global economy, but historically has not benefited proportionally. An additional moral imperative that ought to guide American engagement in Africa is humanitarian in nature. The great religious and philosophical traditions remind us of the responsibility the more fortunate have to help their brothers and sisters in need. A moral vision of a global community compels the US to renew and expand its commitment to progress in Africa. Second, there are important economic interests that give impetus to a renewed and expanded commitment to the continent. Quite simply, the world needs Africa's oil; and as the continent continues to grow its economies, it could benefit from global partnerships. Third, the United States has important strategic interests on the continent relative to national security. Given the threat of global terror to US security interests, it is in America's interest to work with African governments to get a handle on current security challenges. Finally, in light of the upcoming Presidential elections there is a real possibility that, in distancing themselves from the Bush Administration, the next Presidential Administration might very well abandon the current Administration's foreign policy framework. The result could be that Africa falls further down the list of foreign policy priorities, or that the continent is ignored altogether. Given the progress that has been made in terms of US-Africa relations, it is imperative that this does not happen.

US bilateral relations with Africa nation-states have come a long way. The continent of Africa as a whole represents a place where the United States has some of its strongest bilateral ties. Trade between America and Africa is increasing exponentially; and it is also an important ally relative to US national security interests. Since 9/11 the US has spent \$610.5 billion on the Global War on Terror (GWOT). In FY08 it is estimated that the US will spend \$147.5 billion on the GWOT.² The proposals contained in this policy document have an aggregate cost of barely more than 10 percent of what the United States will appropriate this year for its war against terrorism.

I. Review of Historic/Current US – Africa Policy

Most often when reflecting on the impact of the West on Africa's past and present, the focus is on the legacy of colonialism; and thus Europe. One of the greatest paradoxes of history is, with Europe's discovery of America in the Fifteenth Century; there has been an inextricable link between Africa and America. The first African slaves arrived in the Americas in 1502.³ For the next 305 years, the slave trade – and the slavery that ensued – was legal in the United States and England. The result being, Africa was central to the enrichment of the Old World and the development of the New World.

The relationship of Africa to America reflects an "intimate familiarity." There would not be the United States, as we know it, were it not for the African slave trade and slavery. During the years when slavery was legal and provided the backbone for America's agrarian economy, the economy grew as African slavery provided free labor for cotton production and the growth of the ironmongery and sugar industries. Neither slavery, nor its benefits were isolated to the South. The Northern cotton textile industry relied heavily on raw cotton from, and textile sales to, the Southern market:

The [American] Lords of the Loom textile empire had spread from Lowell to Maine and several other states in New England; it also interacted with powerful cotton shipping and financial interests in New York City Banks ... [The] estimated ... value of Massachusetts manufacturing [was] in the vicinity of \$300 million, driven largely by cotton textiles. The Associates [controlling the Lowell mills] owned one-fifth of the nation's spindles, one-third of Massachusetts railroad mileage, and two-fifths of Boston's banking capital.⁴

The Northern, Southern, and later Western states represented an integrated market. Despite the practice of slavery being primarily in the South, slavery played an important role in the development of the entire US economy. There would have been significantly less trade in New England and the inland colonies without slavery. These colonies undoubtedly would have moved towards political independence and industrial capitalism at a much slower pace. Slavery provided the basis for America's emergence as an economic colossus.

After the importation of slaves was ruled illegal in 1807 and slavery was outlawed in 1863, the peculiar relationship between the United States and Africa continued to take interesting twists and turns. From establishing Liberia to solve its "Negro problem" in 1819, to the more progressive turn in relations after Bill Clinton's election as President in 1992, there have been clear and distinct chapters in America's story in Africa.

² Amy Belasco, "The Cost of Iraq, Afghanistan, and other Global War on Terror Operations Since 9/11," *Congressional Research Service* (July, 2007).

³ Clendenen and Duignan, 16.

⁴ Stephen Yafa, *Cotton: The Biography of a Revolutionary Fiber* (New York, New York: Penguin Group, 2005), 120.

United States policy vis-à-vis Africa falls into six (6) distinct, although in some cases overlapping, eras.

The first period is from 1614 to 1863. The dates demarking this era start with the arrival of Africans in the North American colonies and ends with the abolition of slavery in the United States. The first Africans arrived as slaves in the North American colonies circa 1614. The importation of slaves was banned or limited by 1786 in all states except Georgia. Despite the importation of slaves becoming illegal, slavery continued to figure prominently in every aspect of American life until the Emancipation Proclamation of 1863 ended the practice of slavery in the United States.

The dominant feature defining American policy vis-à-vis Africa during this era was the slave trade and slavery: "By 1820 nearly 8.7 million slaves were wretched from Africa's shores and taken to the new world, as opposed to only 2.6 million immigrants from Europe. Thus by 1820 African slaves constituted almost 77 percent of the enormous population that had sailed toward the Americas, and from 1760 to 1820 this emigrating flow included 5.6 African slaves for every European." This enormous reservoir of manpower fueled the exponential growth of America's economy:

In 1793 ... the South exported 974 bales, or 487,000 pounds of raw cotton to England; one year later that quantity increased threefold to 1.6 million pounds. By 1800, it was 40 million; and by 1820, close to 128 million pounds. ... [In] 1825 ... America's cotton exports to Britain alone reached 171,000,000 pounds.⁵ This increase in exports was coterminous with growth in the slave population. From 1793 to 1825 the numbers of African slaves in the United States more than doubled.⁶

In dollars and cents the impact of slavery on America's economic development is even more dramatic:

America's cotton mills were well on their way to producing \$115,000,000 worth of cotton by 1860, or three times as much as the country imported ... By then [the US] produced an astonishing 2.275 billion pounds of raw cotton, and the crop accounted for 60 percent of the country's exports; ... (supplying over 80 percent of the cotton manufactured in Britain, two thirds of the world's total supply, and all of the cotton used in New England's Mills).⁷ By 1858, [because of] cotton revenue ... through exports to England and Western Europe, [US] citizens enjoyed the highest per capita income – \$16.66 per head – in the world.⁸

While trade of human chattel was the dominant feature of US policy toward Africa, the trade of commodities was also substantial. The China Trade required close contact with the continent. The result was a robust trade in rum, sugar, textiles, and guns, as boats transversed the shores of the continent to and from China:

American commercial activities on the African coast were stimulated sharply by the long series of wars that started with the French Revolution and lasted until 1815.⁹ ... European stations and factories on the African coast became virtually dependent upon American merchants and shipping for both necessities and luxuries.¹⁰ Between 1793 and 1812, American rum, beef, flour, tobacco, and

⁵ Ibid., 86, 90.

⁶ Ibid., 90.

⁷ Ibid., 120 – 121.

⁸ Ibid., 144.

⁹ Clendenen and Duignan, 4.

¹⁰ Ibid., 4.

lumber became necessities in West Africa, especially in Sierra Leone.¹¹ American trade became so important on the West Coast that finally in 1852 an Order in Council made American money legal tender along with British coinage.¹² In the period from 1850 to the outbreak of the Civil War it seemed likely that Americans would dominate African commerce.¹³ In 1859, in both tonnage and the number of ships entering the port, Americans had exceeded the British, Germans, and French combined; in 1866 they were surpassed by each of these and in 1871 were still lagging behind.¹⁴

This trade was most definitely a precipitating factor relative to the slave trade, in that slaves provided one more “commodity” to fill ships in transit, thus maximizing efficiency and profitability. Some of America’s earliest consulates were in Africa – Cape Town, South Africa (1799); Zanzibar (1837); The Gambia (1834); Angola in the 1850’s; and Port Louis, Mauritius, being among the earliest. By 1862, there were twenty-five American agents and consulates on the continent.

A second distinct policy framework defining US-Africa relations was marked with the establishment of Liberia in 1819. Liberia was established as an outpost for returning freed slaves from America. There were three primary factors driving this policy:

- 1) The first factor was a growing anti-slavery movement, both within the US and around the world.
- 2) Coterminous with the swelling moral repugnance of slavery was the increasing industrialization of the US economy, which diminished slavery’s necessity as a condition for economic growth.
- 3) Finally, there was the demographic consideration, called the “Negro problem”; by 1820 the ratio of African slaves to whites emigrating to the US was 5.6 to 1.

The repatriation of slaves to Africa seemed a plausible approach to dealing with all three problems. However, the experiment never gained wide spread acceptance as a solution to the “Negro Problem.” Less than forty years later it took the Civil War to settle the question of the status of Africans in America.

The third period is defined by the Monroe Doctrine in 1823. During this period the United States ceded European political hegemony in Africa. However, it continued to maintain a commercial connection to the continent, which was later disrupted by the Civil War. The Monroe Doctrine essentially established that the United States would keep out of European affairs as long as Europe stayed out of the Western Hemisphere. This hiatus provided an opportunity for Europe to reassess its global position relative to the US and The World. The Civil War provided an opportunity for Europe to reassert its position relative to trade on the African continent. Europe understood that economic and political hegemony for them depended on the development of a colonial system and control of the African economy. African colonies would support many European industries that otherwise would not have been profitable; for example, the French textile industry depended on cheap cotton from French West African colonies in order to remain competitive with the technologically more advanced manufacturing economies of the US and Great Britain. The definitive endorsement of this approach to Africa came in the form of the United States being the first country to recognize King Leopold of Belgium’s claim on the Congo. The Berlin Conference of 1884, which resulted in the partition of Africa, was organized for European powers to protect their “spheres of influence” and consolidate their gains.

¹¹ Ibid. 5.

¹² Ibid., 9.

¹³ Ibid., 13.

¹⁴ Ibid., 38.

The fourth distinct policy framework defining the United States' connection to the continent was shaped by the politics of the Second World War. The period was roughly 1941 to 1962. In 1941, Churchill and Roosevelt issued the Atlantic Charter, a declaration pronouncing the universal right of freedom for all peoples. While Churchill understood it to imply freedom from Nazi domination, Roosevelt understood it in the most explicit of terms. That is, it included the rights of colonized people to freedom as well. With advances relative to the rights of blacks in America (e.g., desegregation of the military by Truman (1948), the desegregation of public housing by Eisenhower, *Brown v. the Board of Education of Topeka* (1954), and the Civil Rights Movement), there were internal as well as external pressures to redefine US policy vis-à-vis Africa and to some extent, even European policy relative to Africa. Then Vice President Richard Nixon representing the US at the Independence Ceremony in Ghana (1957) and the establishment of the Peace Corps by John Kennedy (1961) reflected a growing sensitivity for a new direction relative to US policy towards Africa. Unfortunately, this turn in direction of US policy was to be short lived as the Cold War continued to escalate between the West and the Soviet Union.

The fifth policy approach to Africa was defined by the politics of the Cold War. This was a period that an article in *The Economist* referred to summarily as "that ruinous contest between the greatest powers in the world's weakest states." This period ran from approximately 1962 to 1991. During this era, billions of dollars were spent destabilizing the continent of Africa, behind the facade of millions spent for development. Our complicity in overthrowing and undermining popularly supported African leaders like Kwame Nkrumah of Ghana (1957-1966) and Patrice Lumumba of what is now the Democratic Republic of the Congo (1960) has recently been documented. Where the US did not want to leave our fingerprints, friends did the dirty work: "Idi Amin snatched the Ugandan throne with a little help from his British and Israeli friends in 1971. These were the heady days of the Cold War, when capitalists and communists were vying for loyalties in Africa. When Amin's predecessor, Milton Obote, had begun to spout socialist rhetoric, pragmatism was called for. Although Amin had already accumulated a reputation for mangling people and for illicit arms deals, he was in the right place at the right time with the right pro-Western line."

This approach to engaging Africa was, in part, "interrupted" with the election of Jimmy Carter as President in 1976. With human rights as the fulcrum for US policy, and Civil Rights icon and Congressman Andy Young as the point man, there was a positive turn in US policy relative to Africa. US pressure proved critical in affecting the Lancaster House discussions leading to the transition of Zimbabwe from white minority rule to a true democracy.

The "world turned" again in 1980 with the election of Ronald Reagan as US President. The US approach to Africa was again defined by the politics of the Cold War. The most malignant manifestation of Cold War politics was the policy of "constructive engagement" with South Africa's apartheid regime. The only rationale for such policy was the Reagan Administration's view of the South African apartheid regime as a bulwark against the so-called "communist hordes." Constructive engagement was a destructive arrangement for African interests and the US image in the developing world.

The sixth era of US policy relative to Africa was marked by the 1992 election of Bill Clinton to the US presidency; and the subsequent appointment of Ronald H. Brown, an African-American, as US Secretary of Commerce. This represented the beginning of an era of mutually beneficial US foreign policy towards Africa. The "Brown Doctrine" relative to US policy in Africa was advanced in his swearing-in speech, wherein he declared that the US would no longer cede economic hegemony to Europe in Africa; there would be a renewed intent to increase trade in Africa, with his department leading the way. This signaled a shift from interventionist strategies in Africa to empowerment initiatives. Focus would essentially shift from aid (mostly military in nature) to trade. Since 1992, this trade over aid approach has become increasingly embedded in US affairs regarding Africa, expanding exponentially in scope under the Administration of George W. Bush. While redefining US trade policy under Clinton was not the only element of US policy vis-à-vis

Africa during that Administration, it represented the most dramatic and significant shift in US policy toward Africa in American history.

This signature shift in US foreign policy towards Africa, pioneered during the Clinton Administration, culminated in the *African Growth and Opportunity Act* (AGOA) of 2000. Viewed as trading partners, under AGOA, African countries assumed a more empowered role in seeking growth strategies to develop their economies. Indeed, in 1999, before the passage of AGOA, African countries were essentially marginalized from global trade, as non-oil exports from the continent grew at a glacial .6 percent per annum. While the US accounted for 23 percent of total African exports, its market for non-oil exports stood at a minuscule 7.4 percent. Additionally, exports of clothing – one of Africa's largest non-oil exports – from the continent to the US were concentrated in a only a few countries, members of the South African Customs Union (SACU) and Mauritius accounting for roughly 80 percent. Indeed, the bulk of sub-Saharan African (SSA) exports to the US comprised mostly of oil and other related products – 15.6 of the United States' overall 23 percent share of Africa's total exports consisted of oil. This represented a limited trading relationship between the two countries.¹⁵

AGOA provisions, however, marked the potential of important incremental benefits to both the US and African countries. By extending preferential access to SSA countries under the Generalized System of Preferences (GSP) and increasing the range of products for which preferential access is granted – including petroleum products; apparel products, previously subject to quotas under MFA restrictions and tariffs; and a range of agricultural and industrial products – AGOA, with its incentives, led African countries to pursue market-oriented policies to create conditions for growth. AGOA, along with the *Heavily Indebted Poor Countries Initiative* (HIPC), gave incentives to African countries to privatize key sectors, liberalize currency controls, establish agencies to promote foreign investment, introduce mechanisms and laws to combat corruption, and implement transparent regulatory procedures. Indeed, with the passage of AGOA, US trade increased 50 percent in 2000 to \$29.4 billion. Moreover, increased trade with Africa included an increase in US exports of aircraft and parts, oil field equipment, motor vehicles and parts, industrial chemicals, peripherals and software, construction machinery and parts, and telecommunications equipment – all crucial in improving Africa's infrastructure and performance both in absolute and relative terms. The "Brown Doctrine" proved a critical impetus for African countries to implement economic reform.

The philosophical principle (and structural framework) governing US – Africa policy during the Clinton Administration has been embraced and expanded during the Bush Administration. US trade with Africa has increased exponentially under the current administration. Thirty-eight of the 48 SSA countries are now eligible for AGOA in 2007; Liberia was added to this eligibility list as of January 1, 2007. Twenty-six of these 38 countries are eligible to receive AGOA's apparel benefits. In 2005, the US was Africa's single largest country market, purchasing 29.6 percent of the region's exports. In 2006, US total exports to SSA rose by 17 percent over 2005 to \$12.1 billion, driven mainly by increases in machinery, aircraft, vehicles and parts, electrical machinery, and non-crude oil. US imports from Africa increased by 17 percent from 2005 to \$59.2 billion. With fuel products excluded, AGOA exports to the US increased by 7 percent to \$3.2 billion. Indeed, in 2006, over 98 percent of US imports from AGOA-eligible countries entered the United States duty-free. The effect of this trade partnership has been increased commitment on the part of the US to strengthen trade capacity in SSA. The US devoted \$394 million to trade capacity building initiatives in FY2006, notably up 95 percent from FY2005. Moreover, it was the leading provider of foreign direct investment to Africa, rising 16 percent from 2004 to \$14.8 billion; this supported US trade with the region and enhanced US-African business partnerships.

¹⁵ "US/Africa: Trade Meetings," *Africa Policy E-Journal*, ISS.030114 (January 2003), http://www.africa.upenn.edu/Urgent_Action/apic011403b.html. (Accessed on October 1, 2007).

The emphasis of trade over aid with Africa has had other effects. Beyond expanding and extending AGOA to include more countries and products, the Bush Administration has broadened its policy framework for engaging Africa. This expanded framework rests on “three pillars”:¹⁶

1. Strategic Approach
 - Work with key anchor states in each sub-region
 - Support sub-regional organization
 - Engage the African Union
2. Clear Policy Priorities
 - Combat HIV/AIDS pandemic
 - Advance political and economic freedom
 - Promote peace and regional security
3. Principles of Bilateral Engagement
 - Good governance
 - Economic reform
 - Promote health and education

While it might be an overstatement to call this a golden era in US – Africa relations, it does point to possibilities at the end of a rainbow with bright prospects for Africa’s future. The changes prompted by Ron Brown during the Clinton Administration and 9/11, as well as by two African American Secretaries of State during the Bush administrations were, in and of themselves, compelling reasons for the US to fashion a new policy framework toward Africa. Going forward, what rationale ought to serve as the fulcrum for US policy vis-à-vis African in the future?

II. The Rationale for a Renewed and Expanded Commitment to Progress and Peace in Africa

In the post Cold War era, power is more diffuse than at any other time in modern history. While the United States emerged from the Cold War as the world’s superpower, growing faster than Europe and Japan in the decade that followed; the September 2001 terrorists’ attacks, the war against terrorism, and the invasions of Afghanistan and Iraq have “challenged” America’s power in unprecedented ways. The US response to these challenges has incited Anti-American criticism, as postwar assumptions, rules and institutions, and shared visions erode. The world has clearly moved into a multi-polar era, and as the lone super power, America is at the axis. What that means is that the US has some unique opportunities and obligations to protect its distinctively defined interests and to make the world a safer and more stable place.

One of the key regions of the world that begs America’s attention is Africa. As much as America’s reputation has suffered internationally as a result of the US incursion into Iraq, there is still a wellspring of goodwill toward America in Africa. Given the United States’ rapport with Africa and

¹⁶ “Africa Policy,” The White House – George W. Bush. <http://whitehouse.gov/infocus/africa.html> (Accessed on October 1, 2007).

its strategic importance, the next US Administration must continue the current efforts to invest in Africa and should make *a renewed and expanded commitment to progress and peace in Africa!* There are a number of reasons why it is important for the US to pursue détente with Africa even more vigorously than it has in the past.

Moral Obligation. America has a moral obligation to engage Africa. From the fifteenth century, with the extraction of natural resources and human resources, Africa has been critical to the enrichment of the Old World and the development of the then New World. Even today the high tech economies of the West would have problems functioning without Col-Tan, a key mineral in the manufacture of computer chips that mined in Africa. Historically, Africa has been vital to the global economy, but historically has not benefited proportionally. It is fair and just to see that Africa benefits comparable to its overall contribution to the world's commonwealth.

An additional moral imperative that ought to guide American engagement in Africa is humanitarian. The great religious and philosophical traditions remind us of the responsibility the more fortunate have to help their brothers and sisters in need. The linear connection of these traditions to America's constitutional democracy should compel US assistance to Africa. HIV/Aids, hunger, and homelessness resulting from natural disasters and human catastrophes in Africa require world attention. A moral vision of a global community compels the US to renew and expand its commitment to progress in Africa.

Economic Interests. In addition to America's moral responsibility to engage Africa, there are important mutual economic and security interests that give impetus to a renewed and expanded commitment to progress and peace in Africa.

The price of gasoline is high, whether at the pump or on the battlefield. Few and fewer Americans would argue against the need for a greener economy. However, the reality is it will be generations before the US substantially reduces its dependence on oil. Moreover, the importance of oil to the US economy is greater than what Americans put in their gas tanks. Everything – from the synthetic fabric from which sneakers are made, to the plastics that encase televisions and computers – is petroleum based. Petroleum truly greases the wheels of global commerce. Even if the Middle East was stable, that region of the world would not be able to satisfy the appetite that Western and emerging economies have for oil. Africa has a huge role to play in this regard. The world needs Africa's oil; and as the continent continues to grow its economies, it could benefit from global partnerships.

National Security Interests. The other area in which the United States has important strategic interests to protect and advance in Africa is its national security. Kenya, Tanzania, and Somalia are all places – in the last twenty years – where frontal assaults have been made on American interests. In addition, there are those conflicts on the continent that produce failed states, which become breeding grounds for terrorists. This is the bad news. The good news is that as much as we read about conflicts on the continent; compared to what America experienced in WWII, Vietnam, the Gulf War, and now Iraq, most of the conflicts on the continent could be characterized as low-level situations. That is to say, they are conflicts that are manageable. As such, peace and security on the continent is achievable. Furthermore, it is in America's interest to work with African governments to get a handle on current security challenges because of the potential of those conflicts to give rise to failed states, which results in instability on the continent; and in turn, creates havens for terrorists that could directly threaten US security.

There is final rationale for a proactive effort to renew the present US commitment to engage Africa; that being, the potential backlash against Bush's Africa initiatives in reaction to what is perceived as broader foreign policy failures. The quagmire that Iraq has become has subjected the Bush Administration to a precipitous drop in its approval rating with the American public. Democratic candidates for the Presidency, and even Republicans vying to succeed him, are running against Bush's foreign policy agenda. In such an environment, it is a real possibility that in the attempt to start a new course, the next US President will be tempted to dash all Bush

foreign initiatives and start anew. The result could be that Africa falls further down the list of foreign policy priorities, or that some of the Bush Administration's more progressive and successful initiatives in Africa get ignored. We need to build on those initiatives because from the HIV/AIDS effort, to the Millennium Challenge Account, to the Africa Education Initiative, we have the beginnings of a paradigm of possibilities for a new approach to US foreign policy in a multi-polar geopolitical environment.

III. Policy Recommendations for a Renewed Framework for US – Africa Relations: Peace, Progress, and Economic Growth

There are five (5) parameters that ought to define the US policy framework for engaging Africa in the future – (i) Health; (ii) Education; (iii) Infrastructure; (iv) Economic Growth and Trade; and (v) Peace and Security.

Health

Healthy countries require healthy citizens. As economies on the continent grow there will be tremendous challenges and opportunities for governments and the private sector to move beyond stopgap measures to deal with Africa's health care concerns and develop health care infrastructure on the continent of Africa. As burgeoning democracies, one of the challenges for their leaders will be to produce "democracy dividends," among which is quality health care. The implication is that there are a core of countries on the continent that comprise an important emerging market for the health care sector. To date, the most comprehensive health care initiative directed toward Africa has been President Bush's Initiative to respond to AIDS, Malaria, and Tuberculosis. The President's Emergency Plan for AIDS Relief (PEPFAR) is a five-year, \$15 billion US government program to confront HIV/AIDS worldwide. Initially outlined in President Bush's 2003 State of the Union address, PEPFAR is the largest financial commitment for a global health initiative by a single country.¹⁷ The plan focuses emphasis on 15 countries in Africa, the Caribbean, and Asia. These 15 countries represent almost half of the all HIV/AIDS infections worldwide.¹⁸ PEPFAR works with partners in these countries to support, promote, and implement sustainable, integrated prevention, care, and treatment programs.

Current Policy Goals

The Bush Administration's goals for PEPFAR can be categorized as those that are global and those that relate to the program's 15 focus countries. These include:¹⁹

Global goals:

- Encourage bold leadership at every level to fight/HIV AIDS;
- Apply best practices within bilateral programs in concert with host governments' national HIV/AIDS strategies; and,
- Encourage all partners to coordinate, adhere to sound management practices and harmonize monitoring and evaluation efforts.

Country-specific goals:

- Support treatment for two million HIV-infected people;

¹⁷ The United States President's Emergency Plan for AIDS Relief. <http://www.pepfar.gov> (Accessed on October 1, 2007).

¹⁸ Ibid.

¹⁹ Ibid.

- Support prevention of 7 million new HIV infections; and,
- Support care for 10 million people infected and affected by HIV/AIDS, including orphans and children.

United States' five-year, \$15 billion PEPFAR commitment:

- \$10 billion for 15 focus countries;
- \$4 billion for other PEPFAR countries and for additional activities including HIV/AIDS research; and,
- \$1 billion over five years for the Global Fund to Fight AIDS, Tuberculosis, and Malaria.

Progress Achieved through September 30, 2006 (Prevention):

- Supported community outreach activities to nearly 61.5 million people to prevent sexual transmission;
- Supported prevention of mother-to-child HIV transmission services for women during more than 6 million pregnancies (cumulative for fiscal years 2004 through 2006);
- Supported antiretroviral prophylaxis for HIV-positive women during 533,700 pregnancies, averting an estimated 101,500 infant HIV infections (cumulative for fiscal years 2004 through 2006);
- Supported training or retraining of nearly 520,000 people in provision of prevention services;
- Supported approximately 4,863 service outlets for prevention of mother-to-child HIV transmission; and,
- Supported approximately 3,848 service outlets for blood safety.

Progress Achieved through March 31, 2007 (Treatment):

- Supported life-saving antiretroviral treatment for approximately 1,101,000 men, women and children through bilateral programs in the Emergency Plan's 15 focus countries in sub-Saharan Africa, Asia and the Caribbean;
- Supported training or retraining of approximately 52,000 people in providing quality ART services; and,
- Supported approximately 1,912 ART sites.

Progress Achieved through September 30, 2006 (Care):

- Care for more than two million orphans and vulnerable children;
- Care for more than 2.4 million people living with HIV/AIDS, including over 301,000 who received treatment and care for tuberculosis;
- Supported over 18.6 million counseling and testing sessions to date, including over 9.2 million in fiscal year 2006, through prevention of mother-to-child transmission and other counseling and testing activities;

- Supported training or retraining of approximately 143,000 individuals to care for orphans and vulnerable children in fiscal year 2006;
- Supported training or retraining of nearly 94,000 individuals to care for people living with HIV/AIDS at 8,019 service sites;
- Supported training or retraining of over 66,000 individuals to provide counseling and testing at over 11,300 service sites through prevention of mother-to-child transmission and other counseling and testing activities.

Policy Recommendation

The five-year plan set out in the 2003 legislation ends in October 2008, and PEPFAR's budget will have to continue to increase each year in order to maintain and expand existing treatment programs.

As implementation of PEPFAR expands, the US will be forced to confront five major difficulties in order to extend the reach of the program and successfully maintain delivery of antiretroviral treatments in PEPFAR's 15 focus countries. These include:²⁰

1. Coordination difficulties amongst both US and non US agencies;
2. US government policy constraints;
3. Shortages of qualified focus country health workers;
4. Focus country government restraints; and,
5. Weak infrastructure, including data collection and reporting systems, and drug supply systems.

Despite these challenges significant progress has been made; and the present Administration has requested an expanded commitment of \$30 billion from the US Congress for PEPFAR. Ultimately, if Africa is going to deal with the health care issues confronting the continent it will mean developing the "infrastructure" to accommodate a burgeoning need; this means:

- Fully exploring country challenges in increasing capacity for addressing the short and long term health needs on the continent of Africa and the proper relationship of the private and public sector in meeting those challenges, obviously including an assessment the demands for health care professionals and facilities;
- Fully exploring the market potential of these 15 African countries; and
- Fully exploring industry challenges in serving the African market.

Beyond the PEPFAR commitment, an expanded commitment would entail expanding Medical Education and the Development of Infrastructure in Africa. The short-hand name of the initiative would be **MediAfrica**. *MediAfrica* would have three elements:

- **The Health Care Facilities Fund**. In the US, where the population is presently 303,021,507, there are 7,569 hospitals and approximately 200,000 medical offices, clinics, and other provider practices, etc. This means there is one health facility per 1460

²⁰ "Global Health: US Aids Coordinator Addressing Some Key Challenges to Expanding Treatment but Other Remain," United States General Accounting Office, GAO-04-784 (July, 2004).

people in the US²¹ Based on best estimates, sub-Saharan Africa, with a population of 750,000,000 (as of 2005), has 14,817 total health facilities (this number includes both public and private facilities, centralized hospitals, regional/district facilities, clinics, and other smaller providers). This means there is one health facility per 50,617 people in sub-Saharan Africa.²² The Health Care Facilities Fund appropriation will be set at \$4 billion per annum for five years.

- **The Training Initiative for Health Care Professionals.** In addition to a lack of functional health facilities, Africa is also faced with a substantial shortage of trained health personnel. For a variety of reasons – economic stagnation, migration, poor pay, inaccessibility of professional training, lack of professional training, mismanagement, etc. – Africa’s health workforce has been severely diminished in the last few decades. According to the World Health Organization, 36 African countries within the WHO’s “Africa Region” are deemed to have health workforce shortages. In fact, if these 36 countries wanted to “break even” in terms of proper health personnel to patient ratios, they would need to increase their workforce a collective 133 percent. In terms of overall numbers, the World Health Organization estimates that sub-Saharan Africa is running a human resource deficit of 1,378,057 health care workers. In terms of where Africa stands relative to the rest of the world, the continent has 3.1 times fewer nurses than the global average, 7.7 times fewer physicians than the global average, 3.6 times fewer pharmacists than the global average, and 5.9 times fewer dentists than the global average. Overall, there are very few physicians, and a high proportion of low-skilled workers in Africa. To address this dramatic disparity and need the United States should fund this training initiative at \$500 million per annum for three years.
- **Medi-Corps.** The vision of Medi-Corps would be based on the practical examples of organizations such as the International Medical Corps and Doctors without Borders. Based on the continent, Medi-Corps would draw on sustainable funding from the United States in order to respond to emergencies and participate in capacity-building initiatives. In addition to African personnel, Medi-Corps would be staffed by recent US medical school graduates, medical-related graduates, and other health professionals willing to do voluntary service in Africa. When not involved in crisis response, Medi-Corps would engage in capacity building through development of infrastructure (build/maintain clinics and hospitals) and services (train local physicians and medical staff at African universities, develop public health education programs, provide primary medical care, etc.). In doing so, Medi-Corps would play a critical and necessary role in the development of health infrastructure and services on the continent. Additionally, the program would demonstrate the United States’ awareness of the welfare of those in Africa, as well as the willingness of US citizens to respond to the moral obligation to help those in need. Funding required to implement the Medi-Corps would be \$250 million.

Education

The present US policy response to Africa’s educational needs is the Africa Education Initiative (AEI). AEI is a United States Agency for International Development (USAID) program established in June 2002 following its announcement by President Bush “as a multi-year effort to increase access to quality basic (K-12) education opportunities in Africa.”²³ As of 2006, over 36 percent of school-aged children on the continent were not enrolled in primary school. More staggering, approximately 46 million African children have never set foot in a classroom. AEI’s main focus

²¹ Source: US Census Bureau, <http://www.census.gov>. (Accessed on October 1, 2007).

²² “HIV/AIDS, Tuberculosis, and Malaria Research and Programs in Sub-Saharan Africa,” *RTI International*, <http://researchafrica.rti.org>. (Accessed on October 1, 2007).

²³ “Africa Education Initiative,” *Sustainable Development Partners*, <http://www.sdp.gov/sdp/initiative/aei>. (Accessed on October 1, 2007).

has thus been to address the roots of these problems; specifically, to address the urgent challenges of too many children out of school, low quality of learning, inadequate number of trained teachers, and insufficient learning materials – all of which are made worse by the devastating impacts of HIV/AIDS in Africa.²⁴

Current Policy Goals

Working through partnerships that include those with country ministries of education, African and US universities, local and international NGOs, private sector groups, foundations, faith-based groups, and others, USAID focuses implementation of AEI through six specific educational and community-based targets. These include:²⁵

- Training for 920,000 teachers and administrators;
- 550,000 scholarships provided under the Ambassadors Girls' Scholarship Program (AGSP);
- Development, procurement and distribution of 15 million textbooks and related learning and teaching materials;
- Improved access to learning for marginalized communities, out-of-school youth, orphans, and other children;
- Job training; and,
- Rehabilitation of schools, particularly in countries recovering from conflict.

Based on estimates thus far, nearly 23 million children have benefited from AEI programs, including:²⁶

- Provision of over 275,000 scholarships to girls to support their access to and retention in school. The majority of recipients have also benefited from mentoring and life skills activities developed and provided by local organizations.
- Improved training for nearly 700,000 teachers to upgrade skills in 17 African countries. These interventions have provided support to improve teachers' content mastery and classroom instructional practices, as well as providing support to create enabling environments for teachers such as the establishment of Teacher Resource Centers, strengthening Teacher Training Institutes, and mobilizing the community to provide support and accountability for teachers;
- Distribution of over 5 million textbooks and other learning materials have been provided to countries throughout Africa;
- Interventions to involve parents in the education of children include capacity-building for communities in the establishment and management of schools, including early childhood centers, and the creation of parent-teacher associations; and,
- Joint efforts with other programs to increase the capacity of African education systems to manage the impacts of HIV/AIDS on teachers and students. Many of the scholarship, teacher training and textbook programs include HIV/AIDS prevention and life skills

²⁴ Ibid.

²⁵ Ibid.

²⁶ Ibid.

curricula. In several of the AEI country scholarship programs, children orphaned by HIV/AIDS, are target beneficiaries.

To date, the United States has committed \$600 million to AEI through Fiscal Year 2010.²⁷

Moving forward, AEI hopes to “support new components to enhance the Initiatives current activities, including: the inclusion of boys in the scholarship program in special circumstances, such as where constraints or social bias against boys’ education is known to be a serious issue; outreach to marginalized populations, such as orphans and vulnerable children, out-of-school youth, Muslims and other religious or ethnic minorities; job skills training; rehabilitation of schools primarily in areas recovering from conflict; and the use of technologies as a new cross-cutting theme.”²⁸

Policy Recommendation

By establishing new partnerships, encouraging the continued implementation of existing programming, as well as creating new programming, Africa can overcome its capacity gap in education. This starts with maintaining and bolstering the commitment to AEI, through continued and increased financial support from the United States. The total USAID spending on the Africa Education Initiative (based on 2002-2007 USAID Budget Justifications) is \$ 218,700,000. Funding for AEI should be increased to \$1.25 billion per annum and committed through 2012.

Another area where the United States can beneficially engage Africa relates to helping the people of the continent develop the skills and capacity to fully participate in the 21st century’s high-tech global economy. To help Africa get on equal footing with emerging powers like China and India, the United States should establish a *Math and Science Corps*. The approach is rather simple and basic. The Corps would coordinate the placement of recent US graduates in math and science in schools in African countries that qualify under the Millennium Challenge standards. Graduates would receive community service credits that could be used as an offset to satisfy student loan obligations. A second element of the Corps would be to provide two-year fellowships to US university faculty to teach and train African faculty and scholars in indigenous African institutions. The Math and Science Corps should receive an appropriation of \$250 million for three (3) years.

Infrastructure

Infrastructure is critical for Africa if it is to develop viable economies and become a reliable trading partner. The Millennium Challenge Account (MCA) is a foreign assistance program that delivers substantial new resources to a carefully selected group of poor countries to support development and poverty reduction. The MCA was announced by President Bush in March 2002 and is administered by the Millennium Challenge Corporation (MCC), a government corporation supervised by a Board of Directors composed of Cabinet level officers and representatives from the private sector. According to its website, “the MCC is based on the principle that aid is most effective when it reinforces good governance, economic freedom and investments in people. MCC’s mission is to reduce global poverty through the promotion of sustainable economic growth.”²⁹

Current Policy Goals

The MCA relies on a number of guiding principles in selecting whether countries are eligible to receive assistance. These include:³⁰

²⁷ Ibid.

²⁸ Ibid.

²⁹ “About MCC,” *Millennium Challenge Corporation*, <http://www.mcc.gov/about/index.php>. (Accessed on October 1, 2007).

³⁰ Ibid.

- Reducing Poverty through Economic Growth: The MCC focuses specifically on promoting sustainable economic growth to reduce poverty through investments in areas such as transportation, water and industrial infrastructure, agriculture, education, private sector development, and capacity building;
- Good Policies Matter: Using objective indicators, countries are selected to receive assistance based on their performance in governing justly, investing in their citizens, and encouraging economic freedom. Because corruption undermines every aspect of sustainable development, MCC has made fighting it one of its highest priorities;
- Operate as Partners: Working closely with MCC, countries that receive assistance will be responsible for identifying the greatest barriers to their own development, ensuring civil society participation and developing an appropriate program. Participation requires a high-level commitment from the host government. Each country enters into a public Compact with MCC that includes a multi-year plan for achieving development objectives and identifies the responsibilities of each partner in achieving those objectives; and,
- Focus on Results: Assistance goes to those countries that have developed well-designed programs with clear objectives, benchmarks to measure progress, procedures to ensure fiscal accountability for the use of our grants, and a plan for effective monitoring and objective evaluation of results. Programs are designed to enable sustainable progress even after the funding under the Compact has ended, and each Compact is designed to be finished in less than five years.

Presently, out of the 40 countries participating in the MCA program, 19 are in Africa. Of the 14 Compacts signed to date, eight are with African countries: Benin, Cape Verde, Ghana, Lesotho, Madagascar, Mali, Mozambique and Morocco. These Compacts total over \$3 billion. Of the 13 MCA Threshold agreements that have been signed, six are with African countries: Burkina Faso, Kenya, Malawi, Tanzania, Uganda, and Zambia. Two more, Niger and Rwanda, have been selected as Threshold eligible.³¹

Policy Recommendation

The African Infrastructure Fund. The Fund would be administered by the Millennium Challenge Corporation. In order to confront issues associated with infrastructure development, the New Partnership for Africa's Development (NEPAD) in conjunction with the African Development Bank (ADB) established a two-part approach to development within NEPAD. The Short Term Action Plan (STAP) was developed to jump start development projects, and a medium to long term strategic framework was established to complement and guide STAP goals. This approach was approved by NEPAD in March 2002.³² The STAP represents the NEPAD's first attempt to establish a course of action vis-à-vis regional infrastructure development. It is made up of 121 initiatives, including 18 capacity building programs, 52 facilitation projects, 36 investment projects and 18 studies, and covers the period from 2002 to 2007. The cost of these projects has been estimated at \$8 billion USD. To date, funding has been approved for 25 projects and \$630 million USD has been committed; an additional \$1.6 billion USD in co-financing has been "mobilized" in support of these projects.³³

Given the shortfall in funding – \$5.57 billion USD – over the original period from 2002 to 2007, the African Infrastructure Fund will commit \$5.5 billion USD over three (3) years for these NEPAD initiatives.

³¹ Millennium Challenge Corporation, <http://www.mcc.gov>. (Accessed on August 1, 2007).

³² "NEPAD Infrastructure Facts and Figures", *African Development Bank Group*, http://www.afdb.org/portal/page?_pageid=473.6912236&_dad=portal&_schema=PORTAL. (Accessed on August 1, 2007).

³³ Ibid.

Economic Growth and Trade

Beyond the export of its natural resources, Africa is going to need to continue to increase its manufacturing capacity to grow its economies. To do so, they need to access the US market. The *African Growth and Opportunity Act* (AGOA), which was initiated during the Clinton Administration and expanded during the Bush Administration, has proved a vital and important element in helping Africa to develop its manufacturing capacity. Further extension of AGOA is warranted as well as the creation of an infrastructure fund for the continent to be better facilitate intra-African trade and make it easier for American businesses to access multiple markets on the continent. AGOA has been the bedrock of the Bush Administration's economic and development policies vis-à-vis sub-Saharan Africa. AGOA provides duty-free access to US markets for many products exported from eligible sub-Saharan African countries.³⁴ In doing so, AGOA rewards reforming countries with "preferences that have been proven to help reduce barriers to trade, increase exports, create jobs, and expand business opportunities for African and US entrepreneurs."³⁵

Current Policy Goals (AGOA)

AGOA aims to promote and establish free markets on the continent, expand opportunities for US trade and investment in Africa, stimulate economic development, and facilitate sub-Saharan Africa's integration into the global economy.³⁶

Since AGOA's establishment in 2000, direct trade between the United States and sub-Saharan Africa has increased 143 percent, reaching nearly \$71.3 billion by 2006. Along the way:

- Thirty-eight of the 48 sub-Saharan African countries have become eligible for AGOA incentives;
- By 2006, over 98 percent of US imports from AGOA-eligible countries were imported into the US duty-free;
- US imports from sub-Saharan Africa continue to increase as evident by a 16 percent increase from 2005 to 2006 (\$44.2 billion); and,
- US devoted \$394 million to trade capacity-building in sub-Saharan in 2006, up 95 percent from previous years.

Policy Recommendation

Improvements can be made to allow sub-Saharan Africa more opportunities to truly benefit from AGOA. In order to do so, it will be necessary to extend the scope of AGOA in order to affect African trade to the United States. Presently, AGOA limits the types of products that can be imported to the US through AGOA. These include many sensitive products such as tobacco, cotton, cocoa, etc. Were these products to be imported duty-free through AGOA, it could provide a tremendous economic benefit for African growers and producers. Additionally, some advantages that African countries had gained through AGOA are now beginning to dissipate as the regulations, laws and agreements that ensured these benefits begin to expire.

At present, the greatest challenge to AGOA is that it addresses market access; it does not reflect a truly overarching approach to US-Africa trade policy. As such it does not address the "supply side" issues presently affecting trade in sub-Saharan Africa. Lack of basic infrastructure (transportation, telecommunication, energy, etc); financial/currency issues; and the need for

³⁴ "2007 Comprehensive Report on US Trade and Investment Policy Toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act," *African Growth and Opportunity Act*, <http://www.agoa.gov/>.

³⁵ Ibid.

³⁶ Ibid.

dramatic legal and banking reforms pose huge challenges for sub-Saharan countries attempting to take advantage of AGOA incentives. Incentives will only truly affect economic and trade development when infrastructure/capacity needs are properly addressed.³⁷ Extending AGOA and increasing the number of eligible sub-Saharan African countries, based on MCC qualifications is critical.

Current Policy Goals (Housing Development)

One of the other seemingly intractable problems plaguing Africa in the post-colonial era is how indigenous Africans become literal stake holders in their countries. This is the unfinished business of their revolutions for independence. The relationship of the people to the land continues to shadow the politics on the continent at many levels. The solution to this problem simply put is homeownership. This is an area where Americans have been particularly creative in pioneering solutions to this problem. Poor people in Africa occupy land valued somewhere in the neighborhood of \$2.3 trillion dollars³⁸. Unlocking that economic potential is key to African economies progressing and African people realizing their potential. With a more prosperous Africa, we create expanded markets. Africa is also presently confronted by an urgent need for affordable housing. Both a political as well as an economic problem, the inability of an African middle class to emerge in most countries throughout sub-Saharan Africa through home ownership is stunting many countries' ability to further and maintain economic growth and political stability.

Policy Recommendation

In order to maintain growth and develop viable options to home ownership, most sub-Saharan African countries will need to develop the use of residential mortgage-backed securities (RMBS) to provide Africans with home loans at reasonable rates, thus bridging a key structural funding gap that presently exists throughout sub-Saharan Africa.³⁹

To date, aside from South Africa, there has been very little movement toward the development of capital markets in sub-Saharan Africa. The development of the private sector RMBS market has the potential to result in a number of considerable benefits. These include:

- Enhancement of Africa's capital markets in order to provide access to new sources of private domestic and international capital as an alternative to government funds. This would then "boost sub-Saharan Africa's economic growth and promote long-term poverty reduction by releasing capital to fund projects such as low cost housing, infrastructure, and education."⁴⁰;
- Expansion of the housing market, and the benefits that are associated with it, such as job creation, increased tax revenue (i.e. property tax, etc.), and new industry (i.e. construction and other home-related enterprise).⁴¹; and,
- Allowing mortgage originators the opportunity to increase revenue.⁴²

Since 2003, OPIC has provided financing and insurance worth over \$360 million in support of housing projects in sub-Saharan Africa. OPIC initiatives have included funding projects such as:⁴³

³⁷ "The African Growth and Opportunity Act," *Debt AIDS Trade Africa*, http://www.data.org/issues/trade_2005_09.html.

³⁸ Hernando DeSoto, *Mystery of Capital* (Basic Books, 2001), 35.

³⁹ "Capital Markets: Bridging the Housing Funding Gap with Residential Mortgage-backed Securities", *African Development Bank Law for Development Review*, Vol. 1, July 2006.

⁴⁰ *Ibid.*

⁴¹ *Ibid.*

⁴² *Ibid.*

⁴³ *Overseas Private Investment Corporation*, <http://opic.gov>. (Accessed on October 1, 2007).

- \$7.1 million to underwrite a unique long-term lease-for purchase program for 400 affordable housing units being constructed in Nairobi, Kenya;
- \$12.4 million in political risk insurance to assist construction of 5,000 homes in Tanzania; and
- \$46.3 million to facilitate mortgage financing for 5,000 new homes in a project that will leverage over \$100 million of new housing in Zambia.

Through OPIC, the United States should create a \$10 billion fund over five years in order to successfully finance the inclusion of RMBS into the sub-Saharan African market.

Peace and Security

Peace and security is a necessity if every other African aspiration is to be realized. The African Union has focused on this issue in a number of ways, principally by establishing a peace-keeping apparatus and taking on peace-keeping responsibilities. Given that US interests have been frontally attacked in Tanzania, Kenya, Somalia; and that there are unique security problems posed by failed states, the Bush Administration has taken a proactive view on the need to engage African nation-states and African leaders on matters of peace and security by establishing a African strategic command. The Bush Administration announced the establishment of a new unified combatant command, US Africa Command (**AFRICOM**), on February 6, 2007, in order to promote US national security interests and objectives in Africa and its surrounding waters. Presently, US military activities in Africa are divided amongst three commands: US European Command (EUCOM), US Central Command (CENTCOM), and US Pacific Command (PACOM). AFRICOM will be responsible for all of Africa, with the exception of Egypt.⁴⁴

Current Policy Goals

According to official statements from the Department of Defense, AFRICOM is designed to promote US strategic objectives on the continent through cooperation with African states and regional organizations to “strengthen stability and security in the region through improved security capability, military professionalism, and accountable governance.”⁴⁵ According to the Pentagon, the United States presently spends around \$9 billion a year in Africa funding a variety of health, development, trade, and governance programs. Of this \$9 billion, only about \$250 million goes to security-related programs.⁴⁶

Through its creation, AFRICOM will play a supportive role as the continent continues along the road to democratization. According to Theresa Whelan, Deputy Assistant Secretary of Defense for African Affairs, “AFRICOM is about helping Africans build greater capacity to assure their own security.”⁴⁷ As such, AFRICOM’s mission is not to simply extend the scope of the war on terrorism or secure natural resources, as is commonly misconstrued; rather, through interagency cooperation with the State Department, the United States Agency for International Development (USAID), and other partners, AFRICOM will support regional stability and US interests by responding to the needs of its African partners through efforts to build peace-keeping, humanitarian-relief and disaster-response capacity in Africa.⁴⁸

⁴⁴ Lauren Ploch, “Africa Command: US Strategic Interests and the Role of the US Military in Africa,” *Congressional Research Service* (July 2007).

⁴⁵ *Ibid.*

⁴⁶ John J. Kruzel, “Pentagon Official Describes AFRICOM’s Mission, Dispels Misconceptions”, *American Foreign Press Service*, 3 August 2007.

⁴⁷ *Ibid.*

⁴⁸ *Ibid.*

Recommendation

AFRICOM is expected to begin as a “sub-unified” command under EUCOM in October 2007, achieving full capacity and autonomy by October 2008.⁴⁹ The command will eventually be based on the continent. Presently, US diplomats and military officials are working with partners in the region to identify a location for the command. Until a location is selected, the command will be based in Stuttgart, Germany.

The upcoming election poses an opportunity for a fresh start in engaging Africa on peace and security matters. If AFRICOM is to be viable, it will require the next administration to address African apprehensions about engaging America in this way. Some of the criticisms of AFRICOM include:

- It violates the African Union’s commitment to African sovereignty;
- It “militarized” American aid and diplomacy;
- It works toward Westernizing African culture (cultural imperialism);
- It’s about oil;
- It’s about China;
- The US has a history of supporting dictators when it serves US interests; and,
- More guns and soldiers is not what Africa needs

It should be clear that to be effective, AFRICOM cannot be unilaterally imposed. In addition to the diplomatic negotiations that have to work its course in trying to affect a policy as controversial as this, there must be elements to the design and focus of AFRICOM that make it mutually acceptable. Its thrust must include *peaceful as well as peace-keeping functions*. Some such elements might include:

- Equipment upgrades and training for the African Union Peace-keeping Operations;
- Special Task Force on the Nigerian Delta Region;
- Develop and train an African Army Corps of Engineers and Development, based on the United States Army Corps of Engineers (USACE), which is made up of approximately 34,600 Civilian and 650 military members, including military and civilian engineers, scientists, biologists, engineers, geologists, hydrologists, natural resource managers and other professionals. Its mission is to provide quality, responsive engineering services to the nation including:
 1. Planning, designing, building and operating water resources and other civil works projects (Navigation, Flood Control, Environmental Protection, Disaster Response, etc.);
 2. Designing and managing the construction of military facilities for the Army and Air Force. (Military Construction); and,
 3. Providing design and construction management support for other Defense and federal agencies. (Interagency and International Services).

⁴⁹ “Africa Command: US Strategic Interests and the Role of the US Military.”

In doing so, the Corps mission focuses on five broad areas in both peace and war time: Water Resources, Environment, Infrastructure, Homeland Security, and War Fighting. *The Africa Army Corps of Engineers and Development should have a somewhat narrower focus – water resources, environment, infrastructure, and peacekeeping – and be funded at \$1 billion per annum.*

IV. Conclusion

US bilateral relations with African nation-states have come a long way. The continent of Africa as a whole represents a place where the United States has some of the strongest bilateral ties. Trade between America and Africa is increasing exponentially; and it is also an important ally relative to US national security interests. Since 9/11 the US has spent \$610.5 billion on the Global War on Terror (GWOT). In FY08 it is estimated that the US will spend \$147.5 billion on the GWOT.⁵⁰ In addition, there are bilateral situations where we have a substantial commitment – Israel and Egypt. The Bush Administration has requested \$2.4 billion in military assistance for Israel in FY2008. In 2007, foreign assistance to Israel totaled \$2.28 billion in military aid, \$240 million in economic aid, and \$40 million in refugee assistance.⁵¹ 1.726 billion in foreign aid to Egypt was requested for FY 2008, including \$415 million in Economic Support Funds and \$1.3 billion in Foreign Military Financing.

The proposals contained in this policy document have an aggregate cost of barely more than 10 percent of what the United States will appropriate this year for the war against terrorism. The funds that America might “invest” in Africa as recommended in this document would certainly be a “bigger and better bang for the buck”. Africa is a continent of close to 800 million people. Eighty-nine percent of its countries have a substantial Islamic presence. Its reservoir of strategic minerals is becoming increasingly vital to the US economy. Therefore, it would behoove America to make Africa a higher priority relative to its foreign engagements. This document represents such a *renewed and expanded commitment to progress and peace in Africa*. Moreover, it is a policy framework that represents opportunities to engage Africa on new terms, expand markets, and increase the number of US friends. Initiatives like these are not where the US should stop in its efforts to improve relations with Africa; but are clearly the right place to start.

⁵⁰ "The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11."

⁵¹ Jeremy Sharp, "US Foreign Aid to Israel", *Congressional Research Service* (April 2007).