



#### Fact Sheet

Bureau of Economic, Energy and Business Affairs  
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## The United States and Africa: Partnering for Growth and Development

*"...we are treating African leaders as equal partners, asking them to set clear goals, and expecting them to produce measurable results. For their part, more African leaders are willing to be held to high standards. And together, we're pioneering a new era in development. The new era is rooted in a powerful truth: Africa's most valuable resource is not its oil, it's not its diamonds, it is the talent and creativity of its people. So we are partnering with African leaders to empower their people to lift up their nations and write a new chapter in their history."*

--President George W. Bush, [February 14, 2008](#)

The United States is committed to fostering growth and development in Africa. At the 2005 G-8 Summit, world leaders renewed their commitment to support reform efforts in African countries and build on the progress of many African nations to create a strong, peaceful and prosperous continent. The U.S. has worked to keep this pledge by increasing investments in health and education, stimulating growth, improving the investment climate, and making trade work for Africa.

#### The U.S. Record

- \$5.7 billion in Official Development Assistance, including through multilateral institutions, to sub-Saharan Africa in fiscal year (FY) 2007.
- Led and contributed over \$34 billion in debt relief under the Multilateral Debt Relief Initiative for 19 African countries.
- \$4.6 billion in compact funding approved for 11 strongly performing African countries in the last 4 years by the Millennium Challenge Corporation.
- Approximately \$200 million per year for the multi-year Presidential Initiative to End Hunger in Africa (IEHA) in 2006 and 2007.
- \$575 million in trade-related assistance in 2007, a 66% increase over FY 2005.
- \$18.8 billion to fight HIV/AIDS worldwide, including 12 African focus countries, since 2003 through the U.S. President's Emergency Plan for AIDS Relief. Reauthorization of up to an additional \$48 billion for HIV/AIDS, tuberculosis and malaria for 2009-2013.

#### Elements of U.S. Assistance in Africa

In advance of the 2005 G-8 Summit, [President Bush announced](#) that the United States would double its assistance to sub-Saharan Africa from 2004 to 2010. From a 2004 base of \$4.3 billion, with planned increases in disbursements, the U.S. is on track to meet that pledge.

In 2007, total net U.S. Official Development Assistance (ODA) to Sub-Saharan Africa was roughly \$5.7 billion, of which \$4.5 billion was contributed bilaterally and an estimated \$1.2 billion was contributed through multilateral organizations. Bilateral assistance in 2007 was \$1.1 billion less than in 2006 due to significant, one-time debt forgiveness of \$1.4 billion in that year. Excluding debt forgiveness, U.S. bilateral assistance increased by \$300 million from 2006 to 2007.

#### Debt Relief

The United States has led international debt relief efforts that have eliminated over \$87 billion in debt for 25 countries worldwide. To date, 19 African countries have benefited from the [Multilateral Debt Relief Initiative](#), receiving about \$34 billion in debt relief. Another 14 African countries are eligible to receive similar debt cancellation once they achieve the required standards. This debt cancellation is in addition to the nearly \$58 billion in debt relief that the United States and international creditors have committed to 27 African countries under the [Heavily Indebted Poor Countries](#) (HIPC) initiative. The U.S. forgives 100 percent of all eligible bilateral debt for countries that reach the HIPC completion point.

#### Millennium Challenge Corporation

The [Millennium Challenge Corporation](#) (MCC) awards grants to countries that rule justly, invest in their people, and promote economic freedom. Through MCC compacts, partner countries identify development priorities and implement their own programs. Since its inception in 2004, the MCC has awarded eleven compacts to African countries totaling nearly \$4.6 billion. African countries that have received compacts are: [Benin](#), [Burkina Faso](#), [Cape Verde](#), [Ghana](#), [Lesotho](#), [Madagascar](#), [Mali](#), [Morocco](#), [Mozambique](#), [Namibia](#), and [Tanzania](#). Two other African countries are eligible and developing their compacts. Eight African countries have MCC threshold programs to help them improve policies so that they might qualify for full compacts.

#### Agriculture and Food Security

The United States is the largest donor of humanitarian food aid to Africa, including through the United Nations' World Food Program; in 2007, the U.S. provided \$1.23 billion worth of food aid to Africa. The U.S. is also a global leader in addressing the root causes of food insecurity. The [Presidential Initiative to End Hunger in Africa](#) (IEHA), launched in 2002, provided approximately \$200 million per year in 2006 and 2007 for food security and agricultural development in Africa. By fueling agricultural growth, IEHA is helping to break the cycle of poverty and hunger in sub-Saharan Africa and fulfill the Millennium Development Goal of halving the number of hungry people in the world by 2015. IEHA activities focus on improving strategic planning, public and private institutions, and policies that facilitate private sector investment in the production, marketing, and trade of agricultural products, while integrating vulnerable populations into the development process. In June 2008, Congress approved an additional \$770 million for food aid and agriculture development programs to help address global food insecurity issues. This includes \$200 million in development assistance to address urgent agricultural reform and support local and regional procurement, including efforts to make this work for smallholder farmers in Africa.

#### Investment and Finance

In May 2007, President Bush launched the Africa Financial Sector Initiative (AFSI) to provide technical assistance and mobilize capital to help African nations strengthen their financial markets. The United States, through the [Overseas Private Investment Corporation](#) (OPIC), has announced \$750 million dollars of financing to support the creation of 11 new private equity funds that will marshal nearly \$3 billion of additional investment in Africa; these funds will target a variety of sectors, including housing, water, healthcare, and small and medium enterprise development. Through the [Department of the Treasury](#), the United States will strengthen country and regional debt markets by providing expert advisors to African governments between 2008 and 2010. The U.S. also provides training for banking regulators to improve the security and stability of the region's financial systems through the Federal Deposit Insurance Corporation (FDIC), the U.S. Securities and Exchange Commission is supporting development of capital markets, and the U.S. Agency for International Development ([USAID](#)) is helping African governments develop payment systems and credit bureaus to support retail and commercial banking. The African Mortgage Market Initiative, announced in 2003, is designed to increase wealth and welfare for households, deepen retail banking, and create local capital markets.

## Trade

The United States is a leading provider of trade-related assistance, including physical infrastructure, to sub-Saharan Africa. In 2007, U.S. trade assistance to Africa reached \$575 million, a 66 percent increase from FY 2005. The U.S. Trade and Development Agency ([USTDA](#)), for example, increased its activity in sub-Saharan Africa from 12 to 21 percent of its program budget over the past 3 years. Through its support of project preparation assistance and trade capacity building activities, USTDA helps to build physical infrastructure in the region by helping countries leverage international sources of project financing.

In 2005, President Bush launched the [African Global Competitiveness Initiative](#) (AGCI), a 5-year, \$200 million program through USAID to help boost African export competitiveness, focusing on investment climate, enterprise development, financial sector development, and infrastructure. The [African Growth and Opportunity Act](#) (AGOA), signed into law on May 18, 2000, is a program that rewards reforming African countries with U.S. trade preferences that have helped reduce barriers to trade, increase exports, create jobs, and expand business opportunities between the U.S. and eligible African economies. AGOA exports to the U.S. increased from \$14 billion in 2003 to \$51 billion in 2007.

## Health

In 2003, President Bush launched the U.S. President's Emergency Plan for AIDS Relief ([PEPFAR](#)) to combat global HIV/AIDS – the largest commitment by any country to combat a single disease in history. By the end of FY 2008, PEPFAR will have invested \$18.8 billion in the global fight against HIV/AIDS. On July 30<sup>th</sup>, President Bush signed into law a bill to reauthorize PEPFAR, authorizing up to \$48 billion to combat HIV/AIDS, tuberculosis, and malaria for five additional years, from 2009 to 2013. When President Bush launched PEPFAR, approximately 50,000 people in sub-Saharan Africa were receiving antiretroviral treatment. Today, PEPFAR supports lifesaving treatment for over 1.7 million people worldwide, the vast majority of them in sub-Saharan Africa. Additionally, through PEPFAR, the U.S. Government is the largest single contributor to the Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria, having provided over \$2.5 billion since the launch of the Global Fund to Fight HIV/AIDS in 2002. The United States is also a leading donor towards efforts to combat other serious diseases in Africa. Launched in 2005, the [President's Malaria Initiative](#) is a five-year, \$1.2 billion program that aims to cut the malaria mortality rate by 50 percent in 15 countries in sub-Saharan Africa. In February 2008, the President announced a 5-year initiative that will provide \$350 million for neglected tropical diseases worldwide, including in Africa. The United States also maintains strong support, including substantial funding, to the [Global Polio Eradication Initiative \(GPEI\)](#), which is working worldwide, including in Africa, to eradicate this disease.

## Education

In May 2007, President Bush announced a commitment to provide an additional \$525 million over five years for the Expanded Education of the World's Poorest Initiative, providing up to four million more children with access to quality basic education in six target countries, four of which are in Africa. In 2002, President Bush established the [Africa Education Initiative](#) (AEI), a multi-year \$600 million initiative focused on increasing access to basic education in over 40 sub-Saharan African countries through scholarships, textbooks, and teacher training programs. By 2010, AEI will have trained nearly one million teachers, provided 550,000 scholarships for girls, and distributed 15 million textbooks.

## Water and Sanitation

President Bush signed the Senator Paul Simon [Water for the Poor Act of 2005](#) into law December 1, 2005, which requires the Secretary of State, in consultation with USAID and other U.S. Government agencies, to develop a strategy "to provide affordable and equitable access to safe water and sanitation in developing countries." In 2007, United States agencies such as USAID, [Peace Corps](#), and the [Centers for Disease Control and Prevention](#) implemented new water and sanitation programs in 14 sub-Saharan African nations. In FY 2007, USAID alone provided nearly \$104 million for drinking water, sanitation, and hygiene projects; these programs helped over 350,000 people gain improved access to water or sanitation.

