

CHAPTER 4

Multilateral Assistance, U.S. Bilateral Assistance, and Other Trade-Related Initiatives

U.S. trade and investment with SSA is influenced by a number of factors, including programs that provide multilateral assistance, bilateral assistance, and other trade-related initiatives. U.S. trade and investment with countries in SSA are affected by the policies and programs of the Export-Import Bank (Ex-Im Bank), U.S. Trade and Development Agency (TDA), Overseas Private Investment Corporation (OPIC), and various programs operated by the U.S. Agency for International Development (USAID) and the U.S. Department of Agriculture.

Multilateral assistance, through the International Development Association of the World Bank and the African Development Fund of the African Development Bank (AfDB), is a significant source of financing for economic development programs in the region. The United States, as a shareholder in both the World Bank and the AfDB, is an important voice in the operations of these banks, and U.S. companies are eligible to bid on their funded procurement opportunities.

This chapter summarizes developments in multilateral assistance, U.S. bilateral assistance to SSA, and other trade-related initiatives. Table 4-1 provides a summary of these activities.

Sources of Multilateral Assistance to Sub-Saharan Africa

The World Bank Group and the African Development Bank Group are two major sources of multilateral assistance for SSA. Lending by the World Bank and AfDB finances specific projects, and therefore, can be generally classified by sector. In addition, the International Monetary Fund provides concessional loans to countries with balance-of-payments problems. These loans, however, are not classified by sector.

The World Bank Group

The World Bank/International Development Association

The World Bank is the leading multilateral institution dedicated to providing development assistance. The Bank's main goals are to strengthen the investment climate and to invest in poverty reduction. While focusing on project quality, the Bank

Table 4-1
Summary of general developments in multilateral and U.S. bilateral assistance for sub-Saharan Africa, 2003

Institution/activity	2003 assistance levels for sub-Saharan Africa	Other developments
The World Bank Group: International Development Association	Lending commitments made by the World Bank to countries in sub-Saharan Africa remained constant at \$3.7 billion in 2002 and 2003.	Over 21 percent (\$811 million) of the Bank's lending was for human development (notably HIV/AIDS), 15 percent for social protection, and 11 percent for education.
The World Bank Group: Multilateral Investment Guarantee Agency (MIGA)	In FY 2003, MIGA issued investment guarantees or coverage for nine projects in Africa totaling \$953 million.	In conjunction with the Foreign Advisory Service, UNCTAD, and UNIDO, MIGA launched a Multi-Agency Initiative to increase investment in SSA.
The World Bank Group: International Finance Corporation (IFC)	The IFC committed to invest \$164 million to support the expansion of SSA banks and financial institutions in FY 2003.	The IFC invested in a cellular operator in the Democratic Republic of the Congo and a bank in Angola.
African Development Bank Group (AfDB)	In 2003, the AfDB approved 16 new projects and programs with a combined value of \$465.1 million.	In 2003, AfDB also signed 118 loan and grant agreements valued at \$2.6 billion.
International Monetary Fund (IMF)	As of April 30, 2003, the IMF had committed \$1.9 billion in grants to 23 SSA countries.	In FY 2003, the IMF approved Poverty Reduction and Growth Facility arrangements for the Democratic Republic of the Congo, The Gambia, Senegal, and Uganda.
Export-Import Bank of the United States (Ex-Im Bank)	In FY 2003, Ex-Im Bank support to SSA consisted of loan guarantees and insurance totaling \$572 million. As of September 2003, Ex-Im Bank's total exposure in SSA was \$3.6 billion.	The Democratic Republic of the Congo accounted for 24 percent, Nigeria represented 23 percent, and South Africa represented 16 percent of Ex-Im Bank's total SSA exposure.
U.S. Trade and Development Agency (TDA)	TDA's obligation in sub-Saharan Africa decreased to \$5.9 million in FY 2003 from \$9.9 million in FY 2002.	SSA funding accounted for 11.2 percent of all TDA funding in 2003.
Overseas Private Investment Corporation (OPIC)	In FY 2003, total investments in SSA were \$384 million.	OPIC participated in increasing housing projects in South Africa and Kenya.
U.S. Agency for International Development (USAID): Development Assistance and other economic assistance programs	USAID obligation for SSA totaled \$1.4 billion in FY 2003, compared to \$1.1 billion in FY 2002.	USAID continued to support several programs that it started in 2002, including the Initiative to End Hunger in Africa, the African Education Initiative, and Anti-Corruption Initiative.

Source: Compiled by the Commission from tables and information detailed in this chapter.

seeks to improve procurement and financial management, and to reduce structural constraints to poverty reduction. The International Development Association (IDA), the Bank's concessional lending arm, provides long-term loans at no interest to eligible borrowers from developing countries. There are 37 countries in SSA that are eligible for World Bank loans.¹ The World Bank reports that aid flows to Africa declined by 40 percent per capita in the past decade. The Bank is, however, attempting to reverse this trend.² In 2003, SSA received \$3.7 billion in interest-free loans, or 33 percent of the Bank's total lending to developing countries (\$11.2 billion).

Whereas the World Bank raises funds through selling securities globally, the IDA is funded through donations from member countries. The IDA is an integral part of the Bank's poverty reduction mission, lending to and assisting those countries with limited access to capital.³ To be eligible for an IDA loan, a country must be a member of the Bank and have an annual per capita income of less than \$865. Eligible countries are ranked on the basis of their policy performance and effective use of financial aid. The IDA allocates more funds to the poorest eligible countries, with consideration for a country's level of policy performance and institutional capacity. The IDA provides less developed countries zero-interest rate loans with a 10-year grace period and maturities of 35 to 40 years.⁴ SSA countries eligible to borrow from the IDA are listed in table 4-2.

Table 4-2
World Bank/IDA: Eligible borrowers in sub-Saharan Africa (37)

Angola	Ethiopia	Niger
Benin	The Gambia	Rwanda
Burkina Faso	Ghana	São Tomé and Príncipe
Burundi	Guinea	Senegal
Cameroon	Guinea-Bissau	Sierra Leone
Central African Republic	Kenya	Somalia
Chad	Lesotho	Sudan
Comoros	Liberia	Tanzania
Congo (DROC)	Madagascar	Togo
Congo (ROC)	Malawi	Uganda
Côte d'Ivoire	Mali	Zambia
Djibouti	Mauritania	
Eritrea	Mozambique	

Source: World Bank, *World Bank Annual Report 2003*, p. 132.

In 1999, the Poverty Reduction Strategy Program (PRSP) was launched by the World Bank. This program was designed to increase government participation in projects that use foreign aid. The Bank and IMF perform joint staff assessments on these plans to ensure that they are designed to move the country toward international development goals such as applying sound macroeconomic and sectoral policies, protecting the

¹ World Bank, "Countries of the Sub-Saharan Africa," found at Internet address <http://www.worldbank.org/afr/countries.htm>, retrieved Aug. 2, 2004.

² World Bank, *The World Bank Annual Report 2003*, p. 88.

³ World Bank, *The World Bank Annual Report 2003*, p. 19.

⁴ IDA, "International Development Association," found at Internet address <http://www.worldbank.org/ida/eligible.htm>, retrieved Aug. 9, 2004.

environment, and strengthening social sectors. The Bank then allocates Poverty Reduction Support Credits (PRSC) to assist these low-income countries in implementing their reforms.

IDA lending for SSA was valued at \$3.7 billion in FY 2003 in support of 60 projects and 10 supplemental credits; this funding represented 21 percent of its total new commitments to all regions for the year.⁵ In FY 2003, the IDA committed over 21 percent of its funds to SSA for human development, particularly the prevention and treatment of communicable diseases such as HIV/AIDS. IDA expects its SSA funding to increase to the point that SSA will eventually account for 50 percent of its resources.

At present, there are 95 projects under implementation in conflict-affected areas of SSA. For example, DROC received a grant of \$50 million from the IDA to help stabilize its economy and to help address issues such as HIV/AIDS. To provide a framework for disarmament, demobilization, and re-integration, the Bank administers the multi-donor Trust Fund for Demobilization and Reintegration for the Great Lakes Region. Table 4-3 presents IDA's SSA commitments by theme, sector, and credits during FY 1998-2003. In terms of theme, human development received the largest loan commitment for FY 2003, with loans totaling \$811.4 million, or 21.7 percent of total SSA loans. By sector, health and other social services received the largest allocation, totaling \$775.9 million, or 20.8 percent of total loans to SSA.

Table 4-4 shows World Bank projects approved for SSA in FY 2003. There were 71 IDA projects undertaken in 27 African countries in 2003. The five countries that borrowed the most were DROC, Uganda, Ethiopia, Nigeria, and Ghana. DROC borrowed \$454 million, which included \$44 million in grants for economic recovery projects. Uganda borrowed \$230 million, mostly for poverty reduction and local government development. Ethiopia borrowed \$304 million for energy projects, road development, pastoral community development, drought recovery, social rehabilitation, and capacity building. Nigeria borrowed \$230 million for basic education, Lagos urban transport projects, and polio eradication. Ghana's \$215 million loan was designated for poverty reduction and health.

The Heavily Indebted Poor Countries (HIPC) Initiative, a joint effort of the IMF and the World Bank, plays an important role in ensuring and maintaining long-term debt sustainability in eligible countries. According to the World Bank, African economies have improved in recent years because they were supported by improved microeconomic policies and debt relief under the HIPC initiative. In order to qualify for the HIPC Initiative, countries must maintain a satisfactory track record in adopting World Bank and IMF adjustment and reform programs. Thirteen countries are in the process of meeting these criteria,⁶ and nine countries have encountered difficulties in implementing these requirements.⁷ Only Burkina Faso, Mali, Mauritania,

⁵ Ibid.

⁶ The 13 countries are Cameroon, Chad, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Madagascar, Malawi, São Tomé and Príncipe, Senegal, Sierra Leone, and Zambia.

⁷ These countries are Burundi, Central African Republic, Côte d'Ivoire, DROC, Liberia, ROC, Somalia, Sudan, and Togo.

Table 4-3
World Bank (IDA and IBRD) lending commitments in sub-Saharan Africa,
by theme and sector, average FY 1998-99 and FY 2000-03
(Million dollars)

Theme:	1998-99 (Average)	2000	2001	2002	2003
Human Development	267.7	208.5	399.4	739.0	811.4
Social Protection and Management	117.2	140.5	376.4	98.3	543.7
Public Sector Governance	291.7	495.3	429.6	851.9	432.4
Urban Development	253.8	154.9	206.1	279.6	425.5
Social Development, Gender, and Inclusion	167.6	210.5	491.8	347.4	420.0
Rural Development	393.6	151.8	296.3	329.2	384.1
Financial and Private Sector Development	509.0	466.7	625.8	780.7	383.6
Environmental and Natural Resource Management	156.0	172.4	110.0	159.9	227.0
Economic Management	165.0	78.2	138.5	138.7	37.8
Trade and Integration	120.5	53.7	261.5	46.4	37.2
Rule of Law	21.0	26.7	34.0	22.5	34.5
Total	2,463.2	2,159.1	3,369.6	3,793.5	3,737.2
Sector:					
Health and Other Social Services	273.6	183.1	889.9	616.6	775.9
Law and Justice and Public Administration	610.9	834.9	880.8	906.9	721.8
Transportation	533.5	263.9	229.8	491.1	690.5
Education	304.4	189.8	209.5	472.6	423.6
Energy and Mining	244.0	176.3	198.0	490.3	324.4
Agriculture, Fishing, and Forestry	170.0	111.5	212.0	210.4	303.4
Water, Sanitation, and Flood Protection	142.0	155.9	357.8	112.2	296.3
Industry and Trade	94.3	104.7	170.6	266.7	92.7
Finance	53.7	121.7	200.1	192.8	67.2
Information and Communication	36.7	17.3	21.1	33.8	41.4
Total	2,463.2	2,159.1	3,369.6	3,793.5	3,737.2

Note.—Because of rounding, figures may not add to the totals shown.

Source: World Bank, *The World Bank Annual Report, 2003*, Vol. 1, table 5.1.

Mozambique, Tanzania, and Uganda have met the requirements and received most of their assistance under the HIPC Initiative. As of April 30, 2003, the Bank had committed \$1.9 billion (SDR 1.4 billion) to 22 SSA countries.⁸ In FY 2003, however, the global economic slowdown and a significant decline in many primary commodity prices weakened economic growth contributing to the deterioration of many countries' external debt indicators.⁹ Furthermore, the United Nations reports that the HIPC Initiative is a costly process.¹⁰

⁸ IMF, *Annual Report 2003*, found at Internet address

<http://www.imf.org/external/pubs/ft/ar/2003/eng/pdf/fted.pdf>, retrieved Aug. 9, 2004.

⁹ World Bank, "The Enhanced HIPC Initiative and the Achievement of Long-Term External Debt Sustainability," found at Internet address

<http://www.worldbank.org/hipc/hipc-review/Long-Term.pdf>, retrieved Aug. 9, 2004.

¹⁰ United Nations, "Debt relief needs a bolder approach," found at Internet address

http://www.un.org/ecosocdev/geninfo/afrec/vol14no4/html/debt_boxes.html, retrieved July 10, 2003.

Table 4-4
World Bank projects approved in sub-Saharan Africa, FY 2003¹

Country/project name	Date of approval	Maturity dates	Principle amount <i>Million dollars</i>
Angola			
Emergency Demobilization and Reintegration Grant	March 27, 2003	n.a.	33.0
Economic Management Technical Assistance Credit	March 27, 2003	2013/2042	16.6
Benin			
Pubic Expenditure Reform Supplemental Credit	October 27, 2003	2013/2042	10.0
Burkina Faso			
Transport Sector Investment Credit/Grant	April 8, 2003	n.a.	92.1
Utility Reform and Investment Credit	March 4, 2003	2013/2042	30.7
Learning Center and Innovation Credit	July 29, 2002	2012/2042	2.3
Poverty Reduction Support Credit	July 11, 2002	2012/2042	35.0
Burundi			
Social Action Supplemental Grant	April 8, 2003	n.a.	14.2
Health and Population Supplemental Grant	January 16, 2003	n.a.	9.5
Economic Rehabilitation Credit	August 29, 2003	2013/2042	54.0
Cameroon			
Railway Investment Credit	July 18, 2002	2012/2042	21.4
Structural Adjustment Credit	June 6, 2003	2008/2038	3.3
Douala Infrastructure Investment Credit	July 18, 2003	2012/2042	56.4
Cape Verde			
Growth and Competitiveness Credit	May 13, 2003	n.a.	11.5
Structural Adjustment Supplemental Credit	December 12, 2002	2013/2042	4.0
Chad			
Education Sector Reform Investment Credit/Grant	March 18, 2003	2013/2042	42.3
Structural Adjustment Credit	March 18, 2003	2013/2043	40.0
Electricity and Water Service Rehabilitation Credit	October 10, 2002	2013/2042	54.8
Democratic Republic of the Congo			
Multi-sector Rehabilitation and Reconstruction Credit	August 6, 2002	2012/2042	454.0
Republic of the Congo			
Recovery and Community Support Credit/Grant	June 24, 2003	2013/2043	41.0
Eritrea			
Education Sector Credit	June 19, 2003	2013/2043	45.0
Emergency Reconstruction Supplemental Grant	June 19, 2003	n.a.	15.0
Ethiopia			
Road Sector Development Phase I Grant	June 17, 2003	n.a.	126.8
Pastoral Community Development Grant	May 20, 2003	n.a.	30.0
Drought Recovery Grant	March 27, 2003	n.a.	60.0
Social Rehabilitation and Development Fund I Credit	December 17, 2002	2013/2042	28.3
Energy Access Investment Credit	September 19, 2002	2012/2042	132.7
Capacity Building for Service Delivery Credit	July 23, 2002	2013/2042	26.2
Ghana			
Poverty Reduction Support Credit/Grant	June 24, 2003	2013/2043	125.0
Health Program Specific Credit/Grant	February 6, 2003	2013/2042	89.6
Guinea			
Multi-sector AIDS Grant	December 13, 2002	n.a.	20.3
Rural Electrification Learning and Innovation Credit	July 2, 2002	2012/2042	5.0
See footnote at end of table.			

Table 4-4—Continued
World Bank projects approved in sub-Saharan Africa, FY 2003¹

Country/project name	Date of approval	Maturity dates	Principle amount <i>Million dollars</i>
Kenya			
Arid Lands Resource Management Phase 2 Credit	June 19, 2003	2013/2043	60.0
Free Primary Education Support Credit	June 19, 2003	n.a.	50.0
Economic and Public Sector Reform Credit	June 5, 2003	2010/2040	0.5
Madagascar			
Mineral Resources Governance Credit	May 13, 2003	n.a.	32.0
Emergency Economic Recovery Credit	November 11, 2002	2013/2042	50.0
Rural Transport Adaptable Program Credit	November 14, 2003	2012/2042	80.0
Malawi			
Social Action Fund Adaptable Program Credit/Grant	June 10, 2003	2013/2043	60.0
Financial Management, Transparency Credit/Grant	March 16, 2003	2013/2043	23.7
Drought Recovery Credit/Grant	November 15, 2002	2013/2042	50.0
National Water Development Credit	August 8, 2002	2005/2035	3.2
Mozambique			
HIV/AIDS Response Grant	March 28, 2003	n.a.	55.0
Public Sector Reform Adjustable Program Grant	March 18, 2003	n.a.	25.6
Economic Management-Private Sector Credit	August 29, 2002	2012/2042	120.0
Niger			
Multi-sectoral STI/HIV/AIDS Support Grant	April 4, 2004	n.a.	25.0
Community Action Program Adjustment Grant	March 20, 2003	n.a.	35.0
Nigeria			
Polio Eradication Credit	April 29, 2003	n.a.	28.7
Lagos Urban Transport Investment Credit	November 21, 2002	2013/2037	100.0
Basic Education Investment Credit	September 12, 2002	2013/2037	101.0
Rwanda			
Multi-country AIDS Grant	March 31, 2003	n.a.	30.5
Institutional Reform Credit	December 3, 2002	2013/2042	85.0
Senegal			
Private Investment Promotion Credit	May 20, 2003	n.a.	46.0
Sierra Leone			
Economic Rehabilitation and Recovery Credit	May 20, 2003	n.a.	30.0
National Social Action Credit	April 24, 2003	n.a.	35.0
Health Sector Grant	February 25, 2003	n.a.	20.0
Basic Education Specific Investment Grant	February 25, 2003	n.a.	20.0
South Africa			
Municipal Financial Management Assistance Loan	September 12, 2002	2007/2011	15.0
Tanzania			
Programmatic Structural Adjustment Credit	June 27, 2003	2010/2040	0.4
Agricultural Development and Empowerment Credit	May 27, 2003	2013/2043	56.6
Dar es Salaam Water and Sanitation Credit	May 27, 2003	2013/2043	61.5
Uganda			
Local Government Development Credit/Grant	May 29, 2003	2013/2043	125.0
Northern Uganda Social Action Investment Credit	July 23, 2002	2012/2042	100.0
Poverty Reduction Support Credit	July 23, 2002	2012/2042	150.0
Protected Areas Investment Credit	July 9, 2002	2012/2042	27.0
Lake Victoria Supplemental Credit	July 9, 2002	2012/2042	4.5
See footnote at end of table.			

Table 4-4—Continued
World Bank projects approved in sub-Saharan Africa, FY 2003¹

Country/project name	Date of approval	Maturity dates	Principle amount <i>Million dollars</i>
Zambia			
Economic Recovery and Investment Credit	June 17, 2003	2013/2043	10.0
Copperbelt Environment Investment Credit/Grant	March 20, 2003	2013/2043	40.0
ZANARA HIV/AIDS Grant	December 30, 2002	n.a.	42.0
Emergency Drought Recovery Grant/Credit	November 19, 2002	2013/2042	50.0
Economic Recovery and Investment Credit	September 19, 2002	2012/2042	7.5
Total			3,585.7

¹ July 2002 to June 2003
n.a. = not available

Source: World Bank, *World Bank Annual Report 2003*, pp.141-149.

Multilateral Investment Guarantee Agency

The Multilateral Investment Guarantee Agency (MIGA) was established in 1998 as a member of the World Bank Group to address the issue of political instability for investors. The purpose of MIGA is to encourage foreign direct investment in developing countries by providing investment guarantees and technical assistance. Investment guarantees act as insurance for investors against situations in a host country considered too risky to be profitable by private-sector insurance firms. Examples of economic and social risks include expropriation, breach of contract, and war and civil disturbance. In addition, MIGA provides technical assistance, online dissemination of information on investment opportunities, and investment dispute mediation services.

In 2003, MIGA's membership included 154 industrialized and developing countries.¹¹ Table 4-5 lists those countries in SSA that are currently members of MIGA and those that are in the process of fulfilling membership requirements. MIGA issued investment guarantees to cover eight projects in Africa totaling \$953 million during FY 2003, an increase from \$272 million in 2002.¹² Table 4-6 outlines these projects, which typically involve privatization efforts and capacity-building activities. In 2003, MIGA allocated over 19 percent of its outstanding portfolio to the SSA region.¹³ In order to help investors benefit from recent economic reforms, MIGA opened several mobile offices in central, western, and southern Africa. In addition, the agency organized a U.S.-Africa Business Summit to attract new investment and to build greater institutional capacity in the region. MIGA also actively supports the New Partnership for Africa's Development (NEPAD).¹⁴

¹¹ MIGA, "Miga Membership," found at Internet address <http://www.miga.org/screens/pubs/annrep01/members.pdf>, retrieved June 3, 2002.

¹² World Bank Fact Sheet, "Heavily Indebted Poor Countries Initiative," March 2003.

¹³ Ibid.

¹⁴ For additional details, see following section of this chapter on NEPAD.

Table 4-5
Sub-Saharan African MIGA members and countries in the process of fulfilling membership requirements, 2003

<i>MIGA Member countries</i>		
Angola	Gabon	Seychelles
Benin	The Gambia	Sierra Leone
Botswana	Ghana	South Africa
Burkina Faso	Guinea	Sudan
Burundi	Kenya	Swaziland
Cameroon	Lesotho	Tanzania
Cape Verde	Madagascar	Togo
Central African Republic	Malawi	Uganda
Chad	Mali	Zambia
Congo (DROC)	Mauritania	Zimbabwe
Congo (ROC)	Mauritius	
Côte d'Ivoire	Mozambique	
Equatorial Guinea	Namibia	
Eritrea	Nigeria	
Ethiopia	Senegal	
<i>Countries in the Process of Fulfilling Membership Requirements</i>		
Guinea-Bissau	Niger	
Liberia	Rwanda	

Source: MIGA, "MIGA Member Countries," found at Internet address <http://www.miga.org/screens/pubs/annrep01/members.pdf>, retrieved Aug. 1, 2004.

MIGA initiated assistance programs in 16 of the 40 SSA MIGA member countries during FY 2003. Ghana, Mozambique, Senegal, and Tanzania have been selected for prioritized technical assistance programs, focusing on capacity-building efforts in these nations to enable investors to take advantage of increased access to the U.S. market through AGOA, and the EU market through the Cotonou Agreement.¹⁵ MIGA, with the Foreign Investment Advisory Service, United Nations Conference on Trade and Development, and United Nations Industrial Development Organization, launched a multiagency initiative to assist Mali, Mozambique, Tanzania, and Uganda to attract more FDI. Projects in Benin, Mauritania, Nigeria, and Senegal received first-time coverage from MIGA.

International Finance Corporation

The International Financial Corporation (IFC) was founded in 1956 as a legally and financially independent member of the World Bank Group. The main objective of the IFC is to promote sustainable private sector investments.¹⁶ The IFC's strategy, developed in 1998, emphasizes three areas: strengthening the financial sector, expanding private investment in infrastructure, and supporting indigenous entrepreneurship.¹⁷

¹⁵ MIGA, "Miga Membership," p. 49.

¹⁶ IFC, "Introduction," found at Internet address <http://www.ifc.org/ar2003/annual/intro.html>, retrieved Aug. 9, 2004.

¹⁷ IFC, *Annual Report 2003*, p. 32.

Table 4-6
MIGA guarantees issued in sub-Saharan Africa, FY 2003

Country	Investor	Investor country	Guarantee amount (Million dollars)	Sector
Angola	Barlows Tractor	United Kingdom	18.4	Manufacturing
Cameroon	Societe Internationale de Plantations d'Hevas	France	5.4	Agribusiness
Equatorial Guinea	UMC Equatorial Guinea Corp.	United States	24.0	Oil and gas
Ghana	Unatrac International	Egypt	18.0	Services
Guinea	Agro-Industrial Investment and Development	Panama	9.0	Flour Milling
Kenya	Mersey Docks and Harbour Company	United Kingdom	4.7	Services
Madagascar	Hydelec	France	2.1	Thermal peaking power station
Mauritania	Tunisie Télécom	Tunisia	68.3	Telecommunication services
Mozambique	Industrial Development Corporation	South Africa	40.0	Aluminum Smelter
Mozambique	Industrial Development Corporation	South Africa	40.0	Agribusiness
Mozambique/ Swaziland	Eskom	South Africa	69.4	Power
Nigeria	MTN International	Mauritius	50.0	Telecommunications
South Africa	Harsco Corp., Multiserv International	United States, Netherlands	4.5	Manufacturing
	Habib Bank AG	Switzerland	12.3	Financial
Tanzania	Barrick Gold Corp.	Canada	56.3	Mining
Uganda	Starlight Telecommunications	United States	2.6	Telecommunications
	Clovergem AG	Switzerland	0.4	Manufacturing

Source: MIGA, *2003 Annual Report*, found at Internet address <http://www.miga.org>, retrieved Aug. 2004.

In 2003, 47 SSA countries in sub-Saharan Africa were members of the IFC. The number of IFC projects approved for SSA increased from 27 in 2002 to 37 in 2003,¹⁸ but the value of financial commitments signed by the IFC declined, from \$256 million in FY 2002 to \$167 million in FY 2003.¹⁹ The IFC's total commitment to the SSA region also declined, from \$1.8 billion in FY 2002 to \$1.7 billion in FY 2003.²⁰ IFC-supported lending in areas of Africa beset by violence include Angola, where it funded a new micro-finance bank, and DROC, where it funded a cellular telephone operator. The IFC also assisted Kenyan Airways to enlarge its fleet of aircraft, and the Government of Tanzania to privatize Air Tanzania.

¹⁸ IFC, "Sub-Saharan Africa, Building Local Capacity and Regional Businesses," found at Internet address <http://www.ifc.org/ar2003/pdf/Africa.pdf>, retrieved July 2, 2003.

¹⁹ IFC, *Annual Report 2003*, p. 31.

²⁰ Ibid.

The IFC also supports small and medium enterprises in Africa by allowing smaller firms to provide intermediary financial support for direct investments. For example, the IFC assisted in the establishment of a regional holding company to acquire banks through privatization that will, in turn, establish micro-finance networks on a national level. In Chad, the IFC provided funding for two commercial banks, a new micro-finance bank, and assisted in the implementation of Chad's small- and medium-enterprises initiative.

The African Development Bank Group

The African Development Bank Group (AfDB Group) consists of the African Development Bank (AfDB), the African Development Fund (ADF), and the Nigerian Trust Fund (NTF). Shareholders include 53 African and 24 non-African countries. The main goals of the AfDB Group are to promote sustainable economic growth and to reduce poverty in Africa through capital resources and funds raised from capital markets. In addition to dispersing loans, the AfDB Group plays a catalyst role for large capital flows into Africa through cofinancing, and increases development effectiveness through project preparation and supervision. The AfDB offers financial assistance on nonconcessional terms directed towards low-risk African countries, such as the northern African countries, South Africa, and Gabon. To complement AfDB, the ADF and NTF lend on concessional terms to low-income regional member countries.

In 2003, the AfDB Group approved 16 new projects and programs valued at approximately \$473 million, and it signed 118 loan and grant agreements totaling \$2.6 billion. The AfDB attributes this decrease to fewer countries qualifying for the HIPC debt relief program; sociopolitical disruption in Côte d'Ivoire, its host country; and a delay in replenishing the ADF's reserves which, in turn, led to a decline in ADF operations in 2002.²¹ However, the AfDB Group states that its total reserve has consistently grown.²²

The AfDB Group mandate emphasizes a rigorous development effort in debt relief, health, education, regional integration, agriculture, and rural issues. The largest share of loans (40 percent) went to the finance sector; 24 percent to water supply and sanitation; 16 percent to power supply; and 15 percent to the transportation sector. In addition, AfDB contributed \$370 million to NEPAD projects in 2003.²³

The AfDB Group agenda addresses human capital-building needs and private sector development. Projects in these areas aim to facilitate the integration of African economies with the global economy and enhance African workers' employment prospects. To this end, several mechanisms, including venture capital funds,

²¹ AfDB, *2002 Annual Report*, p. 26.

²² AfDB, "Financial and Operation Analysis, 2002," p. 17, found at Internet address http://www.afdb.org/financial/pdf/adb_financial_presentation_june2003e.pdf, retrieved July 2, 2003.

²³ AfDB, "ADB to provide US \$600 million in support for NEPAD projects," Press Release, No. SEGL3/B/63/04, July 8, 2004, found at http://www.afdb.org/knowledge/pressreleases2004/adb_63_2004e.htm, retrieved Aug. 11, 2004.

infrastructure funds, and development financial institutions are devoted to expanding and cultivating various segments of the private sector. Additionally, ADF technical assistance operations continue to assist countries in project-related activities such as feasibility studies, environmental impact assessments, sector and multisector studies, and detailed engineering studies.

The AfDB Group is actively involved in the movement to provide African countries with debt relief. The AfDB Group's collaboration with the World Bank and IMF on the Enhanced HIPC Initiative complements its efforts in that area. Under the Enhanced HIPC Initiative, the AfDB Group relieves regional member countries of up to 80 percent of their annual debt. The AfDB Group uses the PRSPs to monitor projects, and poverty reduction strategies are implemented with available funds.²⁴

Table 4-7 summarizes AfDB and ADF approvals of loans and grants for SSA projects in 2003 (including multinational projects). In 2003, the AfDB Group authorized funding for 16 projects at a total cost of \$473 million. South Africa received the single largest amount of loans and grants, \$158 million, with 67 percent designated for a line of credit for the Development Bank of South Africa. In 2003, over \$2 million was authorized for drought relief and \$169 million for lines of credit.

International Monetary Fund

The IMF is composed of several lending facilities that tailor their assistance to respond to specific balance-of-payments problems and to help cushion the impact of structural adjustment. Stand-By Arrangements (SBA) and the Extended Fund Facility (EFF) are two traditional examples of such assistance. Member countries requiring a line of credit on a short-term basis rely on the SBA; member countries requiring long-term funding (at least 3 years) rely on the EFF. In FY 2001, the IMF changed the repurchase schedule for the EFF. Payments must still begin in 4.5 years, but must be repaid after 7 years instead of 10. The Supplemental Reserve Facility and the Contingent Credit Lines, established in 1999, provide additional resources to prevent loss of market confidence in a member country or to sustain those experiencing abrupt reversals of investment flows.²⁵

The IMF has two mechanisms through which it addresses protracted payments arrears: the HIPC Initiative and the Poverty Reduction and Growth Facility (PRGF). In 1996, the World Bank and the IMF combined their resources to provide debt relief more effectively through the HIPC Initiative. In 1999, the World Bank and IMF governing boards adopted the Enhanced HIPC Initiative to shorten the time it takes for a country to qualify for relief. The PRGF is the most recent incarnation of the IMF's concessional

²⁴ AfDB, *2001 Annual Report*, pp. 37-40.

²⁵ IMF, *Annual Report 2001*, pp. 38-40.

Table 4-7
Total ADF and AfDB projects and programs approved during 2003, by country

Country	Sector	Project	ADF and AfDB Loan & Grant Amounts (Million dollars)	
			Total cost	Loan & grant amounts
Cape Verde	Social	Assistance to Drought Victims	n.a.	0.52
Djibouti	Transportation	Bulk Terminal Project	n.a.	10.30
Eritrea	Social	Relief to victims of 2002 Drought	n.a.	0.53
Ethiopia	Social	Relief to victims of 2002 Drought	n.a.	0.53
The Gambia	Social	Relief to flood victims	n.a.	0.53
Kenya	Finance	Line of Credit to CFC Bank PLC	n.a.	7.28
	Social	Assistance to 2002 Drought Victims	n.a.	0.53
Liberia	Social	Assistance to Civil War Victims	n.a.	0.52
Mozambique	Industry	Moma Mineral Sands Project	252.91	42.90
Republic of the Congo	Social	Fight Against Ebola Fever Epidemic	n.a.	0.53
South Africa	Finance	Line of Credit to Development Bank of Southern Africa	n.a.	106.10
	Finance	Line of Credit to Industrial Development Corporation	n.a.	51.90
Sudan	Social	Relief for 2003 Flood Victims	n.a.	0.52
Swaziland	Agriculture and rural development	Lower Usuthu Smallholder Irrigation Project Phase I	86.04	14.80
	Transportation	Mbabane Bypass Road	49.60	59.40
Togo	Finance	Line of Credit to Ecobank Transnational Inc.	n.a.	21.60
Multinational (PTA Bank)	Finance	Line of Credit to PTA Bank	n.a.	30.90
Multinational (EADB)	Finance	Line of Credit to East African Development Bank (EADB)	n.a.	41.30
Multinational (South Africa/Mozambique)	Power Supply	Sasol Natural Gas Project	858.88	82.50
Multinational (South Africa/Mauritius)	Finance	Line of Credit to First Rand Bank Limited and RMB (Mauritius) Limited	n.a.	53.54

n.a. = Not available.

Note.—Total does not include multicountry programs and projects approved by the AfDB Group in 2000.

Source: Derived from data in AfDB, *Annual Report 2003*. U.S. dollar figures calculated by the Commission using a Unit of Account (1AU=US\$1.43958).

lending facility (formerly known as the Structural Adjustment Facility (SAF) in 1986, and the Enhanced SAF in 1987). Launched in November 1999, the PRGF reflects the new primary objective of the IMF's concessional lending arm—poverty reduction in low-income countries. Loan approvals are linked to anti-poverty programs developed by the recipient country in its PRSP.²⁶ To qualify for support, the anti-poverty programs must be developed by member countries in collaboration with civil society and bilateral and multilateral donors.²⁷

As of April 30, 2003, the IMF had committed \$1.9 billion in grants to Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Ethiopia, The Gambia, Guinea, Guinea-Bissau, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, Tanzania, Uganda, and Zambia. In FY 2003, the IMF approved new PRGF arrangements for DROC, The Gambia, Senegal, and Uganda, and it also established regional Africa Technical Assistance Centers in Tanzania and Mali.

New Partnership for African Development

NEPAD was launched in 2001 as a comprehensive, integrated, strategic framework for African socioeconomic development. The primary goals of NEPAD are to promote accelerated growth and sustainable development, to eradicate widespread and severe poverty, and to increase Africa's participation in the globalization process. To achieve these goals, NEPAD has undertaken a number of initiatives during 2003 and early 2004.

NEPAD launched a major policy initiative to increase social and food security on the continent. In May 2004, it announced a plan to promote cassava and nERICA (a new rice variety for Africa) as part of its food security initiative. The intended effect of the program is wider distribution of these foods to increase crop and seed production yields and provide stable food sources. One of the constraints to food security in Africa is low levels of production, a result of the AIDS pandemic.²⁸ NEPAD adopted a new health strategy in July 2003 in which African governments agreed to allocate 15 percent of their national budgets to health concerns, including the prevention and treatment of HIV/AIDS. Additional funding for health initiatives came from the World Health Organization and the Global AIDS Fund.²⁹

One of NEPAD's goals is to facilitate relations between Africa and industrialized countries, especially with respect to development assistance and market access. In June 2004, the G8 countries reaffirmed their commitments to NEPAD. The United States has renewed AGOA through 2015³⁰ and provided assistance to eight African

²⁶ The PRSP is a tool first used by the World Bank as part of its strategy to increase the effectiveness of financial assistance. For more information, see the World Bank Group section of this chapter.

²⁷ IMF, *Annual Report 2001*, p. 38.

²⁸ "Nepad in Food Security Bid," found at Internet address http://www.news24.com/News24/Africa/News/0,,2-11-1447_1553041,00.html, retrieved July 15, 2003.

²⁹ Ibrahim A. Gambari, "Progress in the Implementation of NEPAD: Issues and Perspectives," speech presented to the Council on Foreign Relations, Mar. 25, 2004, found at Internet address <http://www.un.org/esa/africa/speeches/council.htm>, retrieved July 19, 2004.

³⁰ "G8 Reaffirms Support for NEPAD, African Action Plan," *The Daily Champion (Lagos)*, found at Internet address <http://allafrica.com/storeies/printable/200407090760.html>, retrieved July 19, 2004.

countries through the Millennium Challenge program.³¹ France pledged to increase its development assistance to Africa by 50 percent and pledged support for NEPAD's development objectives. Germany also pledged greater support and expressed an interest in providing greater market access to the OECD market for African countries.³² Ties between the Asian economies and Africa were also strengthened; India committed \$200 million to the NEPAD Secretariat in the form of loans to be used toward NEPAD objectives.³³ In addition, Japan continued to support development work, and a forum on China-Africa cooperation in late 2003 generated over \$460 million in business partnerships.³⁴

Strengthening intra-African relations and market development is another of NEPAD's goals. The African Union (AU) adopted a plan for continental integration with NEPAD programs at its core.³⁵ NEPAD is also supporting efforts to integrate Africa's scientific community through the creation of a Center of Excellence with a priority in researching high yield, disease resistant crops.³⁶ Additionally, NEPAD has served as a forum for interested groups to cooperate across African borders. For example, the Kenyan and South African investment agencies signed an MOU on joint ventures and exchanges of employees between the two countries.³⁷

Central to the African integration efforts of NEPAD has been the improvement of infrastructure, with special emphasis on transportation, communication, and technological infrastructure. NEPAD has 20 priority infrastructure projects on the continent.³⁸ In November 2003, the World Bank approved \$1.2 billion in funding for two energy sector projects under the NEPAD short-term action plan for infrastructure.³⁹ A road network project in East Africa was also initiated with \$500 million from the World Bank over the next 3 years.⁴⁰ NEPAD also adopted an action plan for science and technology, with member countries pledging to commit 1 percent of GDP to science and technology funding.⁴¹ Funding also came from the AfDB, which

³¹ "US Ties Aid Boost to Policy," *Business Day (Johannesburg)*, found at Internet address <http://allafrica.com/stories/printable/200405100638.html>, retrieved July 2004. The eight countries eligible for Millennium Challenge funding are Benin, Cape Verde, Ghana, Lesotho, Madagascar, Mozambique, Mali, and Senegal.

³² "German Leader, At ECOWAS Parliament, Backs NEPAD," *Vanguard (Lagos)*, found at Internet address <http://allafrica.com/stories/printable/200404260307.html>, retrieved July 19, 2004.

³³ "France to Increase Her Development Assistance," *General News (Accra)*, found at Internet address <http://www.ghanaweb.com>, retrieved July 23, 2004.

³⁴ "Asia Seizing New Opportunities in Africa," *The Japan Times*, found at Internet address <http://www.japantimes.co.jp/cgi-bin/geted.pl5?eo20040717a1.htm>, retrieved July 23, 2004.

³⁵ "African Leaders Endorse Integration Plan, Balk at 1.7b dollar budget," found at Internet address http://www.channelnewsasia.com/stories/afp_world/view/94473/1/.html, retrieved July 23, 2004.

³⁶ "Preparations on to Establish SADC Center of Excellence," *Daily News Online*, found at Internet address http://www.gov.bw/cgi-bin/news.cgi?d=20040629&i=Preparations_on_to_establish_SADC_centre_of_excellence, retrieved July 23, 2004.

³⁷ "Investment Agencies Sign Agreement," *The Nation (Nairobi)*, found at Internet address <http://allafrica.com/stories/printable/200404230026.html>, retrieved July 23, 2004.

³⁸ NEPAD's infrastructure development plans include electricity power supply, water, gas pipelines, and transportation.

³⁹ Ibrahim A. Gambari, "Progress in the Implementation of NEPAD: Issues and Perspectives."

⁴⁰ "NEPAD Highlights Infrastructure Needs," *Inter Press Services*, found at Internet address <http://ipsnews.net/interna.asp?idnews=24578>, retrieved July 23, 2004.

⁴¹ "NEPAD Adopts Science, Tech Action Plan," *I.T. Web*, found at Internet address <http://allafrica.com/stories/printable/200311110274.html>, retrieved July 23, 2004.

provided \$300 million for NEPAD infrastructure projects in 2003, and earmarked \$600 million for 2004 to fund NEPAD's short-term action plan, especially in the areas of agriculture, power, tourism, industry, and rural development.⁴²

Increasing the flow of investment into SSA is one of NEPAD's central development goals. This goal dovetails with NEPAD's infrastructure development efforts, as basic infrastructure is necessary to increase investment levels.⁴³ In November 2003, NEPAD and the OECD jointly launched the African Investment Initiative to attract private investment to the continent.⁴⁴ To date, NEPAD's 20 priority infrastructure projects have not attracted private funding.⁴⁵ NEPAD has, however, contributed to increasing investment in the energy sector. In August 2003, Chevron/Texaco announced plans to invest \$20 billion in African projects; the company cited changes in the investment climate and infrastructure development resulting from NEPAD efforts as factors in its decision.⁴⁶

A significant deterrent to investing in Africa has been political instability. To address this concern, NEPAD has supported the expansion of the African Peer Review Mechanism (APRM) of the AU. The APRM is a self-monitoring, voluntary mechanism designed to ensure that the Declaration on Democracy, Political, Economic, and Corporate Governance is enforced.⁴⁷ There are now 23 APRM countries.⁴⁸ In 2003, the process of reviewing all member countries was initiated, and each member country agreed to fund the APRM with a minimum of \$100,000.⁴⁹ By December 2004, the first two reviews (Rwanda and Mozambique) under the APRM are expected to be completed.⁵⁰ The APRM is considered by NEPAD and many industrialized countries as

⁴² Omar Kabbaj, "Statement to the 11 Heads of State and Government Implementation Committee on ADB Support to NEPAD," July 7, 2004 (Addis Ababa, Ethiopia), found at Internet address http://www.afdb.org/knowledge/speeches2004/pdt_speech_nepad_addis_7jul2004e.doc, retrieved Aug. 2, 2004.

⁴³ "Poor Infrastructure Scares Off Investors, Says NEPAD Official," *New Vision*, found at Internet address <http://allafrica.com/stories/printable/200308210329.html>, retrieved July 23, 2004.

⁴⁴ "Initiative to Attract Investment into Africa," *Bau News*, found at Internet address <http://allafrica.com/stories/printable/200311200486.html>, retrieved July 23, 2004.

⁴⁵ "Access to Capital: Financing Infrastructure Development," Africa Economic Summit 2004, found at Internet address http://www.weforum.org/site/knowledgenavigator.nsf/Content/B2F2CE68972109B7C1256EA8003877CBopen&event_id=1166&year_id=2004&PreviewStyle=B4BAD35E15AF148BC1256AC5002CD321&Preview=1, retrieved July 19, 2004.

⁴⁶ U.S. Department of State, "Chevron Texaco President Points to New Projects for Investment Opportunities," found at Internet address <http://allafrica.com/stories/printable/200308150591.html>, retrieved July 23, 2004.

⁴⁷ African Union, "38th Ordinary Session of the Assembly of Heads of State and Government of the OAU," found at Internet address http://www.au2002.gov.za/docs/summit_council/aprm.htm, retrieved July 27, 2004.

⁴⁸ Listed in order of ascension, the APRM countries are Algeria, Burkina Faso, Republic of the Congo, Ethiopia, Ghana, Kenya, Cameroon, Gabon, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, South Africa, Uganda, Egypt, Benin, Malawi, Lesotho, Tanzania, Angola, and Sierra Leone.

⁴⁹ Ibrahim A. Gambari, "Progress in the Implementation of NEPAD: Issues and Perspectives."

⁵⁰ "Africa Sees First Political Report Cards by December," *Reuters*, found at Internet address <http://www.alertnet.org/printable.htm?URL=/thenews/newsdesk/L07372671.htm>, retrieved July 23, 2004.

a strong sign of Africa's commitment to reform and an important prerequisite to increased investment.

Trade Capacity-Building Initiatives of U.S. Government Agencies

The United States is one of the largest providers of trade capacity-building assistance in the world, implementing a broad range of trade capacity-building initiatives with the goal of increasing economic growth and reducing poverty through competition, human resources development, technology transfer, and technological innovation. USAID surveys and maintains a database of U.S. government agencies' trade capacity-building initiatives in developing and transitional economies.⁵¹ The survey includes data covering FY 1999 through FY 2003. In FY 2003, U.S. government agencies distributed \$761 million toward trade capacity-building efforts, an increase of 19.3 percent over FY 2002. Table 4-8 illustrates that SSA received \$133 million in FY 2003, which represents 17.4 percent of total U.S. trade capacity-building funding. SSA funding in FY 2003 increased by 25.7 percent from FY 2002.

Country coverage

The number of countries receiving trade capacity-building funding declined in 2003 with 12 countries no longer receiving country-specific funding.⁵² For the most part, this change can be attributed to a restructuring of funding, with increased allocations to regional trading blocs and a redistribution of funds to include many countries that received little in the past. Of the 12 countries that lost funding in 2003, half are members of regional blocs that received funding. Funding to regional blocs increased nearly tenfold, from \$765,000 in FY 2002 to \$7 million in FY 2003.⁵³ As table 4-9 indicates, in FY 2003, the top five recipients represented 32.1 percent; Mali received the largest share in FY 2003 with 10.9 percent. The table shows that since FY 1999, the top five recipients' combined percent of total funding has fallen from 54.1 percent to 32.1 percent. The countries that received the largest percent increase from FY 2002 to FY 2003 are Burkina Faso, Sierra Leone, Botswana, Benin, and Malawi.⁵⁴ Four of the top five recipients of funding in previous years received a significantly reduced amount in 2003, including Tanzania, Mozambique, Ghana, and Rwanda.⁵⁵

⁵¹ For a discussion and analysis of FY 1999 through FY 2003 trade capacity-building initiatives, see USITC, *U.S. Trade and Investment With Sub-Saharan Africa 2002*, USITC pub. 3552, Dec. 2002, chapter 4; and USITC, *U.S. Trade and Investment With Sub-Saharan Africa 2003*, USITC pub. 2650, Dec. 2003, chapter 4.

⁵² USAID, "Trade and Investment - Trade Capacity Building Activities," found at Internet address http://esdb.cdie.org/cgi-bin2/broker.exe?_service=default&_program=tcbprogs.cly_2b.sas&group=reg&cocode=_OSSA+&output=1, retrieved May 14, 2004.

⁵³ USAID, Trade Capacity-Building Database, found at Internet address http://esdb.cdie.org/cgi-bin2/broker.exe?_service=default&_program=tcbprogs.cly_2b.sas&group=reg&cocode=_OSSA+&output=1, retrieved May 17, 2004.

⁵⁴ USAID, Trade Capacity-Building Database.

⁵⁵ Ibid.

Table 4-8
U.S. support for building trade capacity, by geographic region, FY 1999-FY 2003
(Million dollars)

Region/Country	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Middle East and North Africa	21.1	110.4	118.3	147.1	179.1
Asia	48.5	69.7	114.3	109.9	94
SSA	80.8	94.7	64.1	105.5	132.7
Former Soviet Republics	97.4	84	97.6	72.1	85
Central and Eastern Europe	56.6	29.4	38.9	63.4	66.2
Latin America and the Caribbean	52.4	65	61.6	90.8	150.2
Nontargeted Global Funding ²	12.3	51.3	104	49	53.4
All Developing and Transition Countries	369.1	504.5	598.8	637.8	760.6

¹ Because of rounding, figures may not add to totals shown.

² Assistance programs involving countries from two or more regions and for which country and regional breakdowns were not feasible.

Source: USAID Trade Capacity-Building Database, found at Internet address <http://qesdb.cdie.org/tcb/overview.html>, retrieved May 17, 2004.

Types of Trade Capacity-Building Initiatives

U.S. government agencies' trade capacity-building initiatives cover a broad spectrum of categories. The primary funding category, "Human Resources and Labor Standards," registered the greatest growth from FY 2002 to FY 2003, representing substantial increases in HIV/AIDS education projects and child labor prevention programs.⁵⁶ "Human Resources and Labor Standards" includes activities such as programs to decrease child labor, to combat HIV/AIDS, and to promote labor rights. These types of activities indirectly affect trade through increasing productivity levels. "Trade Facilitation" includes numerous activities such as e-commerce development, customs operations improvement, export promotion, business services and training provision, and regional trade agreement support. Figure 4-1 provides percentages of total funding by category for FY 2003 as well as a breakdown of trade facilitation subcategories. In FY 2003, "Trade Facilitation" and "Human Resources and Labor Standards" represented over 50 percent of funding. The "Export Promotion" and "Support of Regional Trade Agreements" subcategories represented 50 percent of "Trade Facilitation" funding. Table 4-10 provides illustrative examples of U.S. trade capacity-building initiatives in SSA.

⁵⁶ USAID, "Trade and Investment - Trade Capacity Building Activities."

Table 4-9

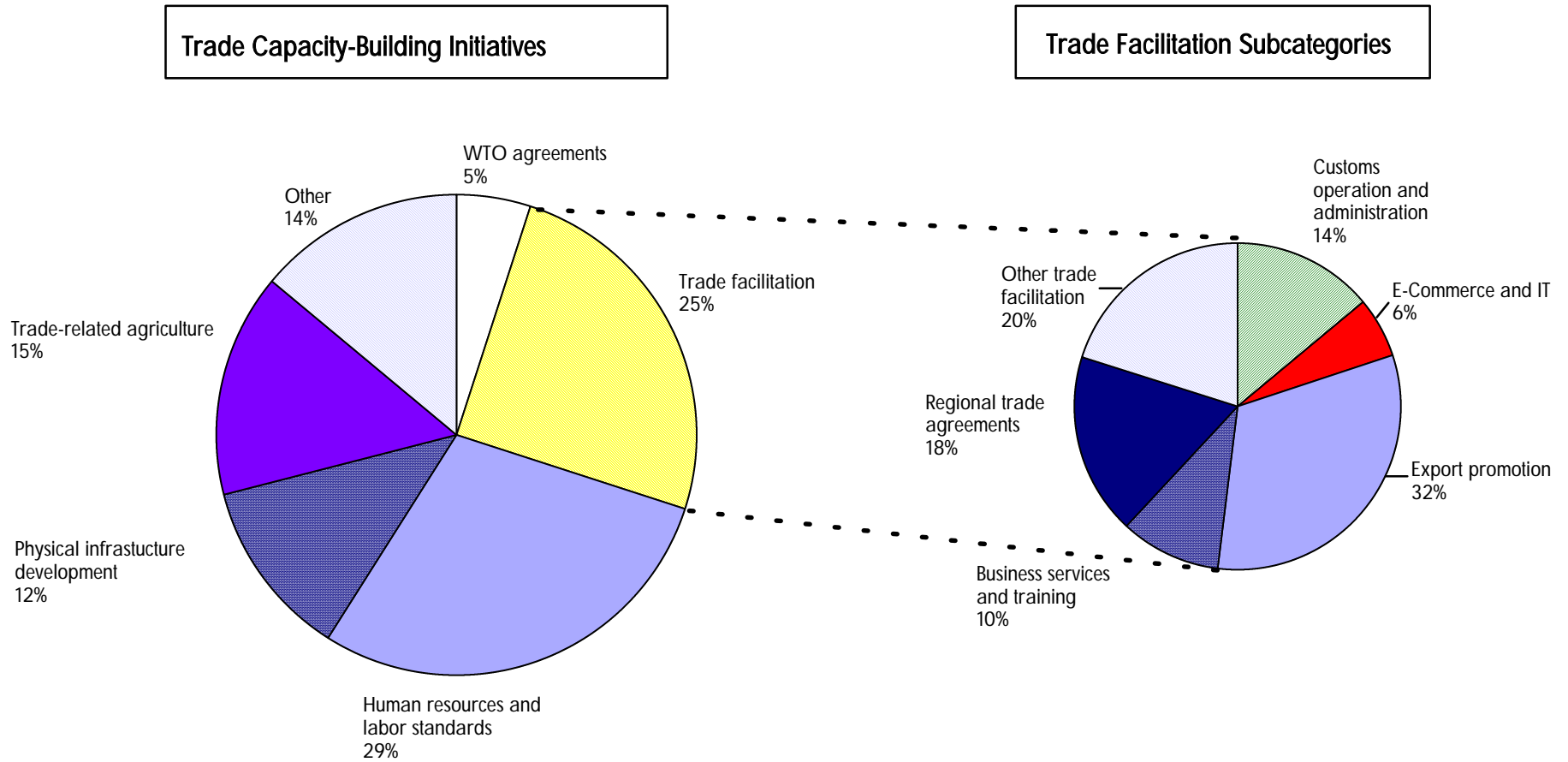
Trade capacity-building initiatives, leading sub-Saharan African country recipients, FY 1999-FY 2003

FY 1999		FY 2000		FY 2001		FY 2002		FY 2003	
Recipient	Share of total	Recipient	Share of total	Recipient	Share of total	Recipient	Share of total	Recipient	Share of total
Ghana	27.2	Ghana	19.1	Ghana	11	Mozambique	10.3	Mali	10.9
Mozambique	10	Mozambique	9.7	Tanzania	9.2	Ghana	10	Uganda	7.6
Tanzania	6	Nigeria	8	Nigeria	9.1	Tanzania	9.1	Nigeria	7.3
Mali	6	Mali	8	Zambia	9	Uganda	8.3	South Africa	3.1
Zambia	4.9	Zimbabwe	4.1	Uganda	4.9	Rwanda	4.9	SADC Secretariat	3.1
Top 5 total	54.1	Top 5 total	48.9	Top 5 total	43.2	Top 5 total	42.6	Top 5 total	32.1

Notes.—Percentages based on countries for which funding agency can be attributed and category breakouts are available as of May 2004. As a result of updates and recategorization, percentages may have changed from those reported in previous publications. Because of rounding, figures may not add to totals shown.

Source: USAID Trade Capacity-Building Database, found at Internet address <http://qesbd.cdie.org/tcb/index.html>, retrieved May 14, 2004.

Figure 4-1
 U.S. trade capacity-building initiatives, by funding categories and subcategories, FY 2003



4-20

Source: USAID Trade Capacity-Building Database, found at Internet address <http://qesdb.cdie.org/tcb/index.html>, retrieved May 14, 2004.

Table 4-10
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003¹

Country	Category	Title	Description	Funding <i>(Million dollars)</i>
Benin	Human Resources & Labor Standards	Combating Child Trafficking Through Education	The program aims to combat child labor by providing access to quality education.	2.0
Burkina Faso	Human Resources & Labor Standards	Combating Child Labor Through Education	The program aims to combat child labor by providing access to quality education. Funded by the U.S. Department of Labor.	3.0
Ghana	Multiple	Trade and Investment Reform Program (TIRP)	TIRP focuses on three major components: macro, trade & financial sector policy and institutional reform; capacity of firms to export selected non-traditional exports including tourism; and technical assistance for countries negotiating the west African gas pipeline. TIRP is a 5-year activity aimed at expanding Ghana's economy.	3.5
Madagascar	Multiple	Biologically Diverse Ecosystems Conserved	Natural Products Promotion and Ecotourism Development are two activities carried out to achieve Biologically Diverse Forest Ecosystem conservation and sustainable economic development. Natural Products Promotion consists of assistance in product certification that enables buyers to be guaranteed high quality products corresponding to international norms. In addition, USAID provides technical assistance to the Malagasy professional organization of operators in agribusiness of natural and biological products (PRONABIO). Ecotourism Development is directly tied to the National Park Network.	1.0

See footnote at end of table.

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003¹

Country	Category	Title	Description	Funding (Million dollars)
Madagascar	Multiple	Critical Private Markets Expanded	Activities under this Strategic Objective mostly consist of supporting agribusiness, art and craft, and other selected commodities to increase efficiency of selected agribusiness and trade flows. Assistance will focus on: (1) improving business skills development, (2) increasing access to domestic and international markets, (3) increasing business opportunities for new ventures, and (4) creating a favorable environment for trade-related activities through policy analysis and trade integration.	1.0
Malawi	Multiple	National Smallholder Farmers' Association (NASFAM) Strengthening Project	The NASFAM Strengthening Project aims to increase agricultural production of certain crops for the domestic and export markets. NASFAM goals include: (1) a rural business development system as a fully independent input and output marketing company; (2) private sector agribusiness expansion—expanding linkages with the private sector to address export and value adding production services; (3) providing access to market systems—forming strategic alliances and setting up regional markets; (4) adoption of diversified crops, improved practices to commercialize new crops, and introduction of higher value crops; (5) providing technical support to farmers' associations to ensure production and delivery of quality crops; (6) providing training in business planning; and (7) participating in policy dialogue to facilitate regional markets for farmers products.	2.7

See footnote at end of table.

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003¹

Country	Category	Title	Description	Funding (Million dollars)
Mali	Business Services & Training Trade-Related Agriculture	Agriculture and Livestock Promotion	The overall objective of this activity is to increase the production of agricultural and livestock products for which Mali has a comparative advantage in the domestic and exports markets. The activity will consist of: (1) promoting irrigated agriculture for rice and horticultural crops production, and (2) improving the availability and accessibility to quality animal feed to increase the competitiveness of Mali's livestock sector.	5.0
Mali	Human Resources & Labor Standards	Combating Child Labor Through Education	The program aims to combat child labor by providing access to quality education.	3.0
Mali	Multiple	Financial Services Support to Agribusiness	The overall objective of this activity is to facilitate the access of Malian agribusinesses to financial services. The activity will consist of: (1) improving access to commercial credit, (2) improving the availability and accessibility of microfinance services, and (3) improving the policy and institutional environment for investment.	3.0
Mali	Multiple	Mali Trade Promotion Program	The overall objective of this activity is to increase Malian exports to the regional and global markets. The program goals of this activity are to improve the policy and institutional environment for trade and investment and improve the competitiveness of Mali's private sector. Through this activity, USAID/Mali will provide technical assistance and training to the public and private sectors.	2.8
Mozambique	Export Promotion Business Services & Training Physical Infrastructure Development	Rural Group Enterprise Development	Approximately 50% of USAID/Mozambique's support to Rural Enterprise Development directly builds capacity in trade. This occurs under three separate cooperative agreements.	1.2

See footnote at end of table.

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003¹

Country	Category	Title	Description	Funding (Million dollars)
Nigeria	Human Resources & Labor Standards	Promoting Democracy Through Fundamental Principles and Rights at Work	The objective of this project is to strengthen democracy and social and economic development in Nigeria by promoting fundamental principles and rights of men and women at work and tripartism among government, employers, and workers' organizations. Activities include: (1) facilitating a review of existing labor legislation; (2) equipping and training officials on survey methods and statistical gathering and reporting; (3) creating a computerized database for labor inspection reports; (4) training trainers in labor inspection; (5) training trainers in collective bargaining; and (6) training trainers in gender mainstreaming and developing gender-sensitive policies.	1.0
Nigeria	Physical Infrastructure Development	Support for Infrastructure: Nigeria Holdings	This project is for an electricity generating plant in Nigeria.	8.1
Rwanda	Trade-Related Agriculture	Agribusiness Development Activity in Rwanda (ADAR)	The activity supports: (1) adding value to key agriculture commodities targeted for export; (2) building efficiency and expanding employment with agriculture commodity chains; (3) upgrading managerial and technical capability in agribusiness enterprises; (4) improving product quality and expand access to markets; and (5) developing financing options to support agribusiness growth.	1.5
Senegal	Human Resources & Labor Standards	Senegal Timebound Program to Combat the Worst Forms of Child Labor	The goal of the Timebound Program in Senegal is to combat the worst forms of child labor within a specified period of time.	2.0

See footnote at end of table.

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003¹

Country	Category	Title	Description	Funding (Million dollars)
Senegal	Multiple	Trade and Investment Policy Environment Strengthened	The activity is designed to support Senegal's Integrated Framework Matrix of Actions. The support will primarily focus on: (1) promoting nontraditional exports; (2) strengthening Senegal's capacity to engage in beneficial international trade negotiations; and (3) improving access to competitively-priced telecommunication services.	1.1
South Africa	Trade-Related Agriculture	AGRILINK II: Agricultural Marketing Project	The agricultural marketing activity for commercialization of emerging black farmers and agribusinesses supports: (1) market development (domestic, regional and international trade); (2) access to finance; and (3) technology transfer.	1.0
Uganda	Human Resources & Labor Standards	Combating Child Labor Through Education	The project aims to combat child labor in Northern Uganda by providing access to quality education.	3.0
Uganda	Human Resources & Labor Standards	Combating HIV/AIDS in Ugandan Workplaces: Community/Faith-based Org.	This project will provide a \$1 million grant to one or more "intermediary" organizations to develop and implement a project to stem the spread of HIV/AIDS infection in Uganda, focusing on the workplace and surrounding communities. Eligible "intermediaries" are those nonprofit, community, and/or faith-based organizations with established working relationships to grassroots faith-based and community organizations in Uganda working in the field of HIV/AIDS.	1.0

See footnote at end of table.

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003¹

Country	Category	Title	Description	Funding (Million dollars)
Uganda	Export Promotion Trade-Related Agriculture	Investment in Developing Export Agriculture (IDEA)	USAID's Investment in Developing Export Agriculture (IDEA) activity seeks to strengthen the value chain for nontraditional high and low value crops. Areas of focus include flowers, vanilla, maize, beans, chilies, papaya/pepine, and sesame. IDEA works with the whole value chain for crops, many of which are exported, and continually addresses issues such as assistance with export promotion, business services for trade facilitation, regional trade agreements, and foreign investment- especially trade-related agricultural development.	3.9
Uganda	Business Services & Training Trade-Related Agriculture Gov/ Transparency & Inter-Agency Coord.	Support for Private Enterprise Expansion and Development (SPEED)	The SPEED project is designed to address micro, small, and medium enterprise (MSME) finance and business needs in Uganda. Through SPEED, USAID seeks to increase access to financial services, to create and expand agricultural and non-agricultural enterprises, and to strengthen legal and regulatory frameworks for business development in the small-and medium-size business and finance service sectors.	1.5
SSA	Trade-Related Agriculture	Association for Strengthening Agricultural Research in Eastern and Central Africa	ASARECA is a regional, nonpolitical organization that brings together National Agricultural Research Institutes from 10 countries in eastern and central Africa. ASARECA's main objective is to promote regional economic growth by developing, introducing, and disseminating agricultural technologies. ASARECA also focuses on harmonization of policies affecting agricultural trade.	2.9
SSA	Multiple	East and Central Africa Global Competitiveness Hub	Technical assistance will be provided through the eastern and central Africa Global Competitiveness Hub to promote the six main themes of the Trade for African Development and Enterprise (TRADE) initiative.	3.5

See footnote at end of table.

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003¹

Country	Category	Title	Description	Funding (Million dollars)
SSA	Multiple	Energy Program for Legal, Regulatory & Policy Assistance to SADC Countries	The main objective of the energy sector assistance program is to provide an enabling framework that reduces legal, institutional, and political barriers to commercial energy markets.	1.7
SSA	Multiple	Increased Competition & Liberalization in Information & Communication Technologies: SADC	This activity is part of a broader strategy to assist countries within SADC to create a harmonized framework of policies, regulations and procedures for the purpose of promoting equitable regional integration and economic growth, building on results of two previous phases of a project funded by USAID's Regional Centre for Southern Africa.	2.0
SSA	Export Promotion Regional Trade Agreements Trade-Related Agriculture	Regional Agriculture Trade Expansion Support (RATES)	The objective of RATES is to increase the volume and value of trade in selected agricultural commodities within the eastern and southern Africa region. The RATES Center will address agricultural trade facilitation activities in close collaboration with regional intergovernmental and private sector organizations.	3.0
SSA	Other Trade Facilitation Human Resources & Labor Standards Physical Infrastructure Development	Safe Skies for Africa - Transportation Project	The purpose of this Presidential initiative is to promote sustainable improvements in aviation safety and security in Africa, and to create the environment necessary to foster the growth of aviation services between Africa and the United States. The initiative recognizes that safe skies are a prerequisite for increased trade, investment, and long-term economic development in Africa. Specific goals include increasing the number of SSA countries that meet International Civil Aviation Organization safety standards, improving airport security within the region within 3 years, and improving regional air navigation services.	8.0

See footnote at end of table.

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2003¹

Country	Category	Title	Description	Funding (Million dollars)
SSA	Human Resources & Labor Standards	Southern Africa Regional Project to Combat the Worst Forms of Child Labor	The Regional Project to Combat the Worst Forms of Child Labor in Southern Africa includes a Timebound Program in South Africa and capacity- building activities in Botswana, Lesotho, Namibia, and Swaziland.	5.0
SSA	Multiple	Southern African Global Competitiveness Hub	This activity establishes the Southern African Global Competitiveness Hub to enhance the region's trade competitiveness and thereby take greater advantage of the increased trading opportunities provided through AGOA and other global trade initiatives.	4.5
SSA	Human Resources & Labor Standards	Strengthening Labor Systems in Southern Africa	This project is designed to increase labor law compliance in Botswana, Lesotho, Namibia, and Swaziland by strengthening the capacity of labor ministries to enforce national labor laws and increase the knowledge and capacity of employers and workers to apply those laws.	4.2

¹ July 2002 to June 2003.

Note.—Listed are initiatives for which activity total funds equaled or exceeded \$1 million. “Multiple” refers to initiatives that targeted more than three trade capacity-building categories.

Source: USAID Trade Capacity Building Database, Country Trade Reports, found at Internet address http://esdb.cdie.org/cgi-bin/broker.exe?_service=default&_program=tcbprogs.act_cty_1.sas, retrieved May 18, 2004.

Box 4-1 USAID and Trade Capacity-Building Initiatives

USAID's multi-year trade capacity-building initiative, Trade for African Development and Enterprise (TRADE), was inaugurated in 2002. TRADE promotes regional integration and cooperation by strengthening export capabilities. Trade initiatives are aimed at reducing costs and increasing the efficiency of trade-related transportation, and facilitating information flow among traders, investors, and financial institutions. TRADE operates through three Regional Hubs for Global Competitiveness located at USAID's three regional missions in Nairobi, Kenya; Accra, Ghana; and Gaborone, Botswana. To increase regional trade, the hubs will also work with regional economic organizations, such as SADC, COMESA, and ECOWAS.⁵⁷

The East and Central Africa (ECA) Hub, based in Nairobi, Kenya, has three components: trade capacity building, AGOA business development, and transportation. The ECA Hub offers training to increase the capacity of countries in the ECA region to effectively participate in multilateral trade negotiations, such as the WTO Doha Development Agenda. The Hub also seeks to expand understanding of AGOA in order to increase trade under the program. To further increase trade, the ECA Hub also supports trade initiatives focused on increased participation of countries in the COMESA FTA. Examples of ECA Hub accomplishments include:⁵⁸

- The ECA Hub funded nine Kenyan companies to participate in the ASAP Global Sourcing Show in Las Vegas in August 2003, leading to negotiations for possible sales of approximately \$10 million, which could boost Kenyan AGOA exports by 9 percent.
- A Kenyan company attended a trade show in the United States and acquired additional business. The deals provided employment for 40 new workers, offering steady income to poor rural female workers.

The Southern Africa Hub's primary objective is to enhance the competitiveness of southern Africa's products and services. The hub promotes customs and trade facilitation and transport efficiency. Examples of the hub's accomplishments include:⁵⁹

- In October 2003, Tanzania, Malawi, and Zambia signed the Dar es Salaam Committee Constitution. The agreement seeks to reduce costs and transportation delays along the corridor, to increase road safety through harmonized systems of traffic control, and to unify transit fees along the corridor through three countries.

⁵⁷ USAID, "Trade for African Development and Enterprise (TRADE) Initiative," found at Internet address http://www.usaid.gov/locations/sub-saharan_africa/initiatives/trade.html, retrieved July 14, 2004.

⁵⁸ Ann Karara, Representative of Chemonics International, "Executive Summary," e-mail communication to USITC staff, received May 25, 2004.

⁵⁹ USAID, "Southern African Global Competitiveness Hub," found at Internet address <http://www.satradehub.org/TradeIssues/SuccessStories.aspx>, retrieved July 11, 2004; and Karen Roland, "Rosecraft Success Story," e-mail communication to USITC staff, received June 10, 2004.

Box 4-1 USAID and Trade Capacity-Building Initiatives—Continued

- The hub sponsored 13 local handicrafts firms to attend the AGOA Forum on December 2003. In addition to exposure to the U.S. market, the firms had the chance to meet buyers one-on-one. As a result, the companies' orders from and business relations with U.S. companies increased. Some supplied the Smithsonian National Museum of African Art with merchandise, including candle holders, ebony carvings, paper mache animal sculptures, and letter openers.
- During President Bush's tour of the South African Hub, hand-loom textile producer Rosecraft and others presented their products to the President. The event generated new business, including a recent deal with the Smithsonian Institution. The increased production generated additional demand for labor, and the company is now employing 120 local workers.

The West Africa Trade Hub (WATH), located in Accra, Ghana, focuses on four areas: trade capacity building in areas such as harmonizing sanitary and phytosanitary measures, working with ECOWAS and UEMOA to increase regional trade, eliminating corruption, and reducing transit time for cross border movement of goods. AGOA Support Services offer trade facilitation through 13 AGOA Resource Centers. AGOA Export Business Development supports producers of hand-loomed goods, cashews, and shea butter to meet U.S. market requirements, and expands potential trade opportunities for indigenous textiles and agricultural commodities within the continent and in major U.S. and European markets. Examples of projects include:⁶⁰

- WATH created general guidelines for successful trade show participation, available in French and English. The guidelines are being used by ECA Hub, South African Hub, and West Africa International Business Linkages to prepare local producers interested in exposure to U.S. markets through trade shows.
- WATH developed 15 training modules to assist local producers in meeting U.S. Customs regulations. The modules are in English and French and available on a WATH-created website, with a database of searchable technical assistance and capacity-building initiatives.

⁶⁰ Charles Nornoo, USAID official, "One Pager," e-mail communication to USITC staff, received May 26, 2004.

The Export-Import Bank of the United States

Ex-Im Bank is an independent U.S. government agency that assists the sale of U.S. exports, primarily to emerging markets, through loan financing and other credit measures. Specifically, Ex-Im Bank assists exporters by providing fixed-rate loans to creditworthy international buyers, both private and public sector, for purchases of U.S. goods and services. Medium- and long-term financing is available. Military and defense items are generally not eligible, nor are most sales to military buyers.⁶¹

Ex-Im Bank supported \$14.3 billion in U.S. exports to markets worldwide in FY 2003,⁶² assisting 2,516 U.S. export sales.⁶³ Ex-Im Bank can consider project financing in every SSA country except Sudan.⁶⁴ In SSA, Ex-Im Bank's medium- and long-term loan guarantee and direct loan programs, and short- and medium-term insurance programs, are available in 39 countries.⁶⁵ Countries benefitting from financing in 2003 included Angola, Benin, Botswana, Burkina Faso, Cameroon, Cape Verde, Chad, Congo, Côte d'Ivoire, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé & Príncipe, Senegal, Seychelles, South Africa, Swaziland, Tanzania, Togo, Uganda, and Zambia.

In addition, Ex-Im Bank signed new master guarantee agreements with Standard Bank of South Africa and the Bank of Africa to broaden its ability to finance the purchase of U.S. goods and services in Africa.⁶⁶ Ex-Im Bank also actively participated in the third AGOA Forum, which afforded an opportunity for SSA governments to discuss ways to enhance trade relationships between the United States and SSA.⁶⁷ As of September 2003, Ex-Im Bank's total exposure in SSA was \$3.5 billion. DROC accounted for 24 percent of total regional Ex-Im Bank exposure, Nigeria, 23 percent, and South Africa, 16 percent. Table 4-11 lists Ex-Im Bank exposure, FY 2003 authorizations, and availability of financing in SSA.

U.S. Trade and Development Agency

U.S. Trade and Development Agency (TDA) is an independent agency that assists U.S. firms by identifying major development projects in developing countries offering large export potential, and funding U.S. private sector involvement in project planning activities which, in turn, helps to position U.S. firms for follow-up activities during the

⁶¹ Ex-Im Bank, "Direct Loan," found at Internet address, <http://www.exim.gov/products/directloan.html>, retrieved Aug. 5, 2004.

⁶² Ex-Im Bank, *2003 Annual Report*, p. 14.

⁶³ Ibid.

⁶⁴ Ex-Im Bank, "Country Limitation Schedule," found at Internet address http://www.exim.gov/tools/country_limits.html, retrieved July 7, 2004.

⁶⁵ Ex-Im Bank Press Release, "Ex-Im Bank Short-Term Insurance Now Available in 39 Sub-Saharan African Countries," Apr. 1, 2003.

⁶⁶ Standard Bank of South Africa is a leading international bank in southern Africa. Bank of Africa has its headquarters in Cotonou, Benin. Ex-Im Bank Press Release, "Ex-Im Bank Signs Master Guarantee Agreements with African Banks," May 28, 2003.

⁶⁷ The third AGOA Forum is discussed in chapter 2 of this report.

Table 4-11
Sub-Saharan Africa: Export-Import Bank exposure, authorizations, and availability for further support as of December 14, 2003

(Dollars)

Country	Exposure ¹	2003 Authorizations	Availability ²
Angola	103,633,322	(³)	P.A.
Benin	10,998,663	135,000	P.A.
Burkina Faso	2,004,047	2,004,047	Yes
Congo (ROC)	22,864,759	(³)	P.A.
Congo (DROC)	838,694,509	(³)	No
Côte d'Ivoire	152,555,702	(³)	P.A.
Djibouti	157,500	157,500	P.A.
Ethiopia	226,139,713	226,139,713	No
Gabon	62,549,842	(³)	P.A.
The Gambia	482,551	(³)	No
Ghana	178,149,372	7,491,761	P.A.
Guinea	8,100,114	300,000	P.A.
Guinea-Bissau	10,000,000	10,000,000	P.A.
Kenya	159,277,827	78,466,497	P.A.
Liberia	5,980,110	(³)	P.A.
Madagascar	38,871,691	(³)	P.A.
Mali	9,028,789	3,084,000	P.A.
Mauritania	470,750	225,000	P.A.
Mauritius	23,948,634	(³)	P.A.
Namibia	76,219,337	(³)	Yes
Niger	6,154,758	(³)	P.A.
Nigeria	813,287,705	62,543,202	P.A.
Rwanda	559,569	(³)	P.A.
Senegal	16,662,766	5,682,811	P.A.
South Africa	569,656,759	173,410,800	P.A.
Sudan	28,246,331	(³)	P.A.
Tanzania	3,818,328	(³)	P.A.
Togo	2,820	(³)	P.A.
Uganda	5,646,732	2,054,145	P.A.
Zambia	150,824,497	(³)	No
Zimbabwe	30,154,829	(³)	P.A.
Total	3,555,142,326	571,694,476	

¹ Exposure is defined as authorization of all forms of support minus repayment and cancellations.

² Yes = Available for all six types of financing: short-, medium-, and long-term for both private and public buyers of U.S. goods and services; No = Country is opened for specifically financed transactions but short-term, medium-term, and long-term sectors are not open; P.A. = Partially available for some of the six types of financing.

³ Not available.

Source: Ex-Im Bank, *2003 Annual Report*, pp. 17-22, and Country Limitation Schedule.

implementation phase. Specifically, TDA promotes economic development by funding feasibility studies, consultancies, trading programs, and other project planning services for over 360 development activities each year in emerging markets. TDA's obligations in SSA totaled \$6 million in FY 2003 (table 4-12), a 37-percent decrease from the 2002 obligation of \$10 million. The agency invested in key trade capacity-building activities. For example, TDA assisted regional initiatives, such as the free trade negotiation with SACU; the expanding trade relationship envisioned by AGOA; and projects supported by NEPAD.

Table 4-12
U.S. Trade and Development Agency funds obligated for program activities in Africa,
FY 2003

Country	Title	Activity	Funds obligated (Dollars)
Botswana	Coal Bed Methane	Desk Study	4,000
Botswana	Coal Bed Methane	Feasibility Study	525,000
Cameroon	Nickel-Cobalt Mining Third Party Review	Technical Assistance	5,300
Cameroon	Polyclinique Bonanjo	Technical Assistance	289,180
Cameroon	Channel Africa	Desk Study	2,500
Ethiopia	AGOA Manufacturing	Orientation Visit	99,610
Ghana	AGOA Manufacturing	Orientation Visit	777
Ghana	Rural Fixed Wireless	Desk Study	3,590
Ghana	Rural Fixed Wireless	Feasibility Study	275,000
Ghana	Biomass Power Generation	Desk Study	2,500
Ghana	Biomass Power Generation	Feasibility Study	245,686
Kenya	Kenyatta National Hospital	Definitional Mission	24,990
Namibia	Fishing Sector	Orientation Visit	5,516
Namibia	Walvis Bay Airport Upgrade	Feasibility Study	381,260
Namibia	Trans Kalahari Corridor	Desk Study	2,495
Namibia	Trans Kalahari Corridor	Feasibility Study	294,900
Nigeria	Port Sector	Definitional Mission	250
Nigeria	Akwa Ibom State Fertilizer Complex	Desk Study	1,500
Nigeria	Agricultural Sector	Definitional Mission	250
Nigeria	River State Fixed Wireless Project	Feasibility Study	200,000
Nigeria	River State Fixed Wireless Project	Desk Study	2,500
Nigeria	River State Fixed Wireless Project	Technical Assistance	131,854
Nigeria	Aluminum Can Manufacturing	Desk Study	2,500
Nigeria	Aluminum Can Manufacturing	Feasibility Study	251,080
Nigeria	NITEL Expansion of Digital Network	Training	123,600
Nigeria	Kano State Agro-Processing	Feasibility Study	116,000
Nigeria	Mining Sector	Definitional Mission	29,200
Nigeria	Small Oil Refinery - Anambra	Desk Study	2,500
Nigeria	Port and Supply Chain Security and Customs	Desk Study	4,000
Nigeria	Port Harcourt Hospital Development	Desk Study	4,000
Rwanda	Lake Kivu Methane Gas	Desk Study	5,000
Senegal	Food Supplement Plant	Feasibility Study	143,967
South Africa	Forest Oil Offshore Gas - Ibhubesi 3rd Party Review	Feasibility Study	10,000
South Africa	Entertainment Park	Desk Study	4,000
Tanzania	Mtibwa Sugar Estate	Desk Study	2,500
Togo	Sea Point Africa Container Facility	Feasibility Study	364,687
Tunisia	Vessel Traffic System	Desk Study	2,500
Uganda	Entebbe Airport Development	Desk Study	2,500
Uganda	Sukulu Hills Phosphate	Desk Study	3,800
Uganda	Sukulu Hills Phosphate	Desk Study	360,000
Zambia	Bus Transportation	Desk Study	3,500
African/ME Reg'l	North Africa/Middle East Aviation Sector	Technical Assistance	1,972
African/ME Reg'l	Project Analyst	Technical Assistance	51,135
African/ME Reg'l	SSA Regional Trade and Development Office	Technical Assistance	110,490
African/ME Reg'l	CNS/ATM Transition Plan	Desk Study	2,500
African/ME Reg'l	Air Cargo Transport Part I	Orientation Visit	1,000
African/ME Reg'l	Global Positioning System	Desk Study	3,900
African/ME Reg'l	Global Positioning System	Feasibility Study	460,000

Table 4-12--Continued
U.S. Trade and Development Agency funds obligated for program activities in Africa,
FY 2003

Country	Title	Activity	Funds obligated (Dollars)
African/ME Reg'l	ASECNA U.S. Opportunities	Desk Study	2,500
African/ME Reg'l	Ethiopia/Djibouti Multi-Sector	Definitional Mission	39,690
African/ME Reg'l	GNSS Project for East Africa Community	Desk Study	2,500
African/ME Reg'l	GNSS Project for East Africa Community	Technical Assistance	199,960
African/ME Reg'l	Regional Trade Negotiation Study Tour	Orientation Visit	232,380
African/ME Reg'l	Integrated Deepwater System	Definitional Mission	39,787
African/ME Reg'l	CCA U.S.-Africa B.S. Log. & Aviation Workshop	Technical Symposium	125,077
African/ME Reg'l	CCA U.S.-Africa Bus. Summit NEPAD Workshop	Technical Assistance	29,800
African/ME Reg'l	Chipata Rail Extension	Desk Study	2,500
African/ME Reg'l	Chipata Rail Extension	Feasibility Study	210,450
African/ME Reg'l	Gabon/São Tomé and Príncipe	Definitional Mission	34,998
African/ME Reg'l	Atlantic Africa Hydrocarbon and Power	Definitional Mission	40,000
African/ME Reg'l	Transportation and Trade Security Forum	Technical Symposium	406,311
Total			5,928,445

Source: U.S. Trade and Development Agency, *2003 Annual Report*.

The agency also continues to build its AGOA-related project portfolio through orientation visits, project studies, and capacity-building technical assistance in several manufacturing and agriculture subsectors in numerous countries.⁶⁸ The agency financed and assisted the early phase of the Trans Kalahari Corridor project connecting Namibia, Botswana, and South Africa. TDA also supported a NEPAD-designated priority project, the Nacala Corridor, by funding a study of the corridor's extension from Malawi and Mozambique into Zambia.⁶⁹ In September 2003, TDA, with the Ethio-American Trade and Investment Council, sponsored an Ethiopian manufacturing orientation visit to increase trade under AGOA and business contacts between the United States and Ethiopia. In addition, the TDA focused on renewable energy projects to help African global competitiveness, including the Biomass Generation Project in Ghana, the East Africa Geothermal Conference, and the coal bed methane development projects in Botswana.

Overseas Private Investment Corporation

Overseas Private Investment Corporation (OPIC) is a self-sustaining U.S. government agency that provides investment funds, project finance, and political risk insurance to U.S. businesses investing in developing nations and emerging markets around the world (table 4-13). OPIC supports small- and medium-size businesses in Africa. OPIC

⁶⁸ TDA, "Winter 2003 update," found at Internet address <http://tda.gov/trade/updatewinter2003/africamiddleeast.html>, retrieved July 4, 2004.

⁶⁹ TDA, *2003 Annual Report*, p. 24.

Table 4-13
Sub-Saharan Africa: Selected OPIC investment projects, 2003

Country	Project Description	Support Type	Value (Dollars)
Angola	Flour mill and commodity trading operations	Insurance	5,990,962
Ghana	Poultry production and distribution	Insurance	16,977,600
	Dara Salam estate developers	Finance	1,200,000
Kenya	Housing construction	Insurance	4,860,000
Mozambique	Resort	Insurance	3,668,850
Nigeria	Telecommunications	Insurance	200,000,000
	Telecommunications	Insurance	2,000,000
Sierra Leone	Development and expansion of rutile mine	Finance	25,000,000
South Africa	Financial services	Finance	250,000,000
	Game park and guest lodge resort	Insurance	742,500
Africa Regional	African regional on-lending facility	Finance	125,000,000
Total			635,439,912

Source: OPIC, *2003 Annual Report*, p.16.

investments in SSA totaled \$635 million in 2003 and \$149 million in 2002.⁷⁰ OPIC funded several humanitarian-related projects in 2003, such as the project to increase housing for low-income and HIV-infected South Africans.⁷¹ OPIC also pledged to assist the Government of Kenya build 150,000 new residential units as a major step towards solving its housing shortage. An OPIC loan also will help a U.S.-owned company complete 24 of an anticipated 60 partially constructed houses in the Ghanaian capital city of Accra.

Reflecting the importance of transportation infrastructure is an important ingredient in economic development, OPIC signed an agreement with a pan-African consortium to support the Nacala Port and Railway Initiative.⁷² OPIC also aims to enhance medium- to long-term capital availability in SSA. To that end, the agency provided a \$125-million guaranty facility to Citibank, so the bank could provide U.S. dollar and local currency project and corporate loans throughout the region.⁷³

U.S. Agency for International Development

U.S. Agency for International Development (USAID) implements U.S. foreign economic assistance programs that address sustainable broad-based economic development and the promotion of democratic ideals and values. USAID's program and management challenges in SSA include responding to the HIV/AIDS pandemic, addressing the effects of violent conflicts and instability, providing greater access to education and health services, reducing poverty, and increasing food security.

⁷⁰ OPIC, "OPIC Investment Funds list," found at Internet address <http://www.opic.gov/investmentfunds/>, retrieved July 9, 2003.

⁷¹ OPIC Press Release, "OPIC Project In South Africa will Enable HIV+ Homeowners to Get Treatment, Keep Homes," Feb. 3, 2003.

⁷² OPIC, *2003 Annual Report*, p. 10.

⁷³ OPIC, *2003 Annual Report*, p. 7.

In FY 2003, USAID obligations for SSA totaled \$2.2 billion. USAID's assistance consisted of \$1.2 billion for Public Law 480, Title II (U.S. emergency and nonemergency food aid program), \$485 million for child survival and disease programs, \$463 million for development assistance programs, and \$48 million in economic support funds, which provide food assistance and poverty alleviation through nonprofit, charitable organizations.⁷⁴ Table 4-14 contains the FY 2003 allocation of USAID funds in SSA.

In 2003, USAID continued to support programs initiated in 2002 designed to combat poverty, hunger, and corruption, and to improve education. One such program is the Initiative to End Hunger in Africa (IEHA), which aims to halve hunger in Africa by 2015. In FY 2003, a \$28-million IEHA initiative will focus on promoting agricultural production.⁷⁵ There are also plans for a \$53-million project to help SSA farmers harness science and technology. IEHA also increased investment in small-scale farming, from \$25 million to \$37 million in FY 2003.⁷⁶ The \$185-million Africa Education Initiative, "Strengthening Basic Education in Africa," is designed to improve basic education for children in Africa. The initiative challenges African educational professionals to find new ways to provide children with opportunities to learn and to become productive members of society. The initiative will also ensure that enough teachers are trained to address the wide variety of student needs.⁷⁷ A new 5-year Anti-Corruption Initiative aims to reduce corruption in SSA by addressing corruption issues. To achieve this goal, the initiative will promote public access to information, encourage civic participation in government action, and emphasize transparent and efficient government oversight institutions. Other regional programs in which USAID participates include the Congo Basin Forest Partnership, which promotes economic development and poverty alleviation in Cameroon, Central African Republic, DROC, Equatorial Guinea, Gabon, and ROC through natural resource conservation; and the West African Water Initiative, a partnership to provide potable drinking water and sanitation to villages in Ghana, Mali, and Niger.⁷⁸

⁷⁴ USAID, "FY 2003 Country Allocation Summary," found at Internet address http://www.usaid.gov/pubs/cbj2003/fy03_table4c.html, retrieved July 8, 2003.

⁷⁵ U.S. Department of State Fact Sheet, "Initiative to End Hunger in Africa," found at Internet address <http://www.state.gov/g/oes/rls/fs/2003/18796pf.htm>, retrieved July 8, 2003.

⁷⁶ U.S. Department of State Fact Sheet, "Initiative to End Hunger in Africa."

⁷⁷ USAID Fact Sheet, "Strengthening Basic Education in Africa," found at Internet address http://www.usaid.gov/press/releases/2002/02fs_afeducation.html, retrieved July 8, 2003.

⁷⁸ For information on the Generalized System of Preferences and the Everything But Arms programs, see USITC, *U.S. Trade and Investment With Sub-Saharan Africa 2002*, USITC pub. 3552, Dec. 2002, pp. 108-111.

Table 4-14
USAID funds allocated for sub-Saharan Africa,¹ by major project categories, FY 2003
(Thousand dollars)

Country	Child Survival and Disease	Development Assistance for Africa	P.L. 480 Title II	Economic Support Funds	Total
Angola	6,825	4,584	104,545	3,550	119,504
Benin	6,638	9,360	4,292	350	20,640
Burkina Faso	(²)	(²)	6,493	(²)	6,493
Burundi	750	3,949	23,838	1,150	29,687
Cameroon	(²)	(²)	100	(²)	100
Cape Verde	(²)	(²)	3,682	(²)	3,682
Central African Republic	(²)	(²)	204	(²)	204
Chad	(²)	(²)	5,050	(²)	5,050
Congo (ROC)	(²)	(²)	655	(²)	655
Congo (DROC)	17,443	11,374	43,530	3,300	75,647
Côte d'Ivoire	(²)	(²)	6,296	(²)	6,296
Djibouti	(²)	2,000	3,348	1,999	7,347
Eritrea	5,600	4,710	66,245	950	77,505
Ethiopia	29,452	20,774	352,248	5,250	407,724
The Gambia	(²)	(²)	1,475	(²)	1,475
Ghana	15,990	20,740	20,345	530	57,605
Guinea	6,860	16,703	9,809	(²)	33,372
Guinea-Bissau	(²)	(²)	1,670	(²)	1,670
Kenya	36,663	15,075	34,664	6,200	92,602
Liberia	3,246	1,333	17,684	570	22,833
Madagascar	8,293	10,500	10,381	3,595	32,769
Malawi	17,480	9,918	3,202	400	31,000
Mali	12,321	26,559	(²)	350	39,230
Mauritania	(²)	(²)	16,252	(²)	16,252
Mozambique	19,801	27,542	16,166	750	64,259
Namibia	7,601	4,850	(²)	1,600	14,051
Niger	(²)	(²)	9,548	(²)	9,548
Nigeria	43,528	19,640	(²)	2,650	65,818
Rwanda	16,168	6,750	16,089	1,050	40,057
Senegal	14,667	15,447	2,146	(²)	32,260
Sierra Leone	874	2,999	19,486	593	23,952
Somalia	250	3,122	19,128	1,250	23,750
South Africa	28,550	34,775	(²)	939	64,264
Sudan	254	13,994	111,316	1,500	127,064
Tanzania	23,464	12,763	22,535	800	59,562
Uganda	39,334	27,181	75,896	500	142,911
Zambia	37,904	15,667	(²)	(²)	53,571
Zimbabwe	5,300	1,924	(²)	1,800	9,024
Total	405,256	344,233	1,028,318	41,620	1,819,433

¹ Only SSA countries receiving direct USAID bilateral assistance are included in this table. These and other SSA countries may receive USAID assistance indirectly through regional programs.

² Not available.

Source: Compiled from USAID data found at Internet address http://www.usaid.gov/policy/budget/cbj2004/summary_tables_table4.pdf, retrieved July 2, 2003.

USAID is a partner in the \$15-billion President's Emergency Plan for AIDS Relief that was announced by President Bush in 2003. The initiative aims to provide at least 2 million HIV-positive people with anti-retroviral therapy, to provide care for 10 million persons infected with HIV, and to prevent new infections in 11 countries in Africa. The countries that are eligible for this program are Botswana, Côte d'Ivoire, Ethiopia, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, and Zambia.⁷⁹ Additionally, the agency assisted the Government of Eritrea in conducting a comprehensive HIV/AIDS study and developing prevention and treatment plans. In 2003, USAID allocated \$2.3 million for these activities, up from \$1.5 million in 2001.⁸⁰

⁷⁹ USAID Overview, "The U.S. Government in the World Leader in Responding to the Global Pandemic of AIDS," found at Internet address

http://www.usaid.gov/our_work/global_health/aids/index.html#, retrieved Aug. 2, 2004.

⁸⁰ USAID, "Country Profile, HIV/AIDS: Eritrea," found at Internet address http://www.synergyaids.com/Profiles_Web/Profiles_PDFs/Eritrea_profile_2004_rev2.pdf, retrieved Aug. 2, 2004.