

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, U.S. Trade and Development Agency, Overseas Private Investment Corporation, and various programs operated by the U.S. Agency for International Development 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 Group, 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

Table 4-1
Summary of general developments in multilateral and U.S. trade and assistance for sub-Saharan Africa, 2002-03

| Institution/activity | 2002 assistance levels for sub-Saharan Africa | Other developments |
|--|---|--|
| The World Bank Group: International Development Association (IDA)/World Bank | Lending commitments made by the World Bank to countries in sub-Saharan Africa were valued at \$3.4 billion in 2001 and in 2002 reached \$3.8 billion. | IDA lending increased to \$8.1 billion in FY 2002, compared to \$6.8 billion in FY 2001. |
| The World Bank Group: International Finance Corporation (IFC) | The IFC committed to invest \$84 million to support the expansion of SSA banks and financial institutions in FY 2002. | The IFC invested \$13 million in guarantees in telecom and IT. |
| The World Bank Group: Multilateral Investment Guarantee Agency (MIGA) | In FY 2002, MIGA issued investment guarantees or coverage for nine projects in Africa, totaling \$272 million. | In conjunction with the Foreign Advisory Service, UNCTAD, and UNIDO, MIGA launched a multiagency initiative. |
| African Development Bank Group (AfDB) | In 2002, the AfDB approved 118 operations with a combined value of \$2.6 billion. | In 2002, the largest share of the loans went to infrastructure building; followed by multisector projects; social sector projects; and agriculture and rural development. |
| International Monetary Fund (IMF) | In 2002, 26 percent of the IMF's total technical assistance went to Africa. | In 2002, the IMF adopted a new Africa Capacity-Building Initiative. This initiative will establish Regional Technical Assistance Centers in SSA. |
| New Partnership for African Development (NEPAD) | In 2002, NEPAD received aid in technical planning and programming from the World Bank. | One third of the African governments participated in the African Peer Review process (APRM) and 12 countries signed the APRM agreement in 2002. The number of signatories to the APRM reached 15 in 2003. |
| Export-Import Bank of the United States | In FY 2002, Ex-Im Bank support to SSA which consisted of loan guarantees and insurance totaled \$207 million. | As of September 20, 2002, Ex-Im Bank's total exposure in SSA was \$3.2 billion. DROC accounted for 29 percent, Nigeria made up 23 percent and South Africa represented 12 percent of total regional Ex-Im Bank exposure. |

Table 4-1—Continued
Summary of general developments in multilateral and U.S. trade and assistance for sub-Saharan Africa, 2002-03

| Institution/activity | 2002 assistance levels for sub-Saharan Africa | Other developments |
|---|--|--|
| U.S. Trade and Development Agency (TDA) | TDA's obligations in sub-Saharan Africa increased to \$9.9 million in FY 2002 from \$6.1 million in FY 2001. | SSA funding accounted for 11.8 percent of all TDA funding in 2002, compared to 11.8 percent of funding in 2001. South Africa accounted for a large portion of the funds with commitments totaling \$4 million. |
| Overseas Private Investment Corporation (OPIC) | In FY 2002, total investments in SSA were \$149 million. | OPIC supported funds that invest in sub-Saharan Africa including the Africa Growth Fund; Modern Africa Growth and Investment Fund; the ZM Africa Investment Fund, and the Africa Millennium Fund. |
| Development Assistance and other economic assistance programs (USAID) | USAID obligations for SSA totaled \$1.1 billion in FY 2002 compared to \$1.3 billion in FY 2001. | USAID started several new programs in 2002 including the Initiative to End Hunger in Africa; the Africa Education Initiative; and a new 5-year Anti-Corruption Initiative. |

Source: Compiled by Commission staff.

climate and to invest in poverty reduction. While focusing on project quality, the Bank seeks to improve public expenditure through improved 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 47 countries in sub-Saharan Africa that are eligible for World Bank borrowing.¹

Whereas the World Bank raises funds through selling securities globally, the IDA is funded through donations from member countries. 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 \$895.

The World Bank reports that aid flows to Africa declined by 40 percent per capita in the past decade. However, since many sub-Saharan countries have progressed in terms of peace and stability, the Bank is attempting to reverse this trend.² In 2002, sub-Saharan Africa received \$3.8 billion in interest-free loans, or 19 percent of the Bank's total lending to developing countries (\$19.5 billion).³

¹ World Bank, "Countries of the Sub-Saharan Africa," found at Internet address <http://www.worldbank.org/afr/countries.htm>, retrieved July 1, 2003.

² World Bank, *The World Bank Annual Report 2002*, p. 84.

³ U.S. Department of State, "World Bank Lending to Poor Countries Increased in FY 2002," found at Internet address <http://www.state.gov>, retrieved July 2, 2003.

The IDA is an integral part of the Bank's poverty reduction mission, lending to and assisting those countries with limited access to capital.⁴ 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 Bank provides less-developed countries a zero-interest rate loan with a 10-year grace period and maturities of 35 to 40 years.⁵ Sub-Saharan African 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 (39)

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

Source: World Bank, *World Bank Annual Report, 2002*, p. 132.

In 1999, the Poverty Reduction Strategy Program was launched. 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 the plans move the country toward international development goals such as applying sound macroeconomic and sectoral policies, protecting the environment, and strengthening social sectors. The Bank then allocates Poverty Reduction Support Credits (PRSCs) to low-income countries to assist them in implementing their reforms.

IDA lending increased to \$8.1 billion in FY 2002, compared with \$6.8 billion in FY 2001.⁶ The \$3.8 billion received by sub-Saharan Africa in FY 2002 represents 47 percent of IDA's new commitments for the year.⁷ Several factors contributed to the increase in IDA lending in FY 2002. First, progress was made toward restoring peace and stability in Ethiopia, Eritrea, the Democratic Republic of the Congo, Sierra Leone, and Angola. Second, new types of activities in Africa supported by the IDA continued to increase the average amount of loans. According to the World Bank, these activities include a concerted response to the HIV/AIDS pandemic, assistance in adjusting to

⁴ World Bank, *The World Bank Annual Report, 2001*, vol. 1, pp. i, 11.

⁵ IDA, "International Development Association," found at Internet address <http://www.worldbank.org/ida/eligible.htm>, retrieved July 1, 2003.

⁶ World Bank, *The World Bank Annual Report, 2002*, vol. 1, p. 8.

⁷ *Ibid.*, p. 87.

petroleum price changes, promotion of regional trade, and post-conflict reconstruction support.⁸

Table 4-3 presents IDA's commitments by theme, sector, and credits provided to countries in SSA by the World Bank during fiscal years 1992-2002. In terms of theme, public sector governance received the largest loan commitment for FY 2002, with loans totaling \$851.9 million, or 20 percent of total SSA loans. Financial/private sector and human development received \$780.7 million and \$739.0 million, respectively. In terms of sector, law and justice and public administration programs received the largest allocation, totaling \$906.9 million, or 24 percent of total loans to sub-Saharan Africa. Traditional sectors such as transportation, education, and agriculture received loans totaling \$491.1 million (13 percent), \$472.6 million (12 percent), and \$210.4 million (6 percent), respectively.

Table 4-3
World Bank (IDA and IBRD) lending commitments in sub-Saharan Africa to borrowers by theme and sectors, FY 2000-2002, and average FY 1992-97 and FY 1998-99

(Million dollars)

| Theme | Average | Average | 2000 | 2001 | 2002 |
|---|----------------|----------------|----------------|----------------|----------------|
| | 1992-97 | 1998-99 | | | |
| Economic Management | 165.9 | 165.0 | 78.2 | 138.5 | 138.7 |
| Public Sector Governance | 317.6 | 291.7 | 495.3 | 429.6 | 851.9 |
| Rule of Law | 42.1 | 21.0 | 26.7 | 34.0 | 22.5 |
| Financial and Private Sector Development | 564.6 | 509.0 | 466.7 | 625.8 | 780.7 |
| Trade and Integration | 158.4 | 120.5 | 53.7 | 261.5 | 46.4 |
| Social Protection and Management | 67.4 | 117.2 | 140.5 | 376.4 | 98.3 |
| Social Development, Gender, and Inclusion . . | 145.9 | 167.6 | 210.5 | 491.8 | 347.4 |
| Human Development | 256.3 | 267.7 | 208.5 | 399.4 | 739.0 |
| Urban Development | 319.1 | 253.8 | 154.9 | 206.1 | 279.6 |
| Rural Development | 237.9 | 393.6 | 151.8 | 296.3 | 329.2 |
| Environmental and Natural Resource Management | 201.0 | 156.0 | 172.4 | 110.0 | 159.9 |
| Total | 2,476.0 | 2,463.2 | 2,159.1 | 3,369.6 | 3,793.5 |
| Sector: | | | | | |
| Agriculture, Fishing, and Forestry | 164.1 | 170.0 | 115.0 | 212.0 | 210.4 |
| Law and Justice and Public Administration . | 551.4 | 610.9 | 834.9 | 880.8 | 906.9 |
| Information and Communication | 19.2 | 36.7 | 17.3 | 21.1 | 33.8 |
| Education | 223.5 | 304.4 | 189.8 | 209.5 | 472.6 |
| Finance | 172.0 | 53.7 | 121.7 | 200.1 | 192.8 |
| Health and Other Social Services | 240.1 | 273.6 | 183.1 | 889.9 | 616.6 |
| Industry and Trade | 317.1 | 94.3 | 104.7 | 170.6 | 266.7 |
| Energy and Mining | 269.3 | 244.0 | 176.3 | 198.0 | 490.3 |
| Transportation | 376.1 | 533.5 | 263.9 | 229.8 | 491.1 |
| Water, Sanitation, and Flood Protection . . . | 143.1 | 142.0 | 155.9 | 357.8 | 112.2 |
| Total | 2,476.0 | 2,463.2 | 2,159.1 | 3,369.6 | 3,793.5 |

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

Source: World Bank, *The World Bank Annual Report, 2002*, p. 88.

⁸ Ibid.

Table 4-4 shows the World Bank projects approved for SSA in FY 2002. There were 73 IDA projects undertaken in 30 African countries in 2002. The five countries borrowing the most were Democratic Republic of the Congo, Nigeria, Tanzania, Ghana, and Mozambique. The Democratic Republic of the Congo borrowed \$450 million and received \$50 million in grants for economic recovery projects. In Nigeria, \$427 million went to urban, health system, and transmission development. Tanzania invested \$402 million in forest conservation, rural sanitary water supply, structural adjustment, Lake Victoria environmental management, gas and power generation development, primary education improvement, and environmental technical management. Ghana borrowed \$330.5 million for two economic reform programs and road building. Mozambique's \$270.5 million loan was designated to education, communication, roads and bridges, and municipal development. Burkina Faso borrowed \$45 million for poverty reduction.⁹

The Heavily Indebted Poor Countries (HIPC) Initiative, a joint effort of the International Monetary Fund and the World Bank, plays an important role in ensuring and maintaining long-term debt sustainability in eligible countries. In the last two years, however, the global economic slow down and a significant decline in many primary commodity prices have weakened growth contributing to the deterioration of many countries' external debt indicators.¹⁰ Furthermore, the United Nations reports that the HIPC Initiative is a costly process.¹¹ 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,¹² and nine countries have encountered difficulties in implementing these requirements.¹³ Only Burkina Faso, Mali, Mauritania, Mozambique, Tanzania, and Uganda have met the requirements and received most of their assistance under the HIPC Initiative. Of the \$850 million that was collected from donor countries, 34 countries received approximately \$39 million for debt relief in FY 2002.¹⁴

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.

⁹ Poverty Reduction Support Credits are discussed in detail later in the chapter.

¹⁰ 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 July 10, 2003.

¹¹ United Nations, "Debt relief needs a bolder approach," found at Internet address http://www.un.org/ecosocdev/geninfo/afrec/vol14no4/him/debt_boxes.html, retrieved July 10, 2003.

¹² The 13 countries are Cameroon, Chad, Ethiopia, The Gambia, Ghana, Guinea, Guinea-Bissau, Madagascar, Malawi, São Tomé and Príncipe, Senegal, Sierra Leone, and Zambia.

¹³ These countries are Burundi, Central African Republic, Democratic Republic of the Congo, Republic of the Congo, Côte d'Ivoire, Liberia, Somalia, Sudan, and Togo.

¹⁴ IMF, "Debt Relief under the Heavily Indebted Poor Countries (HIPC) Initiative," found at Internet address <http://www.imf.org/external/np/exr/facts/hipc/.htm>, retrieved May 30, 2003.

Table 4-4
World Bank projects approved in sub-Saharan Africa, FY 2002

| Country/project name | Date of approval | Maturity dates | Principal amount Million dollars |
|--|-------------------------|-----------------------|---|
| Benin | | | |
| Cotton Sector Reform Investment Credit | January 22, 2002 | 2012/2041 | 18.0 |
| Multisectoral HIV/AIDS Investment Credit | January 4, 2002 | 2012/2041 | 23.0 |
| Burkina Faso | | | |
| Urban Environment Supplemental Credit | March 28, 2002 | 2012/2041 | 22.0 |
| Basic Education Sector Investment Credit | January 22, 2002 | 2012/2041 | 32.6 |
| Poverty Reduction Support Credit | August 23, 2001 | 2011/2041 | 45.0 |
| HIV/AIDS Disaster Response Investment Credit | July 6, 2001 | 2011/2041 | 22.0 |
| Burundi | | | |
| Multisectoral HIV/AIDS Control and Orphans | June 27, 2002 | 2012/2042 | 36.0 |
| Cameroon | | | |
| Fifth Dimension Credit-IDA Reflow | June 24, 2002 | 2008/2038 | 5.5 |
| Cape Verde | | | |
| HIV/AIDS Investment Credit | March 28, 2002 | 2012/2042 | 9.0 |
| Structural Adjustment Credit | December 13, 2001 | 2012/2042 | 15.0 |
| Central African Republic | | | |
| Multisectoral HIV/AIDS Investment Credit | December 14, 2001 | 2011/2041 | 17.0 |
| Chad | | | |
| Fourth Structural Adjustment Credit | December 18, 2001 | 2012/2042 | 40.0 |
| Second Population and AIDS Investment Credit | July 12, 2001 | 2011/2041 | 24.6 |
| Comoros | | | |
| Emergency Economic Recovery Credit | August 2, 2001 | 2011/2041 | 6.0 |
| Democratic Republic of Congo | | | |
| Economic Recovery Credit | June 13, 2002 | 2012/2042 | 450.0 |
| Emergency Early Recovery Grant | July 31, 2001 | n.a. | 50.0 |
| Republic of Congo | | | |
| Emergency Reconstruction, Rehabilitation, and Living Conditions Improvement Credit | May 2, 2002 | 2012/2042 | 40.0 |
| Transparency and Governance Capacity Building | February 7, 2002 | 2012/2042 | 7.0 |
| Emergency Demobilization and Reintegration | July 31, 2001 | 2011/2041 | 5.0 |
| Post-Conflict Economic Rehabilitation Credit | July 31, 2001 | 2011/2041 | 37.7 |
| Côte D'Ivoire | | | |
| Economic Recovery Investment Credit | June 11, 2002 | 2012/2041 | 200.0 |
| Transport Sector Investment Credit | January 10, 2002 | 2008/2038 | 12.0 |
| Eritrea | | | |
| Emergency Demobilizations and Reintegration | May 16, 2002 | 2012/2042 | 60.0 |
| Cultural Assets Rehabilitation Learning and Innovation Credit | July 6, 2001 | 2011/2041 | 5.0 |
| Ethiopia | | | |
| Structural Adjustment Credit | June 18, 2002 | 2012/2042 | 120.0 |
| Food Security Credit | May 30, 2002 | 2012/2042 | 85.0 |
| Cultural Heritage Learning and Innovation Credit | April 17, 2002 | 2012/2041 | 5.0 |

Table 4-4—Continued
World Bank projects approved in sub-Saharan Africa, FY 2002

| Country/project name | Date of approval | Maturity dates | Principal amount Million dollars |
|---|-------------------------|-----------------------|---|
| Gambia, The | | | |
| Gateway Adaptable Program Credit | February 28, 2002 | 2011/2041 | 16.0 |
| Capacity Building for Economic Management | July 26, 2001 | 2011/2041 | 15.0 |
| Ghana | | | |
| Third Economic Reform Support Credit-IDA Reflow | December 11, 2001 | 2011/2041 | 0.5 |
| Third Economic Reform Support Operation Credit | July 26, 2001 | 2011/2041 | 110.0 |
| Road Sector Development Investment Credit | July 26, 2001 | 2011/2041 | 220.0 |
| Guinea | | | |
| Third Water and Sanitation Supplement Credit | August 23, 2001 | 2011/2041 | 25.0 |
| Education for All Adaptable Program Credit | July 24, 2001 | 2012/2041 | 70.0 |
| Proposed Fourth Structural Adjustment Credit | July 24, 2001 | 2012/2041 | 50.0 |
| Guinea-Bissau | | | |
| Private Sector Rehabilitation and Development | March 26, 2002 | 2012/2041 | 26.0 |
| Kenya | | | |
| Economic and Sector Reform Credit | June 24, 2002 | 2010/2040 | 1.5 |
| Public Sector Management Technical Assistance | July 31, 2001 | 2011/2041 | 15.0 |
| Madagascar | | | |
| Multisectional STI/HIV/AIDS Prevention Investment Credit | December 13, 2001 | 2012/2041 | 20.0 |
| Second Private Sector Development Credit | August 28, 2001 | 2012/2041 | 23.8 |
| Mali | | | |
| Third Structural Adjustment Credit | December 11, 2001 | 2012/2041 | 70.0 |
| Agricultural Services and Producer Organizations | December 11, 2001 | 2012/2041 | 43.5 |
| Mauritania | | | |
| Global Distance Learning | November 21, 2001 | 2012/2041 | 3.3 |
| Education Sector Development Adaptable Program Credit | October 25, 2001 | 2012/2041 | 49.2 |
| Urban Development Adaptable Program Credit | October 25, 2001 | 2011/2041 | 70.0 |
| Mauritius | | | |
| Public Expenditure Reform Loan | May 7, 2002 | 2007/2017 | 40.0 |
| Financial Sector Supervisory Authority Investment Credit | December 12, 2001 | -/ 2016 | 1.8 |
| Mozambique | | | |
| Higher Education Sector Investment and Maintenance Credit | March 7, 2002 | 2012/2042 | 60.0 |
| Communication Sector Reform Technical Assistance Credit | November 27, 2001 | 2012/2041 | 14.9 |
| Roads and Bridges Management and Maintenance Adjustable Program Credit | July 19, 2001 | 2011/2041 | 162.0 |
| Municipal Development Investment Credit | July 19, 2001 | 2011/2041 | 33.6 |
| Niger | | | |
| IDA Private Irrigation Promotion Investment Credit | March 19, 2002 | 2012/2041 | 38.7 |
| Public expenditure Adjustment Credit | November 20, 2001 | 2011/2041 | 70.0 |

Table 4-4—Continued
World Bank projects approved in sub-Saharan Africa, FY 2002

| Country/project name | Date of approval | Maturity dates | Principal amount <i>Million dollars</i> |
|--|-------------------|------------------------|--|
| Nigeria | | | |
| Community-Based Urban Development Credit | June 6, 2002 | 2012/2037 | 110.0 |
| Health Systems Development Investment Credit | June 6, 2002 | 2012/2037 | 127.0 |
| Transmission Development Investment Credit | March 19, 2002 | 2012/2036 | 100.0 |
| HIV/AIDS Program Development Credit | July 6, 2001 | 2011/2036 | 90.3 |
| Rwanda | | | |
| Demobilization and Reintegration Credit | April 25, 2002 | 2012/2042 | 25.0 |
| Senegal | | | |
| Nutrition Enhancement Adaptable Program Credit | March 14, 2002 | 2012/2042 | 14.7 |
| HIV/AIDS Prevention and Control Investment Credit | February 7, 2002 | 2012/2041 | 30.0 |
| Sierra Leone | | | |
| HIV/AIDS Response Investment Credit | March 26, 2002 | 2012/2041 | 15.0 |
| Second Economic Rehabilitation and Recovery Credit | December 13, 2001 | 2012/2041 | 50.0 |
| Tanzania | | | |
| Forest conservation and Management Investment Credit | June 26, 2002 | 2012/2041 | 31.1 |
| Rural Water Supply and Sanitation Credit | March 26, 2002 | 2012/2042 | 26.0 |
| Programmatic Structural Adjustment Credit | February 12, 2002 | 2012/2040 | 0.6 |
| Lake Victoria Environmental Management Supplemental Credit | December 13, 2001 | 2012/2041 | 5.0 |
| Songo Songo Gas Development and Power Generation Investment Credit | October 9, 2001 | 2011/2041 | 183.0 |
| Primary Education Development Adjustment Credit | October 9, 2001 | 2011/2041 | 150.0 |
| Lower Kihansi Environmental Management Technical Assistance Credit | July 3, 2001 | 2011/2041 | 6.3 |
| Uganda | | | |
| Energy for Rural Transformation Adaptable Program Credit | December 13, 2001 | 2012/2041 2012/2041 | 49.1 |
| Makerere University Training Pilot Learning and Innovation Credit | March 26, 2002 | | 5.0 |
| Fourth Power Investment Credit | July 3, 2001 | 2011/2041 | 62.0 |
| Second Phase of the Road Development Adaptable Program Credit | July 3, 2001 | 2011/2041 | 64.5 |
| Zambia | | | |
| Fiscal Sustainability 5 th Dimension | May 16, 2002 | 2010/2041 | 6.7 |
| Total | | | 3,793.5 |

Source: *World Bank, World Bank Annual Report, 2002*, pp.136-143

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, on-line dissemination of information on investment opportunities, and investment dispute mediation services.

In 2002, MIGA was composed of 154 industrialized and developing countries.¹⁵ 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 nine projects in Africa totaling \$272 million during FY 2002, an increase from \$186 million in 2001. Table 4-6 outlines these projects, which typically involve privatization efforts and capacity-building activities.

MIGA allocated over 15 percent of the Agency's outstanding portfolio to the SSA region.¹⁶ In order to help investors benefit from recent economic reforms, MIGA opened several mobile offices in central Africa, west Africa, 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 African Development (NEPAD).¹⁷

MIGA has technical assistance programs in 12 of the 38 SSA member countries. Ghana, Mozambique, Senegal, and Tanzania have been selected for prioritized technical assistance programs. Technical assistance programs focus on capacity-building efforts in these nations to enable investors to take advantage of increased Africa trade access to the U.S. market through AGOA, and the EU market through the Cotonou Agreement.¹⁸ MIGA, with the Foreign Investment Advisory Service (FIAS), United Nations Conference on Trade and Development (UNCTAD), and United Nations Industrial Development Organization (UNIDO), 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 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.¹⁹ The IFC achieves its objectives by following its current strategy, developed in 1998, which emphasizes three areas: building up the financial sector, expanding private investment in infrastructure, and supporting indigenous entrepreneurship.²⁰

In 2002, 47 countries in sub-Saharan Africa were members of the IFC. The number of IFC projects approved for SSA declined from 45 in 2001 to 27 in 2002.²¹ In 2002,

¹⁵ MIGA, "Miga Membership," found at Internet address <http://www.miga.org/screens/pubs/annrep01/members.pdf>, retrieved June 3, 2002.

¹⁶ *Ibid.*, p. 48.

¹⁷ For additional details see section below on the NEPAD.

¹⁸ MIGA, "Miga Membership," p. 49.

¹⁹ IFC, "Introduction," found at Internet address <http://www.ifc.org/ar2001/annual/intro.html>, retrieved July 9, 2002.

²⁰ IFC, *Annual Report 2001*, p. 38.

²¹ IFC, "Sub-Saharan Africa, Building Local Capacity and Regional Businesses," found at Internet address <http://www.ifc.org/ar2002/pdf/Africa.pdf>, retrieved July 2, 2003.

Table 4-5
Sub-Saharan African MIGA members and countries in the process of fulfilling membership requirements, 2002

| <i>MIGA Member countries (38)</i> | | |
|---|---------------|--------------|
| Angola | The Gambia | Seychelles |
| Benin | Ghana | Sierra Leone |
| Botswana | Guinea | South Africa |
| Burkina Faso | Kenya | Sudan |
| Burundi | Lesotho | Swaziland |
| Cameroon | Madagascar | Tanzania |
| Cape Verde | Malawi | Togo |
| Central African Republic | Mali | Uganda |
| Congo (DROC) | Mauritania | Zambia |
| Congo (ROC) | Mauritius | Zimbabwe |
| Côte d'Ivoire | Mozambique | |
| Equatorial Guinea | Namibia | |
| Eritrea | Nigeria | |
| Ethiopia | Senegal | |
| <i>Countries in the Process of Fulfilling Membership Requirements (6)</i> | | |
| Chad | Guinea-Bissau | Niger |
| Gabon | Liberia | Rwanda |

Source: MIGA website, "MIGA Member Countries," found at Internet address <http://www.miga.org/screens/pubs/ann-rep01/members.pdf>, retrieved July 8, 2003.

Table 4-6
MIGA guarantees issued in sub-Saharan Africa, FY 2002

| Country | Investor | Investor country | Guarantee amount | Sector |
|----------------------|---|---|------------------|--|
| Benin | Investcom | Luxembourg and British Virgin Islands | \$8,060,000 | GSM mobile telephone network |
| Kenya | Ormat Holding Corp. | Cayman Islands, wholly owned by Israeli company | \$81,500,000 | Geothermal power plant |
| Madagascar . . . | Hydelec | France | \$2,060,000 | Thermal peaking power station |
| Mauritania | Tunisie Télécom | Tunisia | \$68,300,000 | Telecommunication services |
| Mozambique | Portus Indico-Sociedade de Serviços Portuarios S.A. | Portugal | \$7,100,000 | Rehabilitation development, financing and operation of the Maputo Port |
| Mozambique | Kjaer Group A/S | Denmark | \$2,000,000 | Service |
| Nigeria | MTN International Ltd. | Mauritius | \$50,000,000 | Infrastructure |
| Nigeria | Econet Wireless Ltd. | UK-registered wholly owned by South Africa | \$50,000,000 | GSM mobile telephone network |
| Senegal | Mr. Alain Tagini | Sweden | \$3,200,000 | Therapeutic center |

Source: MIGA, *Multilateral Investment Guarantee Agency, 2002 Annual Report*, p. 15.

53 percent of the IFC's investment commitments to SSA were allocated to telecommunications and information technology (IT). In addition to improving communication in the Democratic Republic of the Congo and Sierra Leone, the IFC invested \$13 million in guarantees in telecom and IT.²² The IFC also supported small and medium enterprises in Africa by allowing smaller firms to provide intermediary financial support for direct investments. For example, the IFC helped design and fund a \$30 million facility to provide financing to local oil service contractors for exploration and production firms. The IFC committed to investing \$84 million to support the expansion of sub-Saharan African banks and financial institutions. In addition, in FY 2002, the IFC supported AfriCap, an equity fund investing in microfinance institutions; the creation of a new microfinance bank in Ghana; the expansion of Citibank Nigeria's small and medium enterprise (SME) lending business with a partial portfolio guarantee; and the establishment of a special SME financing facility in Nigeria for oil service companies. The IFC recognizes that the global economic slow down and declining commodity prices may continue to negatively impact sub-Saharan African economic performance, and is a major deterrent to attracting foreign investments. On the other hand, the IFC states that NEPAD may improve the mechanism for resolving conflicts in SSA, which could improve the investment climate.²³

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 are to promote sustainable economic growth and to reduce poverty in Africa through capital resources and funds raised from capital markets. 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 addition to dispersing loans, the Bank Group plays a catalyst role for large capital flows into Africa through cofinancing. The Group also increases development effectiveness through project preparation and supervision.

In 2002, the AfDB Group approved 118 operations worth approximately \$2.7 billion (UA²⁴ 2.04 billion), compared with \$2.6 billion (UA²⁵ 2.1 billion) in 2001. The Bank Group attributes this change to fewer countries qualifying for the HIPC debt relief

²² The telecom and IT investment included local financing of SC Mobiles, a cellular operator in Cameroon; TV Africa, a pan-African satellite TV station; and loans to Mobile Systems International Cellular Investments Holdings. Ibid.

²³ IFC, "Building Local Capacity and Regional Business," found at Internet address <http://www.ifc.org/ar2002/regional/africa.html>, retrieved July 2, 2003.

²⁴ UA= Unit of Account. An artificial currency used for accounting purposes where 1UA=U.S.\$1.32408 as of Dec. 31, 2002.

²⁵ 1UA=U.S.\$1.25674 as of Dec. 31,2001.

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 2002.²⁶ However, the Bank Group states that its total reserve has consistently registered growth.²⁷

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 (30 percent) went to infrastructure building; 18 percent, to multisector projects; 17 percent, to social sector; and 13 percent, to agriculture and rural development. In addition to developing corporate governance performance indicators, AfDB plans to approve at least nine NEPAD multinational infrastructure projects by the end of 2003. In October 2002, the Bank Group established the African Law Institute.²⁸

The AfDB 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. Toward this end, several mechanisms are devoted to expanding and cultivating various segments of the private sector. There are venture capital funds, infrastructure funds, and development financial institutions that provide lines of credit to small- and medium-sized enterprises. 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 Bretton Woods institutions—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 uses the Poverty Reduction Strategy Papers (PRSPs) to monitor projects, and poverty reduction strategies are implemented with available funds.²⁹

Table 4-7 summarizes AfDB and ADF approvals of loans and grants for projects in SSA for 2002 (excluding multinational projects). In 2002, the AfDB Group authorized funding for 86 projects at a total cost of \$1.7 billion. Ethiopia received the largest amount of loans and grants: \$300.2 million, with 90 percent designated toward debt relief. The AfDB Group's funding approvals by sector reflect the priorities set out in the mission statement, adopted in 1999, and reaffirmed at its annual meeting in 2002.

²⁶ African Development Bank, *African Development Bank 2002 Annual Report*, p. 26.

²⁷ African Development Bank, "Financial and Operation Analysis, 2002" found at Internet address http://www.afdb.org/financial/pdf/adb_financial_presentation_june2003e.pdf, retrieved July 2, 2003, p. 17

²⁸ *Ibid.*

²⁹ African Development Bank, *2001 Annual Report*, pp. 37-40.

Table 4-7
Total AfDF and AfDB projects and programs approved during 2002, by countries

| Country | Sector | Project | AfDF and AfDB Funding Loan & Grant Amounts (million dollars) | |
|---------------|------------------------------------|--|--|----------------------|
| | | | Total cost | Loan & grant amounts |
| Angola | Agricultural and Rural Development | Artisanal Fisheries, Fisheries Development Project | 12.26 | 9.27 |
| | Social | The Health Services Rehabilitation Project in UIGE Province | 9.56 | 8.61 |
| Benin | Agricultural and Rural Development | The Participative Artisanal Development Support Program (PADPPA) | 23.76 | 9.68 |
| | Social | The Education IV Project | 22.90 | 15.89 |
| Burkina Faso | Agricultural and Rural Development | The Local Development Support Project for Comoé, Labera, and Kenedougou Provinces | 24.10 | 19.86 |
| | Agricultural and Rural Development | Small Dams Rehabilitation Program | 15.05 | 13.24 |
| | Finance | The Good Governance Support Program | 3.75 | 3.11 |
| | Power Supply | Rural Electrification Study | 1.29 | 1.20 |
| | Water Supply and Sanitation | HIPC Debt Relief | NA | 34.50 |
| Cameroon | Power Supply | Construction of Oil Rig Repair Facilities in Limbe - Cameroon Shipyard and Industrial Engineering Ltd. (Enclave Project) | 120.80 | 45.40 |
| | Social | Preparation Studies Within the Framework of the PPF of the Urban Poverty Reduction Program | 0.67 | 0.53 |
| Capa Verde | Multisector | Economic Reform Support Program II (PARE II) | 38.41 | 3.31 |
| | Agricultural and Rural Development | The Picos and Engenhos (Santiago Island) Catchment Basin Planning and Development Project | 13.84 | 7.89 |
| Chad | Multisector | Third Structural Adjustment Program (SAP III) | 152.52 | 11.51 |
| Côte D'Ivoire | Multisector | Supplementary Financing Mechanism | NA | 30.23 |
| | Multisector | Economic Recovery Support Program | 563.62 | 19.86 |
| | Multisector | National Good Governance and Capacity Building Program | 5.28 | 5.02 |
| | Social | Training Support Project for the Employment of Youth and the Enhanced Efficiency of the Education System | 36.12 | 33.10 |
| | Water Supply and Sanitation | Study on the Upgrading of Drinking Water Supply Systems in Abidjan and Bouaké | 1.19 | 1.12 |

Table 4-7—Continued
Total AfDF and AfDB projects and programs approved during 2002, by countries

| Country | Sector | Project | AfDF and AfDB Funding Loan & Grant Amounts (million dollars) | |
|------------------------------|------------------------------------|--|--|----------------------|
| | | | Total cost | Loan & grant amounts |
| Côte D'Ivoire (cont.) | Agricultural and Rural Development | Middle Comoé Rural Development Support Project | 33.88 | 19.86 |
| | Agricultural and Rural Development | Agneby Region Rural Development Plan Study | 1.17 | 1.09 |
| Democratic Republic of Congo | Multisector | Mechanism for Clearing the Arrears of the DRC to the Bank Group | NA | 63.91 |
| | Multisector | Emergency Multisector Socioeconomic Infrastructure Rehabilitation Project (PMURIS) | 39.72 | 35.75 |
| | Multisector | Multisectoral Institutional Support Project | 4.50 | 4.28 |
| | Social | Emergency Humanitarian Assistance to the Victims of the Nyiragongo Volcanic Eruption | NA | 0.53 |
| Djibouti | Multisector | Structural Adjustment Loan | 44.30 | 3.20 |
| | Social | Basic Health Services Reinforcement (Health Project II) | 8.85 | 5.30 |
| Ethiopia | Debt Relief | HIPC Debt Relief | | 152.31 |
| | Water Supply and Sanitation | HIPC Debt Relief | NA | 136.26 |
| | Water Supply and Sanitation | Harare Sanitation and Water Supply Project | 35.89 | 27.81 |
| Gabon | Social | Emergency Humanitarian Assistance for the Surveillance of the Ebola-type Hemorrhagic Fever (VHF) | NA | 0.50 |
| Gambia | Social | Education Project III | 14.70 | 13.24 |
| | Water Supply and Sanitation | Water Supply and Sanitation Study | 1.80 | 1.56 |
| | Power Supply | Renewable Energy Study | 1.04 | 0.99 |
| Ghana | Agricultural and Rural Development | Agri-based Enterprises Project | 30.40 | 9.94 |
| | Agricultural and Rural Development | Communal Forest Management Project | 12.07 | 9.27 |
| | Agriculture and Rural Development | GOPDC Oil Palm Expansion Project | 24.84 | 7.08 |
| | Debt Relief | HIPC Debt Relief | NA | 96.23 |
| | Social | Health Service Rehabilitation Project III | 40.63 | 23.35 |
| | Social | Tema-Aflao Rehabilitation Road Project (Akatsi-Aflao Section) | 28.00 | 19.46 |

Table 4-7—Continued
Total AfDF and AfDB projects and programs approved during 2002, by countries

| Country | Sector | Project | AfDF and AfDB Funding Loan & Grant Amounts (million dollars) | |
|------------|------------------------------------|--|--|----------------------|
| | | | Total cost | Loan & grant amounts |
| Guinea | Agricultural and Rural Development | National Rural Infrastructure Program Support | 22.50 | 10.73 |
| | | Power Supply Electrification Steering Plan and Rural Electrification Project | 1.90 | 1.79 |
| Lesotho | Social | Support to Health Sector Reforms Program (Health VI Project) | 14.17 | 9.79 |
| | Social | The Mpharane-Bela Bela Road Upgrading Project | 6.31 | 5.67 |
| Madagascar | Social | The Rehabilitation of the RN 1BIS National Road and Connecting Roads | 15.18 | 13.68 |
| Malawi | Social | The Skills Development and Income General Project | 14.48 | 12.70 |
| | Social | Humanitarian Emergency Relief Support to Victims of the 2002 Flood | NA | 0.51 |
| Mali | Agricultural and Rural Development | Livestock Development Support Project in Northeast Mali, Phase II | 23.11 | 18.16 |
| | Agricultural and Rural Development | Feasibility Study on Phedie and Sabalibougou Irrigation Development Project | 0.89 | 0.95 |
| | Finance | LOC to Banque de Développement Agricole (BNDA) | NA | 19.49 |
| | Multisector | Structural Adjustment Program (SAP III) | 188.61 | 29.53 |
| | Multisector | The Good Governance Support Project | 3.45 | 2.78 |
| Mauritania | Finance | LOC to the General Bank Mauritania | NA | 9.99 |
| Mauritius | Water Supply and Sanitation | The Plaines Wilhems Sewerage Project | 154.94 | 10.66 |
| Mozambique | Finance | LOC to Support Small and Medium-Sized Enterprises | NA | 4.64 |
| | Water Supply and Sanitation | Urban Water Supply, Sanitation, and Institutional Support Program | 31.73 | 28.30 |
| | Water Supply and Sanitation | Primary Teacher Training Project (Education II) (Reallocation) | NA | 0.72 |
| | Water Supply and Sanitation | HIPC Debt Relief | NA | 5.96 |
| | Transportation | Aus-Rosh Pinah Road Project | 32.28 | 19.49 |

Table 4-7—Continued
Total AfDF and AfDB projects and programs approved during 2002, by countries

| Country | Sector | Project | AfDF and AfDB Funding Loan & Grant Amounts (million dollars) | |
|-----------------------|------------------------------------|--|--|----------------------|
| | | | Total cost | Loan & grant amounts |
| Niger | Power Supply | Study on the Preparation of a Domestic Energy National Strategy (SNED) | 0.92 | 0.84 |
| Nigeria | Finance | LOC to Citibank Nigeria | NA | 49.87 |
| | Power Supply | The Nigeria Liquefied Natural Gas Project | 2,120.86 | 100.17 |
| | Social | Health Services Development and Project (Health IV) | 181.31 | 45.99 |
| São Tomé and Príncipe | Power Supply | The NEPA-CEB Interconnexion Project (Nigeria-Benin-Togo) | 46.37 | 15.72 |
| | Social | Human Resource Development Support Projects | 6.28 | 5.30 |
| Senegal | Multisector | Projection and Statistics Department and Poverty Reduction Program Monitoring Unit Support Project | 2.27 | 2.05 |
| | Social | Community Feeder Roads Project to Support the National Rural Infrastructure Program (PPC-PNIR) | 25.77 | 15.69 |
| Sierra Leone | Social | The Rehabilitation of Basic and Informational Education and Vocational Skills Training Project | 46.26 | 21.19 |
| | Water Supply and Sanitation | HIPC Debt Relief | NA | 101.16 |
| South Africa | Finance | LOC to Infrastructure Finance Corporation | NA | 19.94 |
| Swaziland | Agriculture and Rural Development | Komati Downstream Development Project | 24.19 | 12.80 |
| Tanzania | Agricultural and Rural Development | Agricultural Marketing Systems Development Program | 51.99 | 22.38 |
| Uganda | Agricultural and Rural Development | National Livestock Productivity Improvement Project | 44.49 | 35.14 |
| | Agricultural and Rural Development | Fisheries Development Project | 33.79 | 29.13 |
| | Social | Poverty Reduction Support Loan (PRSL) | 491.26 | 53.57 |
| | Agriculture and Rural Development | Kaweri Coffee Plantation Project | 7.81 | 2.57 |

NA = Not available.

Note.—Totals do not include multicountry programs and projects approved by the Africa Development Bank Group in 2002.

Source: Derived from data in AfDB, *2002 Annual Report*, pp. 139-146 and 213-232. US\$ figures calculated by ITC Staff using a Unit of Account (1AU=US\$1.32408).

In 2002, \$235.9 million was authorized for debt relief; \$226.7 million was authorized for agriculture and rural development; and \$289.2 million was designated for social sector projects.

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. Payment must still start after 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.³⁰

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 the fall of 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 lending facility (it was 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 antipoverty programs developed by the recipient country in the Poverty Reduction Strategy Paper.³¹ To qualify for support, the antipoverty programs must be developed by member countries in collaboration with civil society and bilateral and multilateral donors.³² In 2002, 26 percent of the IMF's total technical assistance went to Africa.³³

The IMF adopted a new Africa Capacity-Building Initiative in 2002. This initiative will establish Regional Technical Assistance Centers (AFRITACs) in sub-Saharan Africa. These centers will help countries implement their poverty reduction strategy papers in order to qualify for the HIPC initiative.

³⁰ IMF, *Annual Report 2001*, pp. 38-40.

³¹ The PRSP is a tool first used by the World Bank as part of its strategy to increase the effectiveness of financial assistance. See discussion in section of this chapter entitled *The World Bank Group*.

³² IMF, *Annual Report 2001*, p. 38.

³³ IMF, *Annual Report 2002*, p. 38.

New Partnership for African Development

NEPAD was launched in 2001 as a comprehensive, integrated, strategic framework for African socioeconomic development. NEPAD is a merger of two continent-wide economic development initiatives: the Millennium Partnership for the African Recovery Program and the Omega Plan. On July 3, 2001, the merger was finalized and the New Africa Initiative (NAI) was formed. The NAI was approved on July 11, 2001, by African heads of state at the 2001 Organization for African Unity (OAU) summit. On October 23, 2001, the policy framework was finalized by the Implementation Committee and NEPAD (renamed from the NAI) was formed.³⁴

The primary goals of NEPAD are to promote accelerated growth and sustainable development; to eradicate widespread and severe poverty; and to halt the marginalization of Africa in the globalization process. In order to achieve its goals, NEPAD plans:

- to achieve universal primary education and halve poverty by 2015;
- to encourage peace, security, democracy, human rights, and good governance;
- to promote export diversification;
- to promote and protect African culture and the environment; and
- to develop healthcare, clean water, and sanitation systems.

At the June 2001 G-8 meeting, African leaders advocated an overall NEPAD funding level of approximately \$65 billion, deemed necessary for Africa to attain the estimated 7 percent annual economic growth rate needed for substantive socioeconomic development.³⁵ Although G-8 leaders praised NEPAD and made it a summit priority, no definite funding was allocated. Reports indicate NEPAD's prospect in receiving support depends on its ability to resolve the civil wars in the region's economic hubs, such as in the West African countries.³⁶ Consequently, donors have expressed concern about NEPAD's delegation of the responsibility of political governance to the African Union's (AU) African Peer Review Mechanism (APRM). There is concern about the AU's ability to lead Africa towards political stability through the APRM because of the OAU's (the predecessor organization of the AU) non-interference approach to conflict resolution in the region. NEPAD plans to provide economic assistance to the

³⁴ NEPAD, "NEPAD in Brief," found at Internet address <http://www.nepad.org/about.html>, retrieved July 16, 2002.

³⁵ EIU, "Partnership development programme just may succeed," Apr. 19, 2002, found at Internet address <http://www.viewswire.com>, retrieved June 19, 2002. G-8 countries are Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States.

³⁶ Financial Times, "West Africa's Wars Threaten NEPAD," Asia Africa Intelligence Wire, Nov. 11, 2002.

AU's peace and security agenda. In addition, the partnership pledges to provide a policy framework and five regional brigades for the AU to undertake peace support operations in the region.³⁷

The APRM process is funded by participant member countries, and the AU assembles membership to the APRM agreement on a voluntary basis.³⁸ In 2002, one-third of the African governments participated in the APRM process and 12 countries signed the APRM agreement.³⁹ The number of signatories to the peer review process reached 15 by mid-2003.⁴⁰ In 2002, NEPAD received aid in technical planning and programming from the World Bank.⁴¹ In addition, at the seventh summit of the organization, NEPAD announced that Japan and India had committed to support financially the partnership.⁴² Following its promise, Japan, at the Third Tokyo International conference on African Development, called for supporting Africa's ownership of its own development process, particularly in implementation of NEPAD.⁴³

As an economic and social alliance organization, the NEPAD created a trust fund under the African Development Fund to address food crises in Africa and to implement political, economic, and social infrastructures across the continent.⁴⁴ Additionally, NEPAD plans to achieve better market access for agricultural, mining, tourism, and manufacturing by developing these sectors and minimizing non-tariff barriers in the industrialized countries for these sectors. For human development, the organization created the Millennium Partnership for the African recovery program (MAP) as a

³⁷ Communiqué Issued at the end of the Seventh Summit of the Heads of State and Government Implementation Committee (HSGIC) of the New Partnership for Africa's Development, Abuja, May 28, 2003.

³⁸ "Participation in the process will be open to all member states of the African Union. After adoption of the Declaration on Democracy, Political, Economic and Corporate Governance by the African Union, countries wishing to participate in the APRM will notify the Chairman of the NEPAD Heads of State and Government Implementation Committee. This will entail an undertaking to submit to periodic peer reviews, as well as to facilitate such reviews, and be guided by agreed parameters for good political governance and good economic and corporate governance." NEPAD, "The African Peer Review Mechanism (APRW)," found at Internet address, http://europa.eu.int/comm/development/body/eu_africa/docs/APRM.pdf, retrieved Aug. 3, 2003.

³⁹ The Economist Intelligence Unit, "NEPAD is off to a Bad Start," EIU ViewsWire Africa, p. 64, Nov 22, 2002.

⁴⁰ Members of the APRM are Algeria, Burkina Faso, Cameroon, Republic of the Congo, Ethiopia, Gabon, Ghana, Kenya, Mali, Mozambique, Nigeria, Rwanda, Senegal, South Africa, and Uganda.

⁴¹ World Bank technical assistance includes proposals and follow up studies on infrastructure, agriculture, regional trade facilitation, health, nutrition, population, education, community driven development, and capital flows for a workshop in Benoni in 2002. World Bank, "World Bank Support for the New Partnership for Africa's Development (NEPAD)," found at Internet address <http://www.worldbank.org>, retrieved June 18, 2003.

⁴² Southern African Regional Poverty Network, Communique issued at the end of the Seventh Summit of the Heads of State and Government Implementation Committee (HSGIC) of the NEPAD, found at Internet address www.sarpn.org.za/documents/d0000356/index.php, retrieved Aug. 25, 2003.

⁴³ World Bank, "A new partnership emerges to develop Africa; Committed to Supporting Africa, Japan hosts this development conference," found at Internet address <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20130193~menuPK:34457~pagePK:34370~piPK:34424~theSitePK:4607,00.html>, retrieved Oct. 7, 2003.

⁴⁴ Infrastructure development plan includes electricity power supply, water, gas pipelines, and transportation.

transitional organization to reverse the emigration of educated professions, to spread education, to develop skills, and to improve health in the continent. The MAP health program strives to increase supplies in health facilities, to achieve sufficient surveillance and monitoring for interventions, to increase health literacy, and to achieve fairness in financing and equity in delivering medicine by 2005. Furthermore, the MAP works to strengthen communicable disease programs and to reduce the burden of disease by 2010.⁴⁵

In addition to creating suborganizations and working with the AU, NEPAD collaborates with other existing African and international organizations. For example, NEPAD met with various women's organizations across the continent to encourage women's participation in the AU and in NEPAD.⁴⁶ Further, during the High-level Meeting of the APRM in Cape Town, the partnership announced plans to utilize the work of international organizations, such as the United Nations Development Program's annual human development reports, to supplement the APRM process. The NEPAD aims to lift Africa out of poverty and to integrate the continent economically and politically with the rest of the world.

Sources of U.S. Bilateral Economic Assistance to Sub-Saharan Africa

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

U.S. Government agencies continued to fund and implement a broad range of trade capacity-building initiatives in SSA aimed at increasing economic growth and reducing poverty by assisting countries to take advantage of global market forces, such as competition, human resource development, technology transfer, and technological innovation. In the summer of 2001, USAID undertook a survey of U.S. Government agencies' trade capacity-building initiatives in developing and transitional economies, and developed a database from the survey results. The survey was updated to include data covering fiscal years 1999 through 2002.⁴⁷ In FY 2002, U.S. Government agencies distributed \$637.8 million toward trade capacity-building

⁴⁵ Specifically, the MAP plans to focus on decreasing the burden of HIV/AIDS, malaria, and tuberculosis.

⁴⁶ The African Women organizations participated in the Strategic Planning Conference on "Mainstreaming Gender and Women's Effective Participation in the African Union (AU). Organizations that participated in this NEPAD sponsored discussion include ABANTU, ACCORD, ACDHRS, ALF, FEMNET, Equality Now, FCD, SAFER Africa and WILDAF. AllAfrica, "African Women Adopt A Strategy for the African Union and NEPAD," found at Internet address

<http://allafrica.com/stories/printable/20030490788>, retrieved June 2, 2003.

⁴⁷ For a discussion and analysis of FY 1999 through FY 2001 trade capacity-building initiatives, see USITC, *U.S. Trade and Investment With Sub-Saharan Africa*, Third Annual Report, Publication 3552, Dec. 2002, chapter 4.

efforts, an increase of 72.8 percent and 7.2 percent from FY 1999 and FY 2001, respectively. Table 4-8 shows that sub-Saharan Africa received \$105.5 million in FY 2002, which represents 16.5 percent of total funding. Sub-Saharan African funding increased 30.6 percent and 16.5 percent from FY 1999 and FY 2001, respectively. According to USAID research, the "United States is the largest provider of trade capacity-building assistance in the world. In recent years, USAID has funded 70 percent of all U.S. trade capacity-building assistance in various regions of the world."⁴⁸

Country Coverage

Since 1999, U.S. Government agencies' trade capacity-building initiatives expanded to cover more SSA countries.⁴⁹ In FY 2002, trade capacity-building initiatives were located in 42 SSA countries, double the number of countries in FY 1999.⁵⁰ As table 4-9 indicates, the top five recipients represented more than 42 percent of funding, with Mozambique receiving the largest share (10.3 percent). The table also shows that since FY 1999, the top five recipients' combined percent of total has fallen from 54 percent to 42 percent, as funding targets an increasing number of SSA countries. The countries that experienced the largest percentage increases from FY 2001 to FY 2002 are Mozambique (976 percent), Namibia (366 percent), South Africa (340 percent), Kenya (153 percent), and Uganda (153 percent).⁵¹ The countries that experienced the largest percentage increases over the last four years (FY 1999 to FY 2002) are Namibia (1,521 percent), Togo (405 percent), Kenya (220 percent), Ethiopia (217 percent), and Côte d'Ivoire (187 percent).⁵²

Types of Trade Capacity-Building Initiatives

U.S. Government agencies' trade capacity-building initiatives cover a broad spectrum of categories. The primary funding category, "Trade Facilitation," represents 30 percent of FY 2002 funding. "Trade Facilitation" includes numerous activities including, but not limited to, customs operations and administration, e-commerce development and information technology, export promotion, business services and training, and regional trade agreements. Of the various funding subcategories included in "Trade Facilitation," "Business Services and Training" represents over

⁴⁸ USAID, "Trade and Investment – Trade Capacity Building Activities," found at Internet address http://www.usaid.gov/our_work/economic_growth_and_trade/eg/trade/tcb_activities.htm, retrieved June 25, 2003; for additional information on other U.S. Government agencies involved in trade capacity-building efforts, see USITC, *U.S. Trade and Investment With Sub-Saharan Africa*, Third Annual Report, Publication 3552, Dec. 2002, chapter 4.

⁴⁹ Quantitative analysis of trade capacity-building funding in the "Country Coverage" and "Types of Trade Capacity-Building Initiatives" is based on countries for which a funding agency can be attributed and category figures are available as of June 2003.

⁵⁰ USAID, "Trade and Investment – Trade Capacity Building Activities," found at Internet address http://www.usaid.gov/our_work/economic_growth_and_trade/eg/trade/tcb_activities.htm, retrieved June 25, 2003; USITC staff analysis.

⁵¹ Source: USAID Trade Capacity-Building Database, found at Internet address <http://quesdb.cdie.org/tcb/index.html>, retrieved June 17, 2003; USITC staff analysis.

⁵² Ibid.

Table 4-8
U.S. support for building trade capacity, by geographic region, FY 1999-FY 2002
(Millions dollars)

| Region/Country | FY1999 | FY2000 | FY2001 | FY2002 |
|---|--------|--------|--------|--------|
| Middle East and North Africa | 21.1 | 110.4 | 118.3 | 147.1 |
| Asia | 48.5 | 69.7 | 114.3 | 109.9 |
| Sub-Saharan Africa | 80.5 | 94.7 | 64.1 | 105.5 |
| Former Soviet Republics | 97.4 | 84.0 | 97.6 | 72.1 |
| Central and Eastern Europe | 56.6 | 29.4 | 38.9 | 63.4 |
| Latin America and the Caribbean | 52.4 | 65.0 | 61.6 | 90.8 |
| Global ¹ | 12.3 | 51.3 | 104.0 | 49.0 |
| All Developing and Transitional Economies | 369.1 | 504.5 | 594.7 | 637.8 |

¹ Assistance programs involving countries from two or more regions and for which country and regional break-downs were not feasible.

Note.—Due to rounding, numbers shown may not add to totals shown.

Source: USAID Trade Capacity-Building Database, "Trade Capacity Building Database: Summary Statistics," found at Internet address <http://qesdb.cdie.org/tcb/overview.html>, retrieved June 23, 2003.

Table 4-9
Trade capacity-building initiatives, leading SSA country recipients, FY 1999-FY 2002
(Percent)

| FY1999 | | FY2000 | | FY2001 | | FY2002 | |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Country | Share of total | Country | Share of total | Country | Share of total | Country | Share of total |
| Ghana | 27.2 | Ghana | 19.1 | Ghana | 11.0 | Mozambique .. | 10.3 |
| Mozambique .. | 10.0 | Mozambique .. | 9.7 | Tanzania | 9.2 | Ghana | 10.0 |
| Tanzania | 6.0 | Nigeria | 8.0 | Nigeria | 9.1 | Tanzania | 9.1 |
| Mali | 6.0 | Mali | 8.0 | Zambia | 9.0 | Uganda | 8.3 |
| Zambia | 4.9 | Zambia | 4.1 | Uganda | 4.9 | Rwanda | 4.9 |
| Top five total | 54.1 | Top five total | 48.9 | Top five total | 43.2 | Top five total | 42.4 |

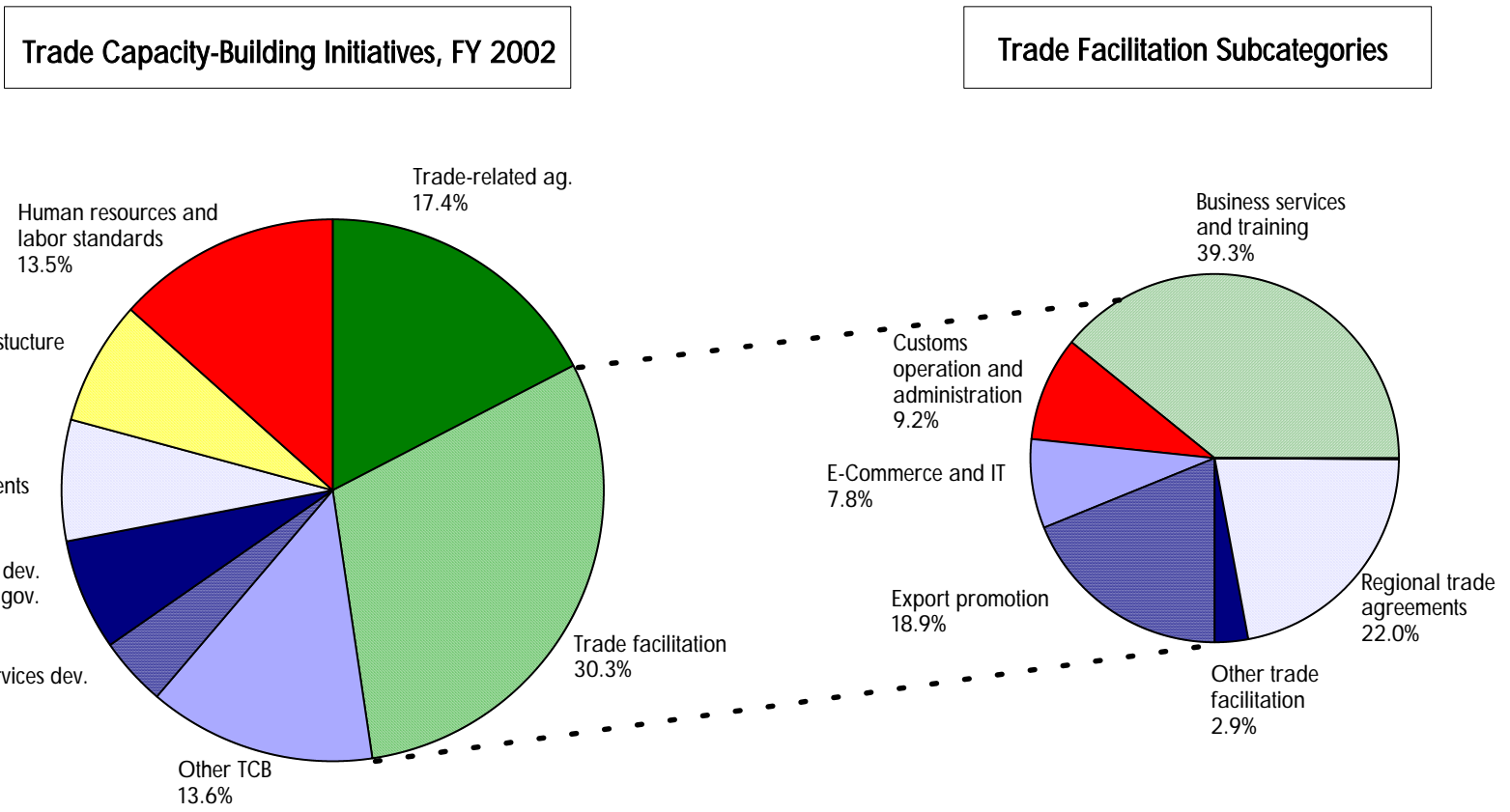
Notes.—Percentages based on countries for which funding agency can be attributed and category breakouts are available as of June 2003. As a result of updates and recategorization, percentages may have changed from those reported in previous publications. Because of rounding, figures may not add to totals shown.

Source: USAID Trade Capacity-Building Database, found at Internet address <http://qesdb.cdie.org/tcb/index.html>, retrieved June 17, 2003.

39 percent of the total. "Trade-Related Agriculture," "Human Resources and Labor Standards," "Physical Infrastructure Development," and "WTO Agreements" rank second, third, fourth, and fifth, respectively. While the vast majority of trade capacity-building initiatives directly address trade-related areas (for example, trade facilitation and export promotion), a substantial portion addresses activities which indirectly support trade (for example, human resources and labor standards, and financial sector development and good governance). Figure 4-1 provides percentages of total funding by category for FY 2002.⁵³ Table 4-10 provides illustrative examples of U.S. trade capacity-building initiatives in SSA.

⁵³ For category definitions and FY 1999 through FY 2001 category percentages, see USITC, *U.S. Trade and Investment With Sub-Saharan Africa*, Third Annual Report, Publication 3552, Dec. 2002, chapter 4.

Figure 4-1
Trade capacity-building initiatives, by funding categories and subcategories, FY 2002



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Source: USAID Trade Capacity-Building Database, found at Internet address <http://qesdb.cdie.org/tcb/index.html>, retrieved June 17, 2003; USITC staff analysis.

Table 4-10
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2002

| Country | Category | Title | Description | Funding |
|------------|---|--|--|-------------|
| Ghana | Financial Service Dev. & Good Governance Gov/Transparency & Interagency Coord. | Treasury International Affairs Technical Assistance Program | The Government Debt Team, the Financial Institutions Team, and the Tax Team from the Treasury Department are providing both resident and intermittent advisors to help the Government of Ghana to restructure the funding relationship between the Ministry of Finance and the Central Bank, to improve tax collection procedures, and to strengthen the financial sector. | \$1,182,500 |
| Mali | Trade-Related Agriculture | Assisting and Promoting Agricultural Subsectors and Agribusiness | This activity consists of providing technical assistance and training to agribusiness operators involved in the production and trade of agricultural products in the West Africa Region and on international markets. The assistance includes market tests, new market development, training in business planning, facilitation of access to trade financing, transfer of processing technologies and methods, training in marketing techniques and internet use. Positive results include the availability in Mali of well-trained private sector services providers (consulting firms) in trade capacity-building, the opening up of new markets in West Africa for Mali livestock exports, an increased availability of finance for trade, and increased incomes. | \$3,200,000 |
| Mozambique | Multiple | Red Tape, Trade, and Taxes | The purpose of this activity is to improve competitiveness by improving the enabling environment for investment and business. It has a specific component that seeks to achieve greater economic openness, through the reduction of tariffs, elimination of NTBs, and participation in bilateral, regional, and global trade arrangements. | \$1,500,000 |

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2002

| Country | Category | Title | Description | Funding |
|------------|---|--|--|-------------|
| Mozambique | Physical Infrastructure Development | Road Rehabilitation and Maintenance | This activity finances: a) construction of a major road; b) labor intensive construction of feeder roads; and c) improvements to road maintenance procedures and systems. | \$5,900,000 |
| Mozambique | Export Promotion Business Services & Training Trade-Related Agriculture | Rural Enterprise and Financial Services Development | This activity promotes the export of agricultural crops and the establishment of for-profit associations of small farmers. | \$1,500,000 |
| Namibia | E-Commerce & IT Business Services & Training | SME Competitive Enhancement Program | This activity targets the development and support of new and expanding Namibian Small and Medium Enterprises; the strengthening of local business services organizations; and the establishment of new markets for Namibian products within the region and internationally. This activity will provide technical assistance, training, IT support, and mentoring services. | \$1,350,000 |
| Rwanda | Multiple | Agribusiness Development Activity | The purpose of this initiative is to add value to key agriculture commodities targeted for export, to increase efficiency, to expand employment, to upgrade managerial and technical capability in agribusiness enterprises, to improve product quality and expand access to markets, and to develop financing options to support agribusiness growth. | \$2,500,000 |
| Rwanda | Multiple | Partnership Enhancing Agricultural Research through Linkages | This project provides market oriented research along commodity chains, targeting markets in the U.S. and Europe. | \$1,500,000 |
| Tanzania | Human Resources & Labor Standards | Tanzania Child Laborers Program | This project will complement the Timebound Program to eliminate the worst forms of child labor in Tanzania. The Tanzania Child Laborers Program will establish and staff community-learning centers in 11 target districts in Tanzania that have the highest incidence of child labor. | \$4,000,000 |

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2002

| Country | Category | Title | Description | Funding |
|---------|---|--|--|-------------|
| Togo | Human Resources and Labor Standards | Combating Child Trafficking through Education | This project will promote school attendance and provide educational opportunities for victims of child trafficking and children at risk of being trafficked. | \$2,000,000 |
| Uganda | Trade-Related Agriculture | Competitive Private Enterprise & Trade Expansion (COMPETE) | The COMPETE Project was designed to respond to Uganda's urgent need to improve the export competitiveness of its private enterprises in international markets so as to increase Uganda's foreign exchange earnings and boost domestic economic activity and employment. COMPETE identified the fish, coffee, cotton and ICT (Information Communication Technology) sectors as Uganda's niches. Foreign exchange earned from the three agricultural exports contributes to increase Uganda's export earnings and household incomes. | \$1,000,000 |
| Uganda | Trade-Related Agriculture | Investment in Developing Export Agriculture (IDEA) | The IDEA Project supports activities that increase the value of selected non-traditional agricultural exports, such as flowers, fresh produce, cocoa, papain, vanilla and selected food crops. | \$3,000,000 |
| Uganda | Business Services & Training Financial Sector Dev. & Good Governance | Support 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 MSME sectors. | \$2,319,000 |

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2002

| Country | Category | Title | Description | Funding |
|---------|-----------------------------------|---|---|-------------|
| Zambia | Human Resources & Labor Standards | Combating Child Labor through Education | The program will complement and expand upon existing activities to improve education in select rural and peri-urban communities, predominantly in the Copperbelt, Eastern, Lusaka, Southern and Western Provinces, to prevent children's migration to urban areas and engagement in the worst forms of child labor. The education program will work towards reducing child labor in Zambia through: a) improved community awareness-raising efforts on the importance of education for children engaged in or at-risk of the worst forms of child labor; b) strengthened quality of educational opportunities in government and alternative schools; c) increased ministerial and NGO capacity and inter-institutional coordination; and d) improved resource mobilization. | \$2,000,000 |
| Zambia | Multiple | Zambia Trade and Investment Enhancement Project | This project, managed by Nathan Associates, Inc., is assisting USAID Zambia in fulfilling part of its country strategic plan aimed at bringing about an improved trade and investment environment. Main components of the project are: a) reducing barriers to trade, b) capacity building in the public/private sector to facilitate economic growth and reduce poverty, and c) fostering linkages to optimize rural income-generating investment and trade opportunities. | \$1,000,000 |

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2002

| Country | Category | Title | Description | Funding |
|------------|---------------------------------------|---|---|-------------|
| SSA Region | Business Services & Training | ATRIP Telecommunications Policy Component/Leland Initiative | This activity works with African stakeholders, such as governments, consumers, and private industry, to promote pro-competitive telecommunications policies and to strengthen capacity of regulatory officials. This initiative has helped Nigeria Telecom regulators to embrace a new community-based approach to rural telecommunications and to establish a consumer affairs division (the first in Africa); aided Eritrea to introduce Internet competition and retail pricing reforms; assisted 16 West African countries to launch WATRA, an advocacy and capacity-building association; and launched NetTel-Africa, an alliance of African and U.S. universities, regulators, the FCC, and resource experts that is designing and delivering high quality training and professional certification courses. | \$1,000,000 |
| SSA Region | Multiple | COMESA | COMESA was established in 1994 and includes 20 member countries. COMESA envisions achieving economic integration in East and Southern Africa. Its strategy is based on regional cooperation, including peace and security, in core areas of trade, investment, infrastructure and science and technology development. This project strengthens COMESA's technical and institutional capacity in the areas of regional communication harmonization, trade and transport, and conflict prevention. It also assists COMESA in preparing for WTO negotiations. | \$1,750,000 |
| SSA Region | Customs Operations and Administration | Customs Partnership with Africa (AGOA) Funded by the U.S. Customs Service | This initiative provides training and resources by the U.S. Customs Service to ensure that designated beneficiary countries have the customs infrastructure required to be full participants in the duty-free trade made possible by AGOA. | \$1,000,000 |

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2002

| Country | Category | Title | Description | Funding |
|------------|-------------------------------|---|--|-------------|
| SSA Region | Multiple | East African Global Competitiveness Hub | This project provides technical assistance through the East African Global Competitiveness Hub to East African countries to promote the six main themes of the Trade for African Development and Enterprise (TRADE) initiative, including: to enhance the competitiveness of East African products and services; to expand the role that trade can play in African poverty reduction strategies; to promote U.S.-East African business linkages; to improve the delivery of public services supporting trade; to strengthen regional capacity for trade policy formulation and implementation; and to strengthen the enabling environment for Southern African businesses. | \$1,200,000 |
| SSA Region | Other Trade Capacity Building | Integrated Trust Fund Follow-up Activities | This program will implement the recommendations of Integrated Framework (IF) diagnostic studies in two selected Least Developed Countries (LDCs). These funds will demonstrate U.S. support for the IF and increase the trade capacity building of the LDCs chosen. | \$1,500,000 |
| SSA Region | Multiple | Southern African Regional Competitiveness Hub | This activity establishes the Southern African Global Competitiveness Hub in Gaborone, Botswana, to reinforce regional efforts to enhance Southern Africa's trade competitiveness and thereby take greater advantage of the increased trading opportunities provided through AGOA and other global trade initiatives. Through the Hub, technical assistance will be provided to Southern African countries, including the region's private sector and civil society organizations. | \$5,500,000 |

Table 4-10–Continued
Examples of trade capacity-building initiatives in sub-Saharan Africa, FY 2002

| Country | Category | Title | Description | Funding |
|------------|------------------|---|---|-------------|
| SSA Region | Agreement on SPS | Strengthening SPS Capacity of Sub-Saharan Africa through Risk Assessment Training | Tuskegee and USDA's Animal and Plant Health Inspection Service is helping African nations liberalize trade under AGOA by building the human and institutional capacity for compliance with the WTO Agreement on the Application of Sanitary/Phytosanitary measures. | \$1,000,000 |
| SSA Region | Multiple | Sustainable Tree Crops Project | This initiative targets small scale coffee, cocoa, and cashew farmers in West and East Africa to improve product quality, to gain access to technologies, to improve income, and to improve product price. | \$1,440,000 |

Notes.—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: USG Trade Capacity Building Database, USAID Development Information Services, Country Trade Reports, found at Internet address http://qesdb.cdie.org/tcb/car_guide.html, retrieved June 17, 2003.

The Export-Import Bank of the United States

The Ex-Im Bank is an independent U.S. Government agency that assists in the sale of U.S. exports, primarily to emerging markets. This assistance is provided through loan financing and other credit measures. The Ex-Im Bank supported \$13 billion of U.S. exports in FY 2002,⁵⁴ assisting 2,516 U.S. export sales.⁵⁵ Ex-Im Bank support to SSA, which consists of loans, guarantees, and insurance was \$207 million in FY 2002.⁵⁶ The Ex-Im Bank can consider project financing in every SSA country except Sudan.⁵⁷ Overall in SSA, elements of Ex-Im Bank's full range of medium- and long-term loan guarantee and direct loan programs, and short- and medium-term insurance programs are available in 39 countries.⁵⁸ Countries benefitting from financing in 2002 included Benin, Cameroon, Côte d'Ivoire, Equatorial Guinea, The Gambia, South Africa, Tanzania, Togo, Uganda, and Zambia. In addition to traditional export financing, the Ex-Im Bank also participates in the Africa Pilot Program, which assists businesses in SSA in purchasing U.S.-made goods and services, including parts, raw materials, and agricultural commodities. For example, in 2002, the Ex-Im Bank

⁵⁴ Ex-Im Bank, *2002 Annual Report*, p. 18.

⁵⁵ *Ibid.*

⁵⁶ *Ibid.*, pp. 22-25.

⁵⁷ Ex-Im Bank, "Country Limitation Schedule," found at Internet address http://www.exim.gov/tools/country/country_limits.html, retrieved July 3, 2003.

⁵⁸ Ex-Im Bank Press Release, "Ex-Im Bank Short-Term Insurance Now Available in 39 Sub-Saharan African Countries," Apr. 1, 2003.

authorized \$135 million in loan guarantees to Nigeria to purchase equipment and services for its LNG Plant from General Electric Co.⁵⁹

As of September 20, 2002, Ex-Im Bank's total exposure in SSA was \$3.2 billion. The Democratic Republic of the Congo accounted for 29 percent, while Nigeria made up 23 percent, and South Africa constituted 12 percent of total regional Ex-Im Bank exposure. Table 4-11 lists Ex-Im Bank exposure, 2002 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 by 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 implementation phase. The TDA also promotes economic development in developing countries by funding feasibility studies, consultancies, trading programs, and other project planning services.

The TDA's obligations in SSA totaled \$9.9 million in FY 2002 (table 4-12) and \$6.1 million in FY 2001. SSA funding accounted for 11.8 percent of all TDA funding in 2002 and 2001.⁶⁰ South Africa accounted for a large portion of the funds allocated, with funding commitments totaling \$4 million.⁶¹

The TDA uses its commercial experience in developing and middle income countries, in conjunction with the State Department and the USAID, to promote U.S. foreign policy. For example, following the President's direction at the first AGOA Forum in October 2001, the TDA established its Africa Regional Trade and Development Office in Johannesburg, South Africa. It is the TDA's fourth regional office and the first in Africa. The office allows the agency to provide on-site guidance to U.S. and African companies and African governments seeking to improve their access to the resources of the U.S. private sector and U.S. government trade and development programs. Other programs supported by the TDA included home mortgage financing in Nigeria, feasibility studies on potable water supply in Ghana and Nigeria, air navigation throughout the Southern African region, port infrastructure in Mauritius, and electrical power transmission in Zambia.⁶² In November 2002, the TDA cosponsored an Africa Air Cargo Transport Roundtable with the U.S. Department of Transportation and the Ex-Im Bank. The event brought together public and private sector officials from the

⁵⁹ Ex-Im Bank, *2002 Annual Report*, p. 31.

⁶⁰ TDA, *2002 Annual Report*, pp. 34 and 39.

⁶¹ TDA Winter 2003 update, found at Internet address <http://www.tda.gov/trade/updatewinter2003/africamiddleeast.html>, retrieved July 9, 2003.

⁶² TDA, *2002 Annual Report*, found at Internet address <http://www.tda.gov/abouttda/report2002/africa-middle-east.html>, retrieved Oct. 1, 2003.

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

| Country | Exposure ¹ | 2002 Authorizations | Availability ² |
|--------------------------|-----------------------|---------------------|---------------------------|
| Angola | \$141,232,855 | (3) | P.A. |
| Benin | 10,857,499 | \$195,002 | P.A. |
| Botswana | (3) | (3) | Yes |
| Burkina Faso | (3) | (3) | P.A. |
| Burundi | (3) | (3) | No |
| Cameroon | 47,825,679 | 9,021,365 | P.A. |
| Cape Verde | (3) | (3) | P.A. |
| Central African Republic | 8,710,457 | (3) | No |
| Chad | (3) | (3) | P.A. |
| Comoros | (3) | (3) | No |
| Congo (ROC) | 22,864,759 | (3) | P.A. |
| Congo (DROC) | 921,830,192 | (3) | No |
| Côte d'Ivoire | 164,351,917 | 1,055,268 | P.A. |
| Djibouti | (3) | (3) | P.A. |
| Equatorial Guinea | 450,000 | 450,000 | P.A. |
| Eritrea | (3) | (3) | P.A. |
| Ethiopia | (3) | (3) | P.A. |
| Gabon | 64,369,962 | (3) | P.A. |
| The Gambia | 636,039 | 504,570 | P.A. |
| Ghana | 142,546,689 | 9,045,230 | P.A. |
| Guinea | 7,920,740 | 180,000 | P.A. |
| Guinea-Bissau | (3) | (3) | P.A. |
| Kenya | 100,828,542 | 3,471,522 | P.A. |
| Lesotho | (3) | (3) | Yes |
| Liberia | 5,980,110 | (3) | No |
| Madagascar | 38,318,462 | (3) | P.A. |
| Malawi | (3) | (3) | P.A. |
| Mali | 4,450,083 | 2,005,256 | P.A. |
| Mauritania | 7,297,107 | 842,750 | P.A. |
| Mauritius | 26,495,289 | (3) | Yes |
| Mozambique | 626,193 | 626,193 | P.A. |
| Namibia | 83,080,368 | (3) | Yes |
| Niger | 6,756,610 | (3) | P.A. |
| Nigeria | 742,951,125 | 150,544,560 | P.A. |
| Rwanda | 559,569 | (3) | P.A. |
| São Tomé and Príncipe | (3) | (3) | P.A. |
| Senegal | 11,537,030 | 5,579,406 | P.A. |
| Seychelles | 36,000 | (3) | P.A. |
| Sierra Leone | (3) | (3) | No |
| Somalia | (3) | (3) | No |
| South Africa | 391,109,027 | 325,800 | Yes |
| Sudan | 28,246,331 | (3) | L |
| Swaziland | (3) | (3) | Yes |
| Tanzania | 3,839,995 | 3,247,782 | P.A. |
| Togo | 15,002,820 | 15,000,000 | P.A. |
| Uganda | 3,372,062 | 1,794,978 | P.A. |
| Zambia | 151,234,626 | 3,234,506 | P.A. |
| Zimbabwe | 65,959,481 | (3) | No |
| Total | \$3,221,277,618 | \$207,124,188 | |

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; L = support is legally prohibited.

³ Not available.

Source: Ex-Im Bank, *2002 Annual Report*, pp. 22-25, and Country Limitation Schedule.

Table 4-12
U.S. Trade and Development Agency funds obligated for program activities in Africa, FY 2002

| Country | Title | Activity | Funds obligated |
|--------------------|--|-----------------------|-----------------|
| Benin | Cotonou Residential Housing | Desk Study | \$2,500 |
| Botswana | Aluminum Project | Desk Study | 2,500 |
| Cameroon | Nickel-Cobalt Mining - Phase 1 | Feasibility Study | 330,250 |
| Cameroon | Polyclinique Bonanjo | Desk Study | 2,500 |
| Cameroon | Airspace Management and Airport Concessions | Definitional Missions | 29,998 |
| Gabon | Poultry Processing Facility | Desk Study | 2,500 |
| Gabon | Civil Aviation | Definitional Mission | 24,996 |
| Ghana | Sogakope - Lome Water Supply | Feasibility Study | 440,000 |
| Ghana | Airborne Communications | Desk Study | 4,000 |
| Ghana | Wireless Communications | Desk Study | 2,500 |
| Ghana | Salt Projects | Definitional Mission | 24,998 |
| Ghana | Salt Projects - Solar Salt Refinery Projects | Feasibility Study | 102,040 |
| Ghana | AGOA Manufacturing | Orientation Visit | 76,800 |
| Ghana | Biomass Power | Desk Study | 2,500 |
| Guinea | Port of Kamsar | Desk Study | 3,000 |
| Guinea | Port of Kamsar | Feasibility Study | 507,236 |
| Kenya | Telecommunications Regulatory | Definitional Mission | 5,000 |
| Kenya | Cotton/Textile Development | Desk Study | 2,425 |
| Kenya | Cotton/Textile Development | Feasibility Study | 312,447 |
| Liberia | Iron Ore Transport | Desk Study | 3,500 |
| Mauritius | LPG Storage Tank Relocation | Feasibility Study | 12,000 |
| Mauritius | Information Technology Implementation Plan | Technical Assistance | 220,727 |
| Mauritius | Emergency Services Communications | Technical Assistance | 231,289 |
| Namibia | Fishing Sector | Orientation Visit | 81,721 |
| Nigeria | Ekiti State Potable Water System Infrastructure Improvements | Desk Study | 2,500 |
| Nigeria | Ekiti State Potable Water System Infrastructure Improvements | Feasibility Study | 360,381 |
| Nigeria | Bauchi State Dindima Dam | Desk Study | 2,500 |
| Nigeria | Private Long-Term Mortgage Corporation | Desk Study | 4,975 |
| Nigeria | Private Long - Term Mortgage Corporation | Technical Assistance | 272,000 |
| Nigeria | Ogun State Sugar Factory | Feasibility Study | 288,645 |
| Nigeria | Port Sector | Definitional Mission | 29,950 |
| Nigeria | Akwa Ibom State Fertilizer Complex | Desk Study | 2,500 |
| Nigeria | Akwa Ibom State Fertilizer Complex | Feasibility Study | 450,000 |
| Nigeria | Agricultural Sector | Definitional Mission | 35,000 |
| Nigeria | Ogun State Eggua Cement | Desk Study | 2,500 |
| Nigeria | Rivers State Fixed Wireless Project | Desk Study | 2,500 |
| Senegal | Ports of Dakar and Bargny | Desk Study | 2,500 |
| Senegal | MSG Facility | Desk Study | 2,500 |
| South Africa | South Africa Tire Recycling Re-review | Desk Study | 1,000 |
| South Africa | South Africa Tire Recycling | Feasibility Study | 270,000 |
| South Africa | Richards Bay Fluidized Bed Power | Feasibility Study | 534,000 |
| South Africa | Medical Orientation Visit | Orientation Visit | 40,000 |
| South Africa | Yeast Manufacturing | Desk Study | 4,000 |
| South Africa | Yeast Manufacturing | Feasibility Study | 243,000 |
| South Africa | Integrated Rail Freight | Desk Study | 4,000 |
| South Africa | Integrated Rail Freight | Feasibility Study | 500,000 |
| South Africa | Electrolytic Manganese Dioxide Processing | Feasibility Study | 215,720 |
| South Africa | Forest Oil Offshore Gas | Desk Study | 4,000 |
| South Africa | Forest Oil Offshore Gas - Ibhubesi | Feasibility Study | 650,104 |
| South Africa | PetroSA Pipeline | Desk Study | 6,000 |
| South Africa | PetroSA Pipeline | Technical Assistance | 282,160 |
| South Africa | Paper Mill | Desk Study | 2,500 |
| South Africa | Paper Mill | Feasibility Study | 664,000 |
| South Africa | PetroSA Western Cape | Technical Assistance | 173,140 |
| South Africa | Hor-Briquetted Iron | Feasibility Study | 364,000 |
| Tanzania | AGOA Agribusiness | Orientation Visit | 67,606 |
| Togo | Sea Point Africa Container Facility | Desk Study | 4,000 |
| Africa/ME Regional | North Africa/Middle East Aviation Conference | Technical Symposium | 105,425 |
| Africa/ME Regional | North Africa/Middle East Aviation Sector | Technical Assistance | 86,974 |
| Africa/ME Regional | CCA Africa Major Project Conference | Technical Symposium | 162,187 |

Table 4-12—Continued
U.S. Trade and Development Agency funds obligated for program activities in Africa, FY 2002

| Country | Title | Activity | Funds obligated |
|--------------------|--|----------------------|-----------------|
| Africa/ME Regional | Refinery/Petrochemicals/Power Complex and Related Projects | Definitional Mission | \$34,681 |
| Africa/ME Regional | Project Analyst | Technical Assistance | 59,990 |
| Africa/ME Regional | Sub-Saharan Africa Regional Trade and Development Office | Technical Assistance | 130,496 |
| Africa/ME Regional | CNA/ATM Transition Plan | Desk Study | 4,000 |
| Africa/ME Regional | CNA/ATM Transition Plan | Feasibility Study | 600,000 |
| Africa/ME Regional | Africa Project Finance Symposium | Technical Symposium | 246,418 |
| Africa/ME Regional | East Africa Geothermal Conference | Technical Symposium | 161,000 |
| Africa/ME Regional | East Africa Regional Rail and Port | Definitional Mission | 31,066 |
| Africa/ME Regional | Co-Sponsorship of Videoconferencing | Technical Symposium | 500 |
| Africa/ME Regional | Southern Africa Airport Extension | Definitional Mission | 39,991 |
| Africa/ME Regional | Regional/Housing Construction | Orientation Visit | 129,911 |
| Africa/ME Regional | Air Cargo Transport Part I | Orientation Visit | 84,328 |
| Africa/ME Regional | Air Cargo Transport Part II | Definitional Mission | 72,325 |
| | Total | | \$9,864,400 |

Source: U.S. Trade and Development Agency, *2001 Annual Report*, found at Internet address http://www.ida.gov/aboutida/report2002/pabr_africa-me.html retrieved on May 2002.

United States and Africa to address issues surrounding the development of an air cargo strategy to facilitate the movement of goods between Africa and the United States.⁶³ In January 2003, the TDA participated in the SACU FTA launch in South Africa. The agency continues to increase its AGOA-related activities through orientation visits, project studies, and capacity-building technical assistance in several manufacturing and agriculture subsectors.

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. OPIC focuses its efforts in Africa on supporting small- and medium-sized businesses.

In 2002, OPIC's programs were available for 41 of the 48 SSA countries.⁶⁴ Total investments in SSA were \$149 million in 2002. OPIC supports four privately managed funds that invest in SSA: the \$25 million Africa Growth Fund, which has equity investments in mining, manufacturing, and financial services; the \$117 million Modern Africa Growth and Investment Fund, for all SSA countries except South Africa, which focuses on manufacturing, telecommunications, and natural resources; the \$120 million ZM Africa Investment fund, for South Africa and regional SADC countries,

⁶³ TDA, "Working to Promote the U.S. Aviation Industry," Mar. 2003, found at Internet address <http://www.ida.gov/region/sectoral/aviation.html>, retrieved Nov. 17, 2003.

⁶⁴ OPIC, *2002 Annual Report*, p. 20.

which concentrates on diversified manufacturing, financial, and service industries; and the \$350 million Africa Millennium Fund which holds the equities or quasi-equities of companies that work in the infrastructure sector.⁶⁵

OPIC actively participates in SSA (table 4-13). In Ethiopia, an OPIC loan to MedPharm, Inc. will enable the opening of the International Clinical Laboratories. The ICL lab will serve the majority of the country and introduce testing technologies not currently available in Ethiopia.⁶⁶ A \$15 million loan guarantee to the Soros Economic Development Fund will allow South Africa's National Urban Reconstruction and Housing Agency to finance the building of 90,000 homes for low-income families and to provide potable water.⁶⁷ OPIC-funded political risk insurance of \$1.1 million will allow Decision Technologies International of Wappingers Falls, New York, to open an office and to develop and market software products and services in Nigeria. OPIC also provided political risk insurance for the drilling and repair of oil and gas wells in Chad. This insurance coverage represented OPIC's first project in Chad.⁶⁸

U.S. Agency for International Development

U.S. Agency for International Development (USAID) implements U.S. foreign economic assistance programs offered by the U.S. Government. Issues addressed by these programs include 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.

In FY 2002, USAID obligations for SSA totaled \$1.1 billion. USAID's assistance consisted of \$420 million for child survival and disease programs, \$466 million for development assistance programs, \$100 million in economic support funds, and \$132 million for Public Law 480, Title II, which provides food assistance and poverty alleviation through nonprofit, charitable organizations.⁶⁹ Table 4-14 contains FY 2002 allocation of USAID funds in SSA.

USAID started several new programs in 2002 that are designed to combat poverty, hunger, and corruption, and to improve education. For example, the Initiative to End Hunger in Africa aims to halve hunger in Africa by 2015. Through an African-led partnership, the \$148 million initiative will focus on promoting agricultural production

⁶⁵ OPIC, "OPIC Investment Funds list," found at Internet address <http://www.opic.gov/investmentfunds/>, retrieved July 9, 2003.

⁶⁶ OPIC, *2002 Annual Report*, p. 6.

⁶⁷ *Ibid.*, p. 7.

⁶⁸ OPIC, "OPIC Board Approves \$250 Million in Insurance for Project in Chad," *OPIC Press Release 2-14*, May 22, 2002.

⁶⁹ USAID, "FY 2003 Country Allocation Summary," found at Internet address http://www.usaid.gov/pubs/cbj2003/fy03_table4c.html, retrieved July 8, 2003.

Table 4-13
Sub-Saharan Africa: OPIC investment projects, 2002

| Country | Project Description | Value | Support Type |
|------------------------|---|---------------|--------------|
| Angola | Pump and motor distribution and repair facility | \$495,000 | Finance |
| Angola | Pump and motor distribution and repair facility | 750,000 | Insurance |
| Chad | Oil and gas drilling | 100,000,000 | Insurance |
| Ethiopia | Medical diagnostic testing facility | 489,677 | Finance |
| Ghana | Operation of a gravel quarry | 168,560 | Finance |
| Ghana | Dehydration facility to process spices, dried fruit, and nuts | 2,000,000 | Finance |
| Ghana | Drilling potable-water wells | 100,000 | Finance |
| Namibia | Mining of off-shore diamond deposits | 15,000,000 | Finance |
| Nigeria | Software business center development | 1,080,000 | Insurance |
| South Africa | Low-income residential housing construction | 15,000,000 | Finance |
| Togo | Banking | 13,500,000 | Insurance |
| | Total | \$148,583,237 | |

Source: OPIC, *2002 Annual Report*, p. 16.

and increasing rural incomes.⁷⁰ The partnership began in Ethiopia with a quick start program to improve water management technologies. 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.⁷¹ A new 5-year Anti-Corruption Initiative aims to reduce corruption in SSA by addressing the enabling environment for corruption. 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, the Democratic Republic of the Congo, Equatorial Guinea, Gabon, and the Republic of the Congo 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.⁷²

⁷⁰ 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

⁷¹ USAID Fact Sheet, "Strengthening Basic Education in Africa," found at Internet address http://www.usaid.gov/press/releases/2002/02fs_afrededucation.html, retrieved July 8, 2003

⁷² 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*, Publication 3552, Dec. 2002, pp. 108-111.

Table 4-14
USAID funds allocated for sub-Saharan Africa, by major project categories, FY 2002
(Million dollars)

| Country | Development Assistance | Child Survival and Disease | P.L. 480 Title II | Economic Support Funds | Total |
|--------------------|------------------------|----------------------------|-------------------|------------------------|--------------|
| Angola | 3.4 | 6.2 | 7.8 | 2.0 | 19.4 |
| Benin | 3.1 | 11.2 | 3.9 | 0.0 | 18.2 |
| Burundi | 1.5 | 0.0 | 0.0 | 0.0 | 1.5 |
| DROC | 2.8 | 15.8 | 0.0 | 0.0 | 18.6 |
| Eritrea | 5.6 | 5.2 | 0.0 | 0.0 | 10.8 |
| Ethiopia | 12.6 | 27.9 | 38.3 | 0.0 | 78.8 |
| Ghana | 19.4 | 15.9 | 13.1 | 0.0 | 48.4 |
| Guinea | 9.7 | 10.2 | 4.7 | 0.0 | 24.6 |
| Kenya | 18.9 | 14.4 | 8.9 | 0.0 | 42.2 |
| Liberia | 3.8 | 1.5 | 1.0 | 0.0 | 6.3 |
| Madagascar | 14.0 | 4.5 | 8.3 | 0.0 | 26.8 |
| Malawi | 10.0 | 14.8 | 4.0 | 0.0 | 28.8 |
| Mali | 20.3 | 12.7 | 0.3 | 0.0 | 33.3 |
| Mozambique | 29.2 | 11.9 | 16.0 | 0.0 | 57.1 |
| Namibia | 4.4 | 4.5 | 0.0 | 0.0 | 8.9 |
| Nigeria | 30.3 | 23.7 | 0.0 | 25.0 | 79.0 |
| Rwanda | 7.2 | 6.8 | 10.4 | 0.0 | 24.4 |
| Senegal | 16.0 | 8.5 | 1.0 | 0.0 | 25.5 |
| Sierra Leone | 3.5 | 1.9 | 0.0 | 9.0 | 14.4 |
| Somalia | 2.5 | 0.5 | 0.0 | 0.0 | 3.0 |
| South Africa | 34.3 | 18.4 | 0.0 | 0.0 | 52.7 |
| Sudan | 4.5 | 0.5 | 0.0 | 0.0 | 5.0 |
| Tanzania | 14.5 | 10.6 | 0.0 | 0.0 | 25.1 |
| Uganda | 20.9 | 29.3 | 15.0 | 0.0 | 65.2 |
| Zambia | 10.7 | 27.6 | 0.0 | 0.0 | 38.3 |
| Zimbabwe | 5.8 | 6.4 | 0.0 | 0.0 | 12.2 |
| Total | 308.9 | 290.9 | 132.7 | 36.0 | 768.5 |

Note.—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.

Source: Compiled from USAID data found at Internet address
http://www.usaid.gov/pubs/cbj2002/afr/afrbur_summtabs.html, retrieved July 2, 2003.

Box 4-1. USAID and Trade Capacity-Building Initiatives

In FY 2002, USAID inaugurated a new, multiyear trade capacity-building initiative, Trade for African Development and Enterprise (TRADE). TRADE promotes regional integration and cooperation by strengthening the ability of African countries and businesses to develop their export sectors. TRADE operates through three Regional Hubs for Global Competitiveness located at USAID's three regional missions in Kenya, Ghana, and Botswana.

The East and Central Africa (ECA) hub, based in Nairobi, Kenya, has three components: trade capacity-building, AGOA business development, and transportation. The trade capacity-building component is a combination of established short-term training courses, trade negotiation simulation models, seminars covering specific issues related to upcoming trade negotiations, and other trade capacity strengthening seminars targeted at both the private and public sectors. Current projects include training on the current round of WTO Uruguay Round agreements for officials from government ministries in the area, the private sector, and other interested stakeholders.

The Southern Africa Hub's primary objective is to enhance the competitiveness of Southern Africa products and services. Located in Gaborone, Botswana, the hub promotes customs and trade facilitation and transport efficiency. Examples of such initiatives include:¹

- Swazican, a producer of juices, jams, and canned fruit, based in Swaziland, has been exporting to the region for over 20 years though the firm's exports to the U.S. market were not viewed as a priority. After assistance from the Hub staff on AGOA opportunities and requirements, the firm expanded U.S. exports from two products to five. Swazican's production capacity increased 17 percent in 2002 and 210 new jobs were created at the firm.
- Nagrapex Holdings Ltd., a Namibian grape exporter, exports over 2,000 tons of table grapes annually, primarily to Europe. Nagrapex is aggressively looking for new markets, including the United States. The first step to entering the U.S. market is the U.S. Department of Agriculture (USDA) application process, which can take up to 2 years. Trade Hub experts are guiding Nagrapex through the USDA application process as well as arranging for the pest risk assessment (PRA) for table grapes, a prerequisite for export to the United States and the first step in the application process.

¹ USAID, "Southern African Global Competitiveness Hub," found at Internet address <http://www.satradehub.org/TradeIssues/SuccessStories.aspx>, retrieved July 11, 2003.

The West African Trade Hub (WATH), located in Accra, Ghana, focuses on building trade capacity; exploiting opportunities under AGOA; and exchanging, monitoring, and evaluating information. WATH's trade capacity-building component focuses on the training and capacity-building of public and private sector trade specialists on WTO issues and agreements and on broad information dissemination of relevant WTO activities. Activities begun over the last year include:²

- Growth through Engendering Enterprise in ECOWAS Countries (ECOGEE): The ECOGEE project supports West African women's efforts to overcome barriers to business development and regional trade. The 3-year project began in September 2002 and is implemented by International Business Initiatives together with West Africa Businesswomen's Network (WABNET).
- West African International Business Linkages (WAIBL): WAIBL is a USAID-funded program to increase commercial partnerships between businesses in the United States and West Africa. These relationships can take many forms including export/import agreements, joint ventures, and equity partnerships. WAIBL is active in 18 countries in West Africa: the 15 countries of ECOWAS as well as Cameroon, Chad, and Mauritania.

² USAID, "West African Trade Hub," found at Internet address <http://www.watradehub.com/activities/index.htm>, retrieved July 11, 2003.