



Remarks on Africa

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Good afternoon, and thank you, for your kind introduction. It is a pleasure to be here with the Bethesda-Chevy Chase Rotary Club. For over 100 years, your organization has offered a helping hand to those needing humanitarian assistance and emphasized the importance of ethical behavior in all professions and sectors of society. You are pillars of your community, and when we speak about the importance of nurturing civil society organizations in order to support emerging democratic governments, the Rotary Club is an example of that ethos.

President Bush has a particular passion for institutions and lasting results. A single democratic election is an accomplishment, but building an independent national election commission and allowing labor unions, political parties, and free press collectively constitute a lasting achievement. President Bush and Secretary Rice have focused on the latter and have sought to reframe the debate about Africa and reshape the way we interact with countries on the continent. We seek responsible and responsive relationships in and outside government. Today, the United States government works in partnership with a wide variety of African institutions as well as political and civil society leaders.

We are working together with our partners in Africa on an increased range of projects with a corresponding increase in dedicated funding. As a percentage of federal spending, U.S. foreign assistance increased about 70 percent between 2000 and 2004, and Africa has seen a three-fold increase in U.S. government assistance over the past five years.

In devoting more energy and resources to a proactive Africa policy, the President has accrued a host of accomplishments. Today, I would like to focus on three: First, President Bush's dedication to making the world safer through robust efforts towards conflict resolution and prevention. Second, there is a hopeful shift toward democracy across Africa. Last, the United States' increasing investment in the people of Africa.

MAKING THE WORLD SAFER

Secretary Rice describes her foreign policy approach as Transformational Diplomacy, which is guided by partnership, as opposed to the paternalism of the past. As Secretary Rice has explained, "we seek to use America's diplomatic power to help foreign citizens better their own lives and to build their own nations and to transform their own futures."

One striking example is the resolution of various conflicts in Africa. When President Bush took office in 2001, there were six wars raging in Africa. By working together, Africans, the United Nations, and other international partners have successfully ended those wars in Sierra Leone, in Liberia, in Congo, in Burundi, in Angola, and the North-South conflict in Sudan, which had raged for 22 years and taken two million lives.

As a general rule, we have relied on one particular method: We have backed African conflict mediation and strengthened Africa's capacity to carry out peace support operations and fight terror. Our approach is to work with lead African mediators and multilaterally with the United Nations, African Union, and sub-regional organizations like ECOWAS. We have seen strong evidence that this method is working.

Work remains to be done, but there are good reasons to be hopeful. Africans are taking the lead. We applaud the African Union's (AU) New Partnership for Africa's Development (NEPAD) Program of Action and its African Peer Review Mechanism (APRM). NEPAD provides a framework for cooperation among African countries working to prevent conflict and promote democracy and human rights, among other worthy objectives. The U.S. and other donors have welcomed NEPAD and the APRM, which emphasize good economic and political governance. This is an important first step to real partnership with Africa.

DEMOCRACY TAKES ROOT

In sub-Saharan Africa, our interest is supporting the development and growth of democratic institutions and good governance. Governments that reflect the popular will of the people are more likely to respect borders and human rights. It is no longer acceptable in Africa *not* to endorse democratic principles, even in countries like Sudan or Zimbabwe, where there is no democracy. We can see many examples of democracy taking root and even flourishing in Africa.

Tanzania's 2005 elections were deemed largely free and fair, and Jakaya Kikwete's election marked the nation's third peaceful transition of power. Benin continued its longstanding role as a model of democracy and stability in West Africa through its March 2006 presidential elections. The independent candidate Boni Yayi was elected with 75 percent of the vote in runoff elections declared free and fair by observers.

These are times of great optimism in Liberia. Fourteen years of civil war are over, and those displaced by war are returning to their communities. Liberia inaugurated Africa's first democratically elected woman leader in January 2006. The Government of Liberia is actively working to rehabilitate the country's justice sector, establishing a public defender's office in the capital and tightening contracting practices and financial controls. The president has dismissed or suspended a number of government officials for corruption, and the Truth and Reconciliation Commission began taking statements from witnesses.

When Mauritania had a military coup two years ago, the coup leader immediately announced that the purpose was not to do away with democracy, but only to remove bad government; this past March, Mauritania held free and fair elections for a civilian government. This was a remarkably mature process. No significant irregularities were reported, and voter turnout was noticeably high - 70% in the first round and 67% in the second round of balloting. As one of just a handful of Islamic democracies in the world, Mauritania's success has symbolic resonance.

The United States believes strongly in the importance of democracy, and we have dedicated resources to its promotion. The Governing Justly and Democratically Objective for Africa is coordinated by USAID. In 2006, the U.S. spent nearly \$161 million on democracy promotion activities in Africa, and as we look ahead to 2008, the executive branch is requesting over \$220 million for these activities. It is fair to say that the U.S. government is committed to these efforts and that the trend for funding is moving upward over time.

RESOURCES & INVESTMENT

Africa is a rich continent in an impoverished state, and the Millennium Challenge Account is perfectly placed to help these countries build capacity to achieve sustainable and transformative development. Since its establishment three years ago, the Millennium Challenge Corporation, often called MCC, has been working toward a single

goal: to reduce poverty through growth. MCC is based on the principle that aid is most effective when it reinforces good governance, economic freedom, and investments in people.

Using objective indicators, countries are selected to receive assistance based on their performance in governing justly, investing in their citizens, and encouraging economic freedom. Because corruption undermines every aspect of sustainable development, MCC has made fighting corruption one of its highest priorities.

Ghana's public sector reform minister best described the level of expectation and responsibility demanded by country ownership when he said: "Unlike other traditional development assistance programs where the donor proposes how funds are used, countries selected under the Millennium Challenge Account propose programs to receive funding. Thus, the MCA is designed to allow developing countries to take ownership and responsibility for funds provided by the Millennium Challenge Corporation."

Asking countries to develop their own Compacts - including the monitoring and evaluation plans for them - enhances those countries' abilities and skills to evaluate other programs, including those of their own government.

The U.S. has already completed compacts with: Madagascar, Cape Verde, Benin, Ghana, and Mali. Mali's \$461 million agreement recognizes the progress this majority Muslim democracy has made over the last 15 years. With this infusion of aid, Malians can invest in agriculture, light industry, and infrastructure improvements that will enable Mali to better feed its population and be more competitive internationally.

This investment is incredible when we consider the context. Last year, the U.S. promised \$307 million of assistance to Benin through the Millennium Challenge Account. Twenty-five years ago, that was the approximate total of U.S. spending for all of Africa. Indeed, U.S. official development assistance to Sub-Saharan Africa went from \$1.4 billion in 2001 to \$5.6 billion in 2006.

GROWTH THROUGH AGOA

The cornerstone of the United States' trade policy for sub-Saharan Africa is the African Growth and Opportunity Act, commonly called AGOA. This policy is intended to encourage more trade and investment between the United States and Africa by offering one-way trade preferences to countries that meet certain criteria related to: democracy, good governance, and economic openness.

In 2006, U.S. total trade with sub-Saharan Africa increased 17 percent, with both exports and imports increasing at similar rates. A 20 percent increase in crude oil imports accounts for most of the overall growth, but there was also growth among other imports, including: platinum, diamonds, iron, and steel.

AGOA imports were \$44.2 billion in 2006, 16 percent more than in 2005. Petroleum products continued to account for the largest portion, with a 93 percent share of overall AGOA imports. With fuel products excluded, AGOA imports were \$3.2 billion, increasing by seven percent. Of the top five African destinations for U.S. products, exports to South Africa rose by 14 percent; exports to Nigeria rose by 38 percent; exports to Angola rose by 67 percent; exports to Equatorial Guinea increased by 96 percent; and only in Kenya did the level of U.S. exports decrease -- by 17 percent.

The five nations that exported the most under AGOA in 2006 were the same as the top five from 2005: Nigeria, Angola, South Africa, Chad, and Gabon. And as we look ahead to the sixth annual AGOA forum, which will be held in Accra, Ghana, this July, we are optimistic about the ongoing growth in sub-Saharan Africa's economic strength. The forum's theme captures the essence of our AGOA strategy: "As Trade Grows, Africa Prospers: Optimizing Benefits Under AGOA." We are counting on active involvement from the private sector and civil society to help make this the most successful forum yet.

CONCLUSION

In closing, I would like to thank you for inviting me to join you. This is an exciting time to be working on Africa policy. President Bush, Secretary Rice, and Assistant Secretary Frazer have introduced innovative solutions to improve the lives of Africans, based on following Africa's lead.

These policies have shown promise, helping to resolve and prevent conflicts, nurture democratic growth and good governance, and expand economic power within sub-Saharan Africa. Africa is on the move, and its future brims with promise.

Thank you again, and now, I would be happy to take any questions that you may have.

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