U.S.-Africa Leaders Summit: Blog Series

The Africa Growth Initiative presents the U.S.-Africa Leaders Summit blog series on the first-ever U.S.-African Heads of State Summit in Washington, D.C. from August 4-6, 2014. This series features a collection of nine blogs on efforts to strengthen ties between the United States and one of the world's most rapidly changing regions.

Africa Growth Initiative
at BROOKINGS

Who we are
The Africa Growth Initiative (AGI) at Brookings conducts high-quality, independent research, which helps establish long-term strategies for economic growth and strong policies for development in Africa.

Our work & approach
Our interdisciplinary team of experts draws on the core strengths of Brookings—authoritative and nonpartisan research, a depth of practical expertise, and unparalleled convening power—to develop effective solutions that *maintain the momentum* and *broaden the benefits* of growth in Africa. AGI distinguishes itself by ensuring that the analysis it produces is:

- Quantitative: AGI uses data analysis and empirical research to inform its findings, providing an "economic lens" that is applicable to all discussions on Africa and can help pull together disparate narratives on security, humanitarian crises, geopolitics, and extractive industries.
- High Quality: AGI delivers research conducted with the most rigorous academic discipline and subjected to thorough peer review.
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Maintain the momentum
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- Big risks to Africa's growth
- Structural transformation
- Private sector support for official development objectives and improved public-private partnerships
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- Institutions, economic governance, and transparency

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- Jobs and youth entrepreneurship
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- Transfer of skills, technology, and knowledge

U.S.-Africa Leaders Summit: Seizing the Opportunity to Reposition Africa-U.S. Relations

January 23, 2014 – During his second official trip to sub-Saharan Africa in 2013, President Obama announced that he would be hosting African leaders for a summit in Washington in 2014. The president's announcement was met with high level of enthusiasm by many analysts who, in the past, have viewed U.S. policy on Africa under the Obama administration as lacking clear focus or creativity. On January 21, 2014, the White House formally announced the dates of the Leaders Summit as August 5-6, 2014. President Obama should be congratulated for taking this bold step—a step that will provide a significant opportunity to greatly enhance U.S.-Africa relationships. According to the White House press release, the president "looks forward to welcoming leaders from across the African continent to the Nation's Capital to further strengthen ties with one of the world's most dynamic and fastest-growing regions." The summit could mark a turning point in U.S.-Africa relations, but only if the African leaders come to the summit with a well-structured strategy with clear objectives. Should the leaders lack a coherent strategy, they will end up wasting this great opportunity.

Strategies to Maximize the Value of the Summit

Although the summit provides a great opportunity to strengthen relations between the United States and Africa, it is not obvious that such positive results will materialize. If the leaders do not have clear and harmonized positions on which they want to come to agreement with President Obama, then the summit may end up largely unproductive. Here are some suggestions for the African leaders and their advisers as they prepare for the summit.

1. Leaders **must** have a strategy as to how to proceed with the discussions, including identifying appropriate leaders who will articulate the specific positions. The African Union should probably be tasked with identifying the priority issues that African leaders should bring to the table.

2. Leaders must not turn the summit into a "begging" forum. It will be a great disservice to Africans if the summit concentrates on asking for aid. If this item is on the preliminary agenda, leaders should just skip it. As for the United States, it would be unwise to bring up social issues, such as same-sex relations and marriages that would no doubt paralyze the summit and distract from the more pressing challenges on the continent.

3. African leaders should come armed with strategies of engagement that result in mutual benefits to both United States and Africa. They should not waste time seeking additional preferences that only benefit Africa and are largely at the expense of the United States. They must demonstrate that Africa has something to offer for the benefit of America.

4. If the leaders cannot resist asking the president's assistance in extending and/or enhancing Africa Growth and Opportunity Act (AGOA), they should also be prepared to demonstrate how any new approach will also improve the United States' participation in African markets.

5. Leaders should focus on the few big things that really matter to the majority of Africans. My suggestion is to focus on regional integration and seek broader U.S. participation in supporting that integration. There are many investment opportunities for partnerships with American businesses that would enhance the integration process.

6. African leaders should emphasize that the Power Africa initiative holds promise but it is small in scope, and there are many more investment opportunities to expand power in Africa. Likewise, they should note that the infrastructure deficit remains a primary constraint to growth. If nothing else, leaders should seek tangible results on how the U.S. private sector can play a bigger role in infrastructure development. Leaders should be prepared to articulate strategies that seek to improve the business climate for infrastructure development.

7. They should bring the issue of illicit capital flows on the table. Some of these leaders' colleagues are actually part and parcel to the illicit flows, but their success in this activity is, in part, due to collaboration of those in United States and other developed countries. It is important that illicit flows be curtailed, and the participation of the United States is crucial to curbing this trend.

8. Leaders should stress that Africa remains marginalized in many aspects of global governance. They should use the summit to seek Obama's support for increased and effective African representation in global governance.

9. Security will be of central importance to the United States. Rising radicalism and terror groups are of real concern and are areas where collaboration between the United States and Africa can have a positive impact. However, African leaders must come up with clear strategies that are in harmony with their interests before they come to Washington.

10. Leaders should focus on those aspects of U.S.-Africa engagement that accelerate economic transformation since the real challenge that Africa faces is transforming its economies and creating good jobs, especially for the youth.

11. Finally, because we refer to the host as "Mr. President," let us drop the "Excellency" for those days. No disrespect intended.

Logistical and Political Challenges
Of course, there are also some logistical challenges associated with organizing such a summit. The U.S. government is well positioned to deal with such a large convening, but still, planning the event will be complex. The United Nations in New York has the infrastructure for hosting a large number of leaders (as happens during the General Assembly), but the Washington summit will present various challenges. Then, of course, there are the spouses, as one can assume that they will be accompanying the leaders. Should the leaders bring with them an embarrassingly large number of staffers, as often happens, then the summit could turn out to be a logistical nightmare. Hopefully the African leaders will travel "light" and avoid extra baggage in the form staffers who are unlikely to add much value.

The other challenge for the organizers depends on which leaders show up. The press release suggests that leaders will come from across the continent but it is not quite explicit that "all" leaders will be invited. Assuming that all the leaders from the continent will be invited and many show up, then the president will find himself in the company of all types of leaders—the good, the bad and the ugly—at least from the perspective of the U.S. government. One can only speculate how the State Department and the White House will deal with these leaders. It is likely that, while the White House will include most African leaders, some will necessarily be excluded from the invited list. It is hard to imagine an invitation going out to Omar al-Bashir of Sudan who, for obvious reasons, would decline anyway. A number of others are unlikely to receive the invitation or will self-exclude. But still, participants to the summit will comprise a mixed bag, and I suspect strategies will be in place to distant the president from some leaders as much as possible. Nothing personal, just politics.

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The U.S.-Africa Leaders Summit: Building a Strategy Together with Africa

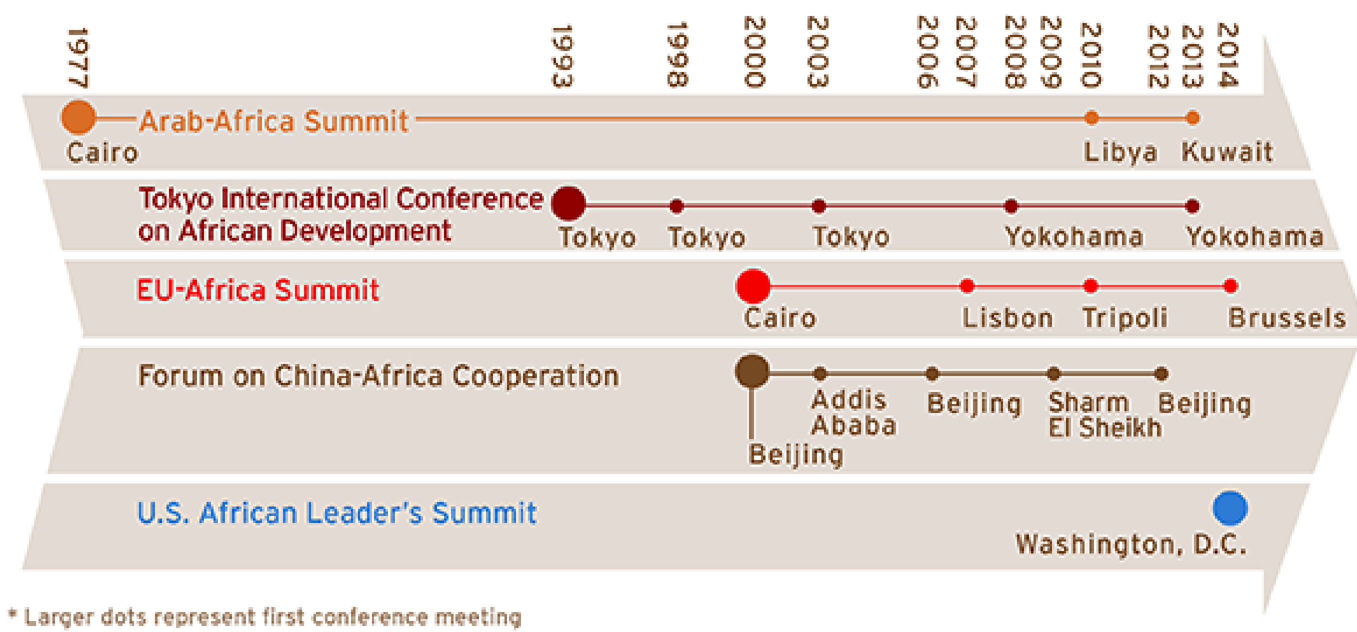
June 18, 2014 – Last year while visiting Cape Town in South Africa, President Obama announced plans for the first continent-wide U.S. African Leaders Summit, scheduled for August 4-6, 2014. The summit provides an opportunity for the Obama administration to open a new chapter in U.S-Africa relations, moving from interaction on the bilateral level to a continent-wide engagement. President Obama has previously been criticized for not reaching the same level of engagement with Africa as Presidents Bush and Clinton, but his second term has coincided with an effort to ramp up U.S.-Africa relations. In June 2012, Obama launched the White House strategy "toward" sub-Saharan Africa, and the president's budget for 2015 shows his support for the region. The U.S.-Africa summit, however, now affords the United States an unprecedented opportunity to build a strategy "together" with Africa.

Recently, the Africa Growth Initiative (AGI) has reviewed the components—the organization, frame and communications strategies—of three longstanding Africa summits in order to inform the designers of the U.S. version. In this comparison, AGI chose China, the European Union (EU) and Japan; some of Africa's other key trade and investment partners. Leading up to the summit in August, the Africa Growth Initiative will also compare the position of the United States and these partners in terms of trade, foreign direct investment and other engagement with African countries. Obtaining a maximum level of foreign policy action and results from a two-day summit with nearly all of the African heads of state in attendance is an enormous undertaking. However, the other summits have had plenty of time to work out the kinks. Thus, they provide excellent examples of a successful summit for the U.S. organizers. In this first installment, AGI examines and highlights the features of those summits that could strengthen the U.S.-Africa partnership: frequency, sustainability, inclusivity, transparency and accountability.

Important Summit Design Features and Recommendations

Design Feature 1: *Frequency and Sustainability*
The United States is playing catch-up in terms of using a continent-wide leaders' summit to frame its strategy with Africa.[1] Japan, China and the European Union have all maintained long-running Africa summits. Japan's Tokyo International Conference for African Development (TICAD) started in 1993 and has met every five years since. China's Forum on China-Africa Cooperation (FOCAC) and the EU-Africa summit both started in 2000. FOCAC has met every three years since, while the EU-Africa summit has taken place three times since the first gathering (figure 1). Other countries have held similar summits, including India, Brazil, South Korea, South America and Turkey. While the United States deserves credit for its yearly Africa Growth and Opportunity Act (AGOA) trade ministerial, which alternates between United States and an AGOA eligible country in Africa, it covers fewer themes than the EU-Africa, FOCAC and TICAD summits. For the first U.S.-Africa Summit, Senior Director of African Affairs at the White House Grant Harris recently announced that the theme will be "Investing in Africa's Future."

Figure 1. Africa Leaders Summits Timeline



The ultimate goal of the China, EU and Japan summits has been to frame a sustainable, lasting engagement with Africa. The main products of each of the summits are a joint summit declaration and a joint summit action plan. Since China, the EU and Japan hold meetings every three to five years, they are able to review and update action plans and commitments on a regular basis.

Recommendation: The United States should prioritize the sustainability of the U.S-Africa summit. The first priority for the African Leaders Summit should be to build a framework for a U.S.-Africa partnership that will stand the test of time. The most important products are the declaration and the action plan; these documents should present a clear plan of how the U.S. will engage Africa going forward (through further summits or otherwise). A joint communiqué should contain action items that will be measurable and tractable for substantial progress by the *next* summit, including the announcement of a date and location for the next leaders' summit, a joint follow-up committee, and a date for the first follow-up committee meeting. The sidelines of the United Nations General Assembly in September would be a good forum for the first follow-up meeting of the committee; a meeting soon after the event will send a clear signal that the action items will be taken seriously by all parties. The U.S.-Africa Summit Policy Liaison Office of the State Department is a logical entity to manage future summits and could transition into a permanent entity similar to the TICAD secretariat.

China, the EU and Japan have all learned to start planning for the next summit three to five years ahead of time, with multiple joint meetings and preparatory work in between summits. More preparatory time helps them to bring greater perspective and more voices to the table, which leads us to our next key summit design feature.

Design Feature 2: *Inclusivity*

As shown by the figures in table 1, a major challenge is inviting all of the African leaders to the summit so they can be included in the discussions. Another challenge is including the multitude of voices from outside the leadership: civil society, businesses, youth leaders and women. Both China and the European Union have foreign policy challenges with African countries that have impacted summit attendance. For example, China does not invite the leaders of African countries that recognize Taiwan as a sovereign nation to FOCAC (this includes Burkina Faso, São Tomé and Príncipe and Swaziland and, previously, the Gambia). Early in 2014, the European Union faced a backlash for its summit invitation list. Ahead of the EU summit, the African Union (AU) proposed a boycott of the event after hearing that Morocco, not a member of the AU, was invited while the leader of Sudan (an AU member) was excluded due to human rights abuses. However, only Zimbabwe's President Mugabe followed through with the proposed protest, although South Africa's President Zuma also did not attend the summit, vaguely citing "other commitments." President Mugabe's boycott was ultimately for more personal reasons. His wife, Grace Mugabe, was slated to accompany the president to the summit, but was denied a visa.

The U.S. is likely to face similar challenges to the EU and China. The U.S. has invited 50 out of the 54 countries in Africa recognized by the U.N. (Madagascar was recently added) to the upcoming summit, but has excluded the Central African Republic, Eritrea, Sudan, and Zimbabwe from the list. Why? The White House has stated that it has selected members that are in good standing with the AU and the United States. Here are some more details on country standings: first, the Central African Republic is currently suspended from the AU; second, the U.S. has concerns about the status of democracy in Eritrea; and third, the leaders and government officials of Sudan and Zimbabwe currently face U.S. sanctions. In total, 51 delegations are scheduled to attend, which include the African Union chairperson.

Beyond the guest list, past summits have used other techniques to build a sense of partnership and inclusiveness among African nations. Joint preparatory events that include African senior officials and ministers have been used by China, the EU and Japan to prepare and consult on the key themes and issues that will be discussed at the summit. Preparatory events help the host countries cover more summit themes by allowing more time for discussion with ministers, senior officials, diplomats and other stakeholders. The FOCAC V and TICAD V summits used at least two preparatory events, while the European Union summit held six meetings broken down by sector. The U.S. joint ministerial meeting on energy from June 3-4, 2014 is a good start for the U.S.-Africa partnership.

In addition, China, the EU and Japan all chaired their summits jointly, typically between the host country/region at leader level and either the African Union president or chairperson of the African Union Commission. Japan also co-chairs with the other TICAD organizers, which include international multilateral organizations. Bilateral meetings have taken place at all three summits in the comparison, but these run the risk of offending some countries if they are not scheduled to meet the president. Prime Minister Abe notably met with all heads of state and government that attended the TICAD V summit, while the EU provides a channel for the European Parliament to engage with African leaders at the Pan African-European Parliamentary summit.

Figure 2. Key Statistics on Inclusion at Africa Leaders Summits

China-2012 FOCAC V

50/54 African countries represented*

2 Main preparatory events

African countries not represented:
Burkina Faso, Gambia, São Tomé and Príncipe, and Swaziland

European Union-2014 4th EU-Africa Summit

50/54 African countries represented*

6 Main preparatory events

African countries not represented and/or restricted persons:
Central African Republic, Guinea-Bissau, Libya, Zimbabwe, and Head of State of Sudan (a representative from Sudan attended)

Leaders that were invited but did not attend the recent summit:
South Africa (sent a representative) and Zimbabwe (did not send a representative)

Japan-2013 TICAD V

51/54 African countries represented*

2 Main preparatory events

African countries not represented:
Central African Republic, Guinea-Bissau, and Madagascar**

United States-2014 African Leaders' Summit (forthcoming)

50/54 African countries invited*

TBD Main preparatory events

African countries not invited:
Central African Republic, Eritrea, Sudan, and Zimbabwe

* The United Nations recognizes 54 African countries. The Western Sahara, a disputed territory, is not one of them (though it is recognized by the African Union). At the time of this post, the African Union (AU) has suspended the Central African Republic. Morocco is not a member of the AU.
** At the time of the TICAD V, Madagascar was suspended from the AU.

Recommendation: The U.S. should include as many African voices as possible to build the credibility of U.S.-Africa engagement: The U.S.-Africa summit is an opportunity to shift from having a strategy toward Africa to having a strategy together with Africa, with its leaders and other stakeholders. If the United States cannot invite a country's leader for political reasons, it should strive to have at least some representation at the forum. The United States can use the EU summit as an example of how to manage invitations to ministers or other non-head of state representatives. For example, while Omar al-Bashir was subject to EU sanctions, Minister of Foreign Affairs Ali Ahmed Karti was able to represent the Sudan at the summit. Given the U.S. administration's current efforts to help resolve the crisis in the Central African Republic, inviting representatives from the Bangui authorities could help continue the dialogue.

A recent article by Stephen Hayes, from the Corporate Council on Africa, noted that the President will not be meeting with any of the presidents one-on-one; rather, there will be an "interactive dialogue" to conclude the summit. President Obama may want to reconsider skipping the one-on-one meetings and take an example from Japan's Prime Minister Abe, who met with all of the attending African heads of state at the TICAD V in 2013. The upcoming summit provides access to nearly all of the leaders of Africa, especially small and infrequently visited nations, and bilateral meetings help to instill confidence and credibility in United States. This is a diplomatic and symbolic opportunity that should not be missed. Bilateral meetings with all of the leaders may seem like a lot, but not all of the leaders will be able to make it, and the meetings can be spread out before and after the event. President Obama wants to build a true strategic partnership with Africa; planners should consider adding an extra day for the specific purpose of extending this important gesture. However, if the time constraints are too binding, President Obama should consider a compromise and meet with the leaders of the African Union and the regional economic communities.

Given that most of Africa's leaders are men, the U.S. summit designers should look for innovative ways to build more gender balance into the summit itself. Among the invited African leaders, only two are female (Ellen Johnson Sirleaf of Liberia and Nkosazana Dlamini-Zuma, chairperson of the African Union Commission) and of the U.S. Cabinet and Cabinet-ranking positions there are six women out of 22 positions. One proposal is to acknowledge the gender imbalance in the summit declaration and make a commitment to improve, with tangible benchmarks for the next forum. The U.S.-Africa summit should strive to include the voices of women as well as other key stakeholder groups (e.g., civil society, business and youth).

Design Feature 3: ***Transparency and Accountability Features***

In order to increase transparency, the fourth EU-Africa Summit and FOCAC V used economic and social stakeholder meetings before their summits to allow a review of themes and action plans. The TICAD summit took a different approach to civil society engagement and allowed stakeholders to register to attend the summit plenary events. In addition, TICAD V held official public side events and information booths. Well ahead of the summit, Amnesty International USA, Freedom House, Front Line Defenders, Open Society Foundations and the Robert F. Kennedy Center for Justice and Human Rights will host a U.S.-Africa Civil Society Forum on June 18-20. Other civil society groups and D.C-based think tanks are planning events around the summit, including the Africa Growth Initiative.

In terms of press access, China uses official press conferences to convey information about the summit discussion (information on press access is difficult to find on the FOCAC website). The EU and Japan, on the other hand, have readily available press guides on their websites. They allow registered press to access scheduled media opportunities (e.g., arrival and departures of leaders, opening discussions and press conferences).

After the summits, follow-up mechanisms increase the participation of African nations and hold all countries (host or otherwise) accountable to commitments. Joint follow-up meetings are used by all three summits. Japan has a TICAD Secretariat, managed by the Ministry of Foreign Affairs' director-general for Foreign Affairs. The secretariat is a permanent department that manages the summit and follow-up actions. China has a similar mechanism, the FOCAC Chinese Follow-up Committee composed of 27 Chinese ministers. In addition to joint meetings, the Chinese and Japanese summits were followed by presidential visits to the African Union and African countries. Each of the summits uses a results-based framework to guide the action items from the summit declaration. Japan is the only summit that has a progress report website, which allows the public to track the progress of the TICAD implementation matrix. Summit websites store summit information and documents for access by the public after the event. Currently, Japan has the most information available across two websites (the Ministry of Foreign Affairs TICAD page and the conference page). The EU also provides a lot of public information, again on two websites (EU Council and EU-Africa Partnership), while China's information is mainly limited to official statements.

Recommendation: The U.S. should participate in stakeholder forums and provide public information and progress reports to hold the U.S. and summit participants accountable: Washington D.C. civil society has taken on the task of organizing a civil society forum. The White House should consider participating and consider any suggestions that result from the discussion.

The United States can foster transparency by developing a summit website where civil society, press and other stakeholders can learn more about the event in one location. It is very likely that a U.S. web page is already in the works at the White House or State Department. The web designers should consider how best to consolidate information into one central location on the web and include links to the additional forums and events (such as the yearly AGOA trade ministerial, the Young Africa Leaders Initiative gathering and the business forum). The other summits often do not consolidate information and have multiple summit sites, so the U.S. would be leading the way. In addition, following the summit, the Obama administration should consider Japan's model and create a permanent summit site that houses a progress chart for action items that is updated on a regular basis.

Certainly the long-running EU-Africa, FOCAC and TICAD summits set a high benchmark for the first U.S.-Africa Summit. While President Obama should be commended for taking on the endeavor of the first one, in the next few months the administration should continue improving the summit design and implementation together with African counterparts.

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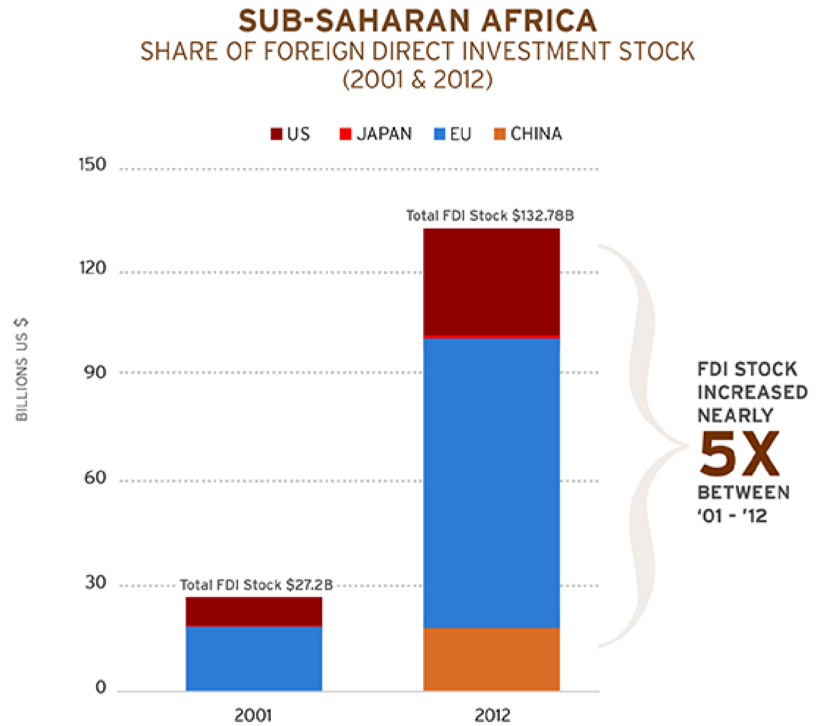
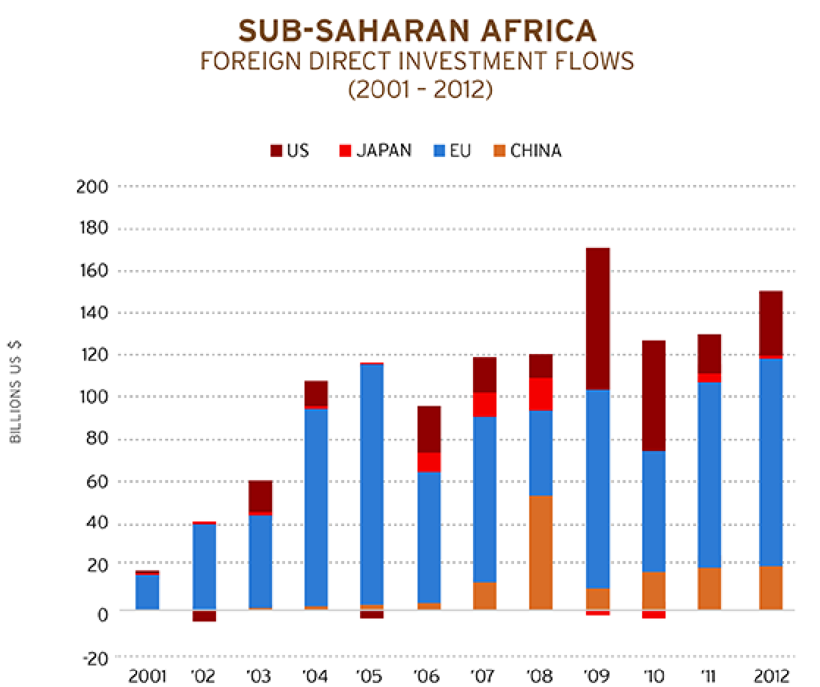
The U.S.-Africa Leaders Summit: A Focus on Foreign Direct Investment

July 11, 2014 – On the second day of President Obama's three-day U.S.-Africa Leaders Summit, the U.S. Department of Commerce and Bloomberg Philanthropies will convene the inaugural U.S.-Africa Business Forum. This event represents an unprecedented occasion for U.S. and African heads of state to meet with business leaders and discuss ways of catalyzing new, continent-wide trade and investment opportunities.

As the summit draws closer, the Brookings Institution's Africa Growth Initiative (AGI) has reviewed and compared economic relations between sub-Saharan African countries and some of their major commercial partners: the U.S., China, the European Union (EU) and Japan. In this second installment of the Africa Leaders Summit series, AGI examines the trends of U.S. foreign direct investment in the region and proposes potential topics of focus for the forum, to help inform the participants on the key investment issues.

Figure 1. Foreign Direct Investment in Sub-Saharan Africa: Trends and Highlights





Source: United Nations Conference on Trade and Development, Bilateral FDI Statistics, 2014. "FDI flows" refer to each Partner Country's "FDI flows abroad" to countries in SSA from 2001-2012. "FDI stock" refers to each Partner Country's "FDI stock abroad" to countries in SSA in 2001 and 2012. See UNCTAD for its definition of these terms.

FDI to sub-Saharan Africa has increased substantially, in part driven by China, but remains low compared to other regions.

Since 2000, global FDI stock in sub-Saharan Africa has increased dramatically, from over $33.5 billion to $246.4 billion in 2012. According to analysis of UNCTAD's Bilateral FDI Statistics (2014) [1], **the EU, China, Japan and the U.S accounted for approximately 54 percent of the stock of FDI in the region in 2012.** South-South investment was also important and included partners such as South Africa (9 percent), Singapore (6 percent), India (5 percent) and Mauritius (5 percent).

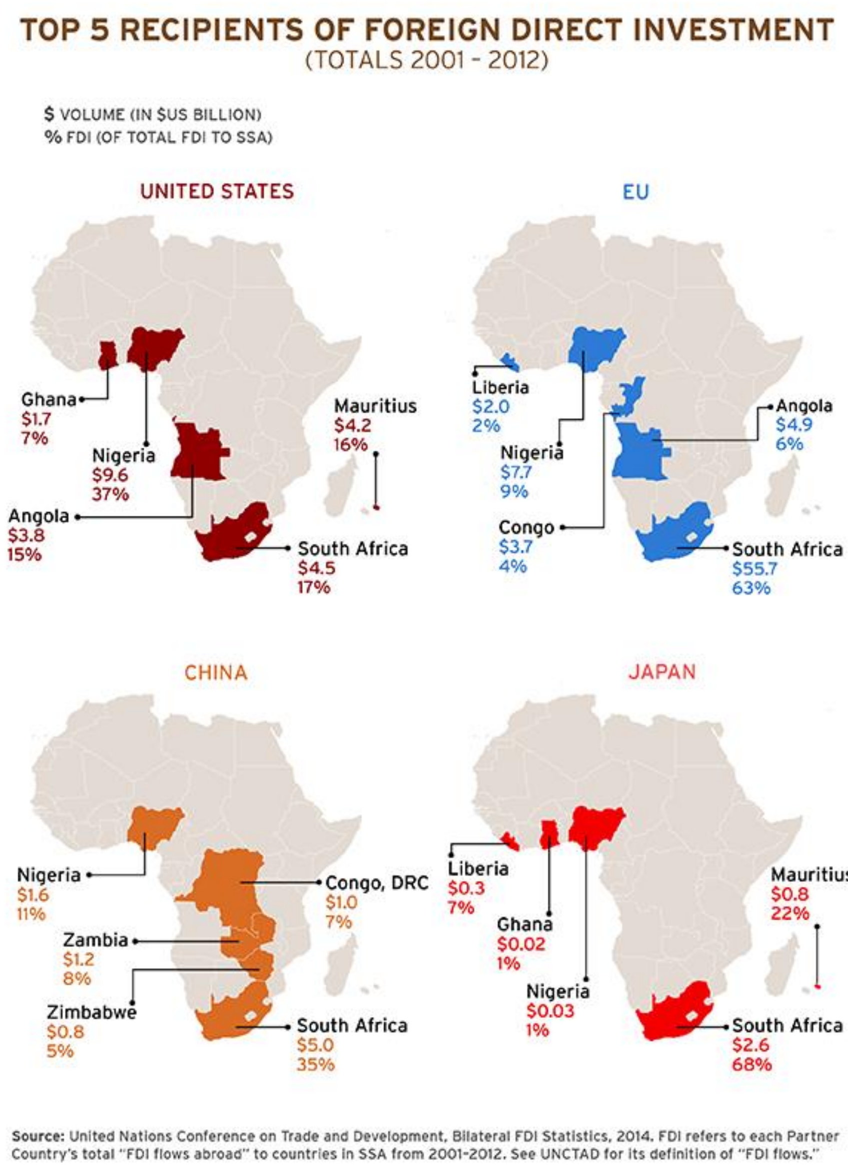
The stock of FDI in sub-Saharan Africa from the EU, China, Japan and the U.S. grew by nearly five times between 2001 and 2012, from $27.2 billion to about $132.8 billion. This growth was primarily driven by China, whose FDI grew at an annual rate of 53 percent, compared with 29 percent for Japan, 16 percent for the EU and 14 percent for the U.S. China's stock in SSA amounted to $18.191 billion in 2012.

Five EU member countries —France (38 percent), the U.K. (31 percent), Germany (8 percent), Belgium (8 percent)—accounted for over 80 percent of the EU's share of FDI stock in the region. While the EU is considered the largest of the four partners in terms of FDI stock, when the EU is disaggregated by country, the U.S. and France were the largest sources of FDI stock for sub-Saharan Africa in 2012 at $31 billion each, followed by the U.K. with $25 billion. Yet, even though the U.S. is one of the top contributors of FDI stock to sub-Saharan Africa, **less than 1 percent (0.7 percent) of the U.S.'s global FDI stock abroad is destined for the region.** The U.S primarily invests its $367 billion of FDI in Europe (55 percent), Latin America (13 percent), Canada (8 percent), and other developed countries such as Australia, New Zealand, Israel and Japan (13 percent collectively). Similarly, the EU and Japan direct only 0.8 and 0.2 percent of their FDI, respectively, toward sub-Saharan African countries abroad. **China, on the other hand, invested 3.4 percent of its FDI stock abroad in the region in 2012.**

FDI flows to sub-Saharan Africa are highly concentrated in only a few countries; South Africa and Nigeria are the top recipients of sub-Saharan Africa-bound FDI flows for China, the EU and the U.S. The top destinations for U.S. FDI flows in the region are Nigeria (37 percent), followed by South Africa (17 percent) and Mauritius (16 percent). For the EU, South Africa comprises 68 percent of its FDI flows to sub-Saharan Africa while for China, South Africa receives 35 percent of its flows. For Japan, South Africa is also the top recipient (with 68 percent of flows), but Mauritius (22 percent) and Liberia (7 percent) each receive sizable shares as well.

Predominantly resource-rich countries—South Africa with its precious metals and minerals as well as Nigeria with its oil reserves—receive a majority of FDI, indicating that natural resources remain a significant factor in attracting investors to the continent. For example, the main sectors in which the U.S. and China both invested in sub-Saharan Africa were the mining and extractive industries, comprising approximately 58 percent and 30.6 percent of each country's FDI stock to the region, respectively, in 2011. [2] However, financial services, manufacturing and construction also received notable shares of FDI stock from both countries. **China's reported FDI composition was more diversified** than the composition of U.S. FDI, with 19.5 percent in financial services, 16.4 percent in construction, 15.3 percent in manufacturing, and the remaining 18.2 percent in business and tech services, geological prospecting, wholesale retail, agriculture and real estate. U.S. FDI was concentrated 12 percent in finance and insurance, 5 percent in manufacturing and 25 percent in other industries. Despite this emphasis on mining and extractive industries in 2012, according to the World Investment Report of 2014, international investors are increasingly looking to new opportunities in consumer-oriented sectors (such as information technology, foods, financial services and wholesale retail) that target the region's expanding middle class.

Figure 2. Top Foreign Direct Investment Recipients in Sub-Saharan Africa, by Country



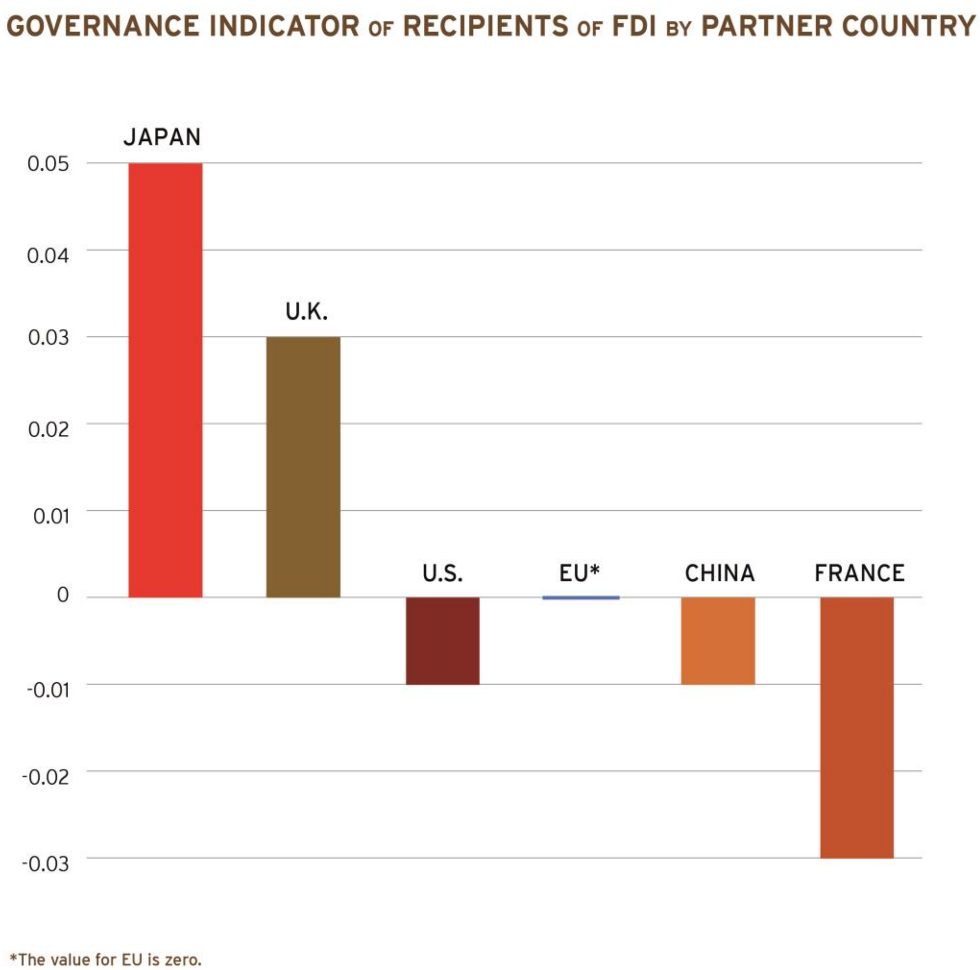
Investors' Pledge for Good Governance in Sub-Saharan Africa

Along with the appetite for mineral resources, energy and other returns that drew massive investment into Africa, we compared the status of the quality of governance in the countries where the U.S., Japan, the EU and China invested in 2012.

Investing in countries with relatively higher governance performance can reflect at least three concerns: (i) the investors' level of risk aversion, (ii) the pursuit of democratic principles or non-ideological relationship based on non-interference, and (iii) the level of pressure from global consumers, who are increasingly scrutinizing their choices along the global value chains according to the respect of governance indicators, such as respect for human rights.

We used the World Governance Indicators [3] in 2012 produced by Kaufman, Kraay and Mastruzzi, which cover six dimensions of governance: voice accountability, rule of law, government effectiveness, political stability, regulatory quality, and control of corruption. The governance index ranges from -2.5 (weak) to 2.5 (strong governance performance). In 2012, Botswana and Mauritius top the list with a score of governance performance of 0.71 and 0.66 respectively, while Zimbabwe and the Democratic Republic of the Congo (DRC) are at the bottom with a respective score of -1.35 and -1.74.

Figure 3. Governance Indicators of Recipient Countries Vary by Partner Country



Our computed levels of average governance indicators (weighted by the share of total FDI flows in the host countries between 2001 and 2012) are comparable across the EU, U.S. and China. Japan's investment is concentrated in South Africa where the overall governance performance is high. When we disaggregated the EU by individual member countries, France has the largest share of investment in countries with the lowest levels of governance.

Given its focus on oil-producing countries with low governance levels, the U.S. is comparable to other regions. Importantly, however, the U.S. Dodd-Frank Act, requires public disclosure of payments at the project level from listed companies, involved in extractive industries. Other initiatives require companies to eliminate conflict minerals from their supply chains. For instance, the use of coltan originating from the DRC and neighboring countries is effectively banned. UNCTAD data actually show no record of U.S. investment stock in the DRC from 2007 onwards. The EU has a similar set of policies manifested in its Accounting and Transparency Directives. Furthermore, the U.S., along with China, the EU and Japan, is a participant in the Kimberley Process, which has banned the sale of "blood diamonds." Other transparency initiatives supported by the U.S. include the Extractive Industries Transparency Initiative (EITI), the International Tropical Timber Organization (ITTO) and the International Chamber of Commerce (ICC) Rules on Combating Corruption. [4]

Engagement through Bilateral Investment Treaties

Bilateral investment treaties (BITs) are agreements signed between countries aiming to promote FDI by ensuring certain guarantees [5]—against expropriation, for example—for investors in unstable business environments. BITs are low-cost options to encourage business climate reform while simultaneously signaling investor commitment to host countries and providing them with policy space to design and implement their development agendas. These BITs and other international investment arrangements (IIAs) have proliferated widely over the past 50 years: the total number of BITs globally reached 2,902 [6] in 2013 with the number of sub-Saharan Africa-specific BITs comprising at least 300 of these treaties.

Among sub-Saharan Africa's partners there is significant variation in the number and distribution of BITs with the continent. China has BITs with 27 sub-Saharan African countries [7], signing 10 in the past 10 years. [8] For the EU, member countries negotiate BITs bilaterally, and France has 18 in sub-Saharan Africa, the U.K. has 21 and Germany has 39. The U.S. has six, and Japan has only one. So why is the U.S. so far behind in the number of BITs it has enacted?

According to Benjamin Leo from the Center for Global Development, it is in part due to the U.S.'s limited "negotiating capacity"—it has only a few foreign commercial officers on the ground to negotiate these treaties, whereas the EU and China have distributed delegations of commercial attachés at offices and embassies in nearly all African countries. The U.S. has also focused its efforts on establishing trade and investment framework agreements (TIFAs) in the region, which provide a forum for engaging in discussions on trade and investment, but do not confer protections on investors or indicate a serious commitment to host countries since they are not legally binding. Furthermore, the U.S. Model BIT, which it uses in its negotiations, is a very dense and complicated legal document, which is difficult for many countries to review and discuss without adequate legal support (that some of them lack). These compounding factors hinder the U.S. from establishing mutually beneficial investment agreements with countries in sub-Saharan Africa.

Policy Recommendations

There is ample scope to expand the U.S.'s investment strategy with Africa. The U.S. funnels less than 1 percent of its FDI abroad toward the region, and it invests largely in only a few countries and sectors. While the perceived risks of investing in Africa have historically been high, rates of return have also proven to be high, averaging 11.4 percent on inward FDI for the period 2006-2011 (compared with 5 percent for developed countries) [9]. UNCTAD's World Investment Report 2013 also reported that four of the top 20 economies with the highest rates of return on inward FDI in 2011 were in sub-Saharan Africa.

- **One way in which the U.S. can increase FDI to sub-Saharan Africa is through the promotion of BITs.** African countries are seriously engaging in the negotiation of BITs: Among the most active countries at concluding BITs (globally, in 2013) were Mauritius and Tanzania, which each concluded three BITs. The U.S. should reciprocate this engagement by focusing its efforts on implementing sustainable-development-oriented, legally-binding BITs [10] rather than TIFAs; providing technical assistance to reform business environments and reduce the cost of doing business; and establishing BITs with strategic countries like Nigeria. With China and the EU continuing to sign BITs, the U.S. risks being "locked out" of certain markets or industries.
- **So-called "blended initiatives," such as Power Africa, offer another useful model to increase investment** through partnerships between the African private sector, U.S. government agencies, African governments, and other partners like multilateral institutions such as the African Development Bank.

At the same time, African policymakers should engage the U.S. authorities and its private sector to:

- **Get more transfer of knowledge and skills from FDI.** For example, policymakers can provide incentives for investors to include local businesses in the value chain and invest in education and training;
- **Reduce illicit financial flows** from tax evasion, the underpricing of concessions and trade mispricing; and
- **Strengthen African common institutions.** For instance, the NEPAD-OECD Africa Investment Initiative aims to raise the profile of Africa as an investment destination while facilitating regional cooperation and has led to a number of investment policy reviews in four South African Development Community countries (Mozambique, Botswana, Tanzania and Mauritius).

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The U.S.-Africa Leaders Summit: Far from "Bungled"

July 16, 2014 – As the clock ticks down towards the U.S.-Africa Leaders Summit on August 4, the level of expectation is ramping up as to what the summit will deliver. *Foreign Policy's* Gordon Lubold is the latest to distill views from Africa experts, and his does not make for encouraging reading. But while the article does a good job of building a discussion around this important event, it makes the common mistake of focusing too heavily on China's engagement with the continent and ignores the key successes of the summit in the process. In a recent blog, my colleagues and I compare the U.S.-Africa Leaders Summit with similar forums organized by not only China but also the European Union and Japan. Although not all our recommendations have been followed, we believe that the main measure of success of the first summit between African leaders and the 44th U.S. president should be whether the United States can seize an unprecedented opportunity to build a strategy "together" with Africa.

Here is where I disagree with *FP*:

Argument 1: African leaders will compare their treatment at the U.S. summit with the way they are received by China's leadership.
It is true that, unlike his Chinese counterpart, President Obama is not scheduled to have one-on-one meetings with his African guests. Holding bilateral meetings would have been a "first-best" solution but it will not be a deal breaker. African leaders will be coming to Washington, D.C. because they see benefits in engaging the U.S. administration on key economic and political issues. Furthermore, the format of the August 6 Summit Leader Meetings allows for a broad, constructive dialogue that will help President Obama play his role as a welcoming host. We suggest that, in addition, he meets bilaterally with the leaders of the African Union and the Regional Economic Communities.

Argument 2: The U.S. is too late, and China is winning.
It is true that China has been holding summits with African leaders for 14 years now. But the U.S. coming late to the summit game does not mean it is losing the continent. In fact, the U.S. loss of competiveness relative to China is often blown out of proportion. China is very active on the continent, and most of the recent growth in aid, trade and investment to Africa can be attributed to China. China is now Africa's largest bilateral trade partner. But the U.S. has a long-standing economic relationship with the continent. In a recent blog on foreign direct investment (FDI) to the continent, we note that the U.S. and France were the largest sources of FDI stock for sub-Saharan Africa in 2012 at $31 billion each, followed by the U.K. with $25 billion. The potential for more U.S. FDI is huge given that less than 1 percent of U.S. global FDI stock abroad is destined for the region. While China invested 3.4 percent of its FDI stock abroad in the region in 2012, but that only accounts for $18 billion (estimates range from $18 to $21 billion depending on the data source).

Argument 3: The business forum will not lead to major deals and therefore is of limited value.
I also do not expect major deals, but the U.S. has an opportunity to shape how the U.S. private sector can engage the continent. President Obama's Power Africa initiative aims at considerably strengthening the role of the U.S. private sector in energy projects in the continent. At a time when the aid community is recalibrating its model towards more "blended" programs that leverage the public sector's role to partner with the private sector, Power Africa is a welcome innovation. In addition, commitments from the U.S. and African private sector have already been announced. The U.S.-Africa Leaders Summit should not be seen as the beginning of a process, but rather as another important step in ongoing U.S. engagement with Africa. It will certainly build on a number of recent meetings such as the U.S.-Africa Energy Ministerial in Addis Ababa or Commerce Secretary Penny Pritzker's visit to the continent earlier this year. President Obama's scheduled presence at the business forum shows its importance for the U.S. administration.

Argument 4: African leaders will resent the U.S. message on human rights.
I find this argument difficult to digest. First, the U.S. has been consistent in its message to strengthen governance, defend human rights and promote democracy, so this should come as no new surprise to African leaders. Secretary of State John Kerry's recent visit to the Democratic Republic of Congo is a good illustration of the U.S. stance on such matters. But why focus only on how African leaders may feel? How about African citizens, civil society organizations and members of opposition political parties? The U.S.-Africa Leaders Summit is an opportunity to have a genuine conversation about difficult and sensitive issues. Future generations of Africans deserve such a debate.

And while China may have no qualms doing business with countries with dubious human rights records, it refuses to invite countries that recognize Taiwan to its summit.

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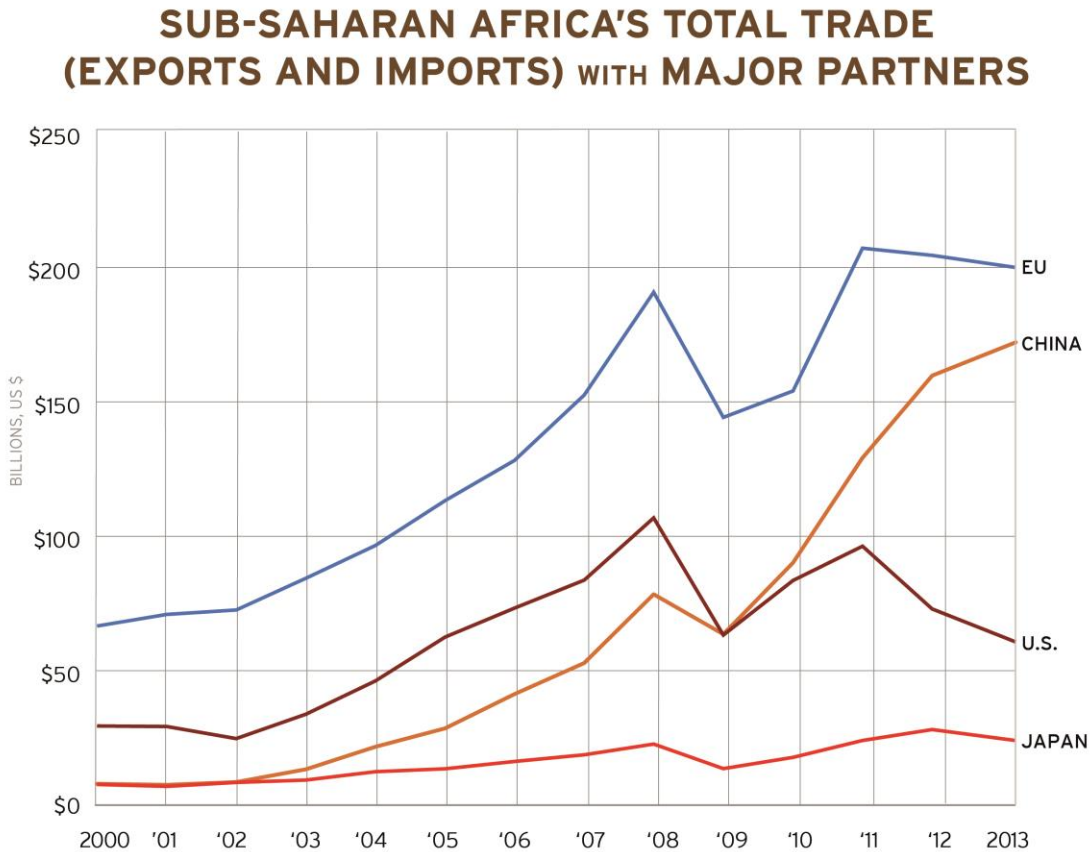
The U.S.-Africa Leaders Summit: Deepening Trade and Commercial Ties

July 24, 2014 – Trade and investment will be an important topic at this year's U.S.-Africa Leaders Summit. However, while the fact that the annual U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum, often called the AGOA Forum, is folded into the summit will ensure that the trade relationship is on the agenda, it also means that the trade forum is getting less individual attention than normal. With the African Growth and Opportunity Act (AGOA) legislation expiring at the end of next year and other major players such as China constantly enhancing and adjusting their trade and investment policies as they relate to the continent, the U.S. administration must use the summit and the forum as opportunities to ensure that it isn't simply rehashing the old stories of the past decade, but announcing new, improved and meaningful strategies for trade and commercial engagement with African leaders.

Trade Trends with Africa's Leading Partners

Over the past decade, the U.S. has gone from a leading trading partner with Africa to being far surpassed by the European Union and China. The EU has been a major traditional trading partner of Africa, and over the last decade its trade with the continent has more than doubled: In 2013 it amounted to over $200 billion. China started from a smaller base but has seen much more explosive growth—moving from $10 billion in 2000 to over $170 billion in total trade in 2013. Japan trails the U.S. in its total trade with Africa but, unlike Japan, the U.S. has actually seen its total trade decline in recent years, in 2013 amounting to about $60 billion—importing about $40 billion from the continent and exporting around $20 billion. In 2011, the U.S. imported close to $80 billion from African countries—most of which entered duty-free under AGOA or the Generalized System of Preferences—and exported around $20 billion consistently for the last five years. The decline and flat lining in U.S.-Africa trade begs the questions for the administration: What more can be done to see an increase in this commercial partnership similar to what the EU and China are experiencing? What has the U.S. done and what should the U.S. be doing to be a better partner to sub-Saharan Africa?

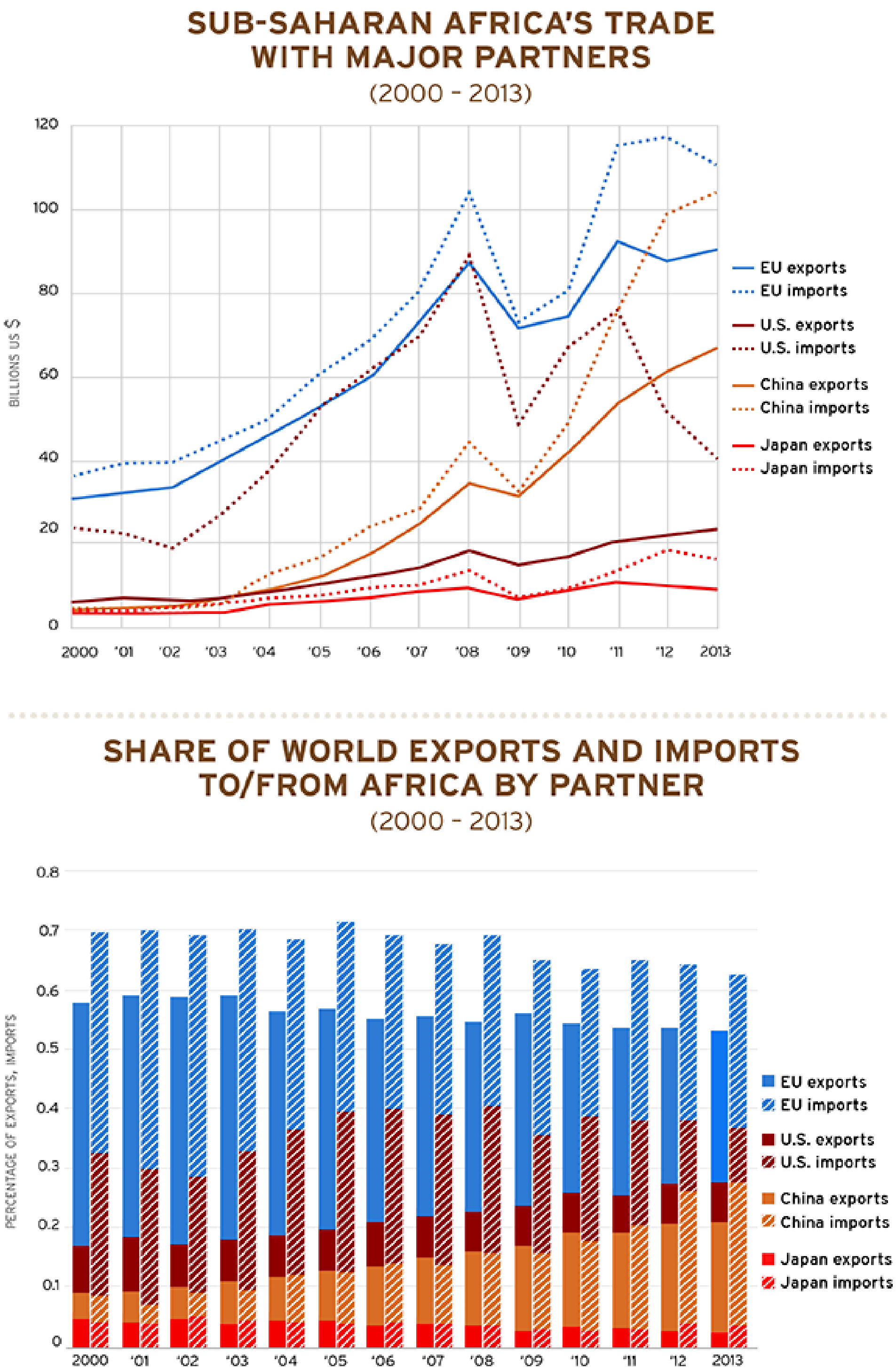
Figure 1. Global Trade with Sub-Saharan Africa is Growing



U.S. Trade and Commercial Engagement Strategy

Right now the U.S. has a variety of strategies, preferences, programs and people on the ground in Africa to promote commercial engagement. AGOA is a trade preference that allows for duty-free export access to the U.S. market for around 6,000 products in eligible sub-Saharan African countries. The USAID trade hubs work to help exporters in sub-Saharan Africa utilize AGOA, but are located in only three different countries (though the West Africa Trade Hub has an additional satellite location and smaller resource centers in many countries in the region). U.S. Foreign Commercial Service Officers (CSOs), which assist U.S. exporters in targeting African markets, are based in four countries on the continent: Ghana, Kenya, Nigeria and South Africa. The U.S. Department of Commerce also announced in April 2014 plans to expand several of its existing offices and double its presence in Africa by opening its first-ever offices in Angola, Tanzania, Ethiopia and Mozambique.

Figure 2. Trade in Sub-Saharan Africa: Trends and Highlights



Source: International Monetary Fund (2014): Direction of Trade Statistics (June 2014 edition, updated on June 9, 2014)

The U.S. also has the Trade Africa initiative, which is a partnership between the U.S. and sub-Saharan Africa to increase both internal and intra-regional African trade, and "expand trade and economic ties among Africa, the United States, and other global markets," though with an exclusive focus on the East African Community. In 2012, the U.S. Commerce Department launched its Doing Business in Africa campaign to encourage and support U.S. business engagement with the region. The U.S. is working to deepen its commercial engagement with the continent in many ways including integrating the private sector in three of its key initiatives: Feed the Future, Power Africa and the Young African Leaders Initiative. The new CEO Summit, which will include CEOs from Africa and the U.S. in a day long conversation with President Obama and African leaders, should also be a new, helpful strategy for identifying key obstacles to trade and investment as well as identifying strategies for removing those obstacles. These new U.S. approaches could pay significant dividends in the coming years.

Enhancing the U.S.-African Trade Relationship

Both sides stand to gain from a more cohesive and substantial commercial strategy. African exports make up around 2 percent of total world trade and increasing this number (including exports destined for the U.S.) will be positive for African countries. On the other hand, African countries represent an important market for U.S. products and exporters -- as the continent's middle class is growing, there's more spending power and more growth -- meaning more potential for exports in not only consumer goods but also construction, infrastructure, energy, health care, transportation equipment and sectors, where U.S. companies have a lot to offer. In fact, the current level of U.S. exports to

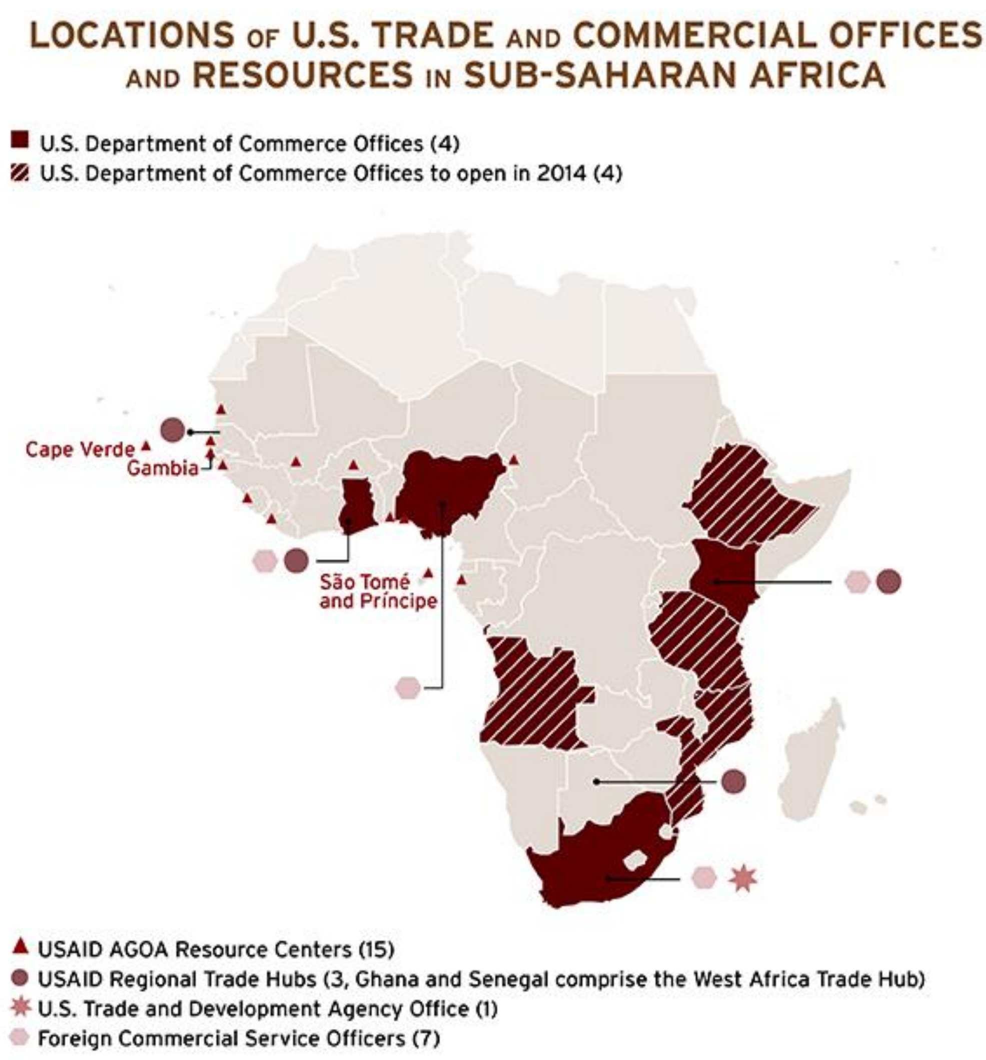
Africa, just over $20 billion, translates into support for more than 100,000 American jobs. [1] There is a win on both sides *if* both sides are interested in making the relationship work with ease.

Changing Paradigm of Partner Engagement with Africa

It's obvious that the U.S. is not the only partner that has seen the great market potential of Africa, and many others have adapted quickly to engage. China is always the example, with its higher risk appetite, innovative financing and fewer restrictions on its loans and assistance strategies than OECD Development Assistance Committee (DAC) countries like the U.S., and it has managed to engage all over the continent. The Chinese government's website indicates that it has over 150 commercial attaches located on the continent—making identifying opportunities, partnerships and markets easier than for the U.S., which has a fraction of this number doing the same work (with only four countries housing Department of Commerce offices, holding no more than two officers each). Its Export-Import Bank even has an office on the continent, while the U.S. Export-Import Bank has to watch its reauthorization debated by Congress.

The EU is also changing its strategy with regards to Africa, as evidenced by the Economic Partnership Agreements (EPAs) that it wants to implement with Africa. The EPAs are reciprocal trade preferences that, unlike AGOA, would give the EU an advantage when exporting to African countries—preferences that the U.S. and other regions wouldn't have. This has been a point of contention for many African countries because EPAs undermine regional integration in the sense that they give European countries even greater trade preferences than afforded to other African countries. The EPAs also give EU exporters preferential access to the disadvantage of U.S. companies and exporters. In July 2014, the first-ever EPAs between the EU and African regions were concluded with six of the 15 countries in the Southern African Development Community (SADC) signing the EPA, and the Economic Community of West African States (ECOWAS) and Mauritania endorsed for signature by ECOWAS heads of state. The U.S. must consider how the EU's implementation of the EPAs may influence its own trade strategies with African countries and regional organizations.

Figure 3. U.S. Trade and Commercial Offices in Sub-Saharan Africa



The Opportunity for Promoting Deepened Trade and Commercial Ties Through the Summit

As the U.S. prepares for the U.S.-Africa Leaders Summit, the importance of their trade partnership is apparent, and the U.S. is clearly attempting to increase its efforts to engage, so having a clear message on what the next steps are for increasing this trade relationship will also be important. The U.S. should focus on announcing and acting on three items: extending the AGOA legislation; clarifying the country's interests in external trade policy that relate to Africa; and having a more ambitious and cohesive agenda for promoting U.S.-Africa trade.

Expressing a clear commitment to extending AGOA

The renewal of the AGOA legislation prior to its pending expiration will be a major talking point for African leaders during the summit. Legislation is in the process of being drafted on the hill, but hearing from both the administration and Congress that they will support it as well as make efforts to increase the effectiveness of it in promoting African exports will be critical. Trade capacity building, monitoring and reporting, and AGOA country strategies are all items that new legislation should consider. There should also be a clear commitment to extend the legislation for a period long enough to promote investment—10 or more years being a critical requirement for reassuring new investors and getting positive trade development. Announcing this at the summit will show clear signs of the U.S.'s interest in continuing to promote growth, industrial development and deepened commercial ties.

Promoting increased utilization of AGOA through targeted strategies with African countries

AGOA has been a useful tool in promoting trade through allowing sub-Saharan African countries duty-free access to the U.S. market, but many countries are exporting little to nothing to the U.S. using these benefits. Encouraging countries to create AGOA export strategies—for those who have not already—will be important. Finding ways to increase support for trade capacity building efforts and regional integration could be achieved through dialogue initiated at the summit with African leaders that also includes regional organizations and the United Nations Economic Commission for Africa and the African Development Bank. Strategizing with these groups could have powerful effects for enhancing renewed legislation.

Indicating interest in supporting Africa's trade development without reciprocal arrangements

The EU wants African countries to sign on to the EPAs, as indicated, but the possible negative consequences for the continent have been well documented and the advantage it would give to EU countries is counter to U.S. interests. While such agreements can't be considered off the table in the future, noting that the U.S. is dedicated to increasing Africa's trade capacity in the medium term through AGOA and not EPA-like agreements sends a strong signal to African countries.

Pushing forward trade facilitation efforts

The U.S. should also make a point at the summit to reinforce its commitment to supporting a better trade environment in Africa by agreeing to contribute more to the trade facilitation enhancements that are part of the Bali agreement. In essence, the Bali agreement requires countries to make certain changes to increase trade facilitation—create one-stop border shops, increase transparency in the legal and regulatory framework, and increase efficiency regarding processes and fees, and the like. This agreement has become a point of contention in Washington as those who are interested in renewing AGOA want to see African countries do as much as possible to make trading with the continent easier, and do not understand hesitation from African countries to make relevant reforms. Some African countries and other developing countries have expressed concern about the reform obligations placed upon them under the agreement, with worries that the cost of implementing them could be great, and the lack of funds could constrain them in other areas. They want to have specific funding in place to ensure that this will not be an issue.

The U.S. has a clear opportunity to support these efforts. Ensuring that the Bali agreement is effectively implemented would be beneficial to African countries trading with one another and the U.S. as well. The U.S. already provides some assistance through the USAID Partnership for Trade Facilitation, which was launched in 2011 and works to help countries prepare for implementing the agreement. A recent USAID publication, *A*

Comprehensive Approach to Trade Facilitation and Capacity Building provides an impressive and detailed strategy for further engagement. It also recognizes concerns about sufficient donor support. The U.S. could make a great difference through increasing technical support geared towards implementing the agreement and providing increased funding to address African countries' concerns about the Bali agreement, through vehicles like the African Development Bank's Trade Fund, for example. The summit could serve as an excellent forum at which to announce specific plans like this that would show a serious commitment to enhancing U.S.-Africa trade.

Moving towards a more cohesive African trade and investment strategy

Lastly, as we can see, the U.S. has multiple programs, preferences, agencies and initiatives working to promote enhanced U.S.-Africa trade, but making a clearer channel of engagement seems to make sense for both sides. Navigating the different programs and initiatives that exist can be daunting for U.S. businesses looking to break into African markets and understanding the assistance available for African exporters in eligible countries under AGOA can be equally unclear. Creating both an online hub for directing businesses on available resources and programs as well as housing a U.S.-Africa trade promotion authority within a specific department could simply make engagement easier for both sides. Announcing and following through on such a plan at the Leaders Summit could be an exciting next step in deepening commercial ties.

The summit will prove an excellent opportunity for so many levels of engagement, and obviously all African countries will come with their own agendas and interests as well. Conversations surrounding trade will take place, but clear and detailed ideas for moving towards an enhanced trading relationship are what will be needed.

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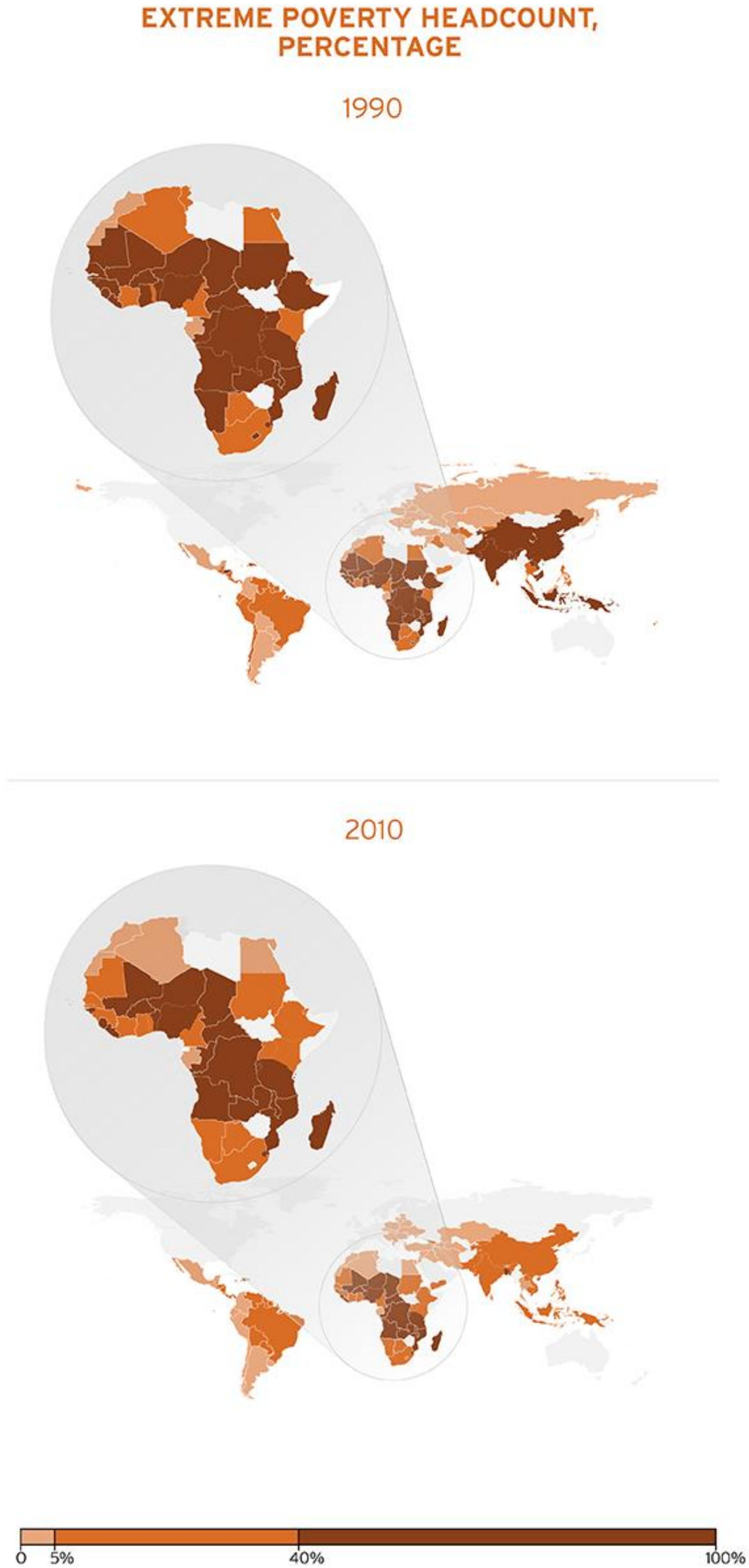
The U.S.-Africa Leaders Summit: Africa's Dramatic Development Story

July 28, 2014 – With the U.S.-Africa Leaders Summit taking place on August 4, now is a good time to reexamine the storyline around Africa. The continent has made progress in economic and social development well beyond expectations, but still has obstacles to overcome. It is time we approach the Africa narrative with enthusiasm, maybe cautious enthusiasm, but enthusiasm nonetheless.

Poverty and Development: The Pessimist's Narrative
The two maps below reveal the story of the locus of extreme poverty shifting in a generation (1990 – 2010) from Asia and Africa to principally Africa. While there remain millions of people in Asia living in extreme poverty, the vast number of countries with extreme poverty affecting over 40 percent of the population are in Africa.

Figure 1. Extreme Poverty in Sub-Saharan Africa, 1990 and 2010



These maps reflect disturbing statistics. Africa is home to over 400 million people living in extreme poverty and three-quarters of the world's poorest countries. One African in three is malnourished and over 500 million suffer from waterborne diseases. Twenty-four million Africans, nearly 70 percent of the global burden, are afflicted with HIV. Thirty million (one in four) primary-school-age African children and 20 million adolescents, are not in school.

According to the 2014 Fragile States Index the five countries in the highest category of fragility are all in Africa (South Sudan, Somalia, the Central African Republic, the Democratic Republic of the Congo and Sudan), and 10 of the 16 in the top-two most fragile categories are in Africa.

Turning the Page on the Past

But that is only part of the story. It would be easy to focus on these statistics and see Africa as hopeless, as has been all too common. But a more holistic picture reveals trends that are cause for considerable optimism. That picture is drawn by the maps presenting the level of absolute poverty in countries in Africa over the same period.

What is striking is that the space representing poverty above 40 percent has shrunk, from 31 countries in 1990 to 22 countries in 2010. Delving deeper reveals a host of encouraging data.

Seventeen countries in Africa, accounting for over 40 percent of the population of the continent, have experienced a level of economic growth over 3 percent per capita since 1996. From 2000 to 2010, six of the world's 10 fastest-growing economies were in Africa. Africa was the fastest-growing continent at 5.6 percent in 2013, and that momentum is expected to be sustained this year.

The poverty rate in Africa, estimated at 56.5 percent in 1990, is projected to fall to 42.3 percent in 2015. Most countries have achieved universal primary enrollment rates of 90 percent or higher. The primary school completion rate has risen from 53 percent in 1993 to 70 percent in 2011.

Almost half the countries of Africa have achieved gender parity in school. The proportion of women in national parliaments has reached nearly 20 percent, a milestone that only developed countries and Latin America have achieved.

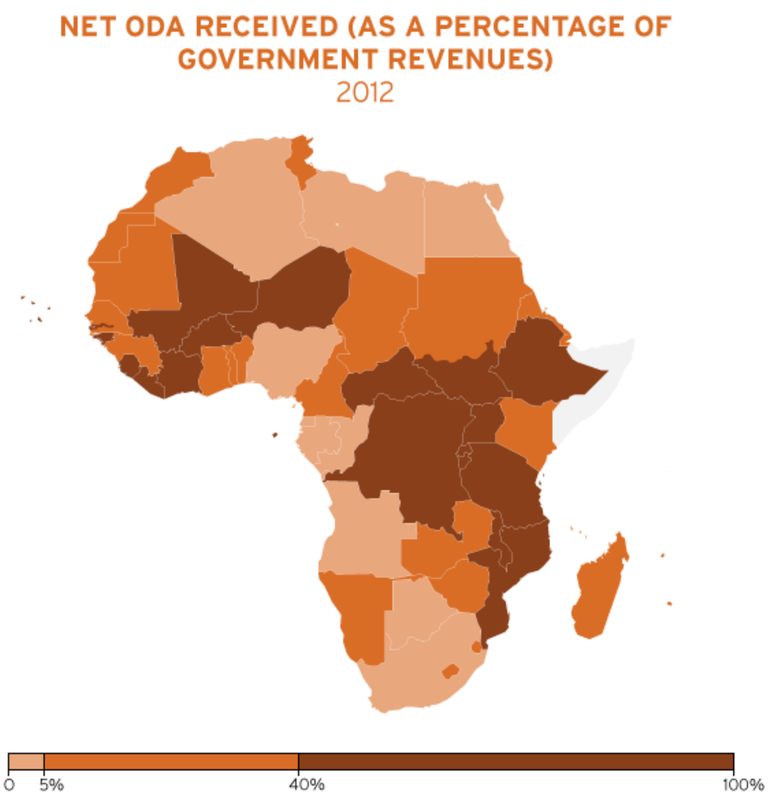
Improvements in health have been dramatic. The under-five mortality rate declined by 47 percent, from 146 deaths per 1,000 live births in 1990 to 91 deaths in 2011. Maternal mortality fell by 42 percent, from 745 deaths per 100,000 live births to 429 deaths over the same period. The once seemingly unstoppable HIV/AIDS rate has, in fact, been reversed, with prevalence rates dropping from 5.9 percent in 2001 to 4.9 percent in 2011. Tuberculosis and malaria remain serious problems, but their spread has been largely stopped.

U.S. Assistance to Africa: Writing the Next Chapter

While external private investment flows have been a growing source of capital for Africa—a fivefold increase from major partners in the past decade as explained in a recent blog by my Brookings colleagues—for many countries in Africa foreign assistance remains an important source of development finance. One way to get a crude indication of the relative importance of foreign assistance is to compare it to the size of government revenues. The map below shows 20 countries in Africa for which total foreign assistance is equivalent to more than 40 percent of the national budget.

If one wonders whether Africa is a priority for U.S. assistance policy, just look at the numbers. At the 2005 Gleneagles Summit, the G-8 committed to increase assistance by $50 billion, half for Africa. The U.S. subsequently more than doubled its aid to Africa. Today, the U.S. and World Bank IDA (International Development Agency) vie as the largest donor to Africa, with shares at 17 percent of total assistance flows to Africa each. The next biggest donor is the European Union at 10 percent, followed by France, the United Kingdom and Germany, in that order. In fact, aid to Africa from European nations has declined the last several years while the U.S. has maintained its Gleneagles commitment.

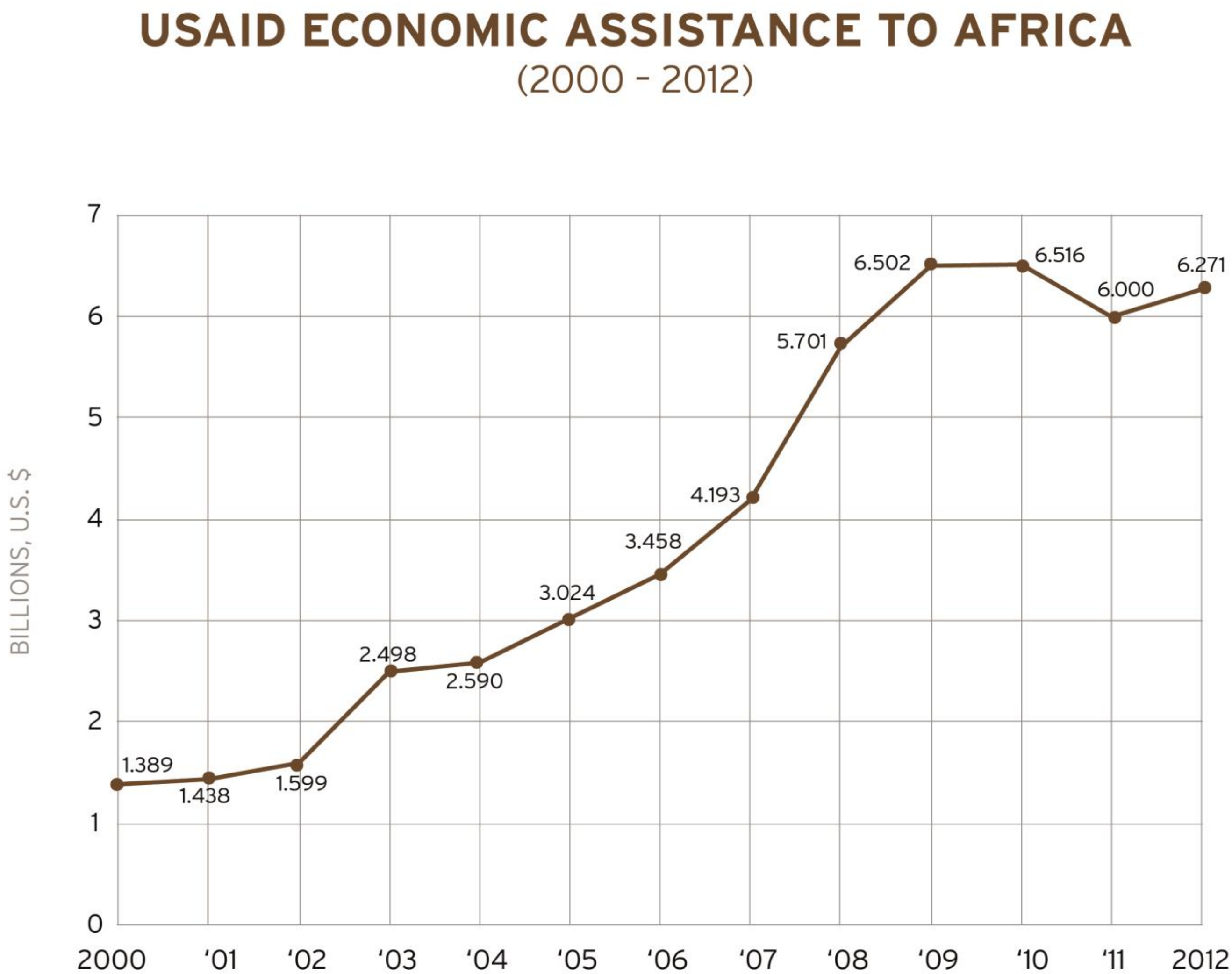
Figure 2. Net ODA (as a Percentage of Government Revenues) to Sub-Saharan Africa Differs by Country



The U.S. priority for Africa has grown over the past decade. In 2002 U.S. economic development assistance (not counting humanitarian assistance) to Africa was 17 percent of total U.S. economic assistance. That percentage has steadily grown over the past decade to 40 percent for both FY2014 (estimated) and the budget request for FY2015. The priority given to Africa is even more impressive when you consider that U.S. budget levels for foreign assistance peaked in 2010, in which year 32 percent of U.S. economic development assistance was devoted to Africa. Despite a decline of approximately 20 percent of budget levels for all development assistance from 2010 to 2014, the magnitude of assistance for

Africa has remained above $6 billion per year, accounting for Africa's continued rise in percentage of total U.S. economic development assistance.

Figure 3. USAID Economic Assistance to Africa Has Grown Dramatically Over the Last Decade



As with the U.S., Africa is a rising priority for China As reported by Yun Sun in a companion blog, Africa represented 46 percent of Chinese aid in 2009 but 52 percent in 2010-2012. The major difference between U.S. and Chinese assistance to Africa is that Chinese assistance is principally for infrastructure and economic activities, with negligible amounts for humanitarian purposes, and is mostly loans. In contrast, U.S. assistance is concentrated in the social sectors and is almost all grants. In addition, the U.S. is the major provider of humanitarian assistance to Africa.

For the past decade, health has been the main focus of U.S. assistance to Africa, accounting for approximately 80 percent of total U.S. economic assistance in recent years. But after a decade of growth, that focus may be begin to change to reflect the 2012 White House strategy statement on U.S. policy toward Africa. That policy document emphasizes governance, economic growth and trade, and peace and security. The accompanying chart shows the proposed shift in funding into those accounts in the FY2015 budget request. Whether Congress will go along with that shift remains to be seen.

Figure 4. The Majority of U.S. Economic Assistance Goes to the Health Sector

SECTOR ALLOCATION OF U.S. ECONOMIC ASSISTANCE
(MILLIONS, U.S. $)

	FY 2014	FY 2015 REQUEST
Peace & Security	79.9	91
Governance	150	273
Health	5015	4915
Education	410	241
Economic Growth	877	988

Power Africa

One particularly recent innovative U.S. program is Power Africa**,** announced by President Obama in June 2012. Some 600 million Africans live without electricity. The goal of the program is to double access to power in sub-Saharan Africa by adding 10,000 megawatts to output. The innovations in the program are multifold. Rather than the typical sequence of designing the program and then inviting in the private sector, the design started with canvassing the needs of private sector energy investors. Furthermore, the program joins together a focus on both governance and finance and operates across the U.S. government.

The initiative, led by USAID, involves 12 U.S. government agencies, some 40 private companies, and six African countries (Ethiopia, Ghana, Kenya, Liberia, Nigeria and Tanzania). The U.S. government has committed $7 billion in financing over five years, and private companies have committed another $ 14 billion. Development of the program involved identifying specific private sector investments that have not moved beyond the planning phase because of inhospitable host government regulations and policies, or inaction, and/or insufficient financing. In addition to providing financing, the equally important part of the program is the effort to help remove restrictive host country policies and regulations, and institute policies that more rationally regulate and encourage private investment.

Interest in Power Africa has grown in the U.S. Congress since it was announced. Congress may even up the ante on the president. HR 2548 (Electrify Africa Act) passed the House on May 5, and the companion Senate bill S 2014 (Energize Africa Act), would double the goal of Power Africa to 20,000 megawatts.

The development story in Africa is still being written. The African leaders who come to Washington in early August will have a large voice in how that story plays out. There remain many causes for concern, but more reasons for optimism.

Let's forget about pledging a host of deliverables and hope that the result of the U.S.-Africa Leaders Summit is a frank exploration of the needs and potential for Africa, and a no-nonsense appraisal of how the U.S. can be most helpful. Let's hope that the impact is to expand the priority that Africa holds for U.S. policy and show that this is a story in which the U.S. is determined to play its part.

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The U.S.-Africa Leaders Summit: The Case for Doing More in Congo

July 29, 2014 – As leaders prepare to gather for the U.S.-Africa Leaders Summit next week in Washington, there is welcome news from the forgotten continent: While there remains considerable turbulence and a more dispersed threat from Islamic extremists than ever before—from Nigeria to Mali, Libya to Somalia, and now even Kenya—overall security trends on the continent are in fact favorable. Mortality rates from all kinds of warfare have been approximately cut in half in recent years. The African Union is playing a more constructive and unified role in addressing regional and intra-state conflicts than was previously the case. Flashy terrorist attacks are more frequent than before, but, at least at present, the old-fashioned and highly brutal civil wars are fewer in number and more restrained in intensity than at almost any time in Africa's roughly half century of independence.

The United States and like-minded states should build on this positive momentum with two new initiatives at the summit. One is a proposal to send a brigade of American combat forces to the Democratic Republic of the Congo (DRC) in support of the U.N. peacekeeping mission there and to reinforce the progress that the DRC has begun to experience over the last couple of years, in terms of disarming and concluding peace agreements between the government and the various rebel groups. That progress is very fragile and far from adequate for the well-being of the nation's people or the prospects for future stability within the DRC. But it is real, and hopeful, and provides a rare opportunity for the United States to support and strengthen local solutions to the conflict. The United States should focus its security agenda in Africa foremost on the DRC because, while the entire continent deserves attention, the country is one of the continent's two or three "pivotal states" given its size and location—and also the place where the prospects for near-term progress appear most real. Second, the United States and partner nations should seek to rescue an earlier victory in Libya from the current jaws of defeat, mayhem and anarchy with a much more robust train-and-equip effort to get Libyan security forces on their feet so they may establish control over the various militias and criminal gangs.

There would be much resistance in America to any such ideas, of course, underpinned by the nation's war fatigue in general, and its desire to do less abroad. With the broader Middle East in such turmoil, the moment may seem strange for a big proposal on a greater military role in Africa. And, of course, as I mentioned in a piece earlier this year, "America's military role and experiences in Africa have been generally unhappy. The 1993 'Black Hawk Down' tragedy in Somalia was the most notorious case and contributed to President Clinton's decision to stay out of Rwanda's genocide in 1994, with much regret."

While insecurity remains a major challenge for the continent, still, there is an opportunity to support the momentum of a growing number of countries that are moving toward peace. And there is a significant group of international actors helping to consolidate this peace. Beyond the French role in Cote d'Ivoire, Mali and the Central African Republic, African states are stepping up to the plate, as the efforts by Ugandan and Kenyan forces in Somalia demonstrate. China has also increased its direct involvement in African security affairs, dispatching combat troops to Mali, engaging in mediation in South Sudan, carrying out naval escort missions in the Gulf of Aden, and contributing financially and militarily to the African Union, as noted by my colleague Yun Sun. Additionally, Japan has provided 400 self-defense forces personnel as part of the U.N. mission in South Sudan.

The United States has already deployed a small contingent to help Uganda pursue the Lord's Resistance Army while maintaining special operations forces in Djibouti to pursue al-Qaida. It is also trying to help Nigeria in a targeted way with the rescue of the missing schoolgirls, kidnapped by the Boko Haram extremist movement.

Most recent U.S. efforts have worked through Africa Command to build capacity in African states through programs such as the Global Peace Operations Initiative and the Trans-Sahara Counterterrorism Partnership. These efforts, aimed at helping to set up an architecture that allows well-equipped African-led troops to be deployed rapidly are worthy, if generally small-scale, and should continue.

But there is a case for doing even more, and it is strongest in the Democratic Republic of the Congo and in Libya. In the DRC, despite the creation of a rapid reaction brigade in recent months to strengthen the U.N. presence and take on militias such as the M23 group, Congolese forces remain weak. In addition, health care, education and other national institutions remain dysfunctional or simply absent in the country's east. The general absence of the state will continue to compromise the quality of life and very survivability of vulnerable groups such as the young, women having children, the elderly and the sick. The best path towards a more hopeful future is a systematic effort by the United States and other outside powers to strengthen and reform Congolese security forces. Given the enormous distances and logistical challenges involved, this requires more than a few dozen trainers in traditional missions, but a deployed force on the ground such as an advise-and-assist brigade or Security Force Assistance Brigade to complement the nearly 20,000 U.N. forces, mostly from other African states, now in place.

In Libya, the real strategic loss has been a missed opportunity to help strengthen and stabilize the new Libyan government. The new proposed mission need not be large or costly. But the minimalist approach that the international community has followed to date has left the country worse off than it was under Moammar Gadhafi. Militias roam the streets; oil production and national GDP are way down; and institutions, including those providing education and health care, are barely functional. As part of a larger international effort, several hundred American troops in a training role could make a major difference. In so doing, they could also help reduce the spillover risks posed by renegade and extremist groups to neighboring countries like Mali, Tunisia and Algeria.

There are, of course, risks from any such increased American role in African conflict zones. But this country's general casualty aversion is not what it was in 1993, when tragedy in Somalia led to the rapid end of a U.S. military role there. Going forward, the political stakes in such a mission would appear to be less—as, admittedly, would the political reward for any successes that U.S. forces helped achieve. In a broader historic sense, helping transform Africa from a zone of conflict to a zone of hope could prove a durable and notable accomplishment.

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The U.S.-Africa Leaders Summit: What are Indicators of a Successful Summit?

July 30, 2014 – Much has been written about the first U.S-Africa Leaders Summit scheduled for the first week of August 2014. Commentaries have varied in tone, with many critical of the summit's organization and expectations *(*for examples of these critical stances see *Foreign Policy*'s Gordon Lubold and the Corporate Council on Africa's Stephen Hayes). Others have been complementary and consider the summit an important step in solidifying durable and positive U.S.-Africa relations (Amadou Sy responded to criticism that the summit is already "bungled" and Dane Erickson addressed the perception that U.S. is primarily using the summit to compete with China in Africa).

The summit's schedule of events includes several public meetings involving civil society, the public sector and the private sector. A wide range of issues such as the African Growth and Opportunity Act, Power Africa, investing in women and youth, peace and security, health, food security, and the post-2015 Millennium Development Goals will be part of the public schedule. These events are expected to strengthen various dimensions of U.S.-Africa relations. Nevertheless, the primary focus of the event is the meeting between the African leaders and President Obama.

No doubt there will be many post-summit commentaries with a focus on the success and failures as perceived by various analysts. Unfortunately, such commentaries are unlikely to be based on what should be clearly pre-defined indicators of a successful summit. Here I propose what I consider to be some important—though not exhaustive— indicators of a successful summit:

1. A Tangible Plan of Action and Commitments

Many valid questions remain as to the expected outcome of the summit, and especially if indeed the meetings with the African leaders will end up with a tangible plan of action that will forge closer ties between Africa and the United States, ultimately promoting development on the continent. For the summit to be considered a success there would have to be firm commitments from both the African and American leadership in regard to specific actions on the part of African governments and U.S. government. In essence, the final communique should go beyond mere statements of what leaders say without a firm plan of action.

2. Effective/Coherent Participation of the African Leaders

According to the program that has been released, the U.S.-Africa Leaders Summit will focus on three broad topics: Investing in Africa's Future, Peace and Regional Stability, and Governing for the Next Generation. While these topics are important, it is not quite clear what the contribution of Africans was in the formulation of this agenda. Nevertheless, given the large number of African leaders, the short duration of the summit and, thus, the impracticability of holding bilateral talks with President Obama, it is not quite apparent that the African leaders will have the opportunity to fully participate in meaningful dialogue. One concern is that the summit might turn out to be more of a lecture from the U.S. president—which would be an indicator of failure. A critical success indicator then is the extent to which the African leaders effectively participate so that their views shape the future of U.S.-African relations. Presumably the leaders will have already agreed on positions to bring to the table and will have the opportunity to impact the final plan of action.

3. Alignment with African Development Priorities and Strategies

The various topics to be discussed at the summit are quite relevant to Africa's development and indeed to the United States. In this respect, the final plan of action should reflect issues that matter to both Africans and Americans. Of concern, however, is that some key African development priorities may not get the attention they demand. For example, the centerpiece of Africa's growth and development strategy today is regional integration and, from the summit's agenda, it is not quite apparent that strategies to advance regional integration will feature prominently in the discussion. Another priority for which U.S.-Africa collaboration is critical is curtailing illicit financial flows. While the summit will focus on increasing trade and investment, failure to address strategies that seek to reduce the corrupt flow of resources from Africa is bound to neutralize expected gains. Presumably these development priorities and strategies will be incorporated into the summit's discussions and plan of action. Thus, a key indicator of the success of the summit will be the alignment of key African development priorities and strategies in the deliberations.

4. From Unilateralism to Mutualism

Currently, U.S.-Africa relations are defined by unilateralism, with United States largely extending benefits to Africa. This relationship is, for example, the case with the African Growth and Opportunity Act, which grants Africans quota and duty-free access to the American market. Likewise, the U.S. has several aid programs in the various countries. Certainly these and many other such initiatives will continue to define U.S.-Africa relations. Nevertheless, the summit should go beyond a focus of one-sided transfer of benefits to a relationship defined by mutualism—with both sides benefitting and sharing responsibilities. Thus, an important indicator of the success of the summit should be an outcome of a relationship that reflects mutualism.

5. Institutionalization for Sustainability

Being the first U.S.-Africa Leaders Summit, there are bound to be numerous organizational challenges. Notwithstanding such challenges, this first summit represents an important milestone in the U.S.-Africa relations and President Obama deserves credit for the bold initiative. If nothing else, the summit will highlight the increasing importance of Africa in the world, which is in itself an important output and an indicator of success.

However, the critical indicator of success here is what happens in the future. Specifically, the outcome of the summit should include strategies and plans to institutionalize future summits so that they are part of U.S. foreign policy. Institutionalization should define the character of future summits, including frequency and the process of agenda setting. Although the idea of the U.S.-Africa Leaders Summit is an Obama administration initiative, institutionalization is necessary to ensure that such summits will be held post the Obama era. Strategies to institutionalize the summit so that it is part and parcel of U.S. foreign policy with clearly defined goals and objectives will therefore be an important indicator of success.

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The U.S.-Africa Leaders Summit: Final Thoughts

July 31, 2014 – The first U.S.-Africa Leaders Summit is nearly upon us. Hopefully, the African leaders are already flying to Washington, D.C. with summit strategies in hand. Leading up to next week's summit, Brookings experts have analyzed the many policy facets surrounding the United States' strategy for regional engagement. Based on our comparison of the most recent Africa summits with the European Union, China and Japan, we recommend that the U.S. summit be designed to create a sustainable policy tool that is inclusive and accountable. Indeed, in his speech to the Ghanaian parliament in Accra in 2009 President Obama mentioned a need for a true partnership "grounded in mutual responsibility and mutual respect."

Africa is a region that is increasingly gaining mutual respect from world partners. The real gross domestic product (GDP) in sub-Saharan Africa grew at a much faster rate than the GDP for the rest of the world over the past decade. Africa has made great strides in reducing poverty and mortality indicators—reflected in the proposed U.S. official development assistance (ODA) budget for fiscal year 2015, where the priorities for ODA have shifted from health and education to peace, security, governance and economic growth. The U.S. has increased its military presence in Africa and there is demand for foreign intervention to halt terrorism across the region; however, Americans are fatigued by interventions in Afghanistan and Iraq. Thus, the summit can play a role to help Americans overcome their military lassitude to focus on governance, peace and security priorities in Africa.

In his Accra speech, Obama mentioned that the United States can do more to promote trade and investment in African countries. U.S. investors face an evolving landscape of foreign investment in Africa though total foreign direct investment (FDI) to Africa is still relatively low compared with world FDI totals in Asia. Now, China and other emerging market countries are driving growth in FDI to Africa. Meanwhile, the United States has a small presence of trade facilitation support on the ground in Africa compared to China. However, the U.S. trade preferences extended under the African Growth and Opportunity Act (AGOA) have produced increased trade and investment in some African industries, such as textiles. The summit will also house the U.S. AGOA forum, a yearly event during which African leaders and U.S. officials review enhancements for the trade preference program and discuss a more cohesive strategy for AGOA beyond 2015.

As stated by Brookings Africa Growth Initiative Director Mwangi Kimenyi, it is necessary to define the parameters of a successful U.S.-Africa summit prior to the event. One indicator of particular importance to the Africa Growth Initiative is fruitful participation of Africa's leaders in the summit. The U.S.-Africa summit is an unprecedented opportunity to transform U.S. strategy toward Africa into mutual U.S.-Africa strategy.

If you wish to engage with AGI experts and continue the dialogue surrounding the U.S.-Africa Leaders Summit, please watch the live webcast of the Brookings Africa Growth Initiative's public event, "The Game Has Changed: The New Landscape for Innovation and Business in Africa," on Monday, August 4. You can also follow the conversation on Twitter using #AfricaSummit.

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The U.S.-Africa Leaders Summit: Major Trends in Media Coverage

August 19, 2014 - The historic U.S.-Africa Summit, held August 4-6, 2014, resulted in some remarkable achievements, including investment deals totaling a massive $33 billion and a new peacekeeping partnership with six African countries. While the summit garnered some attention over the course of the week, in large part the tragic Ebola outbreak (and other international events, including the violence in Gaza, Iraq and Ukraine) captured public attention instead, dominating media headlines. Less than two weeks after the summit has passed, the Ebola outbreak is still making headlines, while summit-related news has faded away.

To understand the extent to which dynamic, global events such as the Ebola outbreak may have influenced or even overshadowed media coverage of the first-ever U.S.-Africa Leaders Summit, the Africa Growth Initiative team conducted a brief study examining headlines of major newspapers as well as overall tweets during the week of the summit, August 3-8, 2014.

Major Trends in Overall Coverage of Africa-Related News During the Summit

As seen in Table 1, the top five keywords found in the headlines of Africa-related articles (i.e., articles with the word "Africa" or one of its variations in the headline or leading paragraph) of 30 major U.S., African and international publications were: "Ebola," which was in approximately 30 percent of headlines, "U.S." in 15 percent of headlines, "summit" in 10 percent of headlines, "Obama" in 7 percent of headlines and "leaders" in 7 percent of headlines. The following word cloud highlights these keywords (and others) that appeared most frequently in Africa-related news during the week of the summit.

Table 1: Top 5 Keywords Found in Headlines of Select Sources, August 3-8, 2014

Ebola	30%
U.S.	15%
Summit	10%
Obama	7%
Leaders	7%

Figure 1: Word Cloud Generated by Headlines from Select Publications, August 3-8, 2014

Variation in Coverage among U.S., International and African Publications

Of these 698 Africa-related articles published by our selected sources, U.S., international and African newspapers published 366, 161 and 171 articles, respectively. Table 2 shows the top five keywords in the headlines of the U.S., African and international publications.

Table 2: Top 5 Keywords Found in Headlines of Select U.S., African and International Sources, August 3-8, 2014

U.S. press	International press	African press
Ebola (36%)	Ebola (31%)	Ebola (17%)
Summit (14%)	China (11%)	Summit (6%)
U.S. (13%)	U.S. (11%)	U.S.-Africa (6%)
Leaders (9%)	Help (4%)	Nigerian (6%)
Obama (9%)	Virus (4%)	Leaders (4%)

"Ebola" was the most widely used keyword across all publications, with U.S., international and African sources mentioning it in 36, 31 and 17 percent of the headlines for the week, respectively. "Summit," on the other hand, featured prominently in approximately 14 percent of U.S. headlines, but only showed up in 6 percent of African and 3 percent of international headlines. "China" ranked the second-most frequently cited keyword in headlines published by the international press—in 11 percent of headlines, with a few more mentions than "U.S."—however "China" appeared in less than one percent of U.S. headlines and not at all in the African headlines, both of which appeared to prioritize stories on the U.S. and U.S.-Africa relations. African sources on the other hand highlighted "Nigerian" in 6 percent of their headlines. Across the board, "trade" and "investment" hardly appeared at all, in 2 percent or less of all U.S., international and African headlines, despite trade and investment being the central pillars of the summit.

Did Business-Focused Publications Cover the Summit Differently than General Publications?

From the three business-focused sources—The Wall Street Journal (U.S.), The Financial Times (U.K.) and Business Day (South Africa)—we found 159 articles related to Africa during the week of the summit. Although these business-focused publications covered Ebola slightly less than non-business-centric publications (focusing more on Ghana's debt and IMF loan instead) Ebola-related headlines still comprised over a quarter of the headlines written in business-focused publications that week. (Although "virus" features prominently in the business-focused publications, in only one case was the word not paired with "Ebola," meaning it does not significantly increase the number of articles covering the disease.)

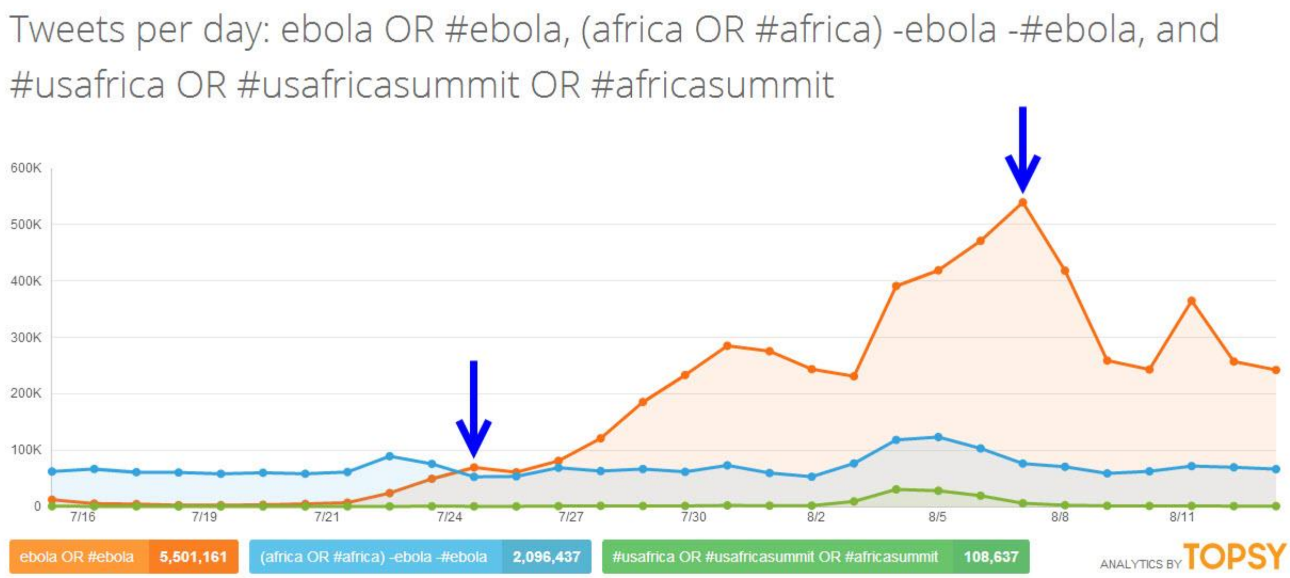
Table 3: Top 5 Keywords Found in Headlines of Select Business-Focused and General Sources, August 3-8, 2014

Business-focused	General news
Ebola (26%)	Ebola (31%)
Virus (11%)	U.S. (13%)
U.S. (8%)	Summit (11%)
Obama (6%)	Leaders (8%)
Ghana (5%)	Obama (7%)

Changes in the Public's Attention on Africa During the Summit

Looking at tweets related to the U.S.-Africa Leaders Summit, Ebola and Africa in the weeks before and after the summit, we see that tweets mentioning "Ebola" did not surpass tweets mentioning "Africa, but not Ebola" until July 25, 2014 when a U.S. citizen, Patrick Sawyer, died of Ebola in Nigeria (see the first blue arrow on the timeline). In addition, around this time, two Americans working for Samaritans Purse contracted the Ebola virus.

Figure 2: Number of Tweets per Day Using Africa, Ebola and Summit-Related Hashtags, July 15-August 13, 2014



"Africa, but not Ebola" tweets peaked at about 100,000 tweets per day during the U.S.-Africa Leaders Summit, starting their ascent approximately the Sunday before the three-day event. Hashtags associated with the summit exhibited a brief peak (at less than 50,000 tweets per day) that started their rise on the Sunday before the event. On the Thursday after the summit, "Ebola" tweets were increasing to a peak of over 500,000 tweets per day, but "Africa, but not Ebola" tweets and summit hashtags were already decreasing. The Monday after the summit (August 11, 2014), the "Ebola" tweets peaked again at nearly 400,000 tweets per day, while "Africa, but not Ebola" tweets and summit-related hashtags returned to pre-summit levels.

Concluding Thoughts

During the week of the U.S.-Africa Leaders Summit, media coverage of Africa-related news did not highlight issues of trade and investment as much as the summit's organizers might have hoped. Nor did the U.S.-Africa summit have the staying power to outlast the unfolding story of the Ebola outbreak. Since the Obama administration plans for a recurring U.S.-Africa Leaders Summit to serve as a key policy tool for future engagement and dialogue with the continent, it might consider ways of extending the dialogue past the end of the summit—because the conversation on U.S.-Africa relations need not end there, although this time around, it appears that it did.

In the following weeks, AGI will continue examining the overall media sentiment toward Africa-related news and will look specifically at its relationship to economic and financial indicators on the continent. We will gauge how major news publications have portrayed the African continent over time and to what extent this sentiment reflects (or predicts) indicators of African economic performance.

In the meantime, here's to hoping that the next U.S.-Africa Leaders Summit will not be clouded by happenstance, but instead will capture the public's attention and generate more meaningful discussions on the summit's key issues and outcomes.

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U.S.-Africa Leaders Summit: Seizing the Opportunity to Reposition Africa-U.S. Relations

Photo Credit: Lawrence Jackson/White House

The U.S.-Africa Leaders Summit: Building a Strategy Together with Africa

Photo Credit: Sharon Farmer

[1] The first continent-wide partnership between a regional group and Africa was the Afro-Arab Summit. While the Arab League was the first mover on a summit style of engagement with Africa, it did not meet again until 2010. In 2013, the Afro-Arab summit finally put forth commitments, including $1 billion in concessional loans from Kuwait to African countries over the next five years.

The U.S.-Africa Leaders Summit: A Focus on Foreign Direct Investment

Photo Credit: Jonathan Ernst / World Bank

[1] The FDI data were collected from UNCTAD's publically available Bilateral Investment Statistics database, 2014, which provides bilateral, geographically disaggregated data on stocks and flows from 2001-2012. Our analysis specifically focused on outward FDI or FDI abroad, originating from our selected partners and destined for sub-Saharan African countries. Data on the European Union was aggregated for all EU member countries (at time of accession).

[2] Figures based on Chinese White Paper on Economic Cooperation (2013) and a 2012 CRS paper entitled "U.S. Trade and Investment Relations with sub-Saharan Africa and the African Growth and Opportunity Act." Data for the EU and Japan were not available.

[3] The Mo Ibrahim Foundation also produces governance performance indices specifically from sub-Saharan African countries that monitor changes in 182 indicators of governance from judicial process independence to equity of access to public services. Their index scores range from 0 to 100, where 100 is the best possible score. Mauritius (83) and Botswana (78) had the strongest governance performance while the Democratic Republic of the Congo (31) and Eritrea (32) had the worst performance.

[4] The U.S. is a candidate country for EITI and is also a supporting government stakeholder in the initiative, but is not yet on record as being an EITI compliant country.

[5] According to the Office of the United States Trade Representative, these include most-favored-nation treatment for investors, protection against expropriation and/or provision of adequate compensation, the right to transfer investment funds using market-based exchange rates, limitations on performance requirements, the authority to choose their top managerial personnel and access to international arbitration to settle investment disputes.

[6] Plus an additional 334 IAAs.

[7] Data on BITs are from UNCTAD's country-specific list of BITs, however, the Chinese White Paper on Economic Cooperation (2013) states that China has signed more than 30 BITs.

[8] This includes Benin, Chad, the DRC, Equatorial Guinea, Guinea, Madagascar, Mali, Namibia, Seychelles (not yet entered into force) and Uganda.

[9] Figures based on statistics in UNCTAD's World Investment Report, 2013, p. 33.

[10] Sustainable-development-oriented features include measures explicitly stating that that countries should not take measure to promote investment that would harm health, safety and environmental standards. They also ensure public policy space for host countries and minimize exposure to investment arbitration.

The U.S.-Africa Leaders Summit: Far from "Bungled"
Photo Credit: Pete Souza/White House

The U.S.-Africa Leaders Summit: Deepening Trade and Commercial Ties

Photo Credit: Sharon Farmer

[1] "U.S. Export Fact Sheet," U.S. Department of Commerce, International Trade Administration, May 2011 Export Statistics Released July 12, 2011. Online: http://trade.gov/press/press-releases/2011/export-factsheet-july2011-071211.pdf

The U.S.-Africa Leaders Summit: Africa's Dramatic Development Story

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The U.S.-Africa Leaders Summit: The Case for Doing More in Congo

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