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Africa: U.S. Foreign Assistance Issues

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SUMMARY

The Bush Administration is requesting \$789.4 million in Development Assistance for sub-Saharan Africa in FY2002, \$4.2 million less than is being provided in FY2001. Requests for security assistance programs are somewhat above FY2001 levels. The Administration proposes to meet previous U.S. pledges to replenish the African Development Bank and Fund, and to fund the African Development Foundation at \$16 million, the same level as in FY2001.

For FY2001, Africa has been allocated \$793.6 million in Development Assistance, including aid under the Child Survival and Disease Programs fund, from worldwide appropriations provided in the Foreign Operations Appropriations (P.L. 106-429). The Clinton Administration had requested \$837 million for Africa for the year.

In 1995, at the outset of the 104th Congress, substantial reductions in aid to Africa had been anticipated, as many questioned the importance of Africa to U.S. national security interests in the post-Cold War era. This position seemed to moderate as the debate went forward, and congressional reports and bills acknowledged U.S. humanitarian, economic, and other interests in Africa. Aid levels did fall from FY1996 through FY1997, but began to increase in FY1998.

U.S. assistance finds its way to Africa through a variety of channels, including the USAID-administered Development Fund for Africa (DFA), food aid programs, and indirect aid provided through international organizations. U.S. assistance through all such channels, though problematic to calculate, totaled more than \$2 billion in FY2000.

U.S. assistance to sub-Saharan Africa reached a peak in 1985, when global competition with the Soviet Union was at a high point. As the Cold War eased, security assistance programs for Africa began to drop. Bilateral economic assistance for Africa today remains close to the FY1990 low. The Organization for Economic Cooperation and Development reports that in 1999, the United States ranked third as a bilateral African development aid donor, behind France and Germany. In some recent years, the United States has ranked fourth, behind Japan.

Bilateral channels for aid to Africa, in addition to the DFA, include food assistance, refugee assistance, and the Peace Corps, which has over 2,200 volunteers in the sub-Saharan region. The U.S. African Development Foundation makes small grants to African cooperatives, youth groups, and other self-help organizations. U.S. security assistance, though still quite low, is increasing once again, primarily because of U.S. support for African peacekeeping initiatives. The World Bank's International Development Association (IDA) is the principal channel for multilateral U.S. aid.

USAID Administrator Andrew Natsios has testified that the Bush Administration is focusing on conflict prevention and resolution, working with NGOs and faith-based organizations, poverty reduction, agricultural development, and health, including HIV/AIDS. The Clinton Administration pushed African recipients to undertake economic and political reforms, and placed increased emphasis on population and environmental programs. It also launched special Africa-related initiatives, including HIV/AIDS, democracy, and internet initiatives, as well as programs to promote African conflict resolution.

MOST RECENT DEVELOPMENTS

*On September 4, 2001, the Senate reported its version of the Foreign Operations Appropriations bill (H.R. 2506). The House passed its version on July 24. For details, see below, **Congressional Action in 2001** and **Table 5**. On July 21, during a summit meeting in Genoa, the Group of Eight (G8) countries (the seven leading industrialized nations plus Russia) agreed that they would work with African leaders to develop a plan to advance peace, prosperity, and the eradication of poverty in Africa. For information on recent developments in the U.S. response to the African HIV/AIDS pandemic, see CRS Issue Brief IB10050, *AIDS in Africa*.*

BACKGROUND AND ANALYSIS

U.S. Aid to Africa: An Overview

Bilateral Aid

U.S. assistance finds its way to Africa through a variety of channels. Bilateral or country-to-country aid, also known as direct assistance, is given by the U.S. government to African governments and their agencies or to non-governmental organizations (NGOs), also known as private and voluntary organizations (PVOs), working within the host country. Multilateral aid, or indirect assistance, is given first to international financial institutions (IFIs) and U.N. agencies, which in turn channel it to Africa through their own programs.

Past Decline. Bilateral aid obligations to sub-Saharan Africa, including economic assistance, food aid, the Peace Corps, and military assistance, reached a peak of \$2.5 billion in FY1985, but fell to \$1.3 billion in FY1990 (both figures in constant 2001 dollars). Bilateral aid rose slightly after FY1990, but then dropped off again. Despite increases in FY1998 and FY1999, recent aid levels have remained at or below the FY1990 level. The aid peak in the mid-1980s reflected the high levels of foreign affairs spending characteristic of the period, which in turn grew out of the global competition with the Soviet Union. Efforts to combat famines afflicting several African countries at the time also boosted aid.

The decline in aid to Africa in the later 1980s was part of a worldwide pattern, in part reflecting concerns over the size of the U.S. budget deficit and measures to bring the deficit under control. Toward the end of the decade, moreover, competition with the Soviet Union in the Third World began to fade as a U.S. priority. Thus, the United States cut aid to some countries that had been major Cold War aid recipients, including African recipients such as Zaire and Liberia, because of human rights violations and political instability, or because they refused to carry through with economic liberalization programs.

The reduction in Africa aid during the 1980s took place almost entirely within the security-oriented programs: military assistance and especially the Economic Support Fund (ESF). ESF aid is a type of economic assistance allocated by the State Department, in consultation with USAID, with the objective of promoting U.S. security interests. By the mid-1980s, many in Congress and in the wider aid-oriented community had come to believe that security assistance programs in Africa had grown too large and that more U.S. aid should

be used to promote long-term development. This concern, combined with declining anxiety over the Soviet threat, brought a sharp reduction in ESF Africa funding. During the Cold War, a few African countries regarded as strategically important, such as Sudan, Kenya, and Somalia, had received substantial grants for the purchase of military equipment, but this sort of aid was also dropping as the 1980s ended. By FY1995, military grants or financing to purchase equipment had been phased out, and military aid was largely confined to small training grants, typically ranging between \$100,000 and \$200,000, funded under the International Military Education and Training (IMET) program.

In 1995, at the beginning of the 104th Congress, proposals to restructure and reduce the U.S. foreign assistance program raised questions about the future of U.S. aid to sub-Saharan Africa. Many questioned the strategic rationale for assisting Africa in the post-Cold War era, and asserted that 30 years of U.S. assistance had accomplished little — whether in terms of promoting economic growth and democratization, or achieving other objectives. The critics generally favored humanitarian assistance, but sought sharp cuts in programs to accomplish other objectives. As the aid debate proceeded, however, it became apparent that cuts for Africa would be less than initially anticipated. The view that the United States has important humanitarian, economic, and other objectives in Africa was vigorously asserted by supporters of the Africa aid program, and came to be reflected in report language on the major foreign assistance bills, and in the bills themselves. Appropriations for Development Assistance in Africa did drop significantly in FY1996 and remained at the same level in FY1997. But in FY1998, appropriations began to increase (**Table 1**).

Table 1. Development Assistance for Sub-Saharan Africa: Request and Actual Appropriation

(Including Child Survival and Disease Programs Fund, \$millions)

	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002
Request	704.0	700.0	730.0	790.0 ^a	837.0	789.4
Actual	665.1	700.0	711.3	738.5	793.6	

^a Includes \$45 million in additional CSD requested as part of a July 1999 AIDS initiative.

Development Fund for Africa, DA, and Child Survival Aid. Falling ESF levels threatened the overall scale of the sub-Saharan aid program after 1985, and this threat led to the creation of the Development Fund for Africa (DFA), which specifically earmarked a minimum level of the worldwide Development Assistance program for the region. The DFA guidelines first appeared in the conference report (H.Rept. 100-498) accompanying the FY1988 appropriations legislation and were enacted into law in 1990 (P.L. 101-513, Section 562), becoming Chapter 10 of Part I of the Foreign Assistance Act of 1961 (P.L. 87-195).

Under this legislation, DFA remained part of the broader DA program (Chapter 1 of the Foreign Assistance Act), but aid was authorized for a range of specifically Africa-related objectives. These reflect various development theories and strategies that had emerged in the development debate among policy-makers, academics, NGOs, the IFIs, and others over many years. According to Chapter 10, the purpose of the program “is to help the poor majority of men and women ... to participate in a process of long-term development through economic growth that is equitable, participatory, environmentally sustainable, and self-reliant.”

Moreover, according to Chapter 10, DFA aid is to be used to “promote sustained economic growth, encourage private sector development, promote individual initiatives, and help to reduce the role of central governments in areas more appropriate for the private sector.” Chapter 10 stresses local involvement and “grassroots” development, but it permits aid in support of economic policy reforms that promote several “critical sectoral priorities.” These are agricultural production and natural resources, with an emphasis on promoting equity in rural incomes; health, with emphasis on maternal and child health needs; voluntary family planning services; education, with an emphasis on improving primary education; and income-generating opportunities for the unemployed and underemployed. In addition, Chapter 10 authorizes aid for regional integration and donor coordination.

The DFA, with its broad phrasing and support for long-term funding, gave USAID planners new flexibility in designing the Africa-assistance program. However, Congress did include guidelines stating that a minimum of 10% of DFA funds should be devoted to each of three broad purposes: agricultural production, health, and voluntary family planning services. Obligations for sub-Saharan Africa projects under the DFA reached a peak of \$846 million in FY1992, dropping well below \$800 million in subsequent years despite efforts by some Members to increase the DFA appropriation to \$1 billion or more.

The DFA was last earmarked by Congress in the FY1995 appropriations, when \$802 million was appropriated, and DA for Africa has since been provided out of the worldwide Development Assistance appropriation. Despite the absence of an earmark, DA going to sub-Saharan Africa continued to be referred to as DFA, and USAID noted that such aid was still governed by the provisions of the DFA legislation.

For FY1996, Congress began to appropriate another type of DA: the Child Survival and Disease Programs Fund (CSD), which has channeled substantial amounts of aid to Africa. The CSD appropriation has been included in the House version of the Foreign Operations appropriation and has become part of the final appropriations legislation in conference with the Senate. In its FY2000 and FY2001 budget presentations, USAID listed both DFA and CSD amounts for African countries and added the two together to present a DA total for each African recipient. This left the terminology of Africa aid confused, since some of those using the term DFA may still be referring to the DA total, rather than the smaller, separate DFA amounts requested by USAID. In its FY2002 congressional presentation, USAID is listing “DA,” referring to the smaller DFA amount, and “CSD,” then adding the two together for a total called “CSD/DA.”

Table 2 lists CSD/DA totals for each African recipient. Under the Clinton Administration’s FY2001 request, Nigeria replaced Uganda, which dropped to third place behind South Africa, as the leading DA recipient. This ranking is retained under the FY2002 request. Higher levels of DA for South Africa in earlier years have fallen as the country has moved ahead with its post-apartheid transition. However, plans to phase out the South Africa program were shelved by the Clinton Administration because of that country’s slow rate of economic growth and the difficulties it has experienced in creating new jobs. The aid level for Uganda primarily reflects approval of its free market economic reforms and its role as “an increasingly stable regional ally” (USAID Congressional Presentation, FY1999). There is funding for democracy, HIV/AIDS, and other programs in Zimbabwe, despite its domestic political tensions and its military intervention in the Democratic Republic of the Congo (DRC) because officials believe it is important for USAID to maintain a presence in Zimbabwe during a difficult period. For further information, see CRS Issue Brief IB10059, *Zimbabwe: Current Issues*.

Table 2. CSD/DA Recipients in Africa
(Includes DFA and CSD, ranked according to FY2002 Request. \$ millions)

	FY2002 Request	FY2001 Estimate	FY2000	FY1999
Nigeria	54.0	54.9	27.5	12.5
South Africa	52.7	50.5	46.7	47.0
Uganda	50.2	50.4	47.1	46.4
Mozambique	41.2	42.1	45.1	40.7
Ethiopia	40.4	39.3	37.7	39.9
Zambia	38.3	37.4	27.8	20.4
Ghana	35.3	34.0	35.7	46.9
Kenya	33.3	31.3	28.3	19.3
Mali	33.0	33.7	34.7	34.5
Tanzania	25.1	22.9	23.8	21.6
Malawi	24.8	28.0	29.7	32.1
Senegal	24.5	23.6	22.5	23.2
Guinea	19.9	18.4	18.6	17.0
Congo (DRC)	18.6	15.7	9.8	7.9
Madagascar	18.5	19.3	16.0	15.5
Benin	14.3	13.9	13.9	15.7
Rwanda	14.0	13.6	14.1	11.3
Zimbabwe	12.3	12.3	12.1	8.5
Eritrea	10.8	10.2	8.8	10.0
Angola	9.6	8.9	9.0	11.2
Namibia	8.9	10.7	9.2	8.6
Sierra Leone	5.4	5.0	1.0	0
Liberia	5.3	6.1	6.7	7.7
Sudan*	5.0	4.0	0	0
Somalia	3.0	3.0	0	1.5
Burundi	1.5	4.0	0	0

*Development assistance in Sudan has focused on capacity building in southern Sudan. For details on the full U.S. program, visit [<http://www.usaid.gov>] and click on "Humanitarian Response" and "Situation Reports"; see also, CRS Issue Brief IB98043, *Sudan: Humanitarian Crisis, Terrorism, Peace Talks, and U.S. Policy*.

Food Aid. Food aid to Africa fluctuates in response to the continent's needs, and the amount provided by the end of a fiscal year usually exceeds the initial request. Most of Africa's food aid is in the form of emergency grants given under Title II of the P.L. 480 program (named for P.L. 83-480, enacted in 1954), which is implemented by USAID in cooperation with the Department of Agriculture. On rare occasions, countries in a position to repay are given long-term, low-interest loans to purchase food under Title I of P.L. 480. Some of Africa's poorest countries have received U.S. food donations under Title III, entitled

“Food for Development,” which can be used in feeding programs or sold on the open market, with proceeds to be used for development purposes. A few countries have benefitted under Sec.416(b) of the Agricultural Act of 1949, as amended, which permits donations of surplus food to developing countries, emerging democracies, and relief organizations. (For further information, see CRS Issue Brief IB98006, *Agricultural Export and Food Aid Programs*.) For FY2002, the Administration is requesting only Title II Food Aid for 19 sub-Saharan countries.

Peace Corps. Over 2,200 Peace Corps Volunteers (PCVs) are currently serving in 25 sub-Saharan countries. Under the Peace Corps Act (P.L. 87-293), volunteers are to help the poorest people meet their basic needs, to promote a better understanding of the American people, and to promote a better understanding of other peoples on the part of Americans. In Africa, the Peace Corps attempts to accomplish these objectives through small-scale projects in agriculture, education, health, the environment, small business development, and urban development. Political instability and war have hampered Peace Corps efforts in recent years, forcing withdrawals from Ethiopia, Eritrea, Chad, the DRC, and other countries. The largest programs today are in Ghana, Mali, Cote d’Ivoire, and Senegal. In June 2000, the Peace Corps launched an initiative to combat the HIV/AIDS epidemic in Africa by providing educational materials and training, and by promoting community outreach efforts. In addition, 200 members of the Crisis Corps, which consists of former volunteers who return to service for limited periods, were to go to Africa to combat the epidemic. The HIV/AIDS initiative was partly supported by a grant from the Bill and Melinda Gates Foundation.

Security Assistance. The security assistance program in Africa, which had declined with the end of the Cold War, has begun to grow again, primarily in response to widening conflict and political instability in Africa. Economic Support Fund aid is being used to support economic reform in Nigeria, a “safe skies” program to improve African air traffic safety, human rights and democracy education, and other objectives. The Bush Administration is seeking \$20 million under the Peacekeeping Operations (PKO) program, the same amount provided in FY2001, for the African Crisis Response Initiative (ACRI), which trains small units of African armies for possible peacekeeping duties. The Administration is also requesting funds under the Foreign Military Financing (FMF) program to make military assistance grants that will strengthen regional peacekeeping capabilities. Some FMF funding would also go toward HIV/AIDS education with African militaries. International Military Education and Training (IMET) programs in Africa are aimed at promoting professionalism and respect for democracy and human rights, while enhancing capabilities for participation in peacekeeping operations. These programs run well under \$1 million per country, except for South Africa, where \$1.2 million has been allocated for FY2001 and \$1.4 million requested for FY2002.

The United States contributes to United Nations peacekeeping operations in Africa and elsewhere through a program entitled Contributions to International Peacekeeping Activities (CIPA). Funds for CIPA are appropriated in the legislation that funds the Departments of Commerce, Justice, and State, rather than in the Foreign Operations appropriation, which governs foreign assistance. CIPA for Africa has increased significantly in FY2001 due to U.S. support for U.N. peacekeeping in Sierra Leone and along the Ethiopia/Eritrea border. The Bush Administration has requested a substantial increase for peacekeeping in Sierra Leone in FY2002, and for the operation known as MONUC in the Democratic Republic of the Congo. The House-passed version of the Commerce, Justice, State Appropriations (H.R. 2500) would fully fund the Administration’s request for CIPA worldwide, but the Senate-

passed version would appropriate less than requested, in part because of reservations over the peacekeeping operation in Sierra Leone (see S.Rept. 107-42).

Table 3. Contributions for International Peacekeeping Activities
(\$ millions)

Operation	FY2002 (Request)	FY2001 (Est.)	FY2000 (Actual)
U.N. Operations in Angola	0	0	1.9
War Crimes Tribunal - Rwanda	16.2	12.0	10.5
Sierra Leone (U.N.)	318.0	180.4	128.1
Democratic Republic of the Congo (U.N.)	83.5	5.3	30.2
U.N. Operations in Ethiopia/Eritrea	57.3	84.2	0
Total	475.0	281.9	170.7

Regional Programs. Both DA and ESF funds are used to support USAID's Africa Regional Programs, which are designed to confront challenges that span the borders of African countries. These include the Education for Development and Democracy program and the Governments in Transition program, as well as the Africa Trade and Investment Policy (ATRIP) program, which provides technical assistance, training, and other aid to African countries implementing free-market economic reforms. ATRIP also "catalyzes business linkages" between U.S. and African firms, according to USAID's FY2000 Congressional Presentation. USAID is committing an estimated \$34.8 million to the Education for Development and Democracy program in FY2001 and requesting \$28 million for FY2002. An estimated \$22.8 million is going to ATRIP in FY2001, and \$13.2 million is requested for FY2002.

African Development Foundation

The African Development Foundation (ADF) has a unique mandate to make small grants directly to African cooperatives, youth groups, and other self-help organizations. These grants usually range from less than \$20,000 to a maximum of \$250,000, although appropriations language permits a waiver of the \$250,000 ceiling. In addition, the ADF supports grassroots development research by African scholars and promotes the dissemination of development information at the community level. By law, the ADF is limited to 75 employees. Its 7-member Board of Directors must include 5 private-sector representatives. ADF does not station U.S. employees in overseas posts, but instead works through local-hires and periodic field visits.

The creation of the ADF in 1980 reflected a widespread view among many development experts — and in Congress — that foreign policy considerations were playing too large a role in the U.S. development aid program for Africa; that the USAID bureaucracy tended to delay the delivery of needed assistance; and that existing aid was governed by a "trickle down" philosophy that could be combated by delivering some aid directly to poor Africans and their community organizations. Legislation establishing the ADF (P.L. 96-533, Title V) stated that its purposes were to strengthen the bonds of friendship between the people of Africa and the United States; support local self-help activities in Africa; stimulate participatory development;

and promote the growth of indigenous development institutions (P.L. 96-533, Title V). The organization began operations in 1984.

Refugee and Disaster Assistance

The United States responds to African humanitarian crises in part with Title II food aid, discussed above, and in part through its refugee and disaster assistance programs. Most refugee assistance comes from the Migration and Refugee Assistance (MRA) account and goes to the United Nations High Commissioner for Refugees and international organizations, as well as private and voluntary organizations assisting African refugees. In addition, the Emergency Refugee and Migration Assistance (ERMA) account, created in 1962 to deal with unexpected refugee situations, has been drawn upon for African emergencies several times in recent years. ERMA funds were used in 1994, for example, to respond to the Rwanda refugee emergency, and in FY1997, \$38 million was spent to assist refugees, victims of conflict, and others at risk in the Great Lakes region of Africa generally. In late 2000, \$15 million was committed for assistance to refugees from the conflicts in Guinea and the Democratic Republic of the Congo. For further information, see CRS Issue Brief IB89150, *Refugee Assistance in the Foreign Aid Bill: Problems and Prospects*.

USAID's Office of Foreign Disaster Assistance (OFDA) also plays a major role in responding to African crises. In recent years, the largest amounts have been spent in response to emergencies in Sudan, Sierra Leone, and Burundi. "Situation Reports" published by USAID's Office of Foreign Disaster Assistance monitor the U.S. response to African humanitarian crises through food aid and other emergency assistance. To find these reports, visit [<http://www.usaid.gov/>] and click on "Humanitarian Response."

Multilateral Assistance

The United States provides aid to Africa indirectly through international financial institutions (IFIs) and United Nations agencies. World Bank lending through its "soft loan" affiliate, the International Development Association (IDA) is the largest single source of development capital in Africa. IDA loans, which are considered a form of aid since they are virtually interest-free and carry extended repayment periods, have focused on strengthening public sector management, transportation, agriculture, and various social problems. IDA has been particularly active in assisting efforts by the recipient countries to carry out free market economic reforms. IDA decreased its Africa lending from \$2.7 billion in 1996 to \$1.7 billion in 1997, attributing the drop to temporary factors; and indeed IDA lending reached \$2.8 billion in the region in 1998. IDA lending fell back to \$2.1 billion in 1999, and the Bank reports that this was due to the conflicts affecting a number of African borrowers. IDA lending in 2000 was again about \$2.1 billion.

The African Development Fund (AfDF) has been another major channel for indirect U.S. aid to Africa. The Fund, an affiliate of the African Development Bank (AfDB), makes loans on highly concessional terms to the poorest African countries. The AfDB lends on roughly commercial terms to creditworthy African borrowers, but at the same time, it holds 50% of the voting power in the AfDF. In the mid-1990s, the United States and other donors became concerned over AfDB lending practices and the effectiveness of Bank management, but these concerns have been largely resolved. Consequently, the United States is participating in the replenishment programs of both the Bank and the Fund. The Bush Administration has requested \$5.1 million for the Bank and \$100 million for the Fund in FY2002, and these

amounts would keep U.S. replenishment pledges on schedule. For further information, see CRS Report RS20329, *African Development Bank and Fund*.

Debt Reduction

In 1996, the World Bank and the International Monetary Fund (IMF), with the support of the United States and other donors, launched the Heavily Indebted Poor Countries Initiative (HIPC). Thirty-four of the 41 HIPC beneficiary countries are African. In FY2001, Congress appropriated \$435 million for debt reduction, including \$75 million to write off remaining bilateral debt owed by HIPC countries to the United States. The rest of the appropriation is a contribution to the World Bank-administered HIPC Trust Fund, which helps multilateral lenders, such as the African Development Bank, cover the costs of reducing debts owed to them by HIPC countries. (See CRS Report RL31011, *Appropriations for FY2002: Foreign Operations, Export Financing, and Related Programs*.) The Bush Administration has requested \$224 million for debt reduction worldwide in FY2002, all of which would go to the HIPC Trust Fund and, together with \$16 million carried over from FY2001, allow the United States to complete its \$600 million pledge to the fund. Analysts project that about two-thirds of the \$224 million, or \$150 million, will ultimately be used to reduce African multilateral debt, although the time-frame in which this occurs will depend on the pace at which individual countries move through the stages of the HIPC process. For more information, see CRS Report RL30214, *Debt Reduction: Initiatives for the Most Heavily Indebted Poor Countries*. The HIPC process is described at the World Bank's Web site [<http://www.worldbank.org>], click on Topics.

Total U.S. Assistance

Table 4 below lists most components of U.S. assistance to sub-Saharan Africa, and indicates that in FY2001, just under \$2 billion will go to the region, while the total for FY2000 was \$1.85 billion. However, the full total of assistance to the region is higher than these amounts, though problematic to calculate. Additional amounts of aid reach Africa through a variety of indirect channels, including U.S. contributions to the regular budgets of U.N. agencies active in Africa, such as the Food and Agriculture Organization (FAO) and the World Health Organization (WHO). (For further information, see CRS Issue Brief IB86116, *U.N. System Funding: Congressional Issues*.)

The principal channel of indirect aid is through the World Bank's IDA. The United States contributed \$771 million to IDA in FY2000, and the Bank, which uses a different fiscal year, reports that in its FY2000, 47% of its lending went to sub-Saharan Africa. Thus, a rough calculation indicates that about \$362 million of the U.S. IDA contribution went indirectly to Africa. The \$15 million in ERMA relief for Guinea and Congo can be added to the FY2000 total, as well. OFDA's report on its activities in FY2000 has not yet been released, but will also include amounts channeled to Africa. Meanwhile, the Centers for Disease Control Department of Health and Human Services spent \$34 million on HIV/AIDS programs in Africa in FY2000. These additions would yield an FY2000 total for aid to Africa of well above \$2 billion.

Table 4: Assistance Designated for Africa
(\$ millions)

Program	FY2002 Request	FY2001 Estimate	FY2000 Actual	FY1999 Actual
Development Assistance	789.4	793.6	738.5	711.3
<i>(Of which, Child Survival)</i>	<i>(355.8)</i>	<i>(338.6)</i>	<i>(284.0)</i>	<i>(251.2)</i>
ESF	105.5	90.7	62.3	101.5
African Dev. Foundation	16.0	16.0	14.4	11.1
Peace Corps	53.6	54.5	52.3	56.0
International Narcotics Control	0	10.0	0	0
Peacekeeping Operations	71.0	46.5	36.6	21.1
Migration and Refugee Assistance	187.5	180.9	154.8	144.2
IMET	10.4	8.7	7.5	8.5
Foreign Military Financing	19.0	17.9	10.0	7.9
Contributions to Int'l Peacekeeping	475.0	281.9	170.7	33.4
African Development Bank	5.1	6.1	4.1	0
African Development Fund	100.0	100.0	127.0	128.0
Food Aid	160.2	393.0	472.6	224.4
Total	1992.7	1999.8	1850.8	1447.4

Comparison with Other Donors

According to data compiled by the Organization for Economic Cooperation and Development (OECD), the United States consistently ranks behind France and Germany as a donor of bilateral Official Development Assistance (ODA) to sub-Saharan Africa. In some years, it ranks behind Japan as well. In 1998, the OECD placed the United States in fourth place as an African aid donor, but in 1999, with Japanese aid dropping and U.S. aid rising, the United States moved into third place. Sub-Saharan Africa received about 13.8% of U.S. ODA in 1999, according to the OECD, while many other donors gave a considerably larger portion of their aid to the region. About 34% of French aid and 28% of German aid went to Africa, for example, while Italy gave 55% of its aid to Africa and Britain 35%. Japan, by contrast, sent 9.5% of its aid to Africa in 1999.

Recent Trends in U.S. Aid

Andrew Natsios, confirmed by the Senate as the Bush Administration's Administrator for USAID on April 30, 2001, testified on April 25 that he would focus USAID's limited funds on conflict prevention and resolution and attempt to leverage funds and expertise through cooperation with NGOs, including religious institutions. Natsios said that he would also like to focus more of USAID's resources on economic development to reduce poverty and on agricultural development to reduce hunger and malnutrition. He added that USAID would

continue to exercise international leadership in health through its programs in women's reproductive health, child survival, HIV/AIDS, infectious diseases, and nutrition. He indicated that USAID would meet Secretary of State Powell's pledge to increase HIV/AIDS funding by 10% in FY2002.

In the FY2000 Foreign Operations congressional presentation, the Clinton Administration's Assistant Secretary of State for African Affairs, Susan Rice, listed two broad objectives in summarizing that Administration's Africa aid policy: "integrating Africa into the global economy by promoting economic development, democracy, and respect for human rights, and conflict resolution," and "defending the United States against transnational security threats emanating from Africa," including disease and environmental degradation. The presentation attempted to relate the U.S. assistance program to these overall objectives, claiming gains in economic growth and agricultural development, democracy and governance, human capacity through education, population and health, the environment, and humanitarian assistance.

The emphasis on democracy in the aid program preceded the Clinton Administration. USAID began to develop programs for democracy support and introduce democratic criteria for sub-Saharan recipients in 1990, during the George H.W. Bush Administration (1989-1993), anticipating democracy support efforts in Eastern Europe and the former Soviet Union. The shift toward building democracy is reflected in the changing identities of the leading U.S. aid recipients. In 1985, Sudan, Somalia, Liberia, Kenya, and Zaire topped the list, and none of these had a democratic government. By 1995, South Africa, where a democratic election took place in 1994, was the top recipient by a wide margin, while the other leading recipients were all undergoing democratic transitions.

USAID officials have testified that the United States has had a number of successes in promoting sustainable development, democracy, and conflict resolution. They point to Ghana, Uganda, Zambia, and Mali, as examples of successful political and economic transitions, while Mozambique and South Africa are cited as models of transition from conflict to peace as well. Skeptics of USAID's programs, noting, for example, widespread reports of corruption and undemocratic practices in Zambia and a slow rate of economic growth in post-apartheid South Africa, question whether economic and political gains are genuine or will endure. With respect to conflict resolution, some note that two leading recipients, Uganda and Ethiopia, have recently been involved in armed conflicts, as have some lesser recipients, including Rwanda, Zimbabwe, Eritrea, and Angola. Supporters of the program respond by acknowledging that problems inevitably arise within and among countries that face serious challenges with deep historical roots, but insist that overall trends in Africa are positive and that long-term development efforts cannot be interrupted every time difficulties occur.

USAID also maintains that the DFA and CSD assistance have helped African countries achieve increases in child immunization and the use of oral rehydration therapy, shift their health policies towards an active emphasis on AIDS prevention, increase the prevalence of contraceptive use, and boost primary school enrollments. In agriculture, USAID asserts that DA has helped liberalize agricultural markets, increase smallholder production; and facilitate the development of new seed varieties. DA has also been used to assist governments undertaking macro-economic reforms, including reductions in the size of government bureaucracies and the privatization of government enterprises.

USAID maintains that it has introduced an efficient, performance-based management system for the DFA, and focused U.S. resources on countries where the chances for success

are greatest. USAID has closed missions in several sub-Saharan countries in keeping with the downsizing affecting the foreign affairs agencies generally. Most are in countries that are not cooperating with USAID's efforts to promote democratic and free-market reforms, while the Botswana closing reflects the country's "graduation," as its annual per capita income approaches \$3,000. Some believe that the shutdowns will boost USAID's efficiency over the long-term, but others worry that a major retrenchment is beginning. In their view, U.S. influence will suffer as a result.

Stabilizing population growth was an important objective of the Clinton Administration's Africa program. Policy planners argued that the continent has little prospect for economic growth, ending famine, or reducing conflict unless population growth can be slowed. USAID officials maintain that family planning is winning wider acceptance among African themselves and point to declining fertility rates in Kenya, Zimbabwe, and Botswana as evidence. They note that the United States is the largest donor of population assistance in each of these countries. USAID population efforts focus on persuading senior African policy planners of the need to stabilize population growth; supporting family planning programs; supporting population planning education and information programs; and developing channels for the distribution of contraceptives.

The Clinton Administration launched several special development initiatives in Africa. The Greater Horn of Africa Initiative (GHAI), aims at easing the perennial food insecurity in a region extending from Eritrea and Ethiopia to Tanzania by promoting collaboration and consultation on food security strategies. The Initiative for Southern Africa (ISA) reflect's USAID's recognition of the region's economic potential and its desire to reinforce South Africa's democratic transition as a model for the rest of the continent. The initiative includes a Democracy Fund, to make grants in the region in support of democracy, and a Southern Africa Enterprise Development Fund (SAEDF), to promote indigenous business development and ownership.

The Leland Initiative aims at connecting 20 sub-Saharan countries to the Internet. The initiative is named for the late Representative Mickey Leland, founder of the House Select Committee on Hunger, who died in a 1989 plane crash while on his way to investigate conditions in an Ethiopian refugee camp. Technicians from several U.S. government agencies are working to implement the project, which will make Internet access available to "all sectors of the African development community," including NGOs, government agencies, "private developers," and individuals. (USAID press release, June 6, 1996.)

South Africa has been a special focus for USAID for several years. After the installation of a democratically-elected government in May 1994, President Clinton pledged the United States to \$600 million in aid to South Africa over 3 years. The United States guaranteed loans for housing, electrification, and small business development. Resources have also been used to support the growth of small, medium, and micro-enterprises (SMMEs) in South Africa; strengthen the South African justice system; improve education; promote primary health care; and foster majority involvement in business.

The Africa: Seeds of Hope initiative grows out of congressional action in 1998, when the Africa: Seeds of Hope Act (P.L. 105-385) was passed. The Africa: Seeds of Hope bill (H.R. 4283) was introduced by Rep. Doug Bereuter and strongly supported by Bread for the World, which describes itself as "a nationwide Christian citizens movement seeking justice for the world's hungry..." The Act supports USAID's Africa Food Security Initiative by encouraging a refocus on agriculture and rural development. A presidential report on

implementation of the act argued that even more could be done in agriculture if more funds were available.

Further information on USAID initiatives, as well as testimony and reports, can be found at the Africa Bureau's Web site [<http://www.usaid.gov>], click on Africa.

Issues in 2001

The level of funding for HIV/AIDS programs in Africa has been a major focus of interest in 2001, as it was in 2000. This issue is covered in CRS Issue Brief IB10050, *AIDS in Africa*, and in CRS Report RL30883, *Africa: Scaling Up the Response to the HIV/AIDS Pandemic*.

Bread for the World has launched a campaign entitled "Africa: Hunger to Harvest" aimed at boosting development aid for the region by \$1 billion [<http://www.bread.org>]. Describing itself as a "Christian citizens movement seeking justice for the world's hungry people by lobbying our nation's decision makers," Bread for the World maintains that this increase could help reduce hunger in Africa by half by 2015. H.Con.Res. 102 and S.Con.Res. 53 support this initiative. (See **Legislation** section.)

The overall effectiveness of past assistance to Africa could also be a source of discussion and debate. In late March 2001, the World Bank released a report entitled "Aid and Reform in Africa," based on ten case studies of assistance intended to stimulate policy reform in Africa [<http://www.worldbank.org/research/aid>]. The report found that only two countries, Ghana and Uganda, achieved sustained policy reform and good economic outcomes, and suggested that underlying political and economic factors in these countries, including the democratic election of their national leaders, helped to explain their success. Conditions imposed by donors were not found to be influential. The report indicated that assistance funds could be spent most effectively in poor countries with good policy environments.

USAID officials and others express a number of frustrations with aspects of the foreign assistance program, but these have had little impact on the congressional aid debate to date. Some argue, for example, that reductions in operating expenses have forced staff and mission cutbacks that complicate USAID's ability to implement the Africa DA program. Critics of this view maintain that USAID, deal with budget constraints affecting other parts of the government as well. Some in USAID and elsewhere maintain that the CSD earmark has absorbed funds that might otherwise have been used to promote long-term development, which in turn would promote better health among both children and adults. Others argue, however, that the CSD program has channeled funds to a critical, immediate humanitarian need, and that the American people strongly support assistance that benefits impoverished children.

The following CRS products give background information on other Africa topics that may arise during the FY2002 foreign aid debate.

CRS Issue Brief IB10050, *AIDS in Africa*

CRS Report RL31011, *Appropriations for FY2002: Foreign Operations, Export Financing, and Related Programs*

CRS Issue Brief IB96037, *Congo (formerly Zaire)*

CRS Report RL30214, *Debt Reduction: Initiatives for the Most Heavily Indebted Poor Countries*

CRS Report RL30751, *Diamonds and Conflict: Policy Proposals and Background*
CRS Report RL30933, *Liberia: Country Background and Policy*
CRS Issue Brief IB98046, *Nigeria in Political Transition*
CRS Report RL31062, *Sierra Leone: A Tentative Peace?*
CRS Issue Brief IB98043, *Sudan: Humanitarian Crisis, Peace Talks, Terrorism, and U.S. Policy*
CRS Issue Brief IB10059, *Zimbabwe, Current Issues*

Congressional Action in 2001

On May 16, 2001, the House passed a foreign relations authorization bill (HR 1646) which dealt with MRA and CIPA, among other topics, but did not designate specific amounts for Africa.

On July 24, the House passed H.R. 2506, its version of the FY2002 Foreign Operations Appropriations, dealing with major categories of assistance affecting Africa. The Senate Committee on Appropriations reported its version of H.R. 2506 on July 25. Several of the appropriations in these bills, including those for Development Assistance and Child Survival aid, are for worldwide amounts, without specific Africa allocations. These allocations will not be known until the appropriations process is complete, and executive branch agencies adjust their FY2002 requests in light of the amounts actually provided by Congress. **Table 5** indicates some highlights of the bill that affect Africa. The table suggests that under the House legislation, the Administration would have more to spend on Child Survival programs than requested and less on other types of Development Assistance programs. The Child Survival amount includes \$100 million for a contribution to a proposed multilateral worldwide fund to combat HIV/AIDS, malaria, and tuberculosis – major killers in Africa. Some worldwide security assistance programs would be funded at less than requested levels, and this could potentially affect Africa, but several other programs, including IDA and the Peace Corps are funded at requested levels.

Table 5
Legislative Action in 2001
(\$ millions)

Program	FY2002 Request	H.R. 2506 (House-passed Foreign Ops.)	H.R. 2506 (Reported in Senate)
DA not including CSD Worldwide	1,325.0	1,098.0	1,235.0
Child Survival Worldwide	1,011.0	1,425.0	1,455.5
(Total DA including CSD Worldwide)	(2,336.0)	(2,523.0)	(2690.5)
ESF Worldwide	2,289.0	2,199.0	2,239.5
Peace Corps Worldwide	275.0	275.0	275.0
Debt Restructuring Worldwide	224.0	224.0	235.0
MRA Worldwide	715.0	715.0	735.0
ERMA Worldwide	15.0	15.0	15.0
PKO Worldwide	150.0	135.0	140.0
IMET Worldwide	65.0	65.0	75.0
FMF Worldwide	3,674.0	3,627.0	3,674.0
IDA Worldwide	803.4	803.4	775.0
African Dev. Foundation	16.0	16.042	16.542
Af. Dev. Bank	5.1	5.1	5.1
Af. Dev. Fund	100.0	100.0	100.0

LEGISLATION

H.Con.Res. 102 (Leach/Payne)

Hunger to Harvest Resolution: A Decade of Concern for Africa. Cites a Bread for the World Institute calculation that the goal of reducing world hunger by one-half not later than 2015 is achievable through an increase of \$4 billion in development aid, and that if the United States were to take on \$1 billion of this amount, the obligation would amount to a penny per day per citizen; states the sense of the Congress that the United States should declare a decade of concern for Africa and that Congress should undertake a multi-year commitment with other donors to provide the resources necessary to cut hunger by one-half in sub-Saharan Africa, with funding directed toward health, education, agriculture, micro-finance development, and debt relief; such funding to support bilateral and multilateral poverty-focused efforts, including efforts by NGOs and faith-based institutions; states that the USAID Administrator should annually submit a report on implementation. Introduced April 2, 2001; referred to Committee on International Relations.

H.R. 2506 (Kolbe)

Foreign Operations Appropriations. Appropriates funds on a worldwide basis for Development Assistance and other programs that channel aid to Africa; also appropriates funds for the African Development Foundation, the African Development Bank, and the African Development Fund (for amounts, see **Table 5**). House-passed version provides that ESF funds can be used to assist the National Democratic Alliance of Sudan to protect civilians; prohibits FMF for Sudan and Liberia; prohibits aid to Liberia, Sudan, Zimbabwe, or the Democratic Republic of the Congo (DRC) except through regular notification procedures; prohibits indirect aid to Sudan subject to a presidential waiver; prohibits aid to any country providing lethal or non-lethal military aid, directly or indirectly, to groups intent on destabilizing Sierra Leone; prohibits aid to countries that facilitate the illicit trade in diamonds. Reported to House from Committee on Appropriations (**H.Rept. 107-142**) July 17. Passed House (381-46) July 24; received in the Senate. Reported Senate version authorizes up to \$10 million in ESF for non-lethal, non-food aid to the National Democratic Alliance of Sudan; limits IMET for Zimbabwe to “expanded IMET,” focusing on civilian control and management of defense forces, human rights, and humanitarian activities; prohibits IMET to Zimbabwe, Code d’Ivoire, Gambia, and the DRC except through regular notification procedures; prohibits FMF for Sudan and Liberia; prohibits assistance under the act to Liberia, Sudan, Ethiopia, Eritrea, Zimbabwe, or the DRC except through regular notification procedures; requires the United States to oppose loans by international financial institutions to Zimbabwe, except for humanitarian purposes or to promote democracy, unless the Secretary of State reports that the rule of law has been restored; prohibits aid to any country providing lethal or non-lethal military aid, directly or indirectly, to groups intent on destabilizing Sierra Leone; prohibits aid to countries that facilitate the illicit trade in diamonds. Referred to the Senate Committee on Appropriations, July 25; ordered to be reported with an amendment in the nature of a substitute, July 26; reported (S.Rept. 107-58) September 4.

S.Con.Res. 53 (Hagel)

Hunger to Harvest: Decade of Support for Sub-Saharan Africa. Similar to H.Con.Res. 102 in many respects. States sense of Congress that 2002-2012 should be declared “A Decade of Support for sub-Saharan Africa”; that within 90 days the President should submit 5- and 10-year strategies to reverse hunger and poverty in Africa; that Congress should undertake a multi-year commitment to provide resources to implement those strategies; and that 120 days after adoption of the resolution, and each year thereafter, the Administrator of USAID should submit a report on implementation. Introduced June 21, 2001; referred to Committee on Foreign Relations; reported without amendment or written report, July 12. Passed Senate by unanimous consent on July 18; received in House on July 19.

Appendix: Africa Assistance Acronyms

ACRF	<i>Africa Crisis Response Force</i> proposed by the Clinton Administration.
ACRI	<i>Africa Crisis Response Initiative</i> of the Clinton Administration.
ADF	<i>African Development Foundation</i> , U.S.-funded public corporation.
AfDB	<i>African Development Bank</i> , an Africa-based IFI.
AfDF	<i>African Development Fund</i> , affiliate of the African Development Bank.
ATRIP	<i>Africa Trade and Investment Program</i> , a USAID initiative.
CARPE	<i>Central African Regional Program for the Environment</i> , a USAID initiative.
CIPA	<i>Contributions to International Peacekeeping Activities</i>
CSD	<i>Child Survival and Disease Programs Fund</i> , a form of DA.
DA	<i>Development Assistance</i> .
DFA	<i>Development Fund for Africa</i> , the principal U.S. DA program for Africa.
ERMA	<i>Emergency Refugee and Migration Assistance</i> , administered by the State Department.
ESF	<i>Economic Support Fund</i> , a State Department program for promoting U.S. interests.
FMF	<i>Foreign Military Financing</i> , once used to fund arms and equipment purchases by African governments.
GHAJ	<i>Greater Horn of Africa Initiative</i> , a Clinton Administration program.
IBRD	<i>International Bank for Reconstruction and Development</i> , The World Bank.
IDA	<i>International Development Association</i> , concessional loan affiliate of IBRD.
IFIs	<i>International financial institutions</i> .
IGAD	<i>Inter-governmental Authority on Development</i> , a Djibouti-based organization of Horn of Africa states.
IMET	<i>International Military Education and Training</i> , a form of military assistance.
ISA	<i>Initiative for Southern Africa</i> , sponsored by USAID.
MRA	<i>Migration and Refugee Assistance</i> , a State Department program.
NGOs	<i>Non-governmental organizations</i> .
OECD	<i>Organization for Economic Cooperation and Development</i> , an organization of developed countries.
ODA	<i>Official Development Assistance</i> , the OECD's concept of DA.
OFDA	<i>Office of Foreign Disaster Assistance</i> , a part of USAID.
PCVs	<i>Peace Corps Volunteers</i>
PKO	<i>Peacekeeping Operations</i> account authorized by Part II, Chapter 6 of the Foreign Assistance Act.
PVOs	<i>Private and voluntary organizations</i>
SAEDF	<i>Southern Africa Enterprise Development Fund</i> , a USAID program.
SMMEs	<i>Small, medium, and micro-enterprises</i> .
UNECA	<i>United Nations Economic Commission for Africa</i> , headquartered in Addis Ababa, Ethiopia.
UNDP	<i>United Nations Development Program</i>
USAID	<i>U.S. Agency for International Development</i>