



For Immediate Release
Office of the Press Secretary
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Fact Sheet: Commitment to International Development

Today, President Bush spoke about the Administration's commitment to international development. The President discussed expanded education for the world's poorest children and Africa Financial Sector Initiative, and called on Congress to fully fund his foreign assistance budget request in FY2008.

- **President Bush committed to expand assistance for education in the world's poorest countries.** Our investment in disadvantaged children will help foster the development of stable and productive environments where social justice, economic development, and democratic principles thrive.
- **President Bush announced the Africa Financial Sector Initiative (AFSI) to strengthen financial markets, mobilize domestic and foreign investment, and help spur job creation and economic growth.** This initiative is expected to mobilize up to \$1.0 billion in privately-managed investment funds for Africa and provide expert technical assistance specifically tailored to help address structural impediments in Africa's financial sector.

Expanding education and developing the private sector are two essential long-term investments that can help break the cycle of poverty in the world's poorest countries.

President Announces Expanded Education for the World's Poorest Children

Today, President Bush committed to expand assistance for education in the world's poorest countries. The U.S. will establish a new after-school skills development program, Communities of Opportunity, for young girls and boys. The U.S. will also expand support for other new basic education activities to ensure that children have access to quality schooling. Additional U.S. funding will total \$525 million over five years.

- The President will work closely with Congress to implement this new transformational approach to promoting education in poor countries.
- A new Coordinator for Education, based at the U.S. Agency for International Development, will direct a strategic use of resources that builds on America's current support for basic education, child health, and nutrition overseas. Resources will be targeted to countries that demonstrate a strong commitment -- including Fast Track Initiative endorsed education plans, financial transparency, and increased government spending on education.
- Education promotes progress, reduces poverty, and helps girls and boys become productive and active citizens. It allows women to fully use their talents to build just and innovative societies. Moreover, education offers opportunity and counters the forces of extremism and violence.

A Transformational Approach To Education

The approach will build upon the Administration's existing efforts by:

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- Providing up to 4 million more children with access to quality basic education through comprehensive programs in a select number of initial target countries;
- Giving 100,000 at-risk youth extra training in English, computer skills, science, math and finance, and critical thinking through "Communities of Opportunity";
- Coordinating with child health interventions -- including school feeding and vaccinations -- in support of broader basic education and training activities; and
- Establishing partnerships in support of targeted interventions with local communities, parents, and the private sector -- including business and non-government organization leaders.

The Africa Financial Sector Initiative Strengthens And Mobilizes Funding And Markets

To strengthen and deepen African capital markets, the Overseas Private Investment Corporation (OPIC) will support the creation of several new private equity funds that may mobilize up to \$800 million of additional investment in Africa. This investment will address critical gaps in the sources of financing available to African businesses. The financial community submitted 25 proposals to OPIC for consideration pursuant to its recently completed Africa Capital Markets Call for Proposals. By September 2007, OPIC will select funds to support based on its assessment of developmental impact and potential for success. These dedicated funds will:

- Offer new financial instruments and services to African businesses, such as long-term debt, local currency debt, mezzanine financing, securities underwriting, and corporate bond issuance.

In addition, on June 6, OPIC will issue an innovative call for proposals seeking private equity funds to provide capital to businesses serving important social needs in Africa and contributing to the grass roots development of its private sector. These dedicated funds will:

- Provide capital to businesses in sectors with a high developmental impact, such as water, healthcare, small and medium enterprise development, and education.
- Attract investors that prioritize both financial and social returns.

To date, OPIC has supported four Sub-Saharan Africa investment funds that will mobilize roughly \$1.9 billion in private investment over time.

AFSI technical assistance will help to improve financial sector climates with the goal of facilitating increased domestic and international investment. Activities will:

- Strengthen country and regional debt markets by providing up to 10 Treasury Department advisors over the FY08-10 period.
- Launch remittance programs in Nigeria and West Africa through USAID to increase private sector competition, lower the cost of remittance transfers, and bring the un-banked into the formal financial system.
- Provide training through FDIC for banking regulators in order to improve the security and stability of the region's financial systems.
- Develop payment systems and credit bureaus through USAID to support local retail and

commercial banking.

Keeping Pledges On Development

At the Monterrey U.N. Conference for Financing for Development in 2002, the President proposed a 50-percent increase in our core official development assistance over the next three budget years. Starting from a base of \$10.0 billion in 2000, the United States surpassed its Monterrey commitment in 2003 when official development assistance levels increased to \$16.3 billion.

The 2006 preliminary estimate from the OECD Development Assistance Committee of \$22.7 billion in official development assistance is the second highest annual expenditure ever provided by any donor country after the U.S. level of \$27.6 billion in 2005. Preliminary 2006 ODA statistics on bilateral U.S. aid show:

- Aid to the Least Developed Countries was a record \$5.5 billion.
- Aid to Sub-Saharan Africa increased by \$1.4 billion, or 33%, to a record \$5.6 billion.
- Aid to Latin America increased from \$1.3 billion in 2005 to \$1.6 billion
- Aid to South/Central Asia increased to \$2.8 billion from \$2.6 billion.

At the Gleneagles G8 Summit in 2005, President Bush announced that the United States would double assistance to Sub-Saharan Africa between 2004 and 2010 to \$8.67 billion. The United States is on track to meet that goal with a preliminary estimate of \$6.5 billion of bilateral and multilateral assistance in 2006.

In 2002, the President announced the Millennium Challenge Account, devoted to projects in nations that govern justly, invest in their people and encourage economic freedom. Since then, the MCA has put this pledge into practice signing compacts and threshold programs worth over \$3 billion.

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