

PD-ABP-701

**The Corporate Council on Africa**

---

**Final Report to A.I.D.**

Prepared by Neil B. Billig  
3/19/96

TABLE of CONTENTS

*Executive Summary* .....3  
*Background* .....4  
*The A.I.D Grant* .....5  
*Specific CCA Programs*  
    1. *Meetings program* .....7  
    2. *Development of the “Opportunities in Africa Initiative”* .....11  
    3. *Publications* .....11  
    4. *Executive Exchange Program* .....12  
    5. *Student Exchange Program* .....12  
*Program Outputs* .....13  
*New Programs*  
    A. *Trade and Outreach Delegations* .....15  
    B. *Nigerian Working Group* .....17  
*Conclusion* .....19

## Executive Summary

---

The Corporate Council on Africa (CCA) is a non-profit organization composed of corporations and individuals dedicated to furthering private business between the U.S. and Africa. It does this by bringing together African leaders, senior members of U.S. corporations, multinationals and U.S. government officials, all interested in Africa, to discuss policy and economic matters related to improving the commercial climate in Africa. CCA has a number of program activities to further its objectives: meetings, a newsletter, trade and outreach delegations, investment opportunities in Africa and a Nigerian Working Group. By far the most significant is the Meetings Program which serves as a forum to educate African heads of state and the U.S. government of the need for improving the business climate in Africa.

Through its Meetings program CCA has been very successful in providing U.S. corporations the opportunity to meet and discuss potential investments in Africa with African decision-makers. CCA has also provided these corporations the opportunity to meet with U.S. government officials to shape U.S. economic policy on Africa. General Motors Corporation states, "Meetings and programs with Presidents and Ministers have generated most fruitful and promising business contacts. Africa works from the top down, and CCA cuts us in at the top. CCA has been instrumental in GM's massive expansion into the African market." CCA members state that they have generated more than \$418 million dollars in exports to Africa as a direct or indirect result of CCA programs.

To quote Chrysler International Corporation,

*"The seed money which helped create the Council may be the most productive use of \$160,000 USAID has made recently."*

The reviewer agrees.

---

## Background

---

Although incorporated in July, the Corporate Council on Africa was officially launched on December 9, 1993 with a reception in the State Department attended by key decision makers from the government and the private sector, foreign and American, all interested in Africa.

The purpose of the new organization was to foster increased U.S. business in Africa with African firms. It centered on the idea that a free market mechanism and the private sector can create more jobs and generate economic growth more efficiently than a centrally controlled economy. More businesses created by a partnership of U.S. and African firms would result in more new jobs, greater productivity, and ultimately, sustainable economic development. No other private organization focused on Africa had the objective of increasing the involvement of U.S. firms and corporations in promoting the development of the African private sector. Not only could U.S. corporate representatives create investment in Africa, they could also discuss with African leaders the need for economic policy and regulatory change. Because of first hand experience, the CCA members, senior-level corporate executives responsible for their firms' business activities in Africa, were conversant with many of the important changes that needed to be made to create an improved climate for doing business in Africa.

The CCA Executive Director stated that the idea of such a private organization was not new. Encouraging U.S. business to participate in private sector development had always been fostered by the Export-Import Bank and the Overseas Private Investment Corporation. The idea of a non-governmental organization directed and led by the private sector to promote investment in Africa surfaced during the Carter administration and during the Reagan and Bush administrations. It was thought that such an organization, directed and financed by U.S. corporations, could be more effective in influencing economic and policy changes aimed at improving the business and commercial climate in Africa than the usual governmental policy mechanisms. It was also agreed that the formation and leadership of such an organization had to come from the private sector.

The actual impetus for the Corporate Council on Africa (CCA) began with Kevin Callwood, formerly the Deputy Assistant Secretary for Africa in the Bush administration. He discussed the idea with the CEO of AST Research, Safi Qureshey. With the administrative assistance of Labat-Anderson, they then recruited the founding members, nine corporations (AST Research, Mobil Oil, General Motors, Coca-Cola, Edlow International, Equator Bank, Emerging Markets Development Corp., Pryor, Mclendon, Counts & Co., Atlantic Tele-Network) and two ex-diplomats, Ambassador. David C. Miller, ex U.S. Ambassador to Tanzania and Zimbabwe, and Dr. Chester Crocker, former U.S. assistant Secretary for Africa. The idea became a reality on July 8, 1993 with the granting of legal status to the Corporate Council on Africa (CCA) as a corporate entity. From those beginnings, the membership has expanded rapidly to its present 80 members, of whom 75 pay annual \$3,000 dues.

## *A.I.D. Encouragement of CCA*

---

The A.I.D. Africa Bureau, through its Private Sector Office (AFR/ONI/PRE), encouraged and fully supported the idea of creating a non-governmental organization to assist African private sector development. The Private Sector Office had funded the Overseas Private Investment Corporation (OPIC) with a \$6 million grant to support overseas investment missions to Africa in which U.S. businesses traveled to Africa to explore investment opportunities. It was very much aware of the need to encourage U.S. corporations to become more involved in Africa and of the need for an organization funded by the corporations themselves to serve as a focus for such increased involvement.

With the completion of the OPIC program, the reduction in the foreign assistance budget, and the shift in A.I.D. assistance priorities in Africa away from the private sector, it was doubly important that any new organization be self financing. No longer were large grants available to finance private sector organizations aimed at increasing investment in Africa. However, the Private Sector Office (AFR/ONI/PRE) was able to provide a limited amount of technical assistance to help in forming the structure of the new organization. Through an ongoing Africa Bureau contract with Labat Anderson for private sector development assistance throughout Africa, the Private Sector Office directed Labat to provide approximately ten person months of administrative technical assistance to assist the new CCA in establishing its office.

From the beginning, however, it was emphasized that to be effective the new organization had to be controlled and directed by U.S. business. It could not be dependent upon the Agency for International Development or other government entities for its support. Such financial dependency would curtail its independent voice as an advocate of U.S. business. CCA turned to its members for the cost of office space and staff. It soon established itself as a legal entity, put in place a U.S. government, approved accounting system, and had a full time staff performing responsibly. Using financing from U.S. business, CCA had developed to the extent that it could now request some financial support from government without being accused of losing private sector direction. On January 13, 1994 CCA submitted a proposal for matching grant assistance to A.I.D.

The proposal was accepted. Under the terms of the grant, CCA was required to raise an equal sum from private sources. On September 16, 1994, recognizing the additional support from private business already in place, A.I.D. provided a matching grant of \$160,000 to CCA to expand its operation.

### **The A.I.D. Grant**

---

The grant was provided to *“support CCA’s programs to assist and accelerate the sustained development of a viable private sector in Africa.”*

Although not spelled out in the Grant Agreement, the CCA Proposal goes into more detail

about what is meant by “assist in the creation of a viable private sector”. It is recognized that CCA can only play a small part in such a creation and that the majority of the work must be done by the African governments and African businesses and, to a lesser degree, by multi-national development organizations and the .U.S. government.

**The Council’s Mission Statement** is a good summary of what the organization is and what it is trying to do. The statement appeared at the inception of the Council, is repeated in each issue of its newsletter, and remains unchanged to date.

“The Corporate Council on Africa, established in 1992, is a non-partisan, tax-exempt membership organization of corporations and individuals dedicated to strengthening and facilitating business relationships between African and American individuals and organizations by creating educational, cultural, and investment exchange opportunities.

The Corporate Council on Africa is an advocate for policies and activities that will enhance the business relationship between the United States and Africa. The Council believes that it can accomplish this goal by educating constituencies about the different social customs, cultural traditions, and economic climates on both continents, and by utilizing a network of business executives and government officials to promote U.S. - Africa relations.”

### **Specific Programs**

---

The program description of the grant provides the details of how the Mission Statement is to be accomplished. Basically, the programs to be supported by the grant are as follows:

1. **Meetings Program** - A monthly series of forums and other meetings that will bring together the American business community, U.S. government officials, and other international organizations, such as the World Bank and the United Nations, to discuss pertinent trade and commercial issues that affect the African commercial and enabling environment.
2. **Opportunities in Africa Initiative** - An information program designed to provide American companies access to detailed information on trade and development opportunities.
3. **Publications** - The Council will publish a quarterly journal reporting on African political, economic, and trade news.
4. **Executive Exchange Program** - An exchange program for U.S. and African executives will be designed to create greater opportunities for learning, while developing relationships and exchanging business ideas.
5. **Student Exchange Program** - The Council will arrange for African and American students to experience valuable learning opportunities while working as interns overseas in a business environment.

It was hoped when the grant was made that the specific activities listed above would lead to an increased policy dialogue between businessmen, both African and American, and U.S. and African leaders. Constraints to doing business in Africa would be identified and discussed. An example of the type of constraints to the business environment that needed to be discussed are the barriers to inter-African trade that have fragmented a market of over 600 million consumers. African decision-makers need to be better educated about the importance of well-established, transparent legal and regulatory environments to more advanced, developed countries. It was CCA's contention that such a dialogue could lead, at least in some cases, to the elimination or alleviation of these constraints with an improvement in the environment for doing business in Africa.

This review will examine each of the specific activities outlined above. In addition, the review will examine the CCA Proposal, which is referenced in the A.I.D. Grant Agreement,<sup>1</sup> as being part of the Project Description. The outputs section of the CCA Grant Proposal<sup>2</sup> mentions that an important part of achieving its goal of participating in the creation of a viable private sector in Africa will be "1) the Council's ability to reduce the barriers to inter-Africa trade and 2) from a logistical standpoint, the Council's ability to create a sustainable organization that is committed to the development of a viable African private sector." Both points will be examined in more detail later.

### *1. Meetings Program*

---

The meetings program is probably the most important contribution that CCA is making toward achieving its goal of assisting in the creation of a viable private sector in Africa. Through more than 85 meetings that CCA has sponsored since its launching, U.S. corporations have been provided access to top level African, U.S. government and multi-national development agency decision makers. African heads of state have attended 23 of these meetings and 12 have been minister level programs. These meetings provided a forum for an exchange of ideas, emphasized time and again the importance of an improved business climate for Africa, and provided a rare opportunity for government policy makers, African and American, to learn, at first hand, what is important for doing business in Africa. It has been a positive learning experience for both the private and the government sector. Both sides have learned from each other.

As part of this report, a questionnaire was sent to CCA members soliciting their responses to a series of questions concerning the impact of CCA. The majority of members listed the Meetings Program as the most effective Council program in improving the commercial enabling environment in Africa. For example, the representative of General Motors replied, "Meetings and programs with Presidents and Ministers have generated most fruitful and promising business contacts. Africa works from the top down, and CCA cuts us in at the top."

---

<sup>1</sup>A.I.D. Grant Agreement No. AOT-0544-G-00-4205-00 and 9/16/94 Cover Letter. Annex A

<sup>2</sup>"Proposal for Matching Grant Assistance to A.I.D. Bureau for Africa" 1/19/94. Annex B

---

CCA has been instrumental in GM's massive expansion into the African market. African countries in which CCA programs have been particularly effective for GM's business ventures are: South Africa, Namibia, Botswana, C.A.R., Swaziland, Zimbabwe, Mozambique and the Ivory Coast." <sup>3</sup> Equator Bank supports this view and states that "Senior level meetings with heads of state, Ministers of finance, Commerce, and Industry have been most effective in facilitating their doing business in Africa. Senior African government officials are more focused and receptive to specific ideas when they are visiting abroad as opposed to seeing them on their home turf." Such meetings and support from CCA have enabled Equator Bank to do more than \$3 million of new business in Africa.<sup>4</sup> Chrysler International Corporation was most appreciative of the CCA's Auto Industry Trade Mission 1994 in which African auto manufacturers toured the U.S. and also mentioned that numerous meal/meeting functions in honor of various heads-of-state and ministers increased their access to African governments. Chrysler said, "The seed moneys which helped create the Council may be the most productive use of \$160,000 USAID has made recently."<sup>5</sup>

The meetings have ranged from breakfasts, lunches and dinners with African presidents, meetings with a group of African Ambassadors, economic forums, meetings with multinational development bank representatives, to meetings with U.S. government officials, state governments and local development offices, and members of Congress to discuss policy issues affecting the business climate in Africa.<sup>6</sup>

For example, on 6/27-28/94 CCA arranged for its members to attend the First White House Conference on Africa. CCA member Percy Wilson, supported by 16 other CCA members, led the discussion group on promoting bi-lateral trade and investment. The Conference concluded that the administration should meet each six months with U.S. businesses having commercial ties with Africa.

*The Roundtable Discussions:* The White House Conference on African led, after direction by President Clinton, to a series of three roundtable policy discussions that were "designed to identify specific issues and recommendations to improve the commercial environment in Africa. Over sixty senior executives from the American private sector, the U.S. government and academia participated in these unique discussions."<sup>7</sup>

CCA and the State Department's Foreign Policy Institute designed the discussions so that U.S. government policy makers and the U.S. private sector could focus on how the two groups could work together to address the problem of accelerating economic development in Africa and improving the commercial and investment opportunities in Africa for U.S. business. Three half day sessions, held on September 8, October 13 and November 10, 1994 , focused on three topics: 1) how U.S. business and the U.S. government can work together to improve the trade and investment climate in African countries, 2) how the U.S. diplomatic mission can support U.S. business, and 3) how the U.S. government can assist U.S. corporations in working with multilateral devel-

---

<sup>3</sup> Replies to CCA Questionnaire. GM Annex C

<sup>4</sup> Ibid. Equator Bank

<sup>5</sup> Ibid. Chrysler

<sup>6</sup> List of Meetings Sponsored by CCA. Annex D

<sup>7</sup> "Policy Recommendations to Improve Commercial Opportunities in Africa for the U.S. Private Sector", Annex E

---

opment banks and the International Monetary Fund. Notes were taken at each meeting and then circulated and discussed to reach recommendations. The recommendations are attached at Annex C.

These round table discussions are an important CCA accomplishment. It marks one of the few times that the U.S. private sector has had the opportunity to discuss and participate in the formation of U.S. foreign policy in Africa on a formal level. Certainly, there have been earlier meetings with individual corporations, congress, and Ambassadors. However, the roundtable discussions were unique in bringing together a diverse group of businesses, government policy makers, and academic African specialists to focus on the problem of African economic development and the need for improving the commercial climate in Africa. The discussions were exactly what CCA was designed to accomplish: a dialogue between U.S. business and the government on the need to strengthen the African private sector.

*Impact of the Roundtable Discussions:* The CCA Policy recommendations to improve commercial opportunities in Africa for the U.S. private sector were published in their entirety as part of the Congressional Record. Not only were the recommendations published, the majority were implemented by the U.S. State Department. This is an important distinction. Many similar recommendations had been voiced in the past, but few had ever been acted upon. In this instance these CCA recommendations had a significant impact on the actions and policies of U.S. embassies in Africa regarding the support for U.S. investment and the development of the African private sector. Subsequent testimony by the State Department's Assistant Secretary for Africa, George Moose, supports this assertion.

Following the roundtable discussions, the Senate Foreign Relations Committee (2/16/95) and the House Committee of International Affairs (3/8/95) held hearings on Trade and Investment Opportunities in Africa. Many CCA members were witnesses. CCA recommendations from the round table discussions on trade and investment were closely reviewed. The State Department's Assistant Secretary for Africa testified that "To help us do our job better we welcome input from the business community, and in that regard, a recent series of roundtable discussions involving the Corporate Council on Africa, the Department of State, and other Federal agencies, provided many useful and timely suggestions, among these, the need for the U.S. Government to remain engaged and present throughout Africa, the need to support regional economic integration in Africa, the need to secure broader international adherence to the principles of the Foreign Corrupt Practices Act, and the need to reinvent the role of our Embassy economic officers. These are excellent points and, in fact, we are already in the process of addressing them." Mr. Moose went on to state that some of the other recommendations touch on complex issues and that he was forming an interagency review to analyze them carefully.<sup>8</sup>

In addition, the Export-Import Bank also formed a Working Group with CCA to address the issues raised by the CCA recommendations.

*African Ambassadors' Roundtable:* On June 30, 1995, a second series of important discussions

---

<sup>8</sup> Hearing before the Subcommittee on African Affairs of the Committee on Foreign Relations, U.S. Senate, February 16, 1995. pp. 8-9

---

was completed. CCA and the African Diplomatic Corps concluded a series of three roundtable discussions to identify the common issues concerning the development of a U.S. economic agenda with Africa and the need to redefine the nature of U.S. foreign assistance to Africa. Diplomats from each African country, U.S. government officials from the executive branch and Congress, and over 50 senior executives from U.S. firms participated in the roundtables. CCA and the African embassies designed the discussions. The first conference focused on the U.S. government role in Africa. The second conference examined the private sector's role in Africa and the third conference was used to gather together the comments and arrive at recommendations. Despite the diversity of the group examining the problems, there was a remarkable agreement on the fundamentals of development assistance policy:

“1. Sustainable economic development in Africa is dependent upon the African private sectors' ability to generate revenue for their governments and for the people of Africa.

2. Development schemes that concentrate on alleviating the problems that are associated with the developing world, but fail to create an indigenous private sector base that will exist after foreign donor assistance is gone, are shortsighted and waste the increasingly limited foreign assistance that is available for Africa's economic development.”<sup>9</sup>

Again, this is a concrete example of CCA's ability to bring to the attention of Africa and U.S. decision-makers the importance of developing the private sector in Africa. Each of the African Ambassadors participating in the Roundtable Discussions delivered a copy of the recommendations to his or her country's head of state. The reviewer believes this message is already having a positive impact on improving the business and commercial climate in Africa.

A series of letters from meeting participants demonstrates that the African government officials are listening and understanding the need to improve the business and commercial environment in Africa. Botswana, Eritrea and Mozambique have pointed out the recent changes that have been made in their commercial regulations to facilitate investment and attract foreign corporations.<sup>10</sup> Further, the second roundtable session of African Ambassadors culminated in a list of recommendations for improving the business and commercial climate in Africa.

**Recommendation:** CCA now needs to prove that this dialogue is having an impact and that African decision makers have moved from talking about the need for change to implementing actual improvements in the regulations and policies affecting business growth. CCA should document such improvements by listing specific examples of improved rules and regulations and the elimination of barriers to inter-African trade.

---

<sup>9</sup> “Policy Recommendations for the Development of a U.S. Economic Agenda for Africa”, Annex E

<sup>10</sup> Examples of letters from Meetings Program participants. Annex G

---

## *2. Development of the "Opportunities in Africa Initiative"*

---

This program was designed to give American companies access to detailed information on trade and development opportunities. Each year African governments purchase billions of dollars worth of equipment and services funded by the World Bank and other donors. Many of these market opportunities were previously not published in the U.S. and were unknown to potential American suppliers, or U.S. firms received the news too late to take advantage of it. The CCA maintains a detailed tracking and publication program to inform its members promptly of procurement and tenders, as well as other trade and investment opportunities. This effort, which became fully operational in 1994, has yet to list a successful bid by one of its members. Because of the average two year lag time between bid opening and award, it may be premature to expect results so soon. However, CCA has not developed a mechanism to track awards and is not measuring results.

The effort to provide the information and keep it current on a monthly basis is a time consuming effort by CCA. The sixty page information manual has been prepared entirely from hand-keyed entries. Monthly up-dates are also hand-keyed. CCA is spending approximately 10% of its budget on this activity.

The Commerce Department's Deputy Assistant Secretary, John Walker, stated that the Commerce Department maintains an officer with each of the major multinational banks to help U.S. exporters participate in project procurements.<sup>11</sup> This procurement information is available on-line in the National Trade Data Bank and the Economic Bulletin Board.

*Recommendation:* CCA could save man-hours and improve the timeliness and coverage of its export opportunities bulletin by coordinating its efforts with those of the Commerce Department's Officers assigned to the development banks. For example, bid announcements, which are now not tracked, could easily be obtained. Information could be exchanged and computer sources of data investigated. CCA should also explore the possibility of providing more of its information to its members through the use of computer E mail and the Internet. The National Trade Data Bank can be accessed by computer and it may be possible to obtain computer software to channel automatically to CCA and its members all, or certain categories, of procurement opportunities related to Africa.

## *3. Publications*

---

CCA publishes a quarterly newsletter that provides a review of the organization's major activities, trade and investment news, and items of interest in African development. Meetings and forums that have been sponsored in the quarter are listed and briefly described. A "Guest Forum" column provides an opportunity for members of the CCA advisory committee, U.S. government officials, and African policy makers and business leaders to speak out on Africa - U.S. issues that affect business and trade with Africa.<sup>12</sup>

---

<sup>11</sup> HEARING before the Subcommittee on African Affairs of the Committee on Foreign Relations, U.S. Senate, February 16, 1995, p. 14, Annex F

<sup>12</sup> Copy of *Perspectives* vol. 5. Annex H

---

The newsletters not only bring items of interest to CCA members, but also serve as a concise, historical record of major activities the organization has accomplished. Edited by ex-diplomat Dr. Chester Crocker, with contributions from CCA members and staff, the content is useful, well focused and succinct. Each edition averages eight pages.

Executive Director David Miller reports that a new column is in the making. It will provide members the opportunity to highlight government regulations and policies and other constraints to doing business in specific countries that need to be changed.

The annual cost of preparing and printing the newsletter is \$29,000, including staff time.

#### *4. Executive Exchange Program*

---

CCA attempted to develop exchange programs for African and American executives. It was based on the premise that such a program would provide participants the opportunity to learn about each other's commercial practices and business cultures, and to engage in a more general exchange of ideas. However, after six months of fruitless attempts to link African executives with U.S. firms, the feedback from members was so negative that CCA dropped the idea. The U.S. corporations reported that the costs to place and train an African executive at a U.S. firm for a short-term position were excessive in both time and money. The alleged benefits were not sufficient to induce the members to spend the limited time of their top executives. Essentially, the time and effort spent in training the executive to fill a useful role would be lost with the executive's departure. No executives were exchanged. Approximately ten person weeks of staff time were spent before negative response from the members forced CCA to cancel the proposed program.

The reviewer believes CCA had no alternative and the cancellation of the program was correct. The A.I.D. project officer was informed of the change in the program and provided verbal agreement. Because this change required an adjustment in the A.I.D. Grant budget of less than 10% no formal approval was required from A.I.D. The planned level of effort of 8% was shifted to the new Trade and Outreach program.

#### *5. Student Exchange Program*

---

Designed to provide African and American students valuable learning opportunities by working as interns overseas in a business environment, this program has evolved into a summer intern program for interns working only in the CCA office. Again, the reason seems to be the unwillingness of private sector companies to spend the training time needed to "get the interns up to speed".

The jobs are useful both for CCA and the student. CCA has used the interns for a variety of tasks: preparing background notes to brief members at meetings of African visitors; database construction and management; administrative office functions; note taking during Meetings Programs, and assisting in preparing proposals for grants. Assignments are strictly limited to four months to ensure a rotation of students and to provide as many opportunities as possible.

Level of effort was planned at 8%.

This concludes the review of the specific activities described in the Grant Agreement. However, the grant program description also states that the Grantee's proposal, submitted on January 13, 1994, June 13, 1994, and amended September 12-15, 1994, is hereby incorporated by reference. Included in the proposal, following the activity inputs described above, is a section entitled Outputs.<sup>13</sup> It merits review.

## **Program Outputs**

---

The proposal states that "The ultimate program output from Council activities will be the creation of a viable, lasting private sector in Africa. The council, although an integral participant in achieving this goal, is a single entity in a partnership that includes various branches of the U.S. Government, the international donor community, other developed nations, and various non-governmental organizations that are working toward the goal of achieving sustained and equitable economic development in Africa."<sup>14</sup>

The Proposal goes on to mention that the Council's progress in achieving this output will be measured by two benchmarks:

- 1) The Council's ability to reduce the barriers to inter-African trade,
- 2) the Council's ability to create a sustainable organization that is committed to the development of a viable African private sector.

The reviewer believes that the first benchmark is beyond CCA's span of control. CCA can initiate discussions, but they are not an implementing entity. This may have been merely a failure to insert the word "assist in reducing the barriers...." in the first benchmark. The paragraph preceding the two benchmarks recognizes that CCA is only one of a variety of institutions working toward sustained and equitable economic development in Africa. Through its roundtable discussions with African Ambassadors, these barriers to inter-African trade have been discussed. They were also indirectly included in the "Policy Recommendations for the Development of a U.S. Economic Agenda for Africa" presented by the African ambassadors to the United States and CCA. Under Economic Issues, the paper states that "Regional economic integration is a fundamental pillar on which Africa's economic development will be dependent."<sup>15</sup> Such integration is dependent upon lowering the barriers to inter-African trade. The paragraph concludes with the statement that "The Council is willing, in consultation with the A.I.D. Project Officer, to follow-up on these benchmarks."

**Recommendation:** The benchmarks were included as a measurement of project progress. They should, therefore, be measured. CCA should collect and be able to document specific examples of reductions in the barriers to inter-African trade in which it played a role.

---

<sup>13</sup> CCA Proposal for a Matching Grant, p. 8. Annex B

<sup>14</sup> Ibid., p. 8

<sup>15</sup> Policy Recommendations of the African Ambassadors. p. 3. Annex E

---

*The second benchmark, the creation of a sustainable organization, has been achieved, and can be documented.*

Following the benchmarks, the Outputs section continues by listing three outputs:

- **Output #1 *Increased acceptance by African decision-makers about the positive impacts of improving the enabling environment.*** There is a curious relationship between the first benchmark and output #1. Output #1 is much broader than the first benchmark and more realistic considering the limited capacity of CCA to affect such a difficult change as “the Council’s ability to reduce the barriers to inter-African trade”. Output #1 recognizes that the major strength of CCA is bringing decision-makers together to act as a forum for **discussion** of the issues affecting the business climate in Africa, including the barriers to inter-African trade. In addition, the importance of currency convertibility to international trade, the need for transparent legal and regulatory practices, legal and regulatory reform, investment code issues, and intellectual property rights, were also to be discussed and brought to the attention of African leaders. Any and all of these items could be argued to have as much importance to African private sector development as reduction of the barriers to inter-African trade.

*CCA has, however, fulfilled the task outlined in Output #1. Considering the success and recommendations resulting from the second series of roundtable discussions held with African Ambassadors mentioned earlier, and the series of meetings held with CCA members and heads-of-state in which constraints to doing business in Africa were always discussed, this output has been achieved. The Council has provided a convenient, accessible forum for the top African and U.S. decision-makers, both in government and the private sector, to discuss issues affecting the African enabling environment.*

- **Output #2: *A Self-Sustaining Organization.*** The basic test of CCA’s viability is its ability to attract and retain dues paying members. Since its inception in December 1993, when it began with 10 members (9 corporations and 2 ex-diplomats), it now has 80 members. These members have contributed, in dues and grants, more than \$1.1 million to CCA. Yearly membership growth has been 70%. This growth is a strong indication that CCA is offering a valuable service, something that attracts new members who are willing to pay \$3,000 annual dues.

The CCA Board of Directors demonstrates a keen concern with the financial viability of the entity. During the last Board Meeting on December 14, 1995, financial issues were discussed in detail. The following is a summary of the meeting minutes.

As of November 28, 1995 the audited current assets of CCA were \$243,085. Incoming revenue in 1996 from 64 members was estimated to be \$189,000. In addition, the Coca-Cola Company has approved a \$50,000 grant to CCA for program support. If no membership growth occurs, total revenues would be \$239,000. Monthly expenditures are running at \$21,000 currently with a planned increase to \$22,400 to include the cost of the monthly

meetings programs. Thus, annual expenses for 1996 are estimated at \$274,000 per year. If no new members are recruited, there will be a shortfall of \$35,000 which would be deducted from current assets. However, if CCA's membership continues its present rate of growth, it should receive 28 new members in 1996; projected revenues would be \$273,000 from 86 paying members. Since the December meeting CCA has acquired 6 new members, and is well on its way to meeting its projected growth estimates. Five members of CCA have complimentary membership and are not required to pay annual dues.<sup>16</sup>

- CCA has a solid, well-trained staff. Its Executive Director, David H. Miller, has excellent experience in working with the African private sector, African government leaders, OPIC, A.I.D. and the U.S. Congress. Programs Director Lynn Azar has OPIC African investment and A.I.D. experience. Two additional, full-time personnel provide administrative and research support. Plus, CCA has additional strong support from its short-term expert consultants on Africa, ex-diplomats Ambassador, David C. Miller, Dr. Chester Crocker and Simeon Moats. It is further supported by a solid accounting firm and a good legal office. CCA's status as a legal entity was performed as a donation by the legal offices representing CCA. Further, the expertise of CCA's staff is complimented by the experience and resources of its Board of Directors and the members themselves.<sup>17</sup> For example, in June 1994, executives from Ford, Chrysler, and GM spent several weeks in introducing African automotive executives to the U.S. automobile industry. In May 1995, CCA's members in the petroleum industry assisted a group of African petroleum ministers in a tour of the U.S. petroleum industry.
- *Considering the impressive rate of growth of the membership, the solid state of the CCA finances, and its competent full-time staff, CCA has demonstrated that it is a viable, "up and running", self-financed organization.* Past performance and its growing influence (evidenced by an impressive meetings program with African and U.S. government leaders) are strong indicators that its membership growth will continue as projected. Such growth will guarantee its self-sustainability.
- **Output #3: Council Programs to Assist the African Private Sector.** The outputs of this section are the CCA activities, Meetings Programs, Opportunities in Africa, Publications, Executive Exchange and Student Exchange, discussed earlier in this review. No additional outputs are listed.

## **A. Trade and Outreach Delegations**

---

A new program activity designed subsequent to the Grant Proposal and the Grant Agreement is the Trade and Outreach Delegations. CCA is sponsoring a regular program of visits to selected African nations for groups of U.S. investors interested in assessing specific opportunities first-hand. The A.I.D. project officer approved the new activity and provided program support by funding two consultants to do advance work and prepare for the delegation visit. CCA attempts

---

<sup>16</sup> Minutes of December 14, 1995 Meeting of the CCA Board of Directors. Annex I.

<sup>17</sup> CCA Staffing Pattern attached in Annex J

---

to tailor a specific program for each participant, including arranging meetings with potential joint venture partners, high-level African government officials, and U.S. embassy personnel.

The program has implemented one trip to Mozambique and Zimbabwe with good results. The trips are short, an average stay of three days in each country. Although this would seem to be a limited time for an investor to learn very much about the country or the particular investment opportunity, it has proven very helpful for corporations with specific deals in the offing. The visits received attention from top level government officials in both Mozambique and Zimbabwe. In each country the delegation had hour long sessions with the respective Presidents. For corporations such as General Motors, which already had a vehicle dealership in the works, the delegation's visit provided an opportunity for government contact at the highest level.

Ms. Carol Castiel, the consultant from Coopers & Lybrand that set up the visit to Mozambique was very positive about the success of the trade and outreach mission to Mozambique. She emphasized that "feedback from participating companies, U.S. government representatives, CCA staff and officials of the Government of Mozambique has been very positive."<sup>18</sup>

Thomas Payne, the CCA consultant that arranged the visit to Zimbabwe, which immediately followed the delegation's visit to Mozambique, was also positive about the delegation's visit to Zimbabwe. "The consultant received resoundingly positive comments from both sides before and after the departure of the Mission."<sup>19</sup> However, Mr. Payne had a few suggestions on how the visit could have been improved. He believed that more effort needed to be expended prior to the trip to better investigate each investor's needs and interests. "Lack of lead time in planning the trip consistently diluted the quality of the mission."<sup>20</sup> Plus, the visitors needed more time in country to fully explore the opportunities available. However, despite these criticisms, Payne reported that all participants, government officials, African businessmen and the U.S. businessmen that composed the delegation believed the visit to have been worthwhile. In addition, a letter from the U.S. Ambassador to Zimbabwe, Johnny Carson, confirms this opinion. The Ambassador reported that the "...mission was an outstanding success...General Motors, Motorola and Southwestern Bell are actively pursuing projects here."<sup>21</sup>

The program seems very similar to the A.I.D. financed OPIC investor visits to Africa of several years past. The results of the OPIC visits, contracts signed and deals completed, were difficult to document. However, based on the results of its inaugural visit, CCA's Trade and Outreach Program does seem to be achieving results which it can point to and, appreciative of the high cost of the inaugural mission to Mozambique and Zimbabwe to CCA, has arranged for participants in the next Mission to shoulder all of the financial burden.

Prior to the trip, two important investment guides were commissioned by CCA. Entitled "Critical Issues - A Guide for U.S. Businesses", they provide an excellent description of the countries to be

---

<sup>18</sup> Carol Castiel "Trip Report on Trade and Outreach Mission to Mozambique," 9/22/95.

<sup>19</sup> Thomas W. Payne Jr. "Trip Report of Trade and Outreach Mission to Zimbabwe" 11/10/95

<sup>20</sup> Ibid.

<sup>21</sup> Letter from U.S. Ambassador to Zimbabwe to David H. Miller 1/25/95

---

visited, including a frank discussion of the major constraints to private sector growth. In addition to giving a copy to each participant, a thousand copies were given to the Embassies of Mozambique and Zimbabwe in Washington. Despite its candid review of negative aspects of the business climate, the commercial sections of each Embassy believed that it provided an excellent description of the pros and cons of doing business in Mozambique and Zimbabwe. The guides discuss political background, economic performance and outlook, economic analysis, the state's role in the economy, the business climate, the environment for foreign businesses, infrastructure, foreign trade and balance of payments, external debt and aid, labor, the financial sector, inflation and price controls, public finance and taxation.

The guides are prepared by an outside consultant commissioned by CCA. They seem accurate and CCA reports that the delegation found them useful. My only criticism is that feedback information from the delegation's clients and CCA members has not been collected by CCA to edit the guides. What impact did the trip have on the commercial and business climate in Mozambique and Zimbabwe? Considering that CCA's number one benchmark is reducing the barriers to inter-African trade, were any barriers to inter-African trade identified and discussed? Although there was a special session for the delegates to discuss the business climate with local African businessmen in each country, the results of those discussions were not recorded. Although the purpose of the outreach program is mainly to finalize or initiate business deals, it would seem that more could be done to identify and alleviate constraints to the growth of the local business sector. The publicity and high visibility of the delegation provides an excellent opportunity to highlight major constraints to growth and bring them to the attention of the public and the government.

**Recommendation:** In addition to its investment guides, CCA should use its Trade and Outreach program in an attempt to document and discuss specific changes needed in the business and commercial environment of the countries visited.

## **B. Nigerian Working Group**

---

Also, subsequent to the A.I.D. grant, in October 1995 CCA formed a Working Group on Nigeria, led by Ambassador David C. Miller. Its main purpose is to keep its members informed about the rapidly deteriorating conditions in Nigeria, political and economic. It also seeks to educate the public about the positive role of the private sector in Nigeria, and provide a forum to improve the understanding of Nigeria in the U.S. Because this effort is focused solely on one country, only those members active in Nigeria are being asked to contribute to the cost of the working group.

Among the main issues being examined by the Working Group are the economic sanctions against Nigeria being considered by the U.S. government. Members of CCA doing business in Nigeria are concerned about the country's worsening conditions, but are opposed to sanctions as a foreign policy tool to express displeasure with the present government. The members believe that without a unified, world-wide economic boycott of Nigerian products, sanctions made only by the United States will have a negative impact on U.S. Corporations and their employees and suppliers.

The CCA Working Group is attempting to develop a viable alternative to the U.S. business position of "No sanctions!" on the one hand and the U.S. government plan to "Go ahead with sanctions, now!" on the other. The Working Group's proposed alternative begins with an attempt to convince the U.S. business community doing business in Nigeria of the negative long term consequences of the military dictatorship presently in power. If present trends continue, (U.S. exports to Nigeria dropped from more than \$1 billion annually in 1992 to \$510 million in 1994) economic conditions will continue to deteriorate and U.S. businesses will lose billions of dollars.

U.S. corporations have a long term interest in the stability and prosperity of Nigeria. The steady deterioration of social services and infrastructure, plus increasing population and a lack of Nigerian funding, has meant that local communities are depending on American companies to provide many of the services previously provided by the Nigerian government. Recognizing the need to improve living conditions for their workers, U.S. corporations have already invested more than \$20 million annually in social services, such as schools, hospitals, potable water and electricity. Phillips Petroleum and its foreign partner are participating in a \$5 million sustainable agricultural project which has trained more than 3,000 farmers and formed 30 cooperatives. Many of these efforts rival the foreign assistance programs of foreign governments.

Applauding these assistance efforts, the Working Group is asking the U.S. businesses to do even more in improving the political and economic conditions in the country and is urging the U.S. corporations to use their considerable influence with the Nigerian government to restore democracy. As a quid pro quo for increased involvement on the part of U.S. business, the Working Group is suggesting to the U.S. government that it might modify its pro sanction position. In addition to the stick of sanctions, the U.S. government could offer a few rewards for democratic improvements. It could also take advantage of the influence of the U.S. corporations and the access they have to Nigerian leaders to convey inducements for positive change.

This proposal is being circulated in a position paper which will be presented to the U.S. Congress and the Executive branch later this month.

Regardless of the worth of the Working Group's position on Nigeria, they have achieved a remarkably powerful voice in the matter. A recent front page article in the New York Times about the proposed sanctions by the U.S. government quoted CCA's position on Nigeria. "Economic growth provides the best foundation for any successful transition to democratic government." It warned that "a collapsing Nigerian economy serves no one's interests, especially not the 100 million Nigerians."<sup>22</sup>

---

<sup>22</sup> Paul Lewis "U.S. Seeking Tougher Sanctions to Press Nigeria for Democracy," New York Times, 12 March 1996, p. A1

---

## Conclusion

---

In conclusion, *CCA has successfully accomplished what the proposal for an A.I.D. matching grant promised, "to assist and accelerate the sustained development of a viable private sector in Africa."* In this process, the assistance that CCA has provided to the U.S. government and to numerous African governments has been significant. However, it should be emphasized that CCA can only *assist* in this process. Others, the African governments that improve the business climate, the African business persons that form the private sector and the U.S. corporations that do business with them, are the ones who will make the African private sector viable.

What CCA can do and has done very successfully is to assist in this process by establishing a dialogue between African government officials and its members and repeatedly bringing the importance of improving the environment for doing business in Africa - including reduction of the barriers to inter-African trade - to the attention of African leaders.

Through face to face meetings with African heads of state and ministers, all arranged by CCA, U.S. corporations have been able to create business deals, often involving changes in an African government's regulations or policies, which have resulted in U.S. exports to Africa of more than \$418,000,000. Many more such deals are in the planning stages. All these exports have occurred within the last two years. These deals mean more than just profits and jobs for Americans. They represent significant new jobs for Africans. This in turn, improves the overall stability of the area, strengthening economic development.

Further, through its Roundtable Session with African Ambassadors, its Roundtable Sessions with U.S. government officials, State, the Dept. of Commerce and the Export-Import Bank, and, finally, its recent Nigerian Working Group, CCA has become an important force in shaping U.S. economic policy toward the development of the African private sector. As demonstrated by the First White House conference on Africa and the Roundtable Discussions, there is a growing awareness within the U.S. Executive Branch and Congress that without a strong, indigenous private sector in Africa, no political or even economic assistance programs will take hold. CCA has had a proven success in raising that level of awareness of the importance of private sector development both in the U.S. and in Africa.

Since its founding in September 1993, CCA has become a self-sustaining, well-managed organization, increasing its membership at an astonishing rate of 70% annually. Management of the organization is excellent, both at the operational level from the Executive Director and the intelligent direction provided by an active, influential Board of Directors. Membership participation in the Meetings Program is enthusiastic and appreciative. The rapid rate of growth testifies to CCA's increasing credibility as a force to be reckoned with in doing business in Africa and its ability to provide a useful service to its membership.

**The Corporate Council on Africa has accomplished and surpassed the objectives outlined in the A.I.D. Matching Grant.**

## List of Annexes

Annex A - A.I.D. Grant Agreement and Cover Letter

Annex B - "Proposal for Matching Grant Assistance to A.I.D. Bureau for Africa"

Annex C - Replies to CCA Questionnaire

Annex D - List of Meetings Sponsored by CCA

Annex E - "Policy Recommendations to Improve Commercial Opportunities in African for the U.S. Private Sector"

Annex F - Hearing before the Subcommittee on African Affairs of the Committee on Foreign Relations, U.S. Senate

Annex G - Examples of letters from Meetings Program participants

Annex H - Copy of Perspectives

Annex I - Minutes of December 14, 1995 Meeting of the CCA Board of Directors

Annex J - CCA Staffing Pattern

Annex K - List of CCA Members



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

SEP 16 1994

Mr. David H. Miller  
Corporate Council on Africa  
1666 Connecticut Ave, N.W.  
Suite 510  
Washington DC 20009

Subject: Grant No. AOT-0544-G-00-4205-00

Dear Mr. Miller:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "USAID") hereby provides to the Corporate Council on Africa (hereinafter referred to as "Recipient" or "Grantee") the amount of One Hundred Sixty Thousand Dollars (\$160,000) to provide support for the Corporate Council on Africa's proposal for implementation of programs to assist and accelerate the sustained development of a viable private sector in Africa, as more fully described in Attachment 1 of this Cooperative Agreement entitled "Schedule" and Attachment 2 entitled "Program Description."

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives beginning with the effective date and ending September 16, 1995.

The total amount of this Grant is \$160,000. USAID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount. Funds disbursed by USAID but uncommitted by the Recipient at the completion of this period shall be refunded to USAID.

This Grant is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in this Cover Letter, Attachment 1 entitled "Schedule", Attachment 2 entitled "Program Description", and Attachment 3 entitled "Standard Provisions", which together constitute the complete Grant document and have been agreed to by your organization.

Please sign the original and all copies of this letter to acknowledge your receipt of this Grant, retain one copy for your records, and return the original and remaining copies to the undersigned.

Sincerely,

*Sharon L. Zayestowski*  
Sharon L. Zayestowski  
Grant Officer  
Chief, M/OP/A/AOT Branch  
Office of Procurement

Attachments:

- 1. Schedule
- 2. Program Description
- 3. Standard Provisions

ACKNOWLEDGED:

Corporate Council on Africa  
 BY: *[Signature]*  
 TYPED NAME: David H. Miller.  
 TITLE: Executive Director.  
 DATE: Sept 20 194.

FISCAL DATA

General

Total Estimated Amount: \$160,000  
 Total Obligated Amount: \$160,000  
 Project No.: 698-0544  
 USAID Project Office: AFR/ONI/PSD, Mike Unger  
 Funding Source: USAID/W  
 Contractor Establishment Code: 84905597F  
 TIN: 36-3895800

Specific

PIO/T No.: 698-0544-3-4614464  
 Appropriation: 72-114/51014  
 Allotment: 481-61-698-00-69-41  
 PACD: 06/30/00  
 Budget Plan Code: GSS4-94-31698-KG12  
 Amount: \$160,000

*22*

SCHEDULE

A. PURPOSE OF GRANT

The purpose of this Grant is to provide support for the Recipient's proposal to implement programs to assist and accelerate the sustained development of a viable private sector in Africa, as more fully described in Attachment 2 of this Grant entitled "Program Description".

B. PERIOD OF GRANT

The effective date of this Grant is the date of the Cover Letter and the estimated completion date is September 16, 1995. Funds obligated hereunder are authorized for program expenditures beginning with the effective date and ending on the estimated completion date. Funds obligated hereunder are anticipated to be sufficient for completion by the Grantee of the program described in Attachment 2 of this Grant by the estimated completion date.

C. AMOUNT OF GRANT AND PAYMENT

1. The total estimated amount of this Grant for its full period, as set forth in Section B. above, is \$160,000. USAID hereby obligates the amount of \$160,000 for program expenditures during the indicated period set forth in Section B. above. USAID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.
2. Payment shall be made to the Recipient in accordance with procedures set forth in the Standard Provision of this Grant entitled "Payment - Periodic Advance, as shown in Attachment 3.
3. The total estimated amount of the program described in Attachment 2 of this Grant is \$403,782, of which USAID will provide the amount specified in C.1. above, and the Grantee will provide \$243,782 in accordance with Sections D. and J., below.

D. GRANT BUDGET

1. The following is the Budget for this Grant. The Recipient may not exceed the total estimated amount or the obligated amount, whichever is less (see Section C. above). Except as specified in the Standard Provision of this Grant entitled "Revision of Grant Budget" and

"Cost Sharing (Matching)", as shown in Attachment 3, the Recipient may adjust line item amounts as may be reasonably necessary for the attainment of program objectives.

2. Budget

<u>Cost Element</u>	<u>USAID Amount</u>	<u>CCA Amount</u>	<u>Project Total</u>
<b>Direct Costs</b>			
Salaries	\$61,018	\$187,882	\$248,900
Fringe Benefits	30,982	0	30,982
Facility Overhead (Rent)	0	22,000	22,000
Travel/Transportation	47,000	0	47,000
Computer, Furniture & Tele Eqmnt	0	7,500	7,500
Office Eqmnt	7,700	2,500	10,200
Computer Support	1,500	0	1,500
Telephone Costs	9,300	5,800	15,100
Materials and Supplies	0	1,800	1,800
Evaluation of Programs	2,500	2,500	5,000
Administrative Costs	0	6,200	6,200
Office Eqmnt Support	0	600	600
Local Transport Cost	0	1,250	1,250
Postage and Courier Svcs	0	3,500	3,500
Insurance	0	2,250	2,250
<b>Total Direct Costs</b>	<u>160,000</u>	<u>243,782</u>	<u>403,782</u>

3. Inclusion of any cost in the budget of this Grant does not obviate the requirement for prior approval by the Grant Officer of cost items designated as requiring prior approval by the applicable cost principles (see the Standard Provision of this Grant set forth in Attachment 3 entitled "Allowable Costs") and other terms and conditions of this Grant, unless specifically stated in Section I. below.

E. REPORTING

1. Financial Reporting

(a) Financial reporting requirements shall be in accordance with the Standard Provision of this Grant entitled "Payment - Periodic Advance", as shown in Attachment 3. If a Standard Form 269 is required by the aforementioned Standard Provision, the "Long Form" shall be used.

24

(b) All financial reports shall be submitted to USAID, Office of Financial Management, Cash Management and Payment Division (M/FM/CMP), Washington, D.C. 20523-0209. In addition, three copies of all financial reports shall be submitted to the USAID Project Office specified in the Cover Letter of this Grant.

(c) The frequency of financial reporting and the due dates of reports shall be as specified in the Standard Provision of this Grant referred to in Section (a) above.

(d) The Grantee's financial reports shall include expenditures of USAID Grant funds provided, as well as non-federal matching funds and any other contributions in accordance with Section L.

## 2. Technical Reporting

a. Quarterly Reports - The Recipient shall submit three (3) copies of brief quarterly program performance reports, which coincide with the financial reporting periods described above, to the USAID Project Officer specified in the Cover Letter of this Grant. In addition, two copies shall be submitted to USAID, CDIE/DI, Washington, DC 20523-1802. These reports shall be submitted within 30 days following the end of the reporting period, and shall briefly present the following information:

1. A comparison of actual accomplishments with the goals established for the period, the findings of the investigator, or both. If the output of programs can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

2. Reasons why established goals were not met, if applicable.

3. Other pertinent information including the status of finances and expenditures and, when appropriate, analysis and explanation of cost

overruns or high unit costs.

b. Special Reports - Between the required program performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Recipient shall inform the USAID Project Officer as soon as the following types of conditions become known:

1. Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any USAID assistance needed to resolve the situation.

2. Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

3. If any performance review conducted by the Recipient discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Grant entitled "Revision of Grant Budget," the Recipient shall submit a request for budget revision to the Grant Officer and the USAID Project Officer specified in the Cover Letter of this Grant.

c. Environmental Impact - If it appears that outputs of this project will result in an adverse environmental impact, the Recipient shall notify the USAID Project Officer prior to implementation, in order to allow for orderly preparation of an environmental impact statement. The Recipient shall assure that appropriate U.S. Government, USAID, and/or host country procedures are followed.

d. Training Reports - If the Recipient conducts participant training under this Grant, (see the Standard Provision entitled "Participant Training" for the definition of participant training), the Recipient shall comply with reporting and information requirements of the Standard Provision of this Grant entitled "Participant Training," as well as Chapters 5 and 24 of USAID Handbook 10. The Recipient shall also provide five (5) copies of quarterly training reports to the USAID Project Officer, covering this Grant. The report shall include the following information:

1. Total number of new trainees during the period; and

2. The following information for each LDC trainee:

- name
- citizenship
- gender
- training site
- beginning and ending dates of training
- purpose of training
- type of training activities
- source of funding

The Recipient shall provide ten (10) copies of all training manuals produced under this Grant to the USAID Project Officer.

e. Technical and Research Reports and Publications - The Recipient shall summarize technical and research activities of the project in reports, and distribute such reports to the appropriate USAID Missions, developing countries, and host country and international institutions in order to encourage use of the technology developed. Such reports will be completed within 60 days after completion of the activity. Journal articles and other publications are encouraged.

See also the  
Standard Provision of this Grant  
entitled "Publications".

f. Trip Reports - Within 30 days following the completion of each international trip, the Grantee shall submit 3 copies of a trip report summarizing the accomplishments of the trip to the USAID Project Officer specified in the cover letter of this Grant. If several individuals are travelling together to one site, a single report representing the group will suffice. The report shall include the purpose of the trip, technical observations, suggestions and recommendations, overall impressions of the site situation (if appropriate), and a list of persons visited with their title and organization affiliation.

g. Final Report - Within 90 days following the estimated completion date of this Grant (see Section B. above), the Recipient shall submit three copies of a final report to the USAID Project Office specified in the Cover Letter of this Grant.

F. TITLE TO PROPERTY

Title to property acquired hereunder shall vest in the Grantee. The Standard Provision of this Grant entitled "Title To and Use of Property (Grantee Title)" applies. Use, accountability, and disposition of property acquired hereunder shall be in accordance with said Standard Provision.

G. AUTHORIZED GEOGRAPHIC CODE

In addition to other applicable provisions of this Grant, the Recipient shall comply with paragraph (b)(1) of the Standard Provision of this Grant entitled "AID Eligibility Rules for Goods and Services", concerning total procurement value of less than \$250,000 under this Grant, except that said paragraph does not apply to the restricted commodities listed in paragraph (a)(3) of said Standard Provision. Paragraph (b)(2) of said Standard Provision does not apply.

H. SPECIAL PROVISIONS

1. Cost Principles

For the purposes of this Grant, references to the cost principles of OMB Circular A-21 or

OMB Circular A-122 include the USAID implementation of such cost principles, as set forth in Subparts 731.371(a) or 731.772(a), respectively, of the USAID Acquisition Regulation (48 CFR Chapter 7).

2. Relocation of U.S. Businesses, Assistance to Export Processing Zones, Internationally Recognized Workers' Rights (JAN 1994)

No funds or other support provided hereunder may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of employees at, said enterprise in the United States.

No funds or other support provided hereunder may be used in a project or activity the purpose of which is the establishment or development in a foreign country of any export processing zone or designated area where the labor, environmental, tax, tariff, and safety laws of the country would not apply, without the prior written approval of USAID.

No funds or other support provided hereunder may be used in an activity which contributes to the violation of internationally recognized rights of workers in the recipient country, including those in any designated zone or area in that country.

This provision must be included in all subgrants.

I. RESOLUTION OF CONFLICTS

Conflicts between any of the Attachments of this Grant shall be resolved by applying the following descending order of precedence:

- Attachment 1 - Schedule
- Attachment 3 - Standard Provisions
- Attachment 2 - Program Description

29

**J. COST SHARING AND OTHER CONTRIBUTIONS**

1. The Grantee agrees to expend an amount not less than (a) the amount shown in the budget of this Grant for financing by the Recipient and/or others from non-federal funds (see Sections D. and/or H.), and (b) the amount shown in the budget of this Grant for financing by the Recipient and/or others from other federal funds.

2. The Standard Provision of this Grant entitled "Cost Sharing (Matching)" makes reference to project costs. "Project Costs" are defined in Attachment E of OMB Circular A-110 as all allowable costs (as set forth in the applicable cost principles [see the Standard Provision of this Grant entitled "Allowable Costs"]) incurred by a Grantee and the value of in-kind contributions made by the Grantee or third parties in accomplishing the objectives of this Grant during the program period.

3. The restrictions on the use of USAID funds provided hereunder, as set forth in this Grant, do not apply to cost-sharing (matching) or other contributions unless such restrictions are stated in the applicable federal cost principles and/or imposed by the source of such cost-sharing (matching) funds or other contributions.

**K. STANDARD PROVISIONS**

The Standard Provisions set forth as Attachment 3 of this Grant are incorporated herein and made a part hereof. All Mandatory Standard Provisions apply; only those Additional Standard Provisions denoted by an "X" apply.

ATTACHMENT 2

PROGRAM DESCRIPTION

The goal of the Corporate Council on Africa is to assist in the creation of a viable private sector in Africa. To this end, the Council is committed to improving the trade and investment climate in Africa, and to increasing the U.S. presence on that continent. Specific activities include:

- 1.) **Meetings Program:** A monthly series of forums and other meetings that will bring together the American business community, U.S. government officials, and other international organizations, such as the World Bank and the United Nations, to discuss pertinent trade and commercial issues that effect the African commercial and enabling environment.
- 2.) Development of the "**Opportunities in Africa Initiative,**" designed to give American companies access to detailed information on trade and development opportunities.
- 3.) **Publications:** The Council will publish a quarterly journal reporting on African political, economic, and trade news.
- 4.) **Executive Exchange Program:** An exchange program for U.S. and African executives designed to create greater opportunities for learning, while developing relationships and exchanging business ideas.
- 5.) **Student Exchange Program:** Designed to provide African and American students valuable learning opportunities by working as interns overseas in a business environment.

The anticipated impacts of these activities are, for example, increased policy dialogue that could eliminate barriers to inter-African trade that have fragmented a market of over 600 million consumers, and African decision-makers that are better educated about the importance that well-established, transparent legal and regulatory environments have to more advanced, developed countries.

Grantee's proposals, submitted on January 13, 1994, June 13, 1994, and amended September 12 - 15, 1994, is hereby incorporated by reference.

Revised: March 21, 1994

## EXECUTIVE SUMMARY

The Corporate Council on Africa requests that the U.S. Agency for International Development's Africa Bureau, Office of Operations and New Initiatives, provide \$160,000 of grant funding to assist the Council to implement its programs to assist and accelerate the sustained development of a viable private sector in Africa. This is a regional effort with no particular emphasis on a specific country. The Council will provide matching (cost-share) funding of an amount at least equal to total AID funding. In addition, the Council will certify, upon request, that none of our activities will intentionally violate section 599 and 547 legislation.

The Council is a non-partisan, tax-exempt, non-profit membership organization of American organizations and individuals who support the philosophy that the development and growth of the African private sector will lead to that continent's economic, social, and political development.

This proposal is consistent with the Agency for International Development's broad objective of supporting projects that will have a measurable impact upon African economies and projects that will achieve self-sustainability.

The proposal to assist the Corporate Council on Africa is a logical outgrowth of the Agency for International Development's successful efforts to build and strengthen the private sector in Africa. In fact, the coming together of private American organizations and individuals on their own initiative, to form an organization that supports African entrepreneurs and the African private sector should be viewed by AID as the obtainment of a successful benchmark in working with the African private sector. The Council exists in part because U.S. corporations and individuals are committed to policy reform and the strengthening of infrastructures and institutions that support the free market and private sectors of Africa

The Corporate Council on Africa promotes policies in both Africa and the United States that will help develop and strengthen the African private sector. The fundamental philosophy of the Council is based on the belief that viable national economies in the developing world require strong private sectors that can support and sustain economic and social development programs without outside development assistance. The Council believes that Americans can provide the leadership to develop free-market economies in Africa that create better opportunities for the people of Africa to improve their economic and social situation, and share in the world's prosperity.

One of the Council's purposes is to support the development of the African private sector. To this end, the Council is committed to improving the commercial and enabling environment in Africa, and to increasing the U.S. commercial involvement on that

continent. The Council's initial work will be to eliminate the barriers to inter-Africa trade that have effectively fragmented a market of over 600 million consumers. In addition, the Council will educate Africa's decision-makers about the importance that well-established, transparent legal and regulatory environments have to advanced developed economies.

A commitment to working with the governments of Africa and the United States, as well as the African public and private sectors, to build a marketplace in Africa that can sustain economic growth and development helped to establish the Corporate Council on Africa. The Council believes that the Agency for International Development shares this vision and commitment, and that AID's assistance to the Council will significantly add to the effectiveness of this shared mission of developing the economies of sub-Saharan Africa.

The long-term benefits of USAID's support for this project will be the institutionalization of joint cooperation between the U.S. and African private sectors. This will be accomplished through the following Council programs: 1) *Meetings Program*- A monthly series of forums and other meetings that will bring together the American business community, U.S. government officials, and other international organizations, such as the World Bank and the United Nations, to discuss pertinent trade and commercial issues that effect the African commercial and enabling environment. (The Council will place a special emphasis to ensure that African decision-makers who may be visiting the United States for other matters are invited to participate and learn from these discussions.) 2.) *Opportunities in Africa Initiative*- Designed to give American companies access to detailed information on trade and development opportunities, 3.) *Publications*- The Corporate Council on Africa will publish a quarterly journal reporting on African political, economic, and trade news, 4.) *Executive Exchange Program*- An exchange program for U.S. and African executives designed to create greater opportunities for learning, while developing relationships and exchanging business ideas. 5.) *Student Exchange Program*- Designed to provide African and American students valuable learning opportunities by working as interns overseas in a business environment.

It is anticipated that the Corporate Council on Africa will be completely self-sustaining by 1996.

## INTRODUCTION

### A. PROBLEM IDENTIFICATION

Sub-Saharan Africa's inability to attract foreign capital for its economic development is a fundamental reason behind that continent's difficulty in realizing sustained economic development. Since the period of independence in the 1960s, many African countries adopted policies and principles that stymied free markets, private

enterprise, and economic growth. At the very least, the widespread adherence to the principles of managed economies left a majority of African nations dependent upon foreign aid and unable to develop modern public infrastructures or the private sectors needed to sustain them. African nations need to address such issues as currency convertibility, intellectual property rights, liberalized economic policies, the provision of basic infrastructure needs, and transparency in legal and regulatory matters.

The Agency for International Development has undertaken major programs to develop and build a viable and lasting private sector in Africa. These highly successful efforts have begun to show results. Across Africa, entrepreneurs have been identified and supported, private economies are beginning to flourish, and most importantly, the people of Africa are beginning to see the promise and prosperity of free markets and private enterprise. These budding private sectors and entrepreneurs, however, lack foreign capital, management expertise, and the ability to access the markets of Europe, the Middle East, Asia, and throughout Africa.

The Council will play a vital role in working with the people, governments and private sectors in Africa to identify both structural and policy barriers that keep foreign capital from flowing into their countries. In addition, the Council believes that it can assume a leadership role in working with the African private sector.

#### B. RELATIONSHIP TO A.I.D. DEVELOPMENT PRIORITIES & SECTION 599 and 547 LEGISLATION

The Corporate Council on Africa is committed to working with the governments of Africa and the African private sector, to build a marketplace, and an enabling environment that can sustain and accelerate economic growth and development. The Council believes that economic growth and development will lead to the creation of an African marketplace that will be a greater consumer of U.S. goods and services. This increased commercial activity will expand U.S. trade with that continent and create private sector jobs and opportunities in the United States and Africa. In short, the Council's activities will have a positive impact on both the U.S. economy and the African private sector. In addition, the Council will certify, upon request, that none of our activities will violate section 599 and 547 legislation.

The Council is sensitive to the desire of the U.S. Congress that the activities of organizations that receive foreign assistance funds have a positive impact upon the U.S. economy and will, under no circumstances, cause an American worker to lose his or her job. The Council is comprised of U.S. organizations and individual citizens that this legislation seeks to protect, thus the Council wholeheartedly supports this initiative by the Congress and USAID's interpretation of both section 599 and 547 legislation. The Council does not and will not knowingly engage in activities that would have any negative impact on the United States economy or workforce. In addition, the Council has no plans to support or provide assistance to the development of export processing zones.

The Corporate Council on Africa does not and will not knowingly advocate policies or engage in activities that will act as or provide an incentive for any business currently located in the U.S. to relocate outside of the United States if that act of relocation will likely reduce the number of employees of such business enterprise in the United States.

The Council's membership is comprised of organizations that have a proven record both in the United States and overseas of supporting internationally recognized workers' rights. Although the Council does not foresee itself becoming engaged in activities that would involve issues of workers' rights, the Council and its members will, if the occasion arises, continue to be an advocate for policies that promote and increase the acceptance of these rights.

### C. RELATIONSHIP TO TARGET COUNTRY PRIORITIES

The Council understands that sustained and equitable economic growth has the ability to positively impact and alleviate many of the social, economic, and political problems that face the majority of African nations. Therefore, Council activities will contribute to AID priorities and development goals in each African country that AID has targeted, and compliment the activities of individual USAID missions and enhance their on-going programs. The Council strongly believes that free markets and economic growth can generate the revenues that will give African countries the ability to realize their specific developmental priorities and assist them in sustaining their own economic development.

Because the Council consists of American organizations and individuals that have diverse business interests in Africa, its programs will be driven by its business strengths-working with countries to help create market forces (high return/low risk) that act as a draw for foreign trade. In this regard, AID can effectively utilize the Council as a "carrot" for countries that are undertaking economic reform programs and other measures to strengthen the role of the private sector in their economies. The ability to point to a real organization of American companies and individuals that exists in part for the purpose of strengthening the African private sector will provide the Agency for International Development with an effective tool in its efforts to build support for the philosophy of free market reform with African decision-makers.

### PROJECT GOALS AND OBJECTIVES

The goal of the Corporate Council on Africa is to assist in the creation of a viable private sector in Africa. To this end, the Council is committed to improving the commercial and enabling environments in Africa. It is anticipated that the downstream benefits of this project will be increased trade between the U.S. and Africa, the creation

of jobs in both the U.S. and Africa, and closer economic cooperation between the two continents.

Through this project, the Council will help to build and accelerate the development of a viable African private sector by forging new relationships and partnerships between the African and U.S. individuals and private sectors. The Council believes that Americans can provide the leadership to develop free market economies in Africa.

## **IMPLEMENTATION PLAN/PROGRAM STRATEGY**

### **A. LOCATION/TARGET COUNTRIES**

The principle location of the Corporate Council on Africa is 1666 Connecticut Avenue, N.W., Suite 510, Washington, D.C. 20009.

The Corporate Council on Africa will target all countries in sub-Saharan Africa, including Mauritius and the Seychelles Islands, that enjoy diplomatic relations with the United States. Specific country interests of the Council will also be determined through consultations with the AID project office. The Council operates with the understanding that capital and the commodities of trade naturally flow to opportunities that have the greatest potential return and lowest risk. The Council will target countries that possess the greatest potential. At the present time, U.S. firms are displaying a great interest in many parts of Africa.

### **B. IMPLEMENTING AGENT/PARTNER ORGANIZATIONS**

The Corporate Council on Africa is the sole implementing agent of this project. The Council's membership and staff consists of individuals and organizations that have a firm understanding of both U.S. foreign assistance priorities and the African marketplace.

### **C. INPUTS**

The membership of the Council will, through monetary contributions and the provision of pro bono goods and services in kind, match the funding provided by AID under the terms of this proposal. It is envisioned that the inputs from public/non-government sources shall meet or exceed the value of inputs provided by the Agency for International Development.

## **RESOURCE INPUTS**

The following is a list of inputs required for the successful completion of this project.:

1. Labor: AID funds will be utilized to retain two individuals who will be responsible for establishing the structure of the Council and developing its planned programs, Level of Effort: 75% (cost: \$82,500). [The Officer's of the Council- President, Vice Presidents, Treasurer, Vice Chairman and Secretary are donating their time and services to this project (value of donated time and services: \$166,400)]. Total cost of labor inputs: \$248,900.

2. Benefits: (35 percent of salary) for the Executive Director and Programs Director, to include health and life insurance, long-term disability, travel/accident insurance, health maintenance, worker compensation, pension plan, social security, and appropriate taxes. Total cost of benefits: \$28,875.

3. Facility Overhead (Rent): The Council will be located at 1666 Connecticut Avenue, N.W., Washington, DC 20009. Office size is 916 square feet at \$24.00/square foot per year, totaling \$22,000 annually including utilities. Office space is being donated to the Council by Edlow International Inc.

4. Travel Expenses: The travel expenses of the Council staff for domestic travel (cost \$15,000) and international travel (cost \$32,000) in furtherance of program objectives. Total travel cost: \$47,000.

5. Computer Equipment: 1 AST Premmia 4/50d, in addition to the equipment donated by AST Research in 1993, will be donated to the Council by AST Research. Total cost of computer equipment: \$3,900.

✓ 6. Telephone System: An Executone IDS/42 telephone system will be utilized. Total cost: \$2,200.

7. Office Furniture: 2 Oxford Lateral File Cabinets (cost \$2046), 1 fire-proof safe (cost \$617), 2 computer stands (cost \$958), 2 HE1784 Guernsey Wood Shelves (cost \$646), 2 desk lamps (cost \$140), 2 laser printer/fax stands (cost \$556), miscellaneous (cost: \$112). Total cost of office furniture: \$5,075.

8. Office Equipment: Hewlett-Packard Laser Jet 4MX Printer. (cost: \$3,900), Xerox 5335 photocopier (12 month lease \$4,000), Xerox 7424 facsimile machine (cost: \$2,200). Total office equipment costs: \$10,100.

✓ 9. Computer Support: ~~Advanced Data Systems Not-for-Profit Financial and Accounting and Support, software package~~ (cost: \$7,000), computer consulting services \$60/hour, \$1500. Total cost of computer support: \$8,500.

10. Telephone Expenses: Monthly local charges (cost: \$3100). Long distance (cost: \$25,000). Total telephone cost: \$28,100.

11. Materials and Supplies: Miscellaneous office supplies (cost \$200/month). Total cost of materials: \$2,400.

12. End of Project Evaluation: Consultant fee of \$330/day for 15 days. Total cost of consultant fee: \$5,000.

13. Administrative Expenses: Certified Public Accountant to provide accounting services including audits, quarterly financial reports for AID, and preparing corporate tax returns (cost \$5,000). Pay America Payroll Service to perform payroll service for 26 pay periods, plus filing quarterly payroll taxes (cost: \$800). Total cost of administrative expenses: \$5,800.

14. Office Equipment Support: Covers maintenance and servicing charges for the up-keep of all office equipment, total cost: \$500.

15. Local Transportation Costs: Covers costs for the business use of public transportation such as taxis, buses, and the metro rail, \$50/month. Total cost of local transportation: \$600.

16. Postage and Courier Services: Covers cost of postage meter (cost \$500), overnight delivery services, and local courier services (cost \$1,000). Total cost of postage: \$1,500.

17. Property and Liability Insurance: \$2,750.

#### ACTIVITY INPUTS

1. **Monthly Meetings between the U.S. business community, government officials, and international organizations to discuss commercial opportunities and the enabling environment in Africa.** Level of Effort: Approximately 47 hours per month for each paid employee. Total level of effort: 29.5%. This activity will involve scheduling the meetings, informing the general public, and performing logistical tasks to support this program that will be held in both Washington and in other U.S. cities on a monthly basis.

2. **Opportunities in Africa:** Level of Effort: Approximately 30 hours per month for each paid employee. Total level of effort: 25%. This activity will involve contacting U.S. government officials, AID mission and U.S. Embassy staff, and African business people in targeted countries to help develop and sustain the ability of the Council to provide information on commercial opportunities with African business leaders.

3. **Publications** Level of Effort: Approximately 47 hours per month for each paid employee. Total level of effort: 29.5%. This activity involves designing the content of each quarterly publication, "*Perspectives of the Corporate Council on Africa*". Other, associated tasks include preparing draft articles, coordinating outside input for publications, and reviewing copy. (See appendix #9).

4. **Executive Exchange Program:** Level of Effort: Approximately 10 hours per month for each paid employee. Total level of effort: 8%. This task involves planning, design, and pre-implementation activities associated with developing this program that the Council plans to implement in 1995. (See Appendix #8 or the Council brochure for details of this activity.)

5. **Student Exchange Program:** Level of Effort: Approximately 10 hours per month for each paid employee. Total level of effort: 8%. This task involves planning, design, and pre-implementation activities associated with developing this program that the Council plans to implement in 1995. (See Appendix #8 or the Council brochure for details of this activity.)

Total Level of Effort: 75%.

#### D. OUTPUTS

The ultimate program output from Council activities will be the creation of a viable, lasting private sector in Africa. The Council, although an integral participant in achieving this goal, is a single entity in a partnership that includes various branches of the U.S. Government, the international donor community, other developed nations, and various non-governmental organizations that are working toward the goal of achieving sustained and equitable economic development in Africa.

The Council's short-term progress in achieving a meaningful partnership with the U.S. Government will be measured by two benchmarks: 1) the Council's ability to reduce the barriers to inter-Africa trade, and, 2) from a logistical standpoint, the Council's ability to create a sustainable organization that is committed to the development of a viable African private sector. Thus, the level of participation in the Council in January 1996 will set the benchmark to qualify the Council's success. Other measurable benchmarks such as increased trade, job creation, overall economic growth will arise as more American companies view the African market favorably. The Council is willing, in consultation with the AID project officer, to follow-up on these benchmarks.

**OUTPUT #1. Increased acceptance by African decision-makers about the positive impacts of improving the enabling environment.**

The Council's programs will provide a forum for the public dissemination of issues that affect the African enabling environment. Such issues include reducing

barriers to inter-African trade, the importance of currency convertibility to international trade, and the need for transparent legal and regulatory practices. The Council, whose membership consists of America's most seasoned Africanists, has the unique ability to speak from experience about issues such as currency convertibility, legal and regulatory reform, investment code issues, and intellectual property rights issues.

**OUTPUT #2: A self-sustaining organization.**

The Council, currently consisting of AST Research, General Motors, Mobil Oil, Pryor, McClendon, Counts & Company, The Coca-Cola Company, Edlow International, Equator Bank Limited., Labat-Anderson Incorporated, Atlantic Tele-Network, American Breeders Service, Anadarko Petroleum Corporation, Amoco Overseas Exploration Company, and various other organizations and individuals, will attempt to expand our membership to 12 Founding and 32 Annual members by December 31, 1994; and 16 Founding and 68 annual members by December 31, 1995.

The organizational goal or output to be achieved is the establishment of a self-sustaining membership organization that shares AID's commitment to sustained, equitable economic development in Africa. The ability to achieve the established benchmarks (recruiting goals) will provide an accurate measure of success for this project. **OUTPUT: The creation of a self-sustaining private, non-profit organization dedicated to the economic, social, and political development of the countries of Africa.**

**OUTPUT #3: Council Programs to Assist the African Private Sector.**

The long-term outputs of this project will be the capability of the Council to implement the following activities, which will institutionalize joint cooperation between the U.S. and African private sectors:

1. Meetings Program- A monthly series of forums and other meetings in which the Council will arrange for the U.S. business community to engage the U.S. government, international organizations such as the World Bank and the United Nations, and visiting African leaders that may be present in the U.S. during the time of the meetings, in dialogue about commercial opportunities, the African enabling environment, and increased U.S.-Africa commercial cooperation. These meetings will be held monthly throughout the United States. **OUTPUT: Twelve meetings held in various cities across the United States that will introduce African entrepreneurs and African, U.S., and international decision-makers to the U.S. private sector.**

2. Opportunities in Africa Initiative- Designed to give American business leaders immediate access to detailed information on commercial opportunities, as well as procurement and tender offers that may be available in Africa. **OUTPUT: The capacity**

to match African entrepreneurs with appropriate American counterpart companies and organizations.

3. Publications- The Corporate Council publishes a quarterly newsletter reporting on African political, economic, and trade news of interest to U.S. firms that are considering business in Africa. The newsletter is also designed to create a forum for African and American governments and business leaders to express their views on the African private sector and related U.S.-Africa issues. **OUTPUT: Four issues of the Corporate Council Quarterly Journal, "Perspectives of the Corporate Council on Africa." See appendix #8**

4. Executive Exchange Program- An exchange program for U.S. and African executives designed to create greater opportunities for learning, developing relationships, and exchanging business ideas. This program will be instituted in Council fiscal year 1995.

5. Student Exchange Program- Designed to provide African and American business students valuable learning opportunities by working as interns overseas in a business environment. This program will be instituted in Council fiscal year 1995.

#### D. TECHNICAL FEASIBILITY

The goal of creating a self-sustaining Council is technically feasible. The Council, as outlined in the accompanying budget (appendix #1) will need to recruit 68 American companies by the end of FY 1995 (December 31, 1995) that pay annual dues in the amount of \$3,000 each. In addition, the Council requires 15 corporations or individuals to contribute \$20,000 each prior to FY 1996. The Council has thus far been able to enlist the support of eight Founding Members (\$20,000 contributors), and eight \$3,000 annual members. Recruitment of Founding Members began in November of 1992, annual members recruitment commenced on November 1, 1993. A list of Council members is attached in appendix #2.

The Council plans to utilize its members to attract additional American organizations and individuals. The Founding Members have worked to establish the Council's foundation, which includes but is not limited to successfully obtaining tax-exempt, non-profit status; recruitment of two professionals to carry out the above-listed goals and objectives; and establishing an office and developing recruitment materials. The Council will now proceed toward the objectives of establishing its programs, increasing membership, and becoming self-sustaining.

## **PROJECT BENEFICIARIES**

### **A. DIRECT BENEFICIARIES**

The beneficiaries of the activities of the Corporate Council on Africa will be African entrepreneurs and companies that will benefit from the capital, management expertise, and access to markets in the Middle East, Asia, and Europe that will arise from successful interaction and relationships with U.S. firms.

Although the Council would like to specify the total number of African entrepreneurs that will benefit from this project, establishing an exact number of beneficiaries would be purely speculative. However, the development of vibrant market driven economies in other parts of the developing world has been accompanied by the involvement by American organizations and individuals which employ thousands of people. If Africa can develop to point that the Far East or the southern hemisphere of the Americas have been able to achieve, the long-term beneficiaries of this project has the potential to number in the thousands.

### **B. INDIRECT BENEFICIARIES**

The indirect beneficiaries of this program will be the governments and people of Africa that will benefit from the increase in jobs and public revenues generated from the activities of the African private sector.

### **C. WOMEN IN DEVELOPMENT**

The Corporate Council on Africa recognizes that the Agency for International Development places an emphasis on activities that increase the meaningful involvement of women in the economic mainstream of developing African economies. The CCA shares this commitment to women in development and will make every effort to ensure that women are equal beneficiaries of Council activities. However, in its beginning stages, the CCA has modeled its programs to target the general population. When fully established, the Council will explore potential programs that will specifically target women in development.

## **PROJECT SUSTAINABILITY**

The Corporate Council on Africa plans to be fully self-sustaining by 1996. At that time, the Council envisions that its operational expenses will be fully funded by contributions from the U.S. organizations and individuals.

#### A. BUDGET NARRATIVE

The project budget, as highlighted in appendix #1, is divided into three sections: 1) revenues, 2) direct costs and costs of operations, and 3) program costs. The CCA fiscal year 1994 began on January 1, 1994. Total costs incurred by the CCA (direct costs, costs of operations, and program costs) are projected to be \$556,200 in the fiscal year beginning on January 1, 1994. As stated in the budget, the Council plans to cost share a significantly higher portion than the AID requirement of a 25 percent match. The Council's accounting system will designate which items of cost are applicable as cost sharing towards the grant. Contributions to other federally funded programs will not be included as cost sharing under this grant. Only costs which are necessary and reasonable for proper and efficient accomplishment of project or program objectives will be applied to the CCA cost share amount. The Council understands which costs are unallowable in accordance with OMB Circular A-122 and are not eligible to be applied to the cost-share amount. Funds received through other Federal awards will not be applied to the CCA cost-share total.

The Council proposes that \$160,000 be funded by the Agency for International Development. The funds will provide for 50-percent of the costs of labor, travel, telephone equipment, administrative expenses, office equipment support, evaluation of program, local transportation, and postage. In addition, these funds will provide for 82 percent of the costs of computer support, and 100 percent of the costs of benefits, materials, office furniture, office equipment, telephone usage fees, and property and liability insurance.

Council funds (private) and services in kind will provide for 25-percent of the costs of labor, 50 percent of the cost of travel, office and telephone equipment, administrative expenses, evaluation of program, local transportation, and postage. In addition, these funds will provide for 18 percent of the cost of computer support and 100 percent of program expenses, rent, and computer equipment.

Managerial responsibility should allow the Executive Director to reapportion expenses between line items in amounts not to exceed 15 percent of each line item.

#### BUDGET SUMMARY: PROGRAM ELEMENTS

The items listed below incorporate the AID funded portions of the project budget.

1. Salaries/Expenses: A.I.D. funds will be utilized to employ two Council staff: the Executive Director and a Programs Director at 75% level of effort/18 person months of employment. Salary expenditures are consistent with the salary history, experience, and responsibilities that each person has assumed. Total AID contribution for salary expenses: \$55,000.

2. Benefits are calculated at 35 percent of salary, to include health and life insurance, long-term disability, travel/accident insurance, health maintenance, work person's compensation, pension plan, social security, and appropriate taxes. Total AID contribution for cost of benefits: \$28,875.

3. Travel. Travel will be for the purpose of supporting Council programs and activities which support AID goals for the development of the African private sector, such as attending symposiums, conferences or meetings.

A.I.D. funds will be utilized to support domestic and international travel of Council staff. Travel has been calculated to provide for ten round-trip, one-week domestic trips of Council staff at an average cost of \$1,500 per trip. (Average per diem for a six day stay based on rates for Denver, Los Angeles, Detroit, New York City, and St. Louis is \$131.40 per day or \$788 for six days, plus airfare \$500, and miscellaneous expenses such as rental car \$212.00). Total cost of domestic travel: \$15,000.

International travel has been calculated to provide for 4 round-trip, two week excursions at an average cost of \$8,000. (14 day trip: average airfare \$6,000, MI&E \$37/day, lodging \$100/night, miscellaneous \$100). Total cost of international travel: \$32,000.

Total cost of both domestic and international travel, \$47,000. AID contribution for both domestic and international travel: \$23,500.

All travel will be in accordance with AID regulations. Per diem rates will be determined based upon schedules provided by the *U.S. Department of State Standardized Regulations (Government Civilians, Foreign Areas)* and related supplements. The Council's travel policy is attached in appendix #3.

4. Telephone System: The Council proposes that A.I.D. funds be utilized to upgrade the Council telephone system which currently operates at a level beyond its capacity. The Council proposes a system that will allow for multiple callers to be serviced simultaneously, as well as having the capability to perform such tasks as conferencing multiple callers, allowing for callers to be placed on hold, etc. The Council requests that this system become the property of the Council in accordance with the A.I.D. Standard Provision entitled, "*Title to and Use of Property (Grantee Title)*". Total cost of Executone Telephone System, \$2,200, AID contribution: \$1,100.

provide accounting services for the Council, including but not limited to, monthly accounting reports for the Executive Director, quarterly accounting reports for the Board of Directors and the AID project officer, performing an internal audit, and filing all necessary corporate tax forms. Total cost for the year are estimated to be \$5,000.

The Council proposes that AID funds be utilized to subscribe to the services of Pay America. The service includes bi-weekly payroll services, payroll reports, and filing quarterly payroll tax returns. The total cost will be \$800, which includes a one time set-up fee of \$120.

The total cost of administrative expenses will be \$5,800. Total AID contribution: \$2,900.

13. Office Equipment Support: The Council proposes that AID funds be utilized to help cover maintenance and servicing charges for the up-keep of all the office equipment. This includes, service calls, parts and labor. Total costs are estimated to be \$500. Total AID contribution: \$250.

14. Local Transportation Costs: The Council proposes that AID funds be utilized to help cover the costs for the business use of public transportation such as taxis, buses and the metro rail cost for the metropolitan D.C. area. Total cost is estimated at \$600. Total AID contribution: \$300.

15. Postage and Courier Services: The Council proposes that AID funds be utilized to help cover the costs of postage, overnight deliveries, and courier services. Costs are estimated to be \$1000. A postage meter will be leased from Pitney Bowes for \$41.50 per month/ \$500 annually. Total costs for postage and courier services are \$1,500. AID contribution: \$750.

16. Property and Personal Liability Insurance: The Council proposes that AID funds be utilized to cover the costs of property and personal liability insurance. Estimated cost is \$2,750. AID Contribution: \$2,750.

### C. COMMODITIES

No commodities, aside from the purchase of telephone and office equipment and related materials, will be generated or utilized by this project. The Council requests that all commodities generated will become property of the Council, in accordance with the A.I.D. Standard Provision entitled, "*Title to and Use of Property (Grantee Title)*".<sup>1</sup>

---

<sup>1</sup>The Council's procurement policies require that three quotes be obtained prior to the purchase of any items of non-expendable equipment in excess of \$500. All non expendable equipment procured with AID funds will be purchased in accordance with the AID standard provisions entitled, "*Procurement of Goods and Services*" and "*AID Eligibility Rules for Goods and Services*".

## D. FINANCIAL ACCOUNTABILITY AND MANAGEMENT

The Corporate Council on Africa maintains its accounting on an accrual basis. Revenue is accounted for by source (i.e., public, private, and in-kind) and money become fundable upon deposit. Expenditures are accounted for in budget controlled cost centers and account titles are functionally descriptive. In accordance with OMB Circular A-122, "*Cost Principles for Nonprofit Organizations*", the Council is establishing procedures for determining the reasonableness, allowability, and allocability of costs, to ensure that government funds are utilized in a proper manner.

Financial reports are prepared on a quarterly basis for the Board of Directors. The Council's accounting and budgetary system is consistent with industry recognized and accepted standards. The Council's Treasurer, the Executive Director, and the principle accounting staff are familiar with the Office of Management and Budget's Circulars A-110- "*Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, & Other Non-Profit Organizations (revised 11/29/93)*", and A-122- "*Cost Principles for Nonprofit Organizations (revised 10/27/86)*". An independent audit of Council financial activities is performed annually by persons or institutions recommended by the Board of Directors. Functional responsibilities of employees are structured to ensure sound internal control of Council resources.

All expenditures by the Council in excess of \$250.00 are co-signed by the Executive Director and the Treasurer, and are supported by vendor vouchers. The Council's accounting personnel compiles a summary of all vendor transactions, including budget comparisons, journal entries, accounts payable, and cash receipts. Employee attendance records are submitted on a monthly basis to the Executive Director.

## MONITORING & EVALUATION PLAN

### A. ADMINISTRATION

The Executive Director of the CCA will administer this project. The Executive Director serves at the pleasure of the Board of Directors, which conducts oversight over that individual's activities.

At the end of the project, the Council, with the concurrence of the AID project officer, will contract the services of an outside evaluator to measure the success of this project. The evaluation criteria to measure the success of this project will be determined in consultation with the AID project office. Quarterly reports monitoring the success of the project will be prepared by the Council for the review of the AID project officer. Evaluation tasks are reflected in the attached budget- the Council has budgeted \$5000 to perform this task.

## B. JOB DESCRIPTIONS

### 1. Executive Director:

The Executive Director is the principal person responsible for carrying out the policy and administrative directives of the Board of Directors. The Executive Director shall be responsible for the administrative, financial, and policy operations of the CCA. The Executive Director is responsible for ensuring that the professional and administrative staff carry out the policies and directives of the Board of Directors. The Executive Director is the principal contact with the Board of Directors and the membership of the CCA.

The Executive Director reports directly to the Board of Directors and will be present in a non-voting capacity at all meetings of the Board of Directors unless otherwise directed by the Chairman of the Board of Directors.

#### Level of Responsibility

- Directly accountable to the Board of Directors for effectively performing all his/her responsibilities.
- Can bind company to make contracts.
- Provides reports on all aspects of company performance as requested by the Board.
- Hiring, promotion, and termination authority.

#### Measures of Performance

- Council growth and profitability

#### Primary Responsibilities

- Develops and maintains positive Council image and positive relations between the Council membership, key constituents, State and Federal Government, African governments, and the African private sector.
- Resolves all conflicts among divisions within the Council.
- Develops, in conjunction with the Board of Directors, plans for growth and development of the Council.
- Plans and implements business activities, including administrative, fundraising<sup>2</sup>, and

---

<sup>2</sup>It is estimated that the Executive Director will spend approximately 10 percent of his/her total level of effort on fundraising activities. The Council, in accordance with OMB Circular A-122, Attachment B, Paragraph 19, "Interest, Fundraising & Investment Management Costs", realizes that fundraising is an unallowable cost and will separate, using time sheets, the Executive Director's time spent on fundraising to ensure that no AID funds are utilized for fundraising purposes. Time spent on fundraising will not be applied to the Council's required cost-share.

programmatic activities.

- Develops and promotes the use of the products and services of the CCA.
- Serves as the liaison for all organizations, both private and public, outside of the CCA.
- Serves as the liaison between the administrative structure of the CCA, the board of directors, and the membership of the CCA.
- Responsible for the development, management, and reconciliation of the CCA's annual operating budget.
- Manages the cash-flow position of the Council.
- Ensures that the Council operations comply with all applicable laws and regulations.
- Protects the interests of all Council employees, establishes personnel policies, and is directly responsible for the hiring and termination of Council employees.

## 2. Programs Director:

The Programs Director is responsible for administering the principal programs of the CCA as outlined in the "Activities of the CCA" (See Appendix #8). The Programs Director shall report to the Executive Director and carry out his/her directives.

### Level of Responsibility

- Oversees the successful development of the CCA programs and activities.
- Reports to the Executive Director
- Successfully keeps costs within the guidelines provided by the budget.

### Primary Responsibilities

- Develops and implements plans to market the CCA programs to potential members and outside institutions, determines target audience, and develops marketing plans accordingly.
- Responsible for the development, management, reconciliation, and presentation of the CCA's program budget.

## C. WASHINGTON/USAID MISSIONS

This project should have a significant positive impact upon both AID/Washington and the field missions. The existence of the Council will enable AID to draw upon the experience, knowledge, and resources of the U.S. corporate community when seeking to achieve certain development goals.

An example of U.S. Government and Council collaboration was demonstrated in May 1993, when Mr. Safi Qureshey, the President and CEO of AST Research, Inc., flew to Washington, D.C. from California to address the Chiefs of Mission Conference on U.S. corporate views of the African private sector. In September 1993, the Eritrean

Embassy requested that the U.S. Department of State assist in arranging meetings between the visiting President of Eritrea, Isaias Afwerki, and representative of the U.S. private sector. The State Department requested the Council's assistance and the Council was able to work with the Eritrean Embassy to schedule an entire day of meetings for the President, as well as hosting a dinner for the visiting delegation, with senior executives of both the U.S. government and the U.S. corporate community. These activities were funded with private funds.

#### D. AUDIT

The Council has implemented a computerized budgetary and financial accounting system and adequate controls for the execution of an audit in accordance with the Generally Accepted Accounting Principles (GAAP). The Council's fiscal year ends on the last day of December. The Council is undergoing a financial audit at the writing of this proposal and will make the findings of this audit available to USAID upon completion. Hereafter, audits will be conducted annually in accordance with the requirements of OMB Circular 133 and submitted to the AID grant officer.

Audited financial statements for the Council will be made available to the public upon request.

#### APPENDICES:

1. Program Budget
2. Membership List & List of Officers
3. Corporate Council on Africa Employee Policies
4. Corporate Council on Africa Travel Policies
5. Overview of Corporate Council on Africa Accounting System
6. Council Donation History
7. IRS Determination Letter
8. Activities of the Corporate Council on Africa
9. Corporate Council on Africa Brochure & Newsletter, "*Perspectives of the Corporate Council on Africa*"



**QUESTIONNAIRE  
ASSESSMENT OF PROGRAMS**

Please fax completed questionnaire to (202) 835-1117, by February 9, 1996.

Name and Company: CHRYSLER INTERNATIONAL CORP

1. Please list any African countries in which Council programs have been particularly effective for your business ventures.

So. Africa, GHANA

2. Please estimate the value of U.S. exports generated from your business dealings, as a direct or indirect result of Council programs. Over the course of how many years? INDEFINITELY

- < \$50,000
- \$50,000 - \$100,000
- \$100,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$3,000,000
- \$3,000,000

CIC WILL BEGIN REALIZING THE SALES VOLUMES DURING 1996.

3. Have any Council programs been effective for you in improving the commercial enabling environment in an African country? Please specify.

YES. AUTO INDUSTRY TRADE MISSION - AUG 1994

4. Please describe how Council programs have increased your access to African governments and private sector leaders?

THROUGH NUMEROUS MEAL / MEETING FUNCTIONS IN HONOR OF VARIOUS HEADS-OF-STATE AND MINISTERS.

5. Please add any comments or suggestions.

THE SEED MONIES WHICH HELPED CREATE THE COUNCIL MAY BE THE MOST PRODUCT USE OF \$160,000 USAID HAS MADE RECENTLY

50

FROM CORPORATE COUNCIL AFRICA TO 202 466 0684 1996.01-31 19:31 #328 P.02/02



**QUESTIONNAIRE  
ASSESSMENT OF PROGRAMS**

Please fax completed questionnaire to (202) 835-1117, by February 9, 1996.

Name and Company: SCHMEL / CATERPILLAR

1. Please list any African countries in which Council programs have been particularly effective for your business ventures.

ERITREA

2. Please estimate the value of U.S. exports generated from your business dealings, as a direct or indirect result of Council programs. Over the course of how many years?

- < \$50,000
- \$50,000 - \$100,000
- \$100,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$3,000,000
- > \$3,000,000

3. Have any Council programs been effective for you in improving the commercial enabling environment in an African country? Please specify.

HOPEFULLY THE TDA MISSION TO  
ERITREA

4. Please describe how Council programs have increased your access to African governments and private sector leaders?

AN EXCELLENT VEHICLE TO MEET HEADS  
OF STATE AND TO PRESENT UNIFIED AMERICAN  
BUSINESS VIEWS.

5. Please add any comments or suggestions.

KEEP UP THE GREAT WORK

*J. Schmel*

file  
CCA

**QUESTIONNAIRE  
ASSESSMENT OF PROGRAMS**

Please fax completed questionnaire to (202) 835-1117, by February 9, 1996.

Name and Company: Joe PARKER General Motors

1. Please list any African countries in which Council programs have been particularly effective for your business ventures.

<u>South Africa</u>	<u>Swaziland</u>
<u>Namibia</u>	<u>Zimbabwe</u>
<u>Botswana</u>	<u>Mozambique</u>
<u>C.A.R.</u>	<u>Ivory Coast</u>

2. Please estimate the value of U.S. exports generated from your business dealings, as a direct or indirect result of Council programs. Over the course of how many years? 2

- < \$50,000
- \$50,000 - \$100,000
- \$100,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$3,000,000
- > \$3,000,000

3. Have any Council programs been effective for you in improving the commercial enabling environment in an African country? Please specify.

- ① Meeting Programs - Ex Im
- ② Government Interface Activities with Congress and Executive Branch
- ③ Resource + Background materials
- ④ Business Network w/ other US businesses in Africa

4. Please describe how Council programs have increased your access to African governments and private sector leaders?

Meetings and Programs with Presidents + ministers have generated most fruitful and promising business contacts. AFRICA works from the top down, & CCA gets us in at the top.

5. Please add any comments or suggestions.

CCA has been instrumental in GM's massive expansion into the African market.

52

THE CORPORATE COUNCIL ON

**AFRICA**



**QUESTIONNAIRE  
ASSESSMENT OF PROGRAMS**

Please fax completed questionnaire to (202) 835-1117, by February 9, 1996.

Name and Company: SBC COMMUNICATIONS

1. Please list any African countries in which Council programs have been particularly effective for your business ventures.

SENEGAL  
So. AFRICA  
NIGERIA

2. Please estimate the value of U.S. exports generated from your business dealings, as a direct or indirect result of Council programs. Over the course of how many years? 9

- < \$50,000
- \$50,000 - \$100,000
- \$100,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$3,000,000
- > \$3,000,000

3. Have any Council programs been effective for you in improving the commercial enabling environment in an African country? Please specify.

SENEGAL - RE-ESTABLISH DISCUSSIONS  
REGARDING PRIVATIZATION WITH PRIME  
MINISTER "IN COUNTRY"

4. Please describe how Council programs have increased your access to African governments and private sector leaders?

THE COUNCIL DOES AN EXCELLENT JOB OFFERING  
UP A "MENU" OF AFRICAN LEADERS FOR  
MEMBERS TO CHOOSE FROM.

5. Please add any comments or suggestions.

THE CORPORATE COUNCIL ON

# AFRICA



## QUESTIONNAIRE ASSESSMENT OF PROGRAMS

Please fax completed questionnaire to (202) 835-1117, by February 9, 1996.

Name and Company: ANADARKO PETROLEUM CORPORATION

1. Please list any African countries in which Council programs have been particularly effective for your business ventures.

Algeria  
Eritrea

2. Please estimate the value of U.S. exports generated from your business dealings, as a direct or indirect result of Council programs. Over the course of how many years? 5

- < \$50,000
- \$50,000 - \$100,000
- \$100,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$3,000,000
- > \$3,000,000

3. Have any Council programs been effective for you in improving the commercial enabling environment in an African country? Please specify.

YES, INTRODUCTION TO SENIOR OFFICIALS, PROVIDING  
VENUES FOR EXCHANGE OF INFORMATION, ESTABLISHING OTHER  
CONTACTS TO HELP NURTURE RELATIONSHIPS, PROVIDE SECURITY  
INFORMATION AND OTHER SUPPORT INFORMATION ON REQUEST

4. Please describe how Council programs have increased your access to African governments and private sector leaders?

SET UP MEETINGS WITH HEADS OF BUSINESS AND  
GOVERNMENT, PRIVATE MEETINGS, SPECIALTY SPONSORING  
SPECIAL MISSIONS

5. Please add any comments or suggestions.

ANADARKO HAS APPRECIATED THE COUNCIL'S EFFORTS

54

THE CORPORATE COUNCIL ON



**QUESTIONNAIRE  
ASSESSMENT OF PROGRAMS**

Please fax completed questionnaire to (202) 835-1117, by February 9, 1996.

Name and Company: Karen Johanson Motorola

1. Please list any African countries in which Council programs have been particularly effective for your business ventures.

Swaziland  
Zimbabwe

2. Please estimate the value of U.S. exports generated from your business dealings, as a direct or indirect result of Council programs. Over the course of how many years?

Thus far 0, but we expect results in 1996.

- < \$50,000
- \$50,000 - \$100,000
- \$100,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$3,000,000
- > \$3,000,000

3. Have any Council programs been effective for you in improving the commercial enabling environment in an African country? Please specify.

+ Trade mission  
+ Company-sponsored lunches/dinners w/ Ministers, Presidents

4. Please describe how Council programs have increased your access to African governments and private sector leaders?

Direct & personal meetings arranged with top govt. officials.

5. Please add any comments or suggestions.

Very effective organization

65



**QUESTIONNAIRE  
ASSESSMENT OF PROGRAMS**

Please fax completed questionnaire to (202) 835-1117, by February 9, 1996.

Name and Company: Gordon L Wright CMS NOMECCO Oil & Gas Co

1. Please list any African countries in which Council programs have been particularly effective for your business ventures.

Equatorial Guinea, CONGO

2. Please estimate the value of U.S. exports generated from your business dealings, as a direct or indirect result of Council programs. Over the course of how many years? 5

- < \$50,000
- \$50,000 - \$100,000
- \$100,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$3,000,000
- > \$3,000,000

3. Have any Council programs been effective for you in improving the commercial enabling environment in an African country? Please specify.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Please describe how Council programs have increased your access to African governments and private sector leaders?

Facilitated direct discussions with key governmental officials

5. Please add any comments or suggestions

The CCA staff has been extremely helpful and very responsive to my requests

56



Fax

(202)

835-1117

**QUESTIONNAIRE  
ASSESSMENT OF PROGRAMS**

Please fax completed questionnaire to (202) 835-1117, by February 9, 1996.

Name and Company: EQUATOR BANK

1. Please list any African countries in which Council programs have been particularly effective for your business ventures

MOZAMBIQUE, TANZANIA, GHANA, MALAWI, Etc.

2. Please estimate the value of U.S. exports generated from your business dealings, as a direct or indirect result of Council programs. Over the course of how many years? 2 years

- < \$50,000
- \$50,000 - \$100,000
- \$100,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$3,000,000
- > \$3,000,000

3. Have any Council programs been effective for you in improving the commercial enabling environment in an African country? Please specify.

Senior level meetings with Heads of State, Ministers of Finance, Commerce, Industry

4. Please describe how Council programs have increased your access to African governments and private sector leaders?

Senior African government officials are more focused and receptive to specific ideas when they are visiting abroad as opposed to seeing them on their home turf.

5. Please add any comments or suggestions.

Interaction of CCA members is a side benefit (but very important)

A

*Gl Fax to*

THE CORPORATE COUNCIL ON



**QUESTIONNAIRE  
ASSESSMENT OF PROGRAMS**

Please fax completed questionnaire to (202) 835-1117, by February 9, 1996.

Name and Company: Bruce Cragen, Oceanering

1. Please list any African countries in which Council programs have been particularly effective for your business ventures.

None that I know of  
but we just joined in Fall 95

2. Please estimate the value of U.S. exports generated from your business dealings, as a direct or indirect result of Council programs. Over the course of how many years? \_\_\_\_\_

- < \$50,000
- \$50,000 - \$100,000
- \$100,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$3,000,000
- > \$3,000,000

3. Have any Council programs been effective for you in improving the commercial enabling environment in an African country? Please specify.

No

4. Please describe how Council programs have increased your access to African governments and private sector leaders?

None

5. Please add any comments or suggestions.

\_\_\_\_\_

BEST AVAILABLE COPY

*Handwritten mark*

# AFRICA

## QUESTIONNAIRE ASSESSMENT OF PROGRAMS

Please fax completed questionnaire to (202) 835-1117, by February 9, 1996.

Name and Company: AFRICAN AMERICAN TRADING Co. - Ron Jewell D.E.

1. Please list any African countries in which Council programs have been particularly effective for your business ventures.

SO FAR The Council HAS NOT effected OUR BUSS.  
HOW EVER GHANA'S PRESIDENTIAL DINNER WAS HELPFUL.

2. Please estimate the value of U.S. exports generated from your business dealings, as a direct or indirect result of Council programs. Over the course of how many years? 100K-500K (3 YEARS)

- < \$50,000
- \$50,000 - \$100,000
- \$100,000 - \$500,000
- \$500,000 - \$1,000,000
- \$1,000,000 - \$3,000,000
- > \$3,000,000

3. Have any Council programs been effective for you in improving the commercial enabling environment in an African country? Please specify.

STATE DINNERS

4. Please describe how Council programs have increased your access to African governments and private sector leaders?

By HONORING J. J. Rawlings - So far  
This IS ALL

5. Please add any comments or suggestions.

The POTENTIAL FOR ASSISTANCE FROM CC OFA IS NOT  
Certain - AS I AM NOT AWARE OF YOUR PROGRAMS



**QUESTIONNAIRE  
ASSESSMENT OF PROGRAMS**

Please fax completed questionnaire to (202) 835-1117, by February 9, 1996.

Name and Company: D.J. Miller & Associates, Inc. Ann Bassarab

1. Please list any African countries in which Council programs have been particularly effective for your business ventures.  
Uganda, Ghana, Benin, South Africa, Cote d'Ivoire, Ethiopia, in fact there has not been a visit by an African delegation that did not bring greater insights and present broader possibilities of expanding our business into Africa. CCA provides a critical service to business, by bringing face to face the person with whom one will work with, and work through the difficulties of doing business with.
2. Please estimate the value of U.S. exports generated from your business dealings, as a direct or indirect result of Council programs. Over the course of how many years? less than 50,000 US
- < \$50,000  
 \$50,000 - \$100,000  
 \$100,000 - \$500,000  
 \$500,000 - \$1,000,000  
 \$1,000,000 - \$3,000,000  
 > \$3,000,000
3. Have any Council programs been effective for you in improving the commercial enabling environment in an African country? Please specify. It builds confidence to take risks, and creates resources to fall back on, should trouble arise. The contacts made through CCA tend to be lasting and substantial ones. It is probably the most valuable organization of its kind. We are one of two firms in Atlanta, the other being The Coca-Cola Company, who make the journey to Washington to participate in CCA. We feel that we are the Gateway to Africa in Atlanta, but the CCA is the best way to meet possible clients.
4. Please describe how Council programs have increased your access to African governments and private sector leaders?  
CCA provides no-nonsense programs that are planned for one-on-one meetings. The level of visitor is at a decision-making capability, and is well-informed about his area of expertise, whether business or government. He/she has been briefed on doing business in the U.S and is assured of U.S. counterparts by the credibility of the Council's efforts, and the company it keeps.
5. Please add any comments or suggestions.  
CCA would serve U.S. business in an even better way, if it were funded to a larger extent.

NOTE: Atlanta formed a Sister City relationship with Cotonou as a result of President and Mrs. Soglo's visit to CCA and then to Atlanta, where our company was one of the founding members.

THE CORPORATE COUNCIL ON



**QUESTIONNAIRE  
ASSESSMENT OF PROGRAMS**

Please fax completed questionnaire to (202) 835-1117, by February 9, 1996.

Name and Company: SCHAFER / SERV-TECH - Dr. Mima Nedelkovic  
VP Int'l Bus. Dev.

1. Please list any African countries in which Council programs have been particularly effective for your business ventures.

MOZAMBIQUE  
ETHIOPIA  
UGANDA  
ERITREA

2. Please estimate the value of U.S. exports generated from your business dealings, as a direct or indirect result of Council programs. Over the course of how many years? 2

< \$50,000  
\$50,000 - \$100,000  
\$100,000 - \$500,000  
\$500,000 - \$1,000,000  
\$1,000,000 - \$3,000,000  
→ > \$3,000,000

3. Have any Council programs been effective for you in improving the commercial enabling environment in an African country? Please specify.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Please describe how Council programs have increased your access to African governments and private sector leaders?

Investment missions  
Head of State lunches/dinners  
\_\_\_\_\_  
\_\_\_\_\_

5. Please add any comments or suggestions.

Lunch/Event programs highly successful.  
\_\_\_\_\_

**BULLETIN**

Since its creation, the Council has been active in providing its Membership the opportunity to host and participate in numerous events with key American, African and international policy makers.

Upcoming Council events include:

- ◆ *March 21, 1996* - Meetings Program with Dr. J. Brian Atwood, Administrator, U.S. Agency for International Development. Washington, D.C.
- ◆ *April 18 - 19, 1996* - Corporate Council on Africa/U.S. Department of State/Department of Commerce "Trade and Investment in Africa Annual Conference," Houston, Texas.
- ◆ *May 1 - 10, 1996* - Corporate Council on Africa *Trade and Outreach Mission* to Eritrea and Ethiopia.

Past events of the Council include:

- ◆ *March 6, 1996* - Private Luncheon for His Excellency Hipolito Pereira Zozimo Patricio, departing Mozambique Ambassador to the U.S., honoring his work in representing Mozambique. Washington, D.C. (members only)
- ◆ *March 6, 1996* - Meetings Program with African Government Officials representing nine countries to discuss how their respective governments can encourage international commerce. Washington, D.C.
- ◆ *February 29, 1996* - Private Reception & Dinner for The Honorable Omar Kabbaj, African Development Bank President. Washington, D.C.
- ◆ *February 22, 1996* - Meetings Program with South African Legislators and National Conference of U.S. State Legislatures. Washington, D.C.
- ◆ *February 20, 1996* - Safari Cocktail Reception with Zimbabwe tour guide Mr. John Stevens, hosted by Ambassador David C. Miller, Jr. Washington, D.C.
- ◆ *February 7, 1996* - Meetings Program with The Honorable Tokyo Sexwale, Premier of Gauteng Province, South Africa. Washington, D.C.
- ◆ *February 1, 1996* - Meetings Program with Mr. Lionel C. Johnson, DAS, Department of the Treasury, and Mr. Jim Fall, DAS, Department of the Treasury, advisors to the Inter-Agency Country Risk Assessment System (ICRAS). Washington, D.C.
- ◆ *January 19, 1996* - Meetings Program with Ambassador Charles H. Twining, the new U.S. Ambassador to Cameroon and Equatorial Guinea.
- ◆ *December 15, 1995* - Meetings Program with Dr. Rita Rodriguez, Director, & Mr. Richard J. Feeney, Senior Vice President, Export Import Bank of the United States. Washington, D.C.
- ◆ *December 14, 1995* - CCA Board of Directors Meeting. Washington, D.C.
- ◆ *December 14, 1995* - Morning Breakfast Meeting with George Moose, Assistant Secretary of State for African Affairs. Washington, D.C. (Members Only).
- ◆ *December 8, 1995* - Private Dinner for His Excellency Jose Eduardo dos Santos, President of the Republic of Angola, Washington, D.C. Hosted jointly by the U.S.-- Angola Chamber of Commerce and the Corporate Council on Africa.
- ◆ *October 26, 1995* - Private Dinner for His Excellency Teodoro Obiang Nguema Mbasogo, President of the Republic of Equatorial Guinea. Washington, D.C.

68

- ◆ *October 25, 1995* - Private Dinner for His Excellency Yoweri Museveni, President of the Republic of Uganda. Washington, D.C.
- ◆ *October 25, 1995* - Private Luncheon for His Excellency Habib Thiam, Prime Minister of the Republic of Senegal. Washington, D.C.
- ◆ *October 25, 1995* - Private Luncheon for His Excellency Joaquim Alberto Chissano, President of the Republic of Mozambique. New York City, N.Y.
- ◆ *October 24, 1995* - Economic Forum on Uganda featuring The Honorable Mayanja Nkangi, Uganda Minister of Finance and Economic Planning, sponsored by the International Monetary Fund. Washington, D.C.
- ◆ *October 23, 1995* - Private Luncheon for His Excellency Zenawi Meles, President of Ethiopia. New York City, N.Y.
- ◆ *October 23, 1995* - Private Luncheon with His Excellency El Hadj Omar Bongo, President of the Gabonese Republic. New York City, N.Y.
- ◆ *October 20, 1995* - Private Luncheon with His Excellency Muluzi Bakili, President of the Republic of Malawi. Washington, D.C.
- ◆ *October 20, 1995* - Private Breakfast with His Excellency Ange Patasse, President of the Central African Republic. Washington, D.C.
- ◆ *October 17, 1995* - Private Luncheon with His Majesty Mswati III, King of Swaziland. Washington, D.C.
- ◆ *October 12, 1995* - Investment seminar on Ethiopia featuring The Honorable Sufian Ahmed, Ethiopian Minister of Finance and The Honorable Girma Birru, Ethiopian Minister of Economic Development and Cooperation. Washington, D.C.
- ◆ *October 10, 1995* - Meetings Program with His Excellency, Musalia Mudavadi, M.P., Minister of Finance of the Republic of Kenya. Washington, D.C.
- ◆ *October 4, 1995* - Meetings Program with His Excellency Ibrahima Boubacar Keita, Prime Minister of the Republic of Mali. Washington, D.C.
- ◆ *September 7, 1995* - Meetings Program with Assistant Secretary of State for African Affairs George Moose and the U.S. business community on the developing business and political situation in Nigeria. Department of State, Washington, D.C.
- ◆ *August 27 - September 2, 1995* - CCA Trade and Outreach Mission to Mozambique and Zimbabwe.
- ◆ *August 26, 1995* - CCA/Gary Player Golf Tournament to Build Linkages between the U.S. and Traditionally Disadvantaged South African Private Sector. The Lost City, South Africa.
- ◆ *July 18, 1995* - Private Dinner for His Excellency Nicephore Soglo, President of Benin. Houston, Texas.
- ◆ *July 17, 1995* - Private Luncheon Meeting with His Excellency Nicpehore Soglo, President of Benin. Atlanta, Georgia.
- ◆ *July 14, 1995* - Private Luncheon Meeting with His Excellency Nicephore Soglo, President of Benin. Washington, D.C.
- ◆ *June 30, 1995* - Final CCA Roundtable with the African Ambassadors Group Part 3 of a 3 Part Series. Washington, D.C.
- ◆ *June 13, 1995* - Meetings Program with Ellen Johnson-Sirleaf, UNDP Assistant Administrator & Director, Regional Bureau for Africa. 8:00- 10:00 a.m. Washington, D.C.
- ◆ *May 31, 1995* - Meetings Program with The Honorable Moises Chingongo, Angola Vice-Minister for Mines and Geology 8:00- 10:00 a.m. Washington, D.C.

- ◆ *May 22, 1995* - Meetings Program with the African Ambassadors Group and the U.S. Private Sector, Part 2 of a 3 Part Series, Washington, D.C.
- ◆ *May 18, 1995* - Private Reception & Dinner for His Excellency Robert G. Mugabe, President of Zimbabwe, Washington, D.C.
- ◆ *April 29 - May 8, 1995* - Corporate Council on Africa/U.S Trade and Development Agency African Petroleum Sector Orientation Visit - Houston, Texas; Mobile, Alabama; Washington, D.C.
- ◆ *April 27, 1995* - Meetings Program with Mr. Babacar Ndiaye, President of the African Development Bank. Washington, D.C.
- ◆ *April 25, 1995* - Meetings Program with the African Ambassadors Group and the U.S. Government, Part 1 of a 3 Part Series, Arlington, VA.
- ◆ *April 11, 1995* - Private Dinner for His Excellency Frederick Chiluba, President of Zambia, Washington, D.C.
- ◆ *April 11, 1995* - Meetings Program with The Honorable Idrissa Seck, Minister of Trade, Handicrafts and Industry for the Republic of Senegal, Washington, D.C.
- ◆ *April 10, 1995* - Meetings Program with Mrs. Helen Suzman, Former President of the South Africa Institute for Race Relations and Former Minister of Parliament of the Republic of South Africa, Washington, D.C.
- ◆ *April 4-5, 1995* - Corporate Council on Africa/U.S. Department of State/U.S. Department of Commerce "Trade and Investment in Africa Annual Conference", San Francisco, California.
- ◆ *March 21-22, 1995* - Corporate Council on Africa/United Nations Development Program/African Business Roundtable "Executive Forum", Cameroon.
- ◆ *March 9, 1995* - Annual Meeting of the Board of Directors.
- ◆ *March 8, 1995* - Congressional testimony before House International Relations Subcommittee on Africa, Washington, D.C.
- ◆ *March 8, 1995* - Private Dinner for His Excellency Jerry Rawlings, President of Ghana, Washington, D.C.
- ◆ *February 16, 1995* - Congressional testimonies by Council Board Members General Motors and Equator Bank before the Senate Foreign Relations Subcommittee on Africa, Washington, D.C.
- ◆ *February 9, 1995* - Monthly Breakfast Meeting with Assistant Secretary of State, George Moose, Washington, D.C. (members only)
- ◆ *February 8, 1995* - Meeting with staff members of the U.S. Senate and U.S. House of Representatives to discuss the role of Africa in the Congress, Washington, D.C.
- ◆ *January 17, 1995* - Private Meetings and Dinner for His Excellency Isaias Afwerki, President of the State of Eritrea, Washington, D.C. (members only).
- ◆ *January, 10, 1995* - Meeting with U.S. Ambassador to Mozambique, Dennis Jett, regarding business opportunities in post-election Mozambique, Washington, D.C.
- ◆ *December 13, 1994* - Private Luncheon Meeting between General Paul Kagame, Vice President of the Republic of Rwanda, Washington, D.C.
- ◆ *December 7, 1994* - Private Breakfast Meeting between Council Board of Directors, and Assistant Secretary of State George Moose, Washington, D.C.

- ◆ *November 22, 1994* - Meetings Program with Deputy Younus Patel, Member of Zimbabwe Parliament, Washington, D.C.
- ◆ *November 10, 1994* - Meetings Program with Department of State, Part 3 of a 3 Part Series- Arlington, Virginia.
- ◆ *November 8, 1994* - Meetings Program with Deputy President of South Africa, F.W. DeKlerk, Washington, D.C.
- ◆ *October 19, 1994* - Dinner Reception for the First Lady of Ghana, Her Excellency Nana Konadu Agyeman-Rawlings, Washington, D.C.
- ◆ *October 16, 1994* - "Run for Rwanda" fund-raiser hosted by the African Diplomatic Group and the African Ambassadors' Wives Association, in cooperation with Africare and The Corporate Council on Africa, Washington, D.C.
- ◆ *October 13, 1994* - Meetings Program with Department of State, Part 2 of a 3 Part Series- Arlington, Virginia.
- ◆ *October 12, 1994* - Meetings Program with Petros Solomon, Foreign Affairs Minister of Eritrea, Washington, D.C.
- ◆ *October 7, 1994* - Meetings Program with His Excellency Nicephore Soglo, President of Benin, Washington, D.C. (members only)
- ◆ *October 6, 1994* - Dinner Chair for the 1994 Africare Bishop John T. Walker Memorial Dinner honoring His Excellency Nelson Mandela, President of South Africa - Washington D.C.
- ◆ *October 4-8, 1994* - Made in USA, Inc., Southern African Trade Expo - Johannesburg, South Africa.
- ◆ *October 4, 1994* - Meeting with Kengo Wa Dondo, Prime Minister of Zaire, Washington, D.C.
- ◆ *October 2, 1994* - Lunch Meeting with His Excellency Ali Hassan Mwinyi, President of the United Republic of Tanzania - Cosmos Club, Washington, D.C. (members only)
- ◆ *September 30, 1994* - Meetings Program U.S. Ambassador to South Africa, Princeton Lyman - Washington, D.C. (members only)
- ◆ *September 29, 1994* - Meetings Program with the Republic of the Congo Minister of Economic Planning and the Minister of Petroleum - Washington, D.C.
- ◆ *September 19-20, 1994* - United States/South Africa Business Development Committee Inaugural Meeting Washington, D.C.
- ◆ *September 9, 1994* - Meeting of the Board of Directors - Washington, D.C.
- ◆ *September 8, 1994* - Meetings Program with Department of State, Part 1 of a 3 Part Series - Arlington, Virginia.
- ◆ *August 10, 1994* - Meetings Program with President Meles Zenawi, President of Ethiopia - Washington, D.C.
- ◆ *July 30 - August 6, 1994* - Corporate Council on Africa/U.S. Trade and Development Agency "Orientation Visit" of African automobile procurement officials - Detroit, Michigan.
- ◆ *July 7, 1994* - Meetings Program featuring 18 African Ambassadors representing the Group of 12 - Washington, D.C.
- ◆ *June 26-27 1994* - White House Conference on Africa - Washington, D.C.
- ◆ *June 9-11, 1994* - World Economic Forum - Southern Africa Summit - Cape Town, South Africa.
- ◆ *June 20, 1994* - Meetings Program led by President Museveni of Uganda- followed by Evening Reception in his honor. hosted by the Council. - Washington, D.C.
- ◆ *June 3-4, 1994* - "Investing in People: U.S.-South Africa Conference on Democracy" - Atlanta, Georgia.

65

- ◆ *May 19, 1994* - Testified before the House Subcommittee on International Development, Finance, Trade and Monetary Policy on "U.S. Contribution to the African Development Bank".
- ◆ *May 6, 1994* - Meeting with Dr. Nthato Motlana, African National Congress, during his visit from South Africa.
- ◆ *March 3, 1994* - Meeting with Edward V.K. Jaycox, Vice President for Africa for the World Bank, to discuss World Bank activities and policies towards Africa.
- ◆ *December 9, 1993* - The Inaugural Reception of the Corporate Council on Africa at the U.S. Department of State attended by the Secretary of Commerce Ronald H. Brown, Under Secretary of State Joan E. Spero, the African Diplomatic Corps, Members of Congress, and the U.S. Corporate Community.
- ◆ *October 7, 1993*- Hosted a dinner for Eritrean President Isaias Afwerki during his historical first visit to the U.S.
- ◆ *September 25, 1993* - Hosted a dinner for President Joaquim Chissano of Mozambique.
- ◆ *September 20, 1993* - Hosted a dinner in honor of President Joao Bernardo Vieira of Guinea Bissau.

**Policy Recommendations  
to  
Improve Commercial Opportunities in Africa  
for the  
U.S. Private Sector**

**Executive Summary**

On November 10, 1994, the Corporate Council on Africa and the State Department concluded a series of three policy roundtable discussions that were designed to identify specific issues and recommendations to improve the commercial environment in Africa. Over sixty senior executives from the American private sector, the U.S. government and academia participated in these unique discussions.

The roundtable discussions were designed by the State Department's Foreign Service Institute and the Corporate Council on Africa ("CCA") for the purposes of focusing both government policy-makers and the U.S. private sector on how the two groups can work together for the combined purposes of accelerating the economic development of Africa, and improving the commercial and investment opportunities that are available to U.S. business on that continent.

The atmosphere at the roundtables was serious and well focused. The realization that Africa has faced an economic crisis for much of the last fifteen to twenty years was coupled with the knowledge that Africa holds great potential as an emerging market. In his opening remarks which commenced the meetings on September 8, 1994, Assistant Secretary of State for African Affairs, George Moose commented that "African governments increasingly acknowledge that outward looking policies which encourage trade, investment and the growth of the private sector are essential for economic development. In Africa, there is a growing recognition of the need to mobilize the corporate business sector and stimulate the development of the indigenous private sector in order to attract foreign investments. In the United States, there is a growing recognition that economic engagement abroad is essential to economic renewal at home."

The roundtable discussions represent a unique coming together of senior-level corporate executives responsible for their firms' business activities in Africa, and their counterparts in the federal government, to discuss tangible ways to accelerate the economic development of Africa. Business and government decision-makers have traditionally set Africa apart from other parts of the developing world, such as Southeast Asia and Central America, where a fundamental pillar of American foreign policy has been to develop the indigenous private sector and create markets.

For its part, corporate America understands that it is part of a much larger universe. The creation of markets and vibrant economies is dependent on improving the standard of living and the quality of life for Africa's population of roughly 590 million people. Education, health, preservation of the environment, good governance, and many other human needs issues that confront Africa deserve priority attention. Long-term sustainable development in Africa, however, will only occur when there is a political, regulatory and legal climate that is conducive to business and commerce. This will bring Africa into the global

economy and provide Africa with the ability to provide for itself. Thirty years of foreign assistance by itself, no matter how well intentioned, has not been effective in improving the quality of life for the majority of the people on that continent. Poverty, famine, disease, and civil strife are unfortunately words from the contemporary lexicon used to describe Africa. If Africa is to flourish, business and commercial activity are fundamental ingredients to ensure its success.

For its part, the Council is committed to working with the governments of Africa and the United States, as well as the African private sector, to improve the trade and investment climate in Africa, and to develop new commercial relationships with the African private sector. The Council believes that the growth of jobs and new enterprises in Africa will form the foundation for Africa's economic development. By fueling this growth, new trade and investment, Africa has the potential to ultimately contribute to the material well-being and prosperity of the African people. In simple terms, profitable U.S. commercial involvement in Africa will create jobs and begin the cycle of building a market on this continent of approximately 590 million people.

The Council appreciates and applauds the U.S. government's efforts to engage the U.S. private sector as a partner in Africa's development, and realizes the responsibilities that accompany this seat at the table. The paramount responsibility for U.S. business is to incorporate integrity and personal responsibility into all business transactions. Business activities should be transparent and in the best interest of all parties concerned. The development of responsible market economies is in everyone's best interest.

### **Summary of the Recommendations**

The roundtable discussions focused on three particular topics, 1) how U.S. business and the U.S. government can work together to improve the trade and investment climate in African countries, 2) how the U.S. diplomatic mission can support U.S. business, and 3) how the U.S. government can assist U.S. corporations in working with multilateral development banks and the International Monetary Fund ("IMF"). Each of the three, half-day roundtable discussions held on September 8, October 13, and November 10, focused on one of the above topics respectively. Following each session, the Council and State Department circulated the notes for the meetings to stimulate further ideas and comments from the participants. This paper is the final product from this combined process.

Despite the subdivision of the topics, the participants recommended that the report be written towards specific audiences that could benefit from the recommendations. Thus, the subsequent parts of this report focus on the following:

- Recommendations to the U.S. Government
- Recommendations to African governments

Each set of recommendations targets a different audience. In addition, the participants believe that each audience (U.S. and African governments) should place a particular emphasis on developing the following economic sectors:

1. Finance
2. Agriculture
3. Infrastructure

4. Telecommunications
5. Natural Resources
6. Transportation

These economic sectors will form the foundation of Africa's future growth. In particular, it is imperative that the financial sector be modernized, economies be deregulated, and state owned enterprises be privatized. Throughout the discussions, the subject of Africa's inefficient financial systems was a constant theme, and reform relies on the combined support of all parties concerned. As one participant pointedly noted, "finance is the life blood for everything we are discussing." Almost every issue regarding trade and investment is centered on the fact that Africa's financial systems can not adequately support most financial transactions. Simply put, it is extremely difficult to get one's money in and even more difficult to get it out. The lack of functioning financial institutions to support African economies is such a basic and fundamental impediment that support to this sector would in itself cure many of Africa's ills.

### **General Policy Recommendations for the U.S. Government**

The core recommendation to the United States Government is that it should maintain consistent and coherent economic policies toward Africa which aggressively promote the private sector and increase trade and investment.

The many contradictions that, in the past and currently, form the U.S. government's policy towards Africa succeed in leaving both the African and American players confused about the priorities which our nation holds for that continent. In particular, the group noted that while many U.S. government agencies and departments proclaim the need for the U.S. private sector to engage Africa, some are actually disengaging from the process of assisting both the development of the African private sector and support for the U.S. private sector. The primary examples of this were the Export-Import Bank of the United States ("Exim Bank"), the Overseas Private Investment Corporation ("OPIC"), and the U.S. Agency for International Development ("AID"), each of which are discussed below. Other recommendations included:

#### **1.) Take into account the U.S. Private Sector and Consider Commercial Ramifications to U.S. Exporters/Investors when Formulating Policies**

The group articulated the view that U.S. government policies often undercut U.S. business, and that, in many cases, the U.S. government uses U.S. commercial ties with a nation as a diplomatic "stick" to pressure a country to change its internal policies. Often, the result of these U.S. government policies cause American companies to lose business to foreign competitors, with no subsequent change in the targeted country's policies. The participants explained that unilateral U.S. government action, which seeks to prevent U.S. commercial interactions with a particular country, can have the singular effect of giving a foreign competitor the advantage in a business transaction. This is not to say that certain foreign policy issues are not of paramount importance, especially when national security is concerned; however, foreign policy issues in Africa rarely concern the national security of the United States. Moreover, unilateral U.S. government actions in Africa often involve issues that can not be solved by the unilateral actions of the United States. Thus, *the U.S. government should formally consult with U.S. companies which are operating in those countries that are targeted for possible sanctions before such restrictions are*

*applied. In such cases where U.S. economic restrictions are deemed in the country's best interest, the State Department should seek to have America's foreign competition also respect any restrictions which may be instituted.*

The increased attention to supporting democratic institution building and better governance in Africa is an excellent policy initiative by the U.S. government. Commercial interaction is dependent upon transparent and predictable business transactions. All too often, business and government in Africa are interlinked and commercial decision making takes place behind closed doors where corruption and bribery flourish. Open and democratic societies create a marketplace where all parties and the host country benefit from commercial interaction. On the opposite side, donor organizations need to realize that they are operating in nations that do not possess the same democratic traditions as the United States, and may not be able to change overnight. *The U.S. government should create incentives for certain democratic benchmarks, but should leave the responsibility of managing that change to the Africans.*

**2.) Support the Development of African Regional Organizations (SADC, PTA, ECOWAS) that Encourage Intra-Africa Trade**

Africa is a continent with fifty-four distinct countries and economies that, if combined, would create a market with over 590 million consumers. Despite the close geographical proximity, goods and services are often more efficiently moved between Africa and its Western trading partners than between African countries. Africa needs the encouragement and technological assistance to integrate and standardize the rules of trade, product specification requirements, and banking conventions. In addition, *the U.S. government should reinforce the importance of developing and maintaining the infrastructure that supports trade, specifically financial institutions, transportation, and communications.*

**3.) The U.S. Government Should Lobby for Universal Acceptance of the Principles Set Forth in the Foreign Corrupt Practices Act**

Bribery and other forms of corruption unfortunately continue to thrive and are an accepted "business" practice in Africa. Although *the root of the problem lies in the need to strengthen the rule of law and democratic principles in Africa*, the actions and deeds of many foreign companies in Africa perpetuate corruption. Specifically, many European state-owned companies are the worst practitioners of bribery and corruption. The Corporate Council on Africa supports the Foreign Corrupt Practices Act and the standards of good ethical business which it promotes. However, America's competitors are not held to a similar standard and can effectively turn to bribery and other unethical actions to increase their "competitiveness."

**4.) Reinvent the Mission of the U.S. Embassy in the Developing World**

A United States Embassy in Africa has the potential to be the greatest and most influential resource to the American private sector. *The U.S. Embassy should know the key decision-makers, and the relevant political, economic, and social issues that are important to the U.S. private sector.*

Unfortunately, U.S. Foreign Service Officers ("FSO's") are tied to an archaic and bureaucratic personnel and reporting system that does not create incentives to actively assist the private sector. Most U.S. Embassies have economic and commercial officers whose primary responsibility is to "report" to Washington on information of limited use. These reporting requirements form the basis for the FSO's performance appraisal. Support for U.S. business is given a much lower priority. This is not an indictment against the Foreign Service Officers. Many FSO's are overqualified for the reporting duties which they are currently required to perform and should be freed to work on promoting U.S. industry and technology.

*Specifically, the role of the U.S. Embassy in Africa needs to be reinvented. The U.S. government's presence and energies in Africa should support both the American and African private sector. Routine reporting requirements should be scaled-back and intergovernmental task forces to support key projects of importance to the American private sector should be formed under the leadership of the U.S. Ambassador. When budget cuts are necessary in foreign affairs accounts, the cuts should be made in a manner which have the least adverse effect on the field presence. A U.S. government presence is extremely important to the U.S. private sector in Africa. The elimination of Embassies and USAID missions could have a tremendously adverse impact upon U.S. business interests by giving the impression that the U.S. is disengaging from Africa. A U.S. diplomatic disengagement from Africa would give a significant strategic advantage to America's foreign competitors, and make an already fastidious commercial environment much more difficult in which to operate.*

*The State Department should also increase the exposure of FSO's to the American private sector prior to their posting overseas. A practical suggestion would be to incorporate senior operations executives from American corporations into the course of studies for FSO's during their training in the United States. State should be encouraged to provide a minimum amount of business training for FSO's. In addition, FSO's should be encouraged to visit corporate constituents during their consultations in the United States.*

*U.S. Embassies should also establish on-line interactive databases that are linked to the United States to provide current economic, commercial, and political information for potential U.S. investors or trading companies.*

#### **5.) Support Legitimate Attempts of Francophone African Countries to Expand their Commercial Horizons**

Language and cultural affinities, fiscal ties to the CFA Franc, military assistance, trade with French government owned enterprises, and the liberty to act in a manner which the Foreign Corrupt Practices Act prohibits, have afforded the French a natural competitive advantage over the U.S. private sector, and have succeeded to create a formidable barrier to greater commercial cooperation between the U.S. private sector and Francophone Africa. However, the devaluation of the CFA Franc and the subsequent realignment of the fiscal regimes in Francophone Africa during 1994 represent strong steps in the right direction for Francophone Africa. In addition, a new generation of African leaders in these nations are recognizing the benefits of greater exposure to world trade and are attempting to strengthen their relationships with the U.S. private sector. *The United States government should encourage this move towards greater economic independence from France and seek to create incentives for continued movement in this direction.*

**6.) Do Not Let the Effort to Assist South Africa Cause Us to Forget the Rest of Africa**

There are fifty-four independent countries in Africa. Countries such as Botswana, Namibia, Tanzania, Uganda, Zimbabwe, Mauritius, Ghana, Ethiopia, Benin, and Eritrea have, to varying degrees, undergone positive economic and political transformations during the past decade. Many of these changes have taken place through structural adjustment programs fostered by the international donor community with the hope that continued economic assistance and foreign investment would follow.

In the current atmosphere of increased debate about decreasing the amount of U.S. foreign assistance to Africa, *the U.S. government policy-makers should not forget that the disaster relief efforts in countries such as Somalia and Rwanda have ended up costing the U.S. taxpayer more than the entire annual development assistance budget for Africa, excluding Egypt. An ounce of prevention is worth a pound of cure!!!*

*The United States should encourage democracy and economic liberalization in hub countries that are committed to reform. Some African countries are clearly ahead of others in economic and political reform initiatives. These countries should be identified, recognized, and encouraged to continue economic and political liberalization. The U.S. also should recognize that free elections don't necessarily translate into free markets. Many African businesses are closely interlinked to the host government which increases the opportunities for corruption.*

In the case of South Africa, wealth and commercial distribution channels are highly concentrated in a handful of conglomerates which operate in a regulatory and legal environment different from that in the United States. On occasion, South Africa's regulatory environment can inhibit and discourage entry into that market. Therefore, the U.S. should encourage South Africans themselves to create a competitive policy, for foreign and South African entrepreneurs alike, that creates growth opportunities within the South African market. *ANY CHANGE MADE IN S. AFRICAN REGULATORY ENVIRONMENT?*

At the same time, *the U.S. should recognize that economic prosperity of South Africa is directly linked with the economic prosperity of the other African countries that offer natural markets for South African goods and services. By assisting other countries in Africa, the U.S. is indirectly assisting South Africa.*

**7.) The Agency for International Development**

*Empowerment of the indigenous business community in Africa is the fundamental key to economic development in Africa. Growing and self-sustainable developing economies throughout Asia and the Americas each have one key ingredient - a thriving indigenous private sector. U.S. development policy in Asia and the Americas has always been to create free enterprise and develop markets. Unfortunately, the development philosophy of empowering an indigenous private sector is currently not a primary objective of USAID outside of South Africa. An independent nation's ability to provide for and sustain the social needs of its citizens is dependent upon its ability to tax the resources of its private sector. Many African nations are dependent upon outside assistance to provide the absolute minimum amount of human needs assistance. The cycle of dependence on foreign assistance will continue as long as the*

indigenous private sector in Africa is not considered a development priority. *The U.S. private sector knows the business of business better than any segment of the U.S. society and should be included in the creation of a new development philosophy for Africa. The impact of excluding the American private sector in the economic development of Africa speaks for itself.*

*The Agency for International Development ("AID") should promote the African private sector and encourage U.S. trade and investment in Africa. AID should encourage Congress to waive section 599 of the Foreign Assistance Act as it applies to sub-Saharan Africa, or reconsider its strict interpretation of that provision to allow for greater U.S. private sector investment and cooperation in the economic development of Africa. Assistance needs to be provided to the African ministries which play roles in foreign trade and investment, and resources should be allocated to develop and strengthen Africa's financial institutions and emerging stock markets.*

It is impossible to ignore the human suffering caused by Africa's man-made and natural disasters, and AID's role as a provider of disaster assistance is extremely important. *Economic development, however, should concentrate on developing the indigenous capacity to generate equitable wealth through the private sector in Africa. AID should take the leadership role in developing regional initiatives that will integrate the African market and attract greater private sector investment and trade.*

Some of the specific initiatives that AID should consider are:

- 1. Strengthen the institutional capacity of the African governments to manage their foreign exchange and reserve management in a manner that will ensure transparency and predictability.*
- 2. Support development of small businesses by making credit available at the individual level.*
- 3. Redefine AID's interpretation of "micro-enterprise", recognizing that the current definition excludes many businesses that are too small to get financing/assistance from larger institutions and too large for AID's definition of "micro-enterprise".*
- 4. Finance turnkey projects to encourage investment in U.S. technology and services, such as housing and small scale manufacturing.*
- 5. Consider supporting infrastructure projects that would have a positive impact on the accelerated development of the host countries' private sector economy.*
- 6. Formulate AID projects which incorporate a local management structure that integrates people from more than one ethnic faction in an African country. Such initiatives would assist in the process of breaking down the ethnic barriers that can lead to future conflict.*
- 7. Increase support to African national and regional trade and manufacturers associations.*

The participants also took exception to omitting the development of Africa's agricultural base in AID's "four pillars" for development. The failure to provide any guidelines for how agriculture will function under the existing pillars generally means that very little attention will be paid to the subject by AID's field staff. The American agribusiness sector is very dynamic and could help African countries

solve many of their food, employment, and economic problems if they were supported by AID. There is tremendous leverage that can be brought to bear when the private agribusiness sector and U.S. government team up together. As an example, some quality genetics, management and nutrition technology would be very applicable in solving the protein gap that a number of African nations suffer.

### **8.) The Trade and Development Agency**

The participants were unanimous in their accolades for the Trade and Development Agency's ability to support American exporters. TDA's staff is well motivated and efficient. TDA has a clear mission to increase U.S. exports to the developing world and is limited only by its small staff and budget.

### **9.) The Export-Import Bank of the United States**

The Export-Import Bank of the United States ("Exim Bank") is another example of a U.S. government agency whose goal and mission are well focused. However, due to government-wide policy decisions concerning the credit-worthiness of many African countries, legislative prohibitions, and various repayment issues, Exim Bank is prevented from providing trade financing for U.S. exports to the majority of African nations. Exim Bank's inability to provide trade financing places many U.S. companies at a disadvantage to foreign competition which generally obtain financing from their governments. Recognizing that Exim Bank's Congressionally imposed standards will not likely be modified, there will not be a significant increase in export business with most African countries because of the lack of credit and risk protection. *Therefore, Exim Bank, or some other agency, must be given statutory authority and a policy directive to provide adequate credit for African trade if the government truly desires to increase U.S. exports to that continent.*

Some additional suggestions that Exim Bank should incorporate in the African countries that it continues to operate in include:

- 1. Exim Bank should take greater advantage of the U.S. Embassies to track repayments that are due and pressure host government ministries to meet their obligations.***
- 2. The State Department should not pressure Exim Bank from fulfilling existing commitments for non-commercial reasons in the country of import. Such actions adversely impact U.S. exporters who are forced to carry unsold inventories as a result of the terminated financing. In such cases where the determination is made to withdraw Exim Bank financing due to foreign policy considerations, current commitments should be honored.***

One consistent complaint concerning Exim Bank is the closed-door manner in which credit ratings and program decisions are determined in cooperation with the Office of Management and Budget ("OMB"). American companies know little about this process and the criteria used to determine whether Exim Bank will stay open in a particular African country. The participants in the roundtable recognized that many sensitive issues may be discussed during the actual meetings when ratings are determined and noted that the process could suffer from the lobbying that would ensue if the meetings were public. Considering these issues, the U.S. government may want to consider the following:

1. *OMB should release the criteria and seek to better educate the business community about the rating system, thereby giving the private sector the ability to strategically plan ahead for any rating changes that may be taken by the Exim Bank.*
2. *Exim Bank should informally consult with the business community before a country rating is determined, in order to learn of plans or projects which might affect the future ratings of an African country. In some cases, Exim Bank may not be aware of the confidential plans of the U.S. private sector to develop a natural resource which would have the effect of generating significant foreign exchange revenues for the targeted country.*

#### 10.) The Overseas Private Investment Corporation ("OPIC")

*OPIC is a very important partner of the American private sector in Africa. OPIC's political risk insurance is a fundamental part of the majority of investments that are undertaken in Africa. OPIC should be supported, and its role in providing support to the American private sector should be expanded. In particular, OPIC should be given greater latitude to hire more staff to meet the demand that is placed on its limited resources. More resources should be made available for OPIC financing projects and OPIC should be given the ability to take greater risks on finance projects. In addition, OPIC should cease to advertise that it targets small businesses for Africa until it has the resources and staff to actually do something in this area.*

*It is important to note that American business interests are at a competitive disadvantage because they do not have a vehicle to access investments in Africa. Although OPIC has the authority to make equity investments, it rarely does so. OPIC has the authorization to make equity investments but this account has not been funded. Equity investments by the U.S. government would have an enormous positive impact. Investment agencies of foreign governments, such as the British CDC which make equity investments in projects in support of British industry, provide enormous political clout for the investment deal. If OPIC's equity authorization was funded, it could have a similar positive impact for the U.S. private sector.*

Some specific suggestions that OPIC may want to consider are:

1. *OPIC should create financing mechanisms that will allow U.S. small businesses to invest in Africa (an example may be to spread risk by supporting venture capital funds to assist small business).*
2. *The success of the Africa Growth Fund II should be followed up with an appropriate vehicle.*
3. *Mixed credit programs to meet third country competition should be initiated.*
4. *The U.S. business community should be consulted on a regular basis to learn of future plans and projects that the U.S. private sector may be considering in Africa.*
5. *A greater emphasis should be placed on promoting investment opportunities in African countries outside of South Africa.*

### 11.) The African Development Bank("ADB")

*The group wholeheartedly supported the findings of the Knox Report on the ADB and believes that its recommendations should be taken very seriously by both the management of the ADB and the international donor community.* In addition, the group had three specific points to clarify with the U.S. government:

- First, the ADB is the one regional institution with the potential to truly facilitate capital formation in Africa. This fact alone demonstrates the need for the U.S. to continue active involvement and support for that institution. *The ADB has been very successful in accessing international capital markets to fund its projects. It thereby decreases the burden of international donor organizations to make grants and loans to finance the critical infrastructure projects that will literally form the physical foundations for Africa's economic development.* As a result of its success in raising capital from the international markets, the ADB issues have facilitated the opening-up of those markets for other African issuers of securities. This has been evidenced by the recent commodity linked \$500 million commercial paper program of the Preferential Trade Area Bank ("PTA Bank") engineered and placed by U.S. financial institutions.

- Second, many international fund managers are beginning to look at Africa as a viable place to invest capital. Those African countries that are demonstrating a commitment to sound economic policies are beginning to mature in the eyes of many institutional investors that have never before considered it as a place to invest capital. This represents a huge turning point at which African countries such as Ghana, Uganda, Botswana, Zimbabwe and Tanzania are now in the position to see foreign inflows of capital that would not have been imagined a decade ago. (The recent initial public offering of the Ashanti Goldfields, which raised over \$300 million for the partial privatization of this company in Ghana, is exemplary of this interest among institutional investors.) *Fund managers need to rely upon the ADB and other multilateral developmental organizations to provide support and to share the risk associated with investment in Africa.*

- Third, *the ADB should strive to become more active in private sector projects through investment in its own right and through facilitating internal capital market development within African countries. Specifically, the ADB should look at mechanisms that will strengthen local financial institutions and currencies, stimulate greater savings, and build local financing mechanisms within the African countries. The ADB should collaborate more with organizations such as the International Finance Corporation (IFC) and more private sector investors that have developed successful financing mechanisms in Africa and other emerging markets.*

### 12.) Other Multilateral Development Agencies and Banks

The multilateral development agencies and banks were the subject of heated debate during the roundtable discussions. *The consensus of the roundtable was that they suffer from overly bureaucratic management and operating procedures which are overly luxurious and costly to the taxpayers which support them. Administrative reform is long overdue.*

*However, the roundtable participants were unanimous in their support for the World Bank and IMF initiatives concerning structural adjustment programs and related economic reform packages. While recognizing that these programs have caused disruptions to the social and economic fabric of nations that are moving from centrally managed economies to the free market, the participants could not recommend a less bitter manner in which to end the cycle of government domination of African economies.*

*The roundtable consensus about the U.S. government agencies that work with the multilateral development agencies and financial institutions is that they should make a greater effort to solicit information from the U.S. private sector which may have commercial interests arising from the actions of these organizations. The U.S. government, especially the U.S. Embassies and AID Missions, must attach a higher priority on informing U.S. firms of opportunities which become available through the multilateral development agencies in the host country.*

*In addition, the group believes that the U.S. government should lobby for a more private sector orientated approach within these organizations, in order to place less emphasis on public sector projects. The U.S. government should work more closely with other World Bank members to promote privatization programs that foster competitive markets and private initiatives. Also, privatization should mean privatization. Foreign state owned enterprises (including those from the developed nations) should be limited in their ability to bid on World Bank privatization projects.*

### **General Policy to be Recommended to African Governments**

*The fundamental recommendation to African governments is to maintain consistent economic policies which encourage stability, the development of infrastructure, legal predictability, financial markets and the repatriation of profits. African governments must recognize that the fundamental concern of a foreign investor is the cost of doing business. African countries need to reassess every regulation and statute which restricts the private sector, both foreign and domestic, from operating within its borders.*

#### **1. Improve the Operating Environment**

*The group identified the lack of predictability and transparency, as well as corruption, as the greatest barriers to trade and investment in Africa. African governments should move steadily towards privatization and deregulation of their economies in order to help create an environment in which their own private sectors can begin to thrive. African entrepreneurs must be supported by their own governments, and African entrepreneurs should be allowed and encouraged to develop and retain wealth. In addition, African governments should strengthen the capacities of their trade and manufacturing associations.*

*The clear message to African governments from the private sector is that they should consider their countries from the foreign investor's point of view. The inability to know or plan exactly what will happen to an investment because of unstable currencies, corruption, and poor infrastructure, including the provision of basic services such as electricity, and honest police protection, create an environment which is not conducive for conducting business. African governments, which seek to attract foreign investment, must recognize that they are greatly affected by the actions of each of their own government employees. Therefore, they should strive to develop professionalism and customer service in their civil servants.*

***The unfair or threatening actions of one immigration officer, customs official, or police officer can jeopardize the willingness of foreign companies to invest in an African country***

***African nations should look to the companies that are already doing business in their country for advice and assistance in attracting new business. Often, the emphasis is placed on attracting new foreign investors, and the companies that are already operating in that country are overlooked.***

Specific recommendations include:

- 1. Price controls should be eliminated.***
- 2. Investment, labor, and tax laws should be modernized.***
- 3. Work to ensure currency convertibility should be undertaken.***
- 4. Import licenses and unrealistic customs duties should be ended.***
- 5. Import procedures should be simplified.***
- 6. Protectionist non-tariff barriers should be removed.***
- 7. Free trade zones should be created.***
- 8. Inspection agency involvement should be streamlined.***

## **2. Infrastructure Improvements**

More attention must be paid to the continent's aging or under developed infrastructure. A greater emphasis should be placed on the construction or rehabilitation of roads, port facilities, railroads, telecommunications, financial systems, and power generation. To the greatest extent possible, these industries, together with the petroleum sector, should be privatized and deregulated. A special emphasis should be placed on improving the financial infrastructure and providing a local banking system that stimulates indigenous savings and retains the confidence of its users.

## **3.) African Embassies in the United States**

African Embassies in the United States are an under utilized resource. ***African governments should use their Embassies to advance their commercial interests and actively promote greater trade and investment between their countries and the United States. To accomplish this, however, the African governments will need to give greater responsibility and authority to their representatives in the United States.*** Often, serious businesses will by-pass the Washington based Embassies because they carry little weight in their respective African nations. (On the other hand, some individuals expressed a

concern that some African Embassies have commercial staff that seem to represent their own personal interests and not that of their nation.) Unfortunately the result is the same; avoiding the Embassy is common practice.

#### **4.) Foster African Regional Integration**

African governments need to understand the limitations that small markets place on foreign investors. With the exception of Nigeria and South Africa, few African countries possess the market size that will draw foreign investment in value-added industrial sectors. African decision-makers need to understand that significant investment in Africa is dependent upon the creation of larger markets. The elimination of barriers to cross border trade, and the creation of integrated transportation and communication systems is the fundamental key to increasing the size of the African market place. The international donor community has been extremely supportive of initiatives to integrate the African marketplace, but the fundamental responsibility for accelerating this process ultimately lies in the hands of Africa's decision-makers.

#### **5.) African Governments and American Lobbyists**

Although there are some excellent public affairs firms representing African countries in the United States, there are many which do very little work for the exorbitant amounts of money that they receive for their services. While public affairs companies provide a valuable service to many clients, African governments should demand concrete results from the companies that they retain, and should not hesitate to punish poor service with strict measures. The Council has noted that public relations firms will frequently promote their clients only when the Head of State is visiting.

Public affairs firms should be creating and implementing proactive trade and investment strategies designed to increase the amount of trade and investment in that particular African country. A public affairs company should keep the Embassy completely apprised of all trade and investment opportunities throughout the United States. In addition, they should be actively marketing specific projects and opportunities to targeted American companies that produce or supply a related good or service.

The Corporate Council on Africa, which consists of over fifty private sector organizations with over \$1 billion in investments in Africa, will be pleased to report to an African embassy on when it was last contacted by a public affairs firm which is "promoting commercial investment" in Africa on their behalf.

#### **Conclusion**

The issues presented in this report are designed to focus U.S. and African decision-makers on the realities that confront the U.S. private sector in Africa. The participants of the roundtable realize that the issues range from very specific to general, and that each of the individual topics discussed could be the topic of a much more lengthy discussion.

The fundamental purpose of the roundtables was to begin the process of creating a positive dialogue between the U.S. public and private sector to assist sustainable economic development in Africa.

For too long the U.S. business and development communities have been working apart, and the inability to work together to develop Africa has left that continent in a miserable state. The U.S. private sector stands ready to work in partnership with the U.S. government to improve Africa's economic, political, and social situation.

The participants of the roundtable would like to extend our sincere appreciation to the Foreign Service Institute and the U.S. Institute of Peace for their leadership in making this first series of roundtables a success. Special recognition is also due to Assistant Secretary of State for African Affairs Mr. George Moose and USAID Assistant Administrator for Africa Mr. John Hicks for their active participation in the roundtables. Their attention to the issues raised in the roundtable and their ability to listen and appreciate diverse opinions with a good attitude and sense of humor left everyone at the roundtables extremely confident in their abilities to lead our nation's foreign and development policies in Africa.



STATE HOUSE  
LUSAKA  
THE REPUBLIC OF ZAMBIA

12th May, 1995

Ambassador David C. Miller,  
President,  
Corporate Council on Africa,  
1666 Connecticut Avenue NW Suite 510,  
WASHINGTON, DC 20009.

Dear Ambassador Miller,

I wish to express my profound appreciation through you to the Corporate Council on Africa for hosting a working dinner for my delegation at the Cosmos Club during my recent visit to Washington, DC. I regret that I was unable to meet with you personally due to your sudden illness. I wish you well and hope you are on your way to complete recovery. I am of course most thankful for the opportunity to have met individually and severally with your corporate members and in particular Mr. Jack Adlow for chairing our discussion and the Executive Director Mr. David H. Miller for playing our host in your absence.

I was extremely delighted to meet with a cross-section of your members and to note the keen interest in Zambia that exists among American corporations and investors. Since the Overseas Private Investment Corporation's mission to Zambia in September, 1992 my government has undertaken far-reaching measures to streamline investment policies and business legislation. The government in its economic reform programme has gone further to put in place a macro-economic climate that is investor friendly. One of these measures has included the removal of exchange controls, reduction and control of inflation, tax and tariff regimes that are attractive. Other incentives are already in place.

During the discussions with some of your members which among them included Duke Engineering, Equator Bank, General Motors and AT&T the various projects proposed by them very much coincide with the development priorities of my government.

/...

As you may already be aware great progress has been made towards privatizing the financial, transport, energy and telecommunications sectors. My government is therefore keen to see the participation of American companies either directly or on a joint venture basis with our local entrepreneurs. In addition to these companies, I would like to encourage other corporations to come to Zambia and identify their areas of interest.

We want to work with potential investors and we shall endeavour to facilitate their investments.

Again, I express my deep appreciation to the Corporate Council on Africa for hosting my delegation and I wish you every success in your effort to help promote African interests.

Yours sincerely,



Frederick J. T. Chiluba  
PRESIDENT OF THE REPUBLIC OF ZAMBIA

*Ambassador of the United States of America  
Lilongwe, Malawi*

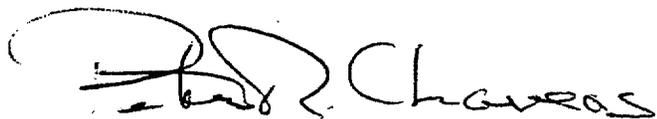
November 15, 1995

Ambassador David C. Miller, Jr.  
President  
Corporate Council for Africa  
1666 Connecticut Avenue, NW - Suite 510  
Washington DC 20009

Dear Ambassador Miller:

My thanks to you and the Corporate Council for arranging for President Muluzi to meet with an outstanding group of representatives from the business community during his recent visit to the United States. The luncheon you organized provided an excellent opportunity for the President to learn about the issues of concern to businessmen interested in Africa and provided him with a quality platform from which to make his government and its commitment to economic restructuring better understood.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter R. Chaveas". The signature is fluid and cursive, with a large initial "P" and "R" that are connected to the rest of the name.

Peter R. Chaveas

13



*Embassy of the United States of America*

Kampala

July 28, 1994

Ambassador David Miller  
The Corporate Council on Africa  
1666 Connecticut Avenue N.W.  
Suite 510  
Washington, DC 20009

Dear David:

I am writing to express my sincere appreciation to you and the board of The Corporate Council on Africa for the excellent program you arranged for President Yoweri Museveni of Uganda. I think that President Museveni's trip went extremely well, in large measure because of the outstanding schedule The Corporate Council organized for him in Washington. I think the arrangements for the business forums, the luncheons and general meetings were first rate, and I believe all of the Ugandans were pleased by the turnout.

President Museveni recognizes the importance of trade and commerce. He has undertaken major free market economic reforms in Uganda, and firmly believes that trade and investment are the key to sustainable development in Africa and the Third World. The Corporate Council, by arranging this trade and investment forum for President Museveni, has strengthened U.S.-Uganda trade contacts and given renewed impetus and support to Uganda's long term economic development strategy.

Thank you again for all your assistance. I look forward to working with you and the members of The Corporate Council on Africa on another occasion.

Sincerely,

Johnnie Carson  
Ambassador

84

EMBASSY OF THE REPUBLIC OF UGANDA



OUR REFERENCE

PS/W3

5909 16TH ST., N.W.  
WASHINGTON, D.C. 20011

TELEPHONE: (202) 726-7100  
FAX: (202) 726-1727  
TELEX: 440338 UGDA, UI.

July 8, 1994

Members of the Corporate Council On Africa  
ATTN: DAVID MILLER  
1666 Connecticut Ave., NW  
Suite 510  
Washington, DC 20009

Dear Members,

You and your colleagues are congratulated and thanked on the success of the Uganda trade and investment mission in Washington and Dallas. We are grateful to you for all your support.

I take this opportunity to thank David Miller, Ms. Lynn Azar, and Ms. Patricia, in particular, for their unstinting support and tolerating the constant Ugandan style of changing plans of action and schedules. The high standard of achievement was due to their effective planning.

I hope that this is just the beginning of the friendship between Uganda and yourselves. Uganda is committed to development and welcomes all opportunities for mutual business relations.

I look forward to hearing from you in the near future. If any assistance is required with appointments and travel plans in Uganda, please do not hesitate to contact me or my colleagues at the Embassy.

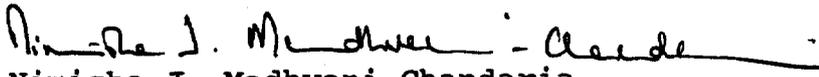
A handwritten signature or set of initials, possibly 'DS', is located in the bottom right corner of the page.

Members of the Corporate Council on Africa  
ATTN: DAVID MILLER  
Page 2

Once again, I thank you for all the support, both moral and financial, during the visit of President Museveni and his delegation for trade and investment.

With Best Wishes.

Sincerely,

  
Nimisha J. Madhvani-Chandaria  
FIRST SECRETARY

cc: Equator Bank  
A.S.T  
ATN  
E.R.C  
M & MW Pumps  
Coca Cola  
All Members of the Corporate Council on Africa

gb



AMBASSADOR OF THE  
REPUBLIC OF MOZAMBIQUE

Washington, D.C. March 7, 1995

The Corporate Council on Africa  
1666 Connecticut Avenue, NW  
Suite 510  
Washington, D.C. 20009

Dear Mr. Miller,

Thank you for coming to my Embassy on March 6, 1995 to share with me your plans regarding your coming business trip to Mozambique.

Indeed your decision and of the CCA Board to have a trade mission this year to my country is not only timely but also most welcomed.

My Government and also the Mozambican business community will do their best to assist you while you are there preparing all the necessary conditions for a successful trade mission.

Myself and the Embassy will also be your relied partners in this important endeavor.

I would like to take this opportunity to convey through you my deep appreciation to the CCA Board for their commitment to improve mutual advantageous business ties between Africa and USA.

I'm looking forward to work closely with you in the coming months to assure a well organized and well oriented trade mission to Mozambique.

Sincerely Yours,

A handwritten signature in cursive script, appearing to read "Hipolito Patricio".

Hipolito Patricio  
Ambassador



*Embassy of the United States of America*

Freetown, Sierra Leone  
June 17, 1994

Mr. David C. Miller, Jr.  
President  
The Corporate Council on Africa  
1666 Connecticut Avenue, NW, Suite 510  
Washington, DC 20009

Dear Mr. Miller:

Thank you for the May 27 letter and packet of information about your organization which you sent to Ambassador Peters. As the official in the Embassy responsible for trade activities and promotion, it was to me that she passed the package.

I have sent the information package to the Sierra Leone Chamber of Commerce and Agriculture for their information library. I heartily agree with the Council's view that the growth of jobs and new enterprises in Africa form the foundation for economic development. I would go even further and say that they are essential to Africa's survival. Be assured that you can count on my wholehearted cooperation in your endeavors.

Sincerely,

A handwritten signature in cursive script that reads "Charles A. Ray".

Charles A. Ray  
Deputy Chief of Mission

Office of the President  
(216) 672-2210  
FAX (216) 672-3281



PO Box 5190 Kent Ohio 44242-0001

December 4, 1995

David H. Miller, Executive Director  
Corporate Council on Africa  
1660 L Street NW, Suite 301  
Washington, D.C. 20236

Dear David,

Your remarks opening the Southern African Business Opportunities Summit at Kent State University were right on target. You set the tone for the business-to-business conference and I really appreciated your participation. Having the Corporate Council on Africa as a co-sponsor and you as a speaker were very important to the success of the conference. Thank you for all you did for the conference.

Kent's Teleproductions Office is editing the film from the conference and I will forward a copy to you for your use when it is completed. If there is anything else Kent State University can do, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Carol Cartwright".

Carol A. Cartwright  
President

89

**Ministere d'État  
Présidence du Comité  
de Développement Économique  
République du Congo  
B.P. 5001  
Brazzaville**

*Paris*, 5 October 1994

Mr David H. Miller, Executive Director  
The Corporate Council on Africa  
Suite 510  
1666 Connecticut Avenue, N.W.  
Washington, DC 20009

Dear Mr. Miller,

I wanted to thank you for arranging the meetings for me with General Motors and Atlantic TeleNet. Our meetings were useful and instructive, and I will follow up on these discussions.

On behalf of President Lissouba, I would like to express our appreciation for the confidence your organization has shown in our government and in the future of the Congo. With the continued support of our friends in the United States, we are confident that we will be able to sustain our new democracy. We realize that private investment, particularly from corporations in the United States, is critical to our future growth and development. The Corporate Council on Africa can play a major role in this area.

Thank you again for your gracious hospitality. I look forward to seeing you again on your next visit to Africa.

Sincerely yours,



*Avec mes compliments*  
Claude Antoine Da Costa  
Ministre d'État

Uitvoerende Adjunkpresident  
Executive Deputy President

Pretoria



9 December 1994

Dear Ambassador Miller

Thank you for the privilege of addressing the board members of the Corporate Council on Africa during my recent visit to Washington. I found our discussions most stimulating and enlightening.

In order to underpin and sustain our new democracy, the need for economic stability and therefore investment in South Africa is now greater than ever before. I attach great importance to the enhancement of closer cooperation between an organisation such as the Corporate Council on Africa, the South African Government, and the private sector.

I wish you everything of the best for the future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'F. W. de Klerk'.

F W DE KLERK

Ambassador David C Miller  
Executive Director : Corporate Council on Africa  
1666 Connecticut Avenue NW  
Washington, D.C. 20009

91



REPUBLIC OF GHANA

THE CASTLE  
OSU  
ACCRA

5th April, 1995

*Dear Mr. Miller,*

*I wish to thank you and the members of your Board, on my own behalf, and on behalf of my delegation, for the generous use of your time and resources to organize that excellent dinner at the Mayflower Hotel in Washington, D.C. in my honour.*

*The tremendous turnout of the business community at the dinner is eloquent testimony of the great interest Corporate America has in Ghana and in Africa and I look forward to working with you and your organization to further develop the many business and investment opportunities in Ghana and Africa for the mutual benefit of Africans and Americans.*

*Sincerely yours,*

**FLT.-LT. JERRY JOHN RAWLINGS  
PRESIDENT  
REPUBLIC OF GHANA**

**MR. DAVID H. MILLER SNR.,  
CHAIRMAN OF THE BOARD,  
CORPORATE COUNCIL ON AFRICA  
1666 CONNECTICUT AVE. N.W.,  
SUITE 510,  
WASHINGTON, D.C. 20009**

92



**EMBASSY OF BOTSWANA**

CHANCERY  
INTELSAT BUILDING  
3100 INTERNATIONAL DRIVE, N.W., SUITE 7M  
WASHINGTON, D. C. 20008  
(202) 244-4990

TELEGRAMS: BOTSEM, WASHINGTON, D.C.  
TELEX: 64221 BOTWASH  
FAX: (202) 244-4164

OUR REF:  
YOUR REF:

BW/COM 10/12  
November 14, 1995

Mr. David H. Miller  
Executive Director  
The Corporate Council on Africa  
1660 L Street N.W.  
Suite 301  
Washington, D.C. 20036

Dear Mr. Miller,

I enjoyed meeting with you at the SADC Conference at Kent recently. Once again please accept our sincere appreciation and thanks for speaking so positively for our region and our individual countries.

One of the main issues discussed at the conference was the appeal to Corporate America to realize that their involvement in region should not focus on South Africa alone, but on other countries of the region as well.

In Botswana we continue to strive to create an even more favourable investment climate especially for foreign investors. As you may have heard, we have reduced our corporate tax to 25%. We have further reduced the tax to 15% for investors in the manufacturing sector. These changes were effected on the 1st July 1995. Other major changes include further liberalization of our exchange controls and increment to our financial incentives capital grants.

The government has also created a priority list of allocation of plots to foreign investors who wish to get established immediately.

Attached please find the list of firms I visited in the Chicago area early this year. Your assistance is needed as we continue dialogue with them. Please feel free to call them on our behalf.

Also attached is a brochure which was intended to promote a leather conference that was scheduled for Botswana this year. Though the conference didn't materialize, we are trying to identify an able leather goods manufacturer who would be interested. We request you to help us identify such an investor.

I would like to meet with you one of these days when you have time.

Best regards.

  
**P. Shakie Kebaswele**  
**Commercial Attache**

enc:  
PSK/mvg  
mil-cca.inv

9/4

# PERSPECTIVES

FROM THE  
CORPORATE COUNCIL ON AFRICA

Vol. I, No.1

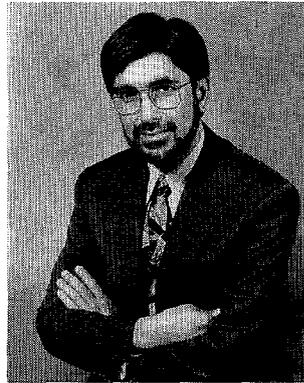
Winter 1993

## AN INAUGURAL MESSAGE FROM THE CHAIRMAN

It gives me real pleasure to send a message of welcome to present and prospective CCA members in this, the inaugural edition of the newsletter of the Corporate Council on Africa. The publication of this first issue of *Perspectives* marks yet another milestone in the development of our young organization. It also provides a sense of achievement to all of us who have worked hard in the past months to bring the Council from a mere idea to promote U.S.-Africa business, to a growing, dynamic organization with a steadily-growing membership and a clear sense of its mission and objectives.

The Corporate Council on Africa was founded by a group of American companies and individuals that believe strongly in the importance of the U.S.-Africa business relationship, and that this relationship needs to be nurtured and improved. This includes significant players who felt the need to fill a void among the community of private U.S. organizations concerned with issues bearing on African development. Specifically, there was no one organization exclusively focussed on how U.S.-Africa business relationships can have a positive influence on sustainable economic development.

The Council believes strongly in the economic promise that Africa holds for its people. But to realize this promise, African countries need to rely more on the market mechanism and the private sector to encourage growth and generate much-needed jobs. The Council asserts that U.S. corporations, as trading partners and investors, can play a valuable role in encouraging the development of the African private sector, and in encourag-



*Safi Qureshey*  
Chairman, Board of Directors  
Corporate Council on Africa

ing the kinds of regulatory and other reforms necessary to give the market mechanism – held in check for so long – the freedom it requires. The Council and its members pledge to assume this leadership role.

The Council also asserts that Africa is too often overlooked by the U.S. business community as a trading partner and a place to invest profitably. Thus, we also pledge – through promoting such reforms, and through breaking down remaining barriers on both sides of the Atlantic to fuller commercial relations – to promote the very considerable opportunities that Africa offers to the U.S. These efforts will facilitate the process of doing business in Africa and enhance U.S.-Africa relations.

This is an ambitious agenda. But it is one to which the Council is absolutely committed. We are a new organization. In light of our growing strength and resources, however, we are confident that the Council will soon be recognized among private U.S. organizations as the most authoritative on the subject of investing in Africa.

We look forward to keeping you abreast of our progress and our achievements in successive issues of *Perspectives from the Corporate Council on Africa*. ♦

## Mission Statement

*The Corporate Council on Africa, established in 1992, is a non-partisan, tax-exempt membership organization of corporations and individuals dedicated to strengthening and facilitating business relationships between African and American individuals and organizations by creating educational, cultural, and investment exchange opportunities.*

*The Corporate Council on Africa is an*

*advocate for policies and activities that will enhance the business relationship between the United States and Africa. The Council believes that it can accomplish this goal by educating constituencies about the different social customs, cultural traditions, and economic climates on both continents, and by utilizing a network of business executives and government officials to promote U.S.-Africa relations.*

THE CORPORATE COUNCIL ON



1666 CONNECTICUT AVENUE, NW  
SUITE 510  
WASHINGTON, DC 20009  
(202) 667-7330

**CHAIRMAN**

**CCA BOARD OF DIRECTORS**

*SAFI QURESHEY*

*PRESIDENT AND CHIEF OPERATING OFFICER*

*AST RESEARCH, INC.*

**EXECUTIVE DIRECTOR**

*DAVID H. MILLER*

**EDITORIAL BOARD**

*CHESTER A. CROCKER*

The Corporate Council on Africa is a non-profit, non-partisan organization founded in 1992 to promote commercial relations and to facilitate cultural and educational exchange between the U.S. and Africa.

**IN THIS ISSUE**

- Message from Chairman ..... 1
- Perspectives from the Editor ..... 2
- News and Events ..... 2
- SGA Conference/African Leaders ..... 3
- CCA Country Focus: Eritrea ..... 4
- A Historical Perspective: CCA ..... 5
- CCA Hosts Eritrean President ..... 5
- Guinea-Bissau President Honored ..... 6
- Introducing the Founding Members ..... 6
- The CCA's Program Agenda ..... 8

Copyright 1993 by the Corporate Council on Africa. All rights reserved. Reproduction in whole or in part without permission is prohibited. The opinions and positions stated in "Perspectives" are those of the authors and not by the fact of publication necessarily those of the Corporate Council on Africa or its members. All manuscripts are carefully considered by the Editorial Board. "Perspectives" is published quarterly by the Corporate Council on Africa as one of a series of publications covering important public policy issues. Nothing in "Perspectives" should be construed as an attempt to aid or hinder the passage of any legislation.

**PERSPECTIVES FROM THE EDITOR**

The launching of a new organization invariably takes place amid an atmosphere of optimism and hope. And so it is with the Corporate Council on Africa. Our members, and the many others who have worked hard toward the Council's establishment believe in the potential of the U.S.-Africa relationship, and are enthusiastic about undertaking the challenges that the Council has set for itself.

Our organization has been established on the basis of aspirations for substantial improvements in the U.S.-Africa relationship, not only in the realm of trade and investment, but in the domain of cultural and educational exchanges as well, with a view to a general improvement and enlargement of the entire relationship.

The Council is founded above all on enthusiasm for the potential of the business association between the U.S. and Africa, and the potential that expanded business ties – and the expansion of private business in Africa more generally – can have as a force for improving the well-being of ordinary Africans and reducing poverty.

It is the major objective of the Council to promote and expand U.S.-Africa trade and U.S. investment in Africa. In conjunction with this, the Council is also committed – as a non-governmental organization representing the U.S. business community – to help foster the types of policy reforms in African countries that will make Africa a more favorable place for U.S. companies to do business. The Council and its members believe that such reforms, and the resulting growth in the volume of business activity, will inevitably spur general economic development across Africa and work to improve living standards of ordinary Africans.

*Perspectives from the Corporate Council on Africa* is an important element of the Council's strategy to achieve these objectives. As much as any of its programs and activities, this newsletter will help to forge a common sense of purpose among the Council's

members. It also will serve as a forum for ideas and opinions of experts from the government, business, and academic communities related to African development, economic and regulatory reform on the continent, and the U.S.-Africa relationship in general. We believe that the exploration of such ideas in *Perspectives* will serve to advance the cause of market-based economic development in Africa.

Above all, *Perspectives* will serve as a vehicle for informing critical audiences – prospective members, institutions, government and business communities in both the U.S. and Africa – of our identity, purpose, and activities. This will be critical to realizing one of the Council's most important objectives; that is, forging recognition of our organization as *the* voice of the U.S. corporate community on political, economic, and business issues that bear on the U.S.-Africa relationship. This recognition will serve greatly to advance the realization of the Council's goals of development of U.S. business in Africa, of expansion and strengthening of the private sector in economies throughout Africa, and of general economic development across the African continent. ♦

**NEWS AND EVENTS FROM THE CORPORATE COUNCIL**

The Corporate Council's Meetings Program got off to a good start. The Council's regular meeting on August 26 featured Assistant Secretary of State for African Affairs, George Moose, who offered commentary on the Clinton Administration's general policy toward Africa.

At the November 4 meeting, John Hicks, Acting Assistant Administrator for Africa, USAID, was the featured speaker. Mr. Hicks spoke for an hour, offering his views to members regarding A.I.D.'s plans for the sub-Saharan Africa region under the new administration. ♦



## GOVERNORS' CONFERENCE HOSTS AFRICAN LEADERS; HIGHLIGHTS U.S.-AFRICA BUSINESS POTENTIAL

The Corporate Council on Africa was invited to lead a panel discussion in conjunction with the annual conference of the Southern Governors' Association (SGA) that was held in Richmond this past September.

Opportunity for expansion of U.S.-Africa business was at the forefront of discussion at the conference. Hosted by SGA Chairman Governor L. Douglas Wilder of Virginia, the event this year was attended by African leaders at Wilder's personal invitation, and emphasized the potential for furthering ties between the economies of the Southern states and those of African nations.

Promoted as the Southern Governors' Association/African Heads of State Joint Summit, the conference included in its agenda the advancement of trade between African countries and the Southern states, and the encouragement of U.S. investment in Africa. The four-day meeting was attended by 17 governors, as well as high-level representatives from 25 different African nations. The latter included the presidents of Botswana, The Gambia, Guinea-Bissau, Mozambique, and Niger, as well as the vice-presidents of Kenya and Uganda and high-ranking ministers and diplomatic representatives from 19 other African countries.

In opening the conference proceedings on September 19, Governor Wilder said, "I am hopeful that this meeting will signal to the world a new American willingness to pursue trade and political ties with people and markets that have for too long been ignored."

Wilder emphasized his belief that Africa represents "a huge untapped resource for American manufacturers." "African consumers," he said, "desire a wide range of American consumer products and are gaining the buying power to support broader participation in the African market by U.S. companies."

In remarks following the opening statements of Wilder and Governor Kirk Fordice of Mississippi, a Deputy of the National Assembly of Senegal and a private business-

man, Papa N'Diame Sene, stated that African nations are looking for a new partnership with the United States. "All over the world," he said, "nations are in recession. By asking [yourselves] how we can re-start the African economies, you will be helping the U.S. economy in the process."

As part of the Joint Summit proceedings, SGA members and the African representatives participated in roundtable discussions, debating such topics as economic development, trade, agriculture, rural electrification, and international banking. The conferees also signed a declaration calling on the African nations and Southern states to expand trade and cultural ties.

Conference attendees also took time to tour a trade show which exhibited the products of many African countries, and the products and services of a number of U.S. companies with existing business relationships with African countries, or an interest in establishing them.

In addition, a number of companies, either Virginia-based or with major Virginia operations, provided opportunities for the African guests to visit their factories and other facilities. These included Mobil Oil Corporation (which is a founding CCA member), Philip Morris Corp., Waste Management, Inc., and Reynolds Metals Company.

John Lord, a spokesperson for Mobil, said "Our company has a substantial and long-standing presence in Africa — both exploration and marketing activities — and we were very pleased to have the opportunity to extend an invitation to the visiting Africans."

As part of the conference proceedings, and at Governor Wilder's request, the Corporate Council on Africa led a panel discussion on trade and investment opportunities in Africa on the afternoon of September 21. This session was moderated by Kevin Callwood, a founding member of the Council and Managing Director of the Emerging Markets Development Corporation. Other Council members who fielded questions and offered insights as panel participants included Stephen Cashin, Vice-President of Equator Bank; Jim Law, Vice-President for Africa of Mobil South; and Malcolm D. Pryor of Pryor, McClendon, Counts & Co. The fourth panel member was William Kaschak, who is chief of the Office of Operations and New Initiatives of the Africa Bureau, the U.S. Agency for International Development.

Said Pryor, "The Richmond conference provided a superb opportunity for some high-profile exposure for the Corporate Council. The panel discussion was extremely well-attended by both Americans and African representatives, and the questions that were asked demonstrated a clear interest on the part of many U.S. companies in the business potential that Africa offers." ♦



*Governor Wilder, Ugandan Vice-President Joash S. Mayanja Nkangi and Kenyan Vice-President George Saitoti*

**MARKET OPPORTUNITIES IN A NEW COUNTRY**

Eritrea became the newest of Africa's nation-states earlier this year. Prior to becoming a province of Ethiopia – from which it gained independence in 1991 – it had flourishing and diversified commercial agriculture and light industry. Policies of the former Ethiopian regime and the protracted war of liberation left much of its productive capacity in need of repair. However, given a government committed to private investment, a hard-working local population, and a level playing field for all foreign companies, Eritrea offers U.S. companies opportunities which could make it one of the more attractive places, long-term, for U.S. investment in Africa.

Having finally fought Ethiopian troops to a standstill in a thirty-year guerilla war, Eritrea became a sovereign nation in April of this year by an internationally-monitored referendum. The war left much of the country's infrastructure destroyed or badly damaged. There have already been some commitments from bilateral and multilateral development agencies to provide assistance for reconstruction. The Eritrean government, however, is strongly committed to developing a market-based economy, and is determined to encourage private investment – both domestic and foreign – not only in the service of general economic development, but as a participant to the greatest extent possible in the country's rebuilding.

To this end, the Government has adopted an investment code that provides for specific investment incentives. And it has established priority areas for investment which combine some of the country's most pressing reconstruction requirements with some of its most attractive sectors for investment. (Foreign firms wishing to invest in telecommunications or in land/sea/air transport, however, are required to enter into joint ventures with the Government or Eritreans.)

Chief among these priority sectors is agriculture. Eritrea's diverse latitude, soil, and climatic conditions lend themselves to a wide variety of crops, and before the war of independence, there was widespread commercial cultivation of coffee, grain, fruit, and vegetables. The Government is hoping that this history of a prosperous agriculture sector will attract investors to re-build what, in its view, will be the backbone of an agriculturally self-sufficient country and a vibrant, market-based economy.

In addition to agriculture, the Government has designated agro-industry, based on indigenous resources, as another priority area for investment. Overall,



industries are now operating at only 30 percent of pre-war levels, and Eritrea is looking to private investors to revive the textile, food processing, brewing, and other industries that flourished before the war.

Though most surviving industries are currently owned by the Government – the result of wholesale nationalizations carried out by the previous Ethiopian regime – a program of privatization is already underway. Many hotels have already been put up for sale, and the country's plants and breweries are next on the agenda. The program's objective is to privatize the Government's holdings in all commercial assets, though the Government may retain a 50 percent share in some assets as they are sold off.

Tourism is another designated priority investment sector. The country's 500-mile coastline on the Red Sea contains many attractive beaches, and work is already

underway to re-furbish the Gurgussum resort area, which has considerable development potential.

Given the destruction of the war, Eritrea has vast needs in the area of port reconstruction, development, and management. The country also has an enormous requirement for reconstruction of dwellings, irrigation systems, roads and other transport systems, and commercial and industrial buildings.

The Government's intention is to create a regulatory and policy environment that will encourage private investment. It has adopted a comprehensive set of tax exemptions and incentives for investment in its designated investment sectors (including telecommunications, in which private

investment is also encouraged), as well as additional income tax incentives for export-oriented industries and other operations.

Freedom to repatriate profits is guaranteed under Eritrean law. Businesses also have wide latitude to bring in foreign employees if appropriately-trained people cannot be found locally, but they are obligated by law to eventually train Eritrean nationals to assume positions held by expatriates.

According to Kevin Callwood, a CCA founding member and Managing Director of Emerging Markets Development Corporation, Eritrea, in spite of its present problems, represents a good opportunity for U.S. firms to get in "on the ground floor." "Because companies are dealing with a newly-created country," he points out, "they will be dealing with a government that has not become encumbered with layers of bureaucracy, and the process of obtaining requisite licenses, approvals, and so forth is relatively efficient. Also, remember that this government is very pro-free enterprise, and is committed to placing as few obstacles as possible in the path of serious investment proposals."

*(Continued on Page 8)*



## THE CORPORATE COUNCIL: A DECADE IN THE MAKING

by David H. Miller  
Executive Director  
Corporate Council on Africa

The Corporate Council on Africa, though less than a year old as a legally constituted organization, in effect has been in the making for thirteen years. The fundamental ideas and concepts on which it is based — a non-governmental, business-led organization as an effective advocate on issues pertaining to the U.S.-Africa commercial relationship — have been evolving for more than a decade.

That these ideas are now achieving fruition is due in no small part to the efforts of a succession of committed, high-level individuals in both government and business who, each in their turn, refined the ideas and ensured they were passed on. This evolutionary process took place, not only across a decade, but also across changes in power in both Washington and in many African countries, across vast changes in the basic thrust of American foreign policy, and across changes in how development theory views the role of the private sector.

The desirability of a non-governmental organization that could play a critical role in helping to build the U.S.-Africa relationship was first identified by foreign policy officials serving in the Carter Administration in the late 1970s. The basic thinking at the time was that there was a part for U.S. business to play in supporting the process of economic development in Africa through direct investment, and through encouragement of private sector-based economic activity. Central to this concept was that the U.S. business sector could, in certain respects, be more effective in helping to influence the process of desired economic and policy change in Africa than could the U.S. government through its official foreign policy apparatus. Opinion was unanimous, however, that the initiative for such an organization would have to originate in the business community itself.

This idea found favor as well with key foreign policy players in the Reagan Administration, including Secretary of State George Shultz and Assistant Secretary of State for Africa, Chester A. Crocker. In this period, the thinking began to coalesce around how the Government could encourage such an organization without playing a direct role in its formation.

Within both the Executive Branch and Congress, supporters drew encouragement from the accumulating evidence of corporate America's interest in the potential of the African market. The success of investment missions to African countries jointly sponsored by A.I.D. and the Overseas Private Investment Corporation, which began in 1990, is only one example.

Matters finally got off the ground for the Council's formation when the Deputy Assistant Secretary of State for Africa in the Bush Administration, Kevin Callwood, broached the idea of finally getting things underway to the President and CEO of AST Research, Safi Qureshey. AST was already operating successfully in Pakistan and was extremely positive about markets in developing countries — particularly in Africa. Qureshey was considered an ideal person to be the initial force for galvanizing the Corporate Council.

We are grateful that he accepted the challenge.

In a remarkably short time, his efforts and those of other Founding Members have transformed the decade-old vision into a dynamic organization effectively promoting the importance of the U.S.-Africa commercial relationship to critical audiences in both the

*(Continued on Page 6)*

## CCA HOSTS ERITREAN PRESIDENT

The Corporate Council on Africa played host for a day to President Isaias Afwerki of Eritrea during a business and diplomatic visit he made to the U.S., September 25-October 14. The visit was the first ever by the Eritrean head of state since this newest of African countries was created following a thirty-year armed struggle with Ethiopian forces.

Although Eritrea is suffering from the aftermath of a highly destructive war, its government is determined to build a market-based economy and to encourage private foreign investment. President Afwerki was

therefore eager to establish contacts with the U.S. business community, not only in terms of goods and services required for national recovery, but looking forward as well to the day when his country achieves greater economic stability. To respond to this, the Council arranged a series of meetings on October 7 between the President and representatives of U.S. companies interested in Eritrea's investment potential.

A lunch hosted by Mr. Javed Khan, Manager of New Business Development for Africa and Pakistan, AST Research, was the first item on the President's schedule. He later met individually with representatives of Atlantic Tele-Network, Edlow International,

Anadarko Petroleum, and Equator Bank, Limited, all four of which are Council members. The President also had individual meetings with MW Pump Company, Louis-Berger Consultants, and Caterpillar, Inc.

That evening, the Council and Mobil Oil, one of the Council's founding members, hosted a dinner in honor of the President at The Woodland House in Washington. Accompanying the President was the Eritrean ambassador to the United States, Mr. Hagos Ghebrehwet. Other guests included representatives of companies that are Council members and Jude Kearney, a Deputy Assistant Secretary of Commerce. ♦



## GUINEA-BISSAU PRESIDENT HONORED BY CCA

The Corporate Council on Africa and Victor J. Labat, a Council member and president of Labat-Anderson, Incorporated, gave a dinner in honor of President João Bernardo Vieira of the Republic of Guinea-Bissau on September 20, 1993 at the Jefferson Hotel in Richmond, Virginia.

President Vieira was in Richmond at the invitation of Virginia Governor Douglas Wilder to attend the four-day Southern Governors' Association/African Heads of State Joint Summit on September 19-22.

In addition to the President, other guests from Guinea-Bissau included Flavio Proença, Minister to the Presidency; Alfredo Lopes Cabral, ambassador to the U.S. from Guinea-Bissau; and Nelson Dias, Guinea-Bissau's Secretary of State for Planning. Guests representing the Corporate Council on Africa included, not only Mr. Labat, but also Dr. Edward Moorman of General Motors, Stephen Cashin of Equator Bank Limited, and Paul Martin of Mobil Oil.

Dr. Moorman was able to announce at the dinner that GM had reached an agreement to establish a dealership for its cars and trucks in Guinea-Bissau.

The dinner was also an occasion for Paul Martin to express Mobil's desire to further develop its activities in Guinea-Bissau. On behalf of Equator Bank, Stephen Cashin made clear his own firm's interest in providing support to U.S. business interests in that country.

Mr. Labat's company has been closely associated with Guinea-Bissau since 1991. It recently began implementing a five-year, \$17-million USAID contract in Guinea-Bissau aimed at furthering the build-up of the private sector through development of key products and commodities and through reforms in Guinea-Bissau's judiciary, and its legal and regulatory structures. ♦

## THE CORPORATE COUNCIL: A DECADE IN THE MAKING

*(Continued from Page 5)*

U.S. and Africa. In a continuation of bi-partisan support, the Corporate Council's formation has received strong backing from high-level officials across the Clinton Administration: Secretary of State Warren Christopher, Secretary of State Ron Brown, Assistant Secretary of State for Africa George Moose, USAID's Administrator Brian Atwood, and A.I.D.'s Assistant Administrator for Africa, John Hicks.

For its members, the Council is targeting U.S. companies already doing business in Africa, and those that are interested in becoming involved in this largely-unexploited marketplace. One of the Council's highest priorities is — in the words of Ambassador David C. Miller, Jr., now in private business and a member of the Council's Board of Directors — “to link African countries and their business opportunities with Council members.” Among the most important direct services the Council provides to its members is access to critical African decision-makers in both government and business, to facilitate the process of doing business in a challenging environment.

The Council is also encouraging policy and regulatory reform in African countries to create economic and business environments in which foreign investment can flourish. In the Council's view, there is a direct, circular

relationship between investment and policy reform; one in which the accumulation of individual, discreet transactions works cumulatively to provide guidance, context, and critical feedback for the often tentative and cautious process of policy reform in African countries. In the Council's view, investment and reform will increase in direct proportion to each other: as substantive regulatory reforms and liberalized trade regimes are effectively implemented in countries which currently constrain business, increased investment, both domestic and foreign — and its rewards, in terms of greater employment and rising prosperity — will follow.

The Council will become an effective private sector-based advocate for the U.S.-Africa trade and investment relationship — both in the U.S. and across Africa.

Because of its long history of bi-partisan support, the Council is potentially valuable as a non-governmental vehicle in U.S. foreign policy. Both the Council and the U.S. government share a large number of strategic objectives for the African continent and the U.S.-Africa relationship: expanded trade and investment, liberalized trade regimes in African countries, policy and regulatory environments conducive to private sector development and investment, and reduced corruption in African regimes.

The Council intends to become an effective force for focussing U.S. investment interest, as well as the attention of Congress and the Executive Office, on this too-often neglected area of the world. ♦

## INTRODUCING THE COUNCIL'S FOUNDING MEMBERS

The establishment of the Corporate Council on Africa is due in no small part to the foresight and energies of its Founding Members. These companies and individuals have not only acted as a direct catalyst for the Council's actual formation, but will provide essential guidance for its continued growth and development.

The Council's Founding Members share a great deal in common — extensive corporate or personal experience in Africa, an appreciation of the investment opportunities that Africa offers, and a determination that these opportunities be promoted and developed. At the same time, the diversity of their business and other interests provides a broad and solid foundation for the continued recruitment of corporate members representing a wide spectrum of U.S. business activity. Membership diversity in this regard is viewed by the Council as critical to its effectiveness as an organization and the achievement of its goals.

**AST Research, Inc.** (Irvine, CA) is the fourth-largest manufacturer and marketer of personal computers in the U.S., and sixth-largest in the world. AST supplies computer products to

*(Continued on Page 7)*



*At a dinner given in his honor by the CCA at the Cosmos Club in Washington, DC on September 25, President Joaquim Chissano of Mozambique (center) was flanked by Jack Edlow, President of Edlow International (left) and Franklin Kennedy, CEO of Equator Bank (right). Both Edlow International and Equator Bank are Founding Members of the Corporate Council.*

## FOUNDING MEMBERS

*(Continued from Page 6)*

customers in more than 100 countries and operates 43 sales offices and subsidiaries worldwide. Safi Qureshey, AST's President and CEO, is the Chairman of the Council's Board of Directors.

**Mobil Oil Corporation** (Fairfax, VA), markets its petroleum-based products in 30 countries throughout Africa, and is currently carrying out exploration and production activities in Nigeria. It has been involved in Africa for almost a century. Mobil is represented on the Council by James Law, Vice-President/Africa, Mobil South.

**General Motors, Inc.** (Detroit, MI) is the world's largest industrial corporation and one of the leading motor vehicle manufacturers worldwide. GM has operations in 44 countries and accounts for about 17 percent of the vehicles sold in world markets. In Africa, GM has four joint venture vehicle operations — in Egypt, Kenya, Nigeria, and Tunisia — and a network of dealers covering several countries. GM is represented on the Council by Greg DeYonker, Executive Vice-President of General Motors Overseas Distribution Corporation.

**The Coca-Cola Company** (Atlanta, GA), represented on the Council by Percy Wilson, Africa Group External Affairs Manager, has four corporate offices and 141 bottling plants through which it manages and produces its products in 47 African countries. Through these plants, it has been serving the African consumer for over 55 years.

**Ambassador David C. Miller, Jr.** served as U.S. Ambassador to Tanzania and to Zimbabwe

between 1982 and 1986. He also organized and served as the first director of the South African Working Group in 1985. Ambassador Miller was responsible for the Africa portfolio at the National Security Council in 1989-90. His business experience includes senior staff and line positions with Westinghouse Electric Corporation from 1971 to 1980, four years of which were spent in Lagos.

**Edlow International Company** (Washington, D.C.), represented on the Council by its President, Jack Edlow, is a private firm whose activities include world-wide transport, warehousing, and logistical services to suppliers and users of nuclear fuel. Through these operations and other investment activities, the company has been involved extensively in Africa for over 20 years.

**Equator Bank Limited** (New Haven, CT), is a private firm that specializes in providing practical responses to the merchant banking and trading opportunities existing in Africa. Established in 1975, Equator is 83 percent owned by the HSBC Group. The remaining 17 percent is owned by members of Equator's management team. Equator is represented on the Council by its CEO, Franklin Kennedy.

**Emerging Markets Development Corp.** (Arlington, VA), is an investment and trade advisory consortium specializing in emerging markets worldwide. EMDC provides strategic consulting services to government and institutional clients, and investment advisory services to firms pursuing international opportunities in the fields of telecommunications, mining, and energy. The firm focuses on assisting its clients identify and negotiate opportunities primarily in Africa, but also in Eastern Europe, Latin America, and Asia. EMDC is represented on the Council by its Managing

Director, Kevin Callwood.

**Pryor, McClendon, Counts & Co., Inc.** (Philadelphia, PA) is an investment banking firm offering services which include municipal, corporate, structured, and international finance; equity and fixed income sales and trading; financial advisory; and real estate management. The company's International Finance Group has placed special emphasis on Africa and other emerging markets. Pryor, McClendon, Counts & Co. is represented on the Council by Malcolm Pryor, the company's Chairman and one of its principals.

**Atlantic Tele-Network** (St. Thomas, Virgin Islands), is a publicly-held telecommunications holding company with two principal operating subsidiaries, Virgin Islands Telephone Corporation and Guyana Telephone and Telegraph Co., Ltd. ATN is participating in the privatization of several African telephone companies, by providing local partners with management resources, technical knowledge, and state-of-the-art equipment. ATN is represented on the Council by its Chairman, Jeffrey Prosser.

**Dr. Chester A. Crocker** is a research professor of diplomacy at Georgetown University and chairman of the board of the United States Institute of Peace, a non-partisan, publicly funded foundation supporting research and education on conflict resolution. He is a consultant on strategy and negotiation for American and European firms. Crocker served as U.S. Assistant Secretary of State for African Affairs from 1981 to 1989, and was the principal U.S. mediator of the 1988 New York accords leading to Namibian independence and Cuban troop withdrawal from Angola. ♦

# AFRICA

## PROGRAMS AND ACTIVITIES

The Council works to achieve more productive working relationships between the American and African private sectors, expanded investment opportunities for U.S. firms in Africa, and greater economic prosperity in Africa to increase markets for U.S. goods and services. The following are some of the programs through which the Council and its members achieve these objectives.

### THE MEETINGS PROGRAM

The Council arranges forums and other platforms that provide valuable opportunities for Council members to discuss important U.S.-Africa policy and business issues with key decision-makers.

Outreach to African Governments and Business Leaders. The Council arranges visits with leaders of African countries to discuss trade and investment opportunities and the furtherance of market environments that are conducive to greater U.S.-Africa commercial cooperation. In addition, the Council provides a forum for visiting African government and business leaders to discuss trade and investment opportunities in their respective countries.

Congressional Relations. The Council arranges breakfast, lunch, and other meetings for key members of Congress and visiting African leaders, to discuss trade and investment issues with the U.S. business community. These meetings are designed to increase the exchange of ideas among Congressional and U.S. corporate decision-makers, and provide policy-makers and business leaders from Africa with exposure to the interests and views of their U.S. counterparts.

Executive Branch Liaison. The Council has established working relations with relevant offices of the Executive Branch of the U.S. Government. As part of this effort, it maintains awareness of U.S. policy formulation and development, and prepares position papers for discussion with Executive Branch officials on issues that affect economic and commercial development in Africa.

State/Local Outreach. The Council works with state governments and their economic development offices, providing valuable information on trade and investment opportunities for American business in Africa on a more localized basis.

### "OPPORTUNITIES IN AFRICA" INITIATIVE

Every year, the U.S. Government, the World Bank, and the African Development Bank purchase billions of dollars' worth of goods and services in the implementation of their broad program efforts in Africa. Individual African countries also make substantial overseas purchases in the context of foreign aid-financed development. However, U.S. companies often become aware of these lucrative business opportunities too late to take full advantage of them. To better open these up to U.S. firms, the Council has developed the "Opportunities in Africa" initiative, which monitors procurement,

## CCA COUNTRY FOCUS:

### ERITREA

(Continued from Page 2)

Callwood also points out that, unlike in many other African countries, U.S. companies are competing on a level playing field. The presence of industries and firms from European countries with an earlier colonial presence, and therefore a competitive edge, is not a factor.

Some U.S. firms are already taking advantage of the opportunities that Eritrea's pro-business stance offers. The Coca-Cola Company, which had operated a bottling plant in Asmara under a franchise arrangement for decades, re-opened the plant in February of last year after it had been closed down for two years due to the war.

"We approached the Afwerki government -- which had inherited the plant from the Ethiopian regime -- two weeks after its formation," said Percy Wilson, Africa Group External Affairs Manager, "and 90 days later, we were back in business. We found the Eritrean officials more than cooperative. That things moved forward so rapidly is amazing when you consider that this was literally a brand-new government, with an enormous number of extremely grave problems to consider."

Consumer response to the re-appearance of Coca-Cola and the firm's other soft drinks has been so strong that The Coca-Cola Company has plans to modernize the plant and triple its capacity. Wilson and his colleagues were particularly impressed by the hard work, ingenuity, and discipline of the plant's Eritrean employees, who, as the war progressed, kept the plant's equipment running as long as possible under increasingly difficult conditions, and who worked with "incredible dedication," as

Wilson describes it, to repair and re-start the plant at the end of hostilities.

Mobil Oil Corporation has also had positive experiences. Prior to the war, it had been in negotiations with Amoco Corporation to participate as a partner in off-shore exploration as part of an agreement already signed by Amoco with the Ethiopian regime. The entire agreement was suspended during hostilities through *force majeure*. But since the end of the war, both companies have been in talks with the Eritrean government to re-establish it, and the negotiations are going well.

Though Amoco has carried out most of the negotiations to date, Mobil has met with government officials several times, and is optimistic about the eventual outcome. Said Mobil geologist William Knaup, "We are trying to get an exploration deal under the same terms we had before the war, and we are very encouraged by their response. The [Eritrean] government people have proven very easy to deal with. It's our impression that these folks are really serious about encouraging



*The re-opening of The Coca-Cola Company's bottling plant in Asmara*

investment." Knaup ventured that exploration activities might even begin as early as the middle of next year. ♦

tenders, and other business opportunities, and relays this information to Council members on a timely basis.

### TRADE AND INVESTMENT DELEGATIONS

The Council sponsors a regular program of visits to selected African nations for groups of American investors to assess specific investment opportunities firsthand. The Council staff works to tailor individual programs for each participant, including arranging meetings with potential joint venture partners, high-level African government officials, and U.S. embassy personnel.

### EXECUTIVE EXCHANGE PROGRAM

The Council sponsors exchange programs for African and American executives. By working on an

exchange basis in enterprises with similar operations, participants have the opportunity to learn about each other's commercial practices and business cultures and to engage in a more general exchange of ideas. The Council believes that such opportunities improve participants' international business skills and strengthen business relationships between U.S. and African firms.

### STUDENT INTERNSHIP PROGRAM

The Council sponsors internships for American and African business students interested in pursuing international careers. This program increases the exposure of these future business leaders to the climate of each other's business milieu. It also provides increased exposure for the sponsoring companies to business opportunities in the counterpart countries. ♦



MINUTES OF THE BOARD OF DIRECTORS MEETING  
OF THE  
CORPORATE COUNCIL ON AFRICA  
DECEMBER 14, 1995

TO: Founding Members  
Annual Members

FROM: Victor Labat, Secretary

DATE: January 4, 1995

RE: Minutes of the December 14, 1995 Board of Directors Meeting

**DRAFT**

---

At 1:00 p.m. on December 14, 1995 the Board of Directors met in the Board Room of the Offices of SBC Communications, located at 1401 I Street N.W., Suite 1100, Washington, D.C., to discuss the following agenda items:

- 1) Approval of the March 9, 1995 Minutes
- 2) Election of Officers
- 3) Discussion of Council Financial Status
- 4) Discussion of Council Priorities in 1996
- 5) Discussion of Nigeria Program

Ambassador David C. Miller, Jr. chaired the meeting.

The following Board Members were present:

Ambassador David C. Miller, Jr.  
Mr. Jack Edlow, Edlow International  
Mr. Frank Kennedy, Equator Bank  
Mr. Victor Labat, Labat-Anderson Incorporated  
Mr. Don Rassekh, West African Distributors  
Mr. Joe Parker, General Motors Corporation  
Dr. Chester Crocker  
Dr. Mima Nedelcovych, Schaffer/Serv-Tech  
Mr. Gary Howe, Amoco  
Mr. George Edwards, Amoco  
Mr. Andrew Owiney, Pryor, McClendon, Counts & Company  
Mr. Tom Walter, Mobil Africa  
Ms. Maile Houpert, Equator Bank Limited  
Mr. Jim Godlove, Phillips Petroleum

Mr. Paul O'Bryan, Amoco Overseas Petroleum Company

Also present was:

Mr. David H. Miller, Executive Director  
Ms. Nakisa Serry, Legal Counsel  
Ms. Lynn Azar, Programs Director

Ambassador Miller opened the meeting with a request from the Board of Directors to approve a bonus for David H. Miller, Executive Director. Mr. Miller has worked for the Council since May 1993, and this bonus would reflect his work over the past 30 months at the Council.

The Board approved a bonus for David H. Miller.

**1. Approval of the Minutes of the March 9, 1995 Meeting of the Board of Directors**

The minutes of the March 9, 1995 Board Meeting were unanimously approved.

**2. Election of Officers**

Ambassador Miller nominated Mr. Percy Wilson, Coca-Cola Company, to be the next Chairman of the Corporate Council on Africa. Mr. Joe Parker seconded the nomination. The Board unanimously approved the appointment of Percy Wilson as Chairman.

Ambassador Miller nominated Mr. Mima Nedelcovych to be the next Vice Chairman for Membership. Mr. Frank Kennedy seconded the nomination. The Board unanimously approved the appointment of Mima Nedelcovych as Vice Chairman for Membership.

Dr. Chester Crocker nominated Ambassador David C. Miller to continue to serve as President of the Corporate Council on Africa. Mr. Frank Kennedy seconded the nomination. The Board unanimously approved of the appointment of David C. Miller, Jr. as President.

The Board moved to change the title of Vice Chairman for Research and Marketing be changed to Vice Chairman for Council Working Groups. The name change was approved by the Board of Directors.

The Board approved the nomination of the following officers to their current positions:

Vice Chairman, Policy Committee: Mr. Tom Walter  
Vice Chairman, Working Groups: Mr. Wayne Brannon  
Vice Chairman, Working Groups: Mr. Paul O'Bryan  
Vice President: Mr. Kevin Callwood  
Secretary: Mr. Victor Labat  
Treasurer: Mr. Frank Kennedy

### 3. Financial Status of the Corporate Council on Africa

Mr. David H. Miller presented the following:

Current Assets as of November 28, 1995: The Council has \$88,000 cash, \$42,000 certificate of deposit, and \$113,085 in accounts receivable (\$98,085 to CCA general account, \$15,000 South Africa Program account). Combined, the current assets of the Council are \$243,085.

Incoming Revenue in 1996: The Council has 64 paying members that will pay \$189,000 to the Council in 1996 for membership dues (Amoco has prepaid its 1996 dues which are represented as cash). In addition, The Coca-Cola Company has approved a \$50,000 grant to the Council for program support. Thus, the total expected revenue in 1996, assuming no Council membership growth, will be \$239,000.

Appendix #2 gives a chronological perspective of the Council's financial growth and current status. The information has been categorized to identify specific revenue sources as well as expenditures. The expenditures of the Council have been subdivided into two categories:

- A.) Operational expenses (rent, salary etc.), and
- B.) Program expenses (meetings program, Perspectives etc.).

A.) Operational expenses are the basic costs of the Council to operate its core programs. Operational costs include rent, salary, insurance, telephone service, long distance service, basic printing, and other similar costs. The Council's average monthly operating expenses are \$21,000. This number has been determined by averaging the Council monthly operating costs over the past four months.

The past four month time-frame is the most accurate basis to forecast our expenses over the next 12 months because it includes rent and costs associated with operating our own office space. It should be noted that the last four month period has been extremely busy, so the average operational expenses of \$21,000 per month is the Council operating at a maximum capacity, with our full compliment of Council programs.

For the purpose of forecasting the next 12 month period, the Council should include the costs of implementing our monthly *Meetings Program* (\$1,000/month, \$12,000/year) and publishing *Perspectives* (\$2,500/quarter, \$10,000/year) into our operating expenses. By including these program costs, the Council can reasonably estimate that the minimum cost of operations at its present level are \$274,000/year, \$22,850/month.

B.) Program expenses are the direct costs associated with the events that the Council implements for the benefit of its membership. With the exception of our monthly meetings program and printing *Perspectives*, the majority of the Council's program expenses are reimbursed by members who sponsor events for visiting African dignitaries.

Mr. Miller emphasized the importance of recruiting new members, stating that the Council staff and programs are primarily sustained by membership dues. Mr. Miller explained that in order to meet expenses in 1996, the Council would need 96 paying members at \$3,000 each. At the time of the meeting, the Council currently had 64 paying members.

Mr. Kennedy emphasized the need for Council members to pay dues and miscellaneous expenses on a timely manner. Mr. Kennedy also suggested that the Council begin to request an advance from companies sponsoring events for Heads of State. In addition, Mr. Kennedy proposed that the Council begin to charge an "organizing fee" of approximately 10% of the total costs of these events. The Board agreed with Mr. Kennedy's proposals, and it was decided that the above recommendations be implemented immediately by Council staff.

Discussion ensued regarding membership dues structure. It was agreed that the Council will maintain its current dues structure of \$3,000 for Annual Members, and a \$20,000 one-time contribution for Founding Members with \$3,000 subsequent annual dues.

#### 4. Council Priorities

The Board discussed the priority programs of the Corporate Council on Africa. Mr. Miller noted the following:

A.) Cash Flow: Cash flow is the most significant issue facing the Council. To cover our operational expenses (\$21,000/month), implement our monthly meetings program (\$12,000/year), and publish Perspectives (\$10,000/year), the Council needs \$274,000.

To cover our cash flow needs, the Council must generate approximately \$22,850 per month (\$274,000/year). The preferable manner to finance our basic operations should be through membership dues. Current expected revenue generation from our sixty-four members is \$192,000. Thus, in the worst case scenario (no membership growth), the Council may need to utilize approximately \$82,000 from our current asset account.

B.) Membership Growth: Membership grew at a rate of 70% in 1995 (28 new members: 2 founding members, 26 annual members<sup>1</sup>). There are two ways to forecast membership growth:

- 1.) historical percentage growth
- 2.) actual growth.

1.) Historical Percentage Growth: If we assume that membership growth multiplies at the same percentage rate in 1996, membership can possibly reach 129 by this time next year. A membership level of 129 will generate revenue of \$366,000.<sup>2</sup>

---

<sup>1</sup> The actual amount of new annual members was thirty. However, four members did not renew membership.

<sup>2</sup> Remember: Five members of the Council have complimentary membership, and are not required to pay annual dues.

2) Actual Growth: A more conservative manner to measure growth, however may be to assume that membership will multiply by the same number in 1996, as in 1995. If actual numbers are used to forecast growth, the Council should expect 28 new members (assuming no new founding members, and four members who do not renew their dues). If actual historical growth is used to forecast membership revenue, the Council can reasonably expect to raise \$273,000 from eighty-six paying members.

C.) Revenue from Country Specific Working Groups: On March 1994, the Board of Directors authorized the Council to expand its resource capabilities to enable the Corporate Council on Africa to become a resource center on African countries that are of particular interest to our membership. Since that time, several members have generously provided the Council with the funding to upgrade our research capacity for Angola, Gabon, and Nigeria.

Mr. Miller explained that Working Groups were also a source of revenue for the Council. The Nigeria working group has a two-tier membership of \$5,000 and \$20,000. The budget for each task force has a line item for Council overhead expenses of 33%. Thus 1/3 of all revenue generated from a task forces is immediately transferred into the Council's general account. The 2/3's of the remaining funds are then spent in a manner which is set by the members of the task force. Mr. Tom Walter expressed concern that the work of the working group should not fall short of its intended goals due to lack of funds in its operating account. Mr. Walter also noted the importance of the Council in maintaining enough funds so in the future it will not be necessary to ask private corporations to fund the ad-hoc groups.

The Board determined that requests for future Working Groups would be open for discussion by all members, but the formation of a group would ultimately be decided by the Vice Chairman for Working Groups. Ambassador Miller discussed the importance of emphasizing that the points of view of a Working Group do not necessarily reflect the views of every member of the Corporate Council on Africa, but only the views of the members of the Working Group.

D.) Trade and Outreach Missions Program: The Board discussed the continuation of the *Trade and Outreach Missions Program*. It was decided that the Council should set aside \$20,000 to cover the up-front costs of organizing a *Trade and Outreach Missions Program*.

The up-front costs for implementing a two country mission is \$71,500, a portion of the costs are recovered from the participants of the mission. During the *Trade and Outreach Mission to Mozambique and Zimbabwe* the Council recovered \$12,800, approximately \$800- from each of the 16 participants. Note the Council utilized our "use or lose" grant funding from the U.S. Government to cover the unrecoverable costs of the mission.

Mr. Miller noted that the *Missions Program* is a good tool for recruiting new members. He proposed two options when implementing a *Missions Program*: 1) the Council can request funding from the U.S. Agency for International to implement this program, as OPIC had done in the past; and 2) the Council can offer companies the opportunity to "sponsor" a *Missions Program* and allowing the companies to serve as Mission Leaders during the Mission.

The Board agreed that the Council should continue this program only if it is beneficial to the Council's Members, and the Council does not lose money when implementing a *Missions Program*. It was decided that the Council should pursue both options.

E.) Council Fund-raiser: Ideally, the Council should implement an annual fund-raiser that generates income for priority program expenses determined by the Board of Directors. Some of the suggestions that have been received by the Council include:

- a traditional dinner/award function
- a cocktail reception/award at the National Zoo
- an annual golf tournament with the African Diplomatic Corps

The Board agreed that the Council should implement an annual fund-raiser, and agreed that the activity not be a dinner. Mr. Godlove noted that the fund-raiser should allow the Council to target non-members of the Council, therefore avoiding Council Members being the sole contributors to the event.

Discussion ensued regarding the type of event the Council should implement as its annual fund-raiser, and it was agreed that it should be an event that all contributors can benefit from, such as a conference or forum addressing business issues in Africa.

It was agreed that Mr. Miller would provide several ideas on a fund-raiser to the Chairman and President for their approval.

F.) South Africa Program Update: At the direction of the Board of Directors, the Council implemented a CCA/Gary Player Golf Tournament in August 1995 to raise funds for the Council's outreach program to provide linkages between the U.S. and black South African private sectors.

The golf tournament was successful in raising approximately \$12,900 after all expenses. Mr. Player has agreed to participate in next year's tournament that will be scheduled for November 1996.

The Chrysler Corporation won the tournament, and The Coca-Cola Company placed second.

#### Upcoming Council Events

The Council has two events scheduled for 1996:

- |             |   |
|-------------|---|
| April 15    | Meetings Program in Atlanta for FEBAC '96. Costs have been reimbursed by grant funds.   |
| April 18-19 | CCA/Department of State/Department of Commerce Annual Trade and Investment Conference during the Houston International Festival. The Council is proposing incorporating a White House Conference on Africa into these events. |

#### 5.) The Nigeria Program

---

## The Corporate Council on Africa's Organization

### **David Hummel Miller** *Executive Director*

Mr. David H. Miller, the Executive Director, is the principal liaison between the Council staff and the seventy members of the Corporate Council on Africa. Mr. Miller is the principal person responsible for implementation and oversight of all operations of the organization. Mr. Miller has served as the Executive Director since he joined the Council in May 1993.

Prior to joining the Corporate Council on Africa, Mr. Miller was the Senior Associate for Africa at the Overseas Private Investment Corporation (OPIC) where he lead over 140 American companies on investment missions to sixteen African countries. Before joining OPIC, Mr. Miller was the Desk Officer for South Africa, Angola, and Namibia at the U.S. Agency for International Development. Mr. Miller has also worked for the public relations company of Black, Manafort, Stone & Kelly as a Research Associate (1987-89) and Congressman Mark Siljander as a Legislative Assistant for Foreign Affairs (1985-1987).

Mr. Miller received a B.A. in Political Science from George Washington University and a Masters in Business Administration concentrating in finance from the Virginia Polytechnic Institute and State University.

### **Lynn Diba Azar** *Programs Director*

Ms. Azar is currently the Programs Director of the Corporate Council on Africa. She is responsible for the day-to-day management and marketing of Corporate Council on Africa programs, including tracking business opportunities that exist in Africa, and disseminating these opportunities to the U.S. corporate community. Before her current position, she was a Marketing Representative for European University in Toulouse, France. Her professional career in the field of international development began with the International Development and Cooperation Agency, where Ms. Azar worked at the Overseas Private Investment Corporation (OPIC), and the United States Agency for International Development (USAID). At OPIC, Ms. Azar worked in the Investment Development Division, on African Trade and Development Mission projects. While at USAID, Ms. Azar worked in the central policy bureau on United Nations, and Multilateral Development Bank issues.

Ms. Azar received a Masters of Business Administration from European University, Brussels, Belgium; and a Bachelor of Arts in International Relations and French from Duquesne University, Pittsburgh, PA.

**Simeon L. Moats**  
*Senior Advisor  
to the President*

Mr. Simeon L. Moats joined the Council in August as Senior Advisor to the President. He will be responsible primarily for coordinating Council activities relating to Nigeria, as well as managing other special projects.

Mr. Moats comes to the Corporate Council with over 22 years of experience as a Foreign Service officer at the Department of State. Most of his service was related to Africa, with tours as Political Counselor in Liberia, Deputy Political Counselor in South Africa, and Country Director for Zimbabwe. His last assignment was as Deputy Director for African Regional Affairs, which included responsibility for democracy programs, peacekeeping, and Congressional relations. Mr. Moats also brings to the Council a broad geographical perspective, with tours in Germany, the Caribbean and, most recently, as senior political advisor in the Philippines.

Mr. Moats holds an MA from Boston University in African Studies and a BA from Dickinson College. He is currently enrolled in George Mason University's Graduate School of Business.

**Christopher Martin Alion**  
*Programs Associate*

Mr. Christopher M. Alion, Programs Associate, assists the Council executive staff and the seventy members of the Corporate Council on Africa with membership recruitment, proposal support for U. S. Government and private foundation grants, target marketing, and research. Mr. Alion assists in administrative liaison with the commercial and foreign agencies of the U.S. Government, the African diplomatic community, and the U.S. corporate community. Mr. Alion joined the Council in January of 1995.

Prior to joining the Corporate Council on Africa, Mr. Alion worked with MJA Associates, a technical marketing firm specializing in telecommunications and defense contracting. Mr. Alion has also served in the United States Navy as a communications and cryptographic specialist.

Mr. Alion received a B.S. in Physical Geography from the University of Maryland at College Park. Mr. Alion is a member of Gamma Theta Upsilon, the Geography Honor Society.

## Founding Members

AST Research, Mr. Safi Qureshey  
Mobil Africa, Mr. Tom Walter  
General Motors, Mr. Greg DeYonker  
The Coca-Cola Company, Mr. Percy Wilson  
Ambassador David C. Miller  
Edlow International, Mr. Jack Edlow  
Equator Bank Limited, Mr. Franklin Kennedy  
Emerging Markets Development Corporation, Mr. Kevin Callwood  
Pryor, McClendon, Counts & Company, Mr. Malcolm Pryor  
Atlantic TeleNetwork, Mr. Jeffrey Prosser  
Dr. Chester Crocker  
Ambassador Andrew Young  
Mr. C. Payne Lucas  
H.J. Heinz Company, Dr. Anthony O'Reilly  
AT & T, Mr. William Carter  
Amoco Overseas Exploration Company, Mr. Paul O'Bryan  
West African Distributors, Mr. Dan Rassekh  
Schaffer/Serv-Tech, Dr. Mima Nedelcovych  
Phillips Petroleum Company, Mr. T.L. Sandridge

## Annual Members

Labat-Anderson Incorporated	Occidental International Corporation
Anadarko Petroleum	Holland & Knight
American Breeders Service	Abt Associates, Incorporated
Harvey & Company	Camac Holdings, Incorporated
MWI Corporation	Beneco Enterprises
Coopers & Lybrand	Petropros International, Inc. USA
International Management & Development Group	United Meridian International Corporation
Cohen & Woods International, Inc.	CMS NOMEKO Oil & Gas Company
Fluor Daniel Incorporated	Eli Lilly and Company
Walter & Haverfield	Standard Chartered Bank, USA
Chrysler Corporation	Exxon Exploration Company
DJMA International	Philip Morris International, Inc.
PSC International	Mr. Arnold Daniels, Jr.
Afrex/Telecel International	Moore Energy Resources
River Blindness Foundation	The AES Corporation
Motorola	NetCom Solutions International, Inc.
The Bettis Group	Sun Company, Inc.
The H.M. Salaam Foundation, U.S.A.	Oceanering International, Inc.
Nile International Incorporated	Leon Tempelman & Son
Caterpillar Incorporated	Burson Marsteller/BMS&K
WTA Travel Corporation	ConAgra, Inc.
Duke Engineering & Services, Inc.	Hill and Knowlton
SBC Communications	THL/USA
Kaiser Aluminum	The M.W. Kellogg Company
Black Presidents Roundtable Assn.	ARCO Int'l Oil and Gas Company
Le Boeuf, Lamb, Greene & MacRae	Samuels International Associates, Inc.
African Trade & Technology	IBM Corporation
Naomi Sims Products	