

# Written Testimony of Constance B. Newman Assistant Administrator for Africa U.S. Agency for International Development

## Africa Overview

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## The Development Challenge

### Background

Mr. Chairman and Members of the Committee, I am pleased to appear before your committee to discuss the President's FY 05 foreign affairs budget for Africa. Africa's future continues to look brighter as the region has achieved measurable progress in improving several important indicators of economic, political and social development since the beginning of the millennium. New avenues for growth are emerging as key countries in the region move toward greater political stability, as lengthy conflicts are being resolved, and as many countries continue to adjust their policies and priorities to take advantage of expanded opportunities created through globalization.

What happens in Africa is of concern to the United States and our engagement addresses U.S. interests. The overarching goals of U.S. policy in Africa are to: enhance African capacity to fight terrorism; create favorable conditions for U.S. and African trade and business opportunities while developing the foundation for sustained growth; reduce regional conflicts while increasing capacity to respond to contingencies; promote democracy, human rights and good governance; and improve the health and well being of Africa's people and environment.

A change in the policy environment affecting the region is the African Union's New Partnership for Africa's Development (NEPAD), launched in 2001, that provides a positive framework and good governance as a guiding principle for development in Africa. NEPAD is deepening its support among African government leaders and its road map for African development is gaining wider credibility. A key litmus test will be the completion of peer reviews of political, economic and corporate governance in those seventeen countries that have now agreed to undertake the process. The United States continues to affirm its endorsement of NEPAD.

Of the many positive trends in Africa during the first years of the decade, perhaps the most significant has been the cessation of major conflicts in Angola, Sierra Leone, Liberia, the Democratic Republic of the Congo (DRC), Burundi and Sudan, conflicts that had sapped the vitality of much of the continent. As these countries become more politically stable, the prospects for increased economic growth and a better standard of living for their citizens are much enhanced and their recovery will have beneficial repercussions for the entire continent.

The spread of democratic values is also a positive sign for improving the living standards of millions of Africans. The rapid growth of new communications media and expansion of a free press have empowered civil society to hold governments more accountable for their actions and made ordinary citizens increasingly aware of their basic human rights. Nigeria, Africa's most populous country, took a major step forward in 2003 with free elections and the new governments in Kenya and Zambia have taken very positive strides to address the rampant corruption that had colored the previous administrations. According to Freedom House, over the last decade, the number of free democracies in Africa has almost tripled from four to 11 and more than half of the countries in the region are in the transition process toward full and free democracy.

There is extremely promising news in the fight against HIV/AIDS. The President's Emergency Plan for AIDS Relief (PEPFAR), which proposes \$15 billion over a five-year period for prevention, treatment and care, combined with an

unprecedented international commitment to increasing resources, now offers real hope that serious inroads can be made against the spread of HIV/AIDS.

Several key indicators of economic growth also create room for optimism. GDP growth in Africa remained constant at 3.2% between 2001 and 2002, despite the worldwide economic slowdown, and is projected to increase to 3.8% in 2004, higher than all other developing regions except East and South Asia. Sub-Saharan Africa had the highest returns on net foreign direct investment of any region in the world in 2001.

Despite these positive trends, sub-Saharan Africa continues to face enormous development challenges. It remains the world's poorest region, with half of its population of 690 million living on less than \$1 per day. Of the 32 countries with the lowest levels of human development, 24 are in sub-Saharan Africa. While economic growth trends in many countries are positive, with an overall regional population growth of 2.4% a year, achieving the Internationally Agreed Development Goal of reducing poverty levels by 50% by 2015 will require almost a doubling of current rates, to 6% a year. This represents a formidable challenge, but it is nonetheless possible, provided encouraging trends continue in democratic governance and economic policy reform, conflicts are mitigated or resolved, natural and man-made disasters are managed effectively, economies diversify from over-dependence on agricultural production, trade continues to expand and the spread of the HIV/AIDS pandemic is slowed.

The food security situation remains precarious in many parts of the region - only a massive intervention by the international community averted a humanitarian disaster in Ethiopia last year and significant levels of food assistance were required in much of southern Africa. There are early indications that food security may continue to be problematic in the southern Africa region this year. Education levels, particularly in the rural areas and for girls, remain well below world standards and despite the rapid growth of information and communications technology (ICT), the digital divide between the region and the rest of the world remains vast. While some key indicators of health have improved, the HIV/AIDS pandemic in many countries has compromised efforts to combat other diseases and has dramatically reduced life expectancy. The shrinking labor pool caused by AIDS will slow the continent's economic growth by as much as 2% a year. Gender inequities, such as access to credit and inheritance rights, remain a serious development constraint. Finally, conflict and the difficult transition to stability in post conflict states still exact a huge toll on politically fragile democracies.

Meeting these challenges will require redoubled efforts on the part of African governments, civil society and the international community across a broad spectrum: increasing agricultural productivity; preserving the richness and diversity of Africa's natural resources; broadening the economic base; improving the competitiveness of African products; building human capacity at all levels; expanding ICT networks; improving the enabling environment for increased trade and investment; curbing the spread of HIV/AIDS, malaria, tuberculosis and other infectious diseases; increasing African capacity to deal effectively with natural disasters; and improving the transparency and accountability of government. USAID will structure its assistance programs to take advantage of its inherent strengths in addressing these challenges.

## **The USAID Response**

### **FY 2005 Program**

The proposed FY 2005 USAID program for sub-Saharan Africa will support a broad range of programs which address the most pressing of the regions' development challenges. In FY 2005, the Agency proposes to invest \$1.028 billion in development assistance, child survival and health, and PEPFAR funding in Africa, approximately the same as in FY 2004 (\$1.020 billion). The PEPFAR funding will be programmed through the Office of the Global AIDS Coordinator at the Department of State. USAID anticipates that it will be one of the key implementing agencies for PEPFAR. USAID programs in Africa will contribute directly to the priorities outlined in the joint State/USAID Strategic Plan for FY 2004-2009, particularly those which advance sustainable development and global interests, including regional stability and counterterrorism. The centerpieces of the FY 2005 program continue to be the four Presidential Initiatives launched in FY 2002; the Initiative to End Hunger in Africa (IEHA), the Trade for African Development and Enterprise (TRADE) Initiative, the Congo Basin Forest Partnership, and the Africa Education Initiative (AEI), as well as PEPFAR, a five year initiative launched in FY 2004. Other key elements of the program include the continuation of the African Anti-Corruption Initiative, the Africa Conflict Initiative and the Leland Initiative to increase the spread of and access to information and communications technology.

### **Agriculture**

Agriculture is the mainstay of most sub-Saharan economies, supporting over 70% of the population and contributing

an average of over 30% to GDP. Increasing agricultural productivity is therefore critical to the region's efforts to achieve food security and to reduce poverty levels. Despite the adoption by many countries of policies to stimulate rural agricultural-led growth, agricultural yields in Africa remain the lowest in the world and per capita food production has actually declined to 1980 levels. The major constraints to increasing agricultural productivity include low usage of improved technologies and information, limited access to credit, inefficient land use, market distortions which discourage production, poor rural infrastructure and the debilitating effects of the HIV/AIDS pandemic. The flagship of USAID efforts in the agriculture sector is the Initiative to End Hunger in Africa (IEHA), a five-year program, launched in August 2002, designed to harness science and technology and unleash the power of market forces to increase small holder productivity. The IEHA Initiative will expand from the current three to at least six countries in FY 2004. IEHA has made notable advances, including distributing more than twenty agricultural technologies from research systems to countries in Eastern Africa, through the Association for Strengthening Agricultural Research in Eastern and Central Africa. For example, in Uganda, more than 3,000 demonstrations of improved rice and maize technologies were established, benefiting more than 140,000 small holder farmers. In East Africa, the Regional Agricultural Trade Intelligence Network was launched, providing real-time price and trade information through radio, web and cell phone systems, which reached more than 10 million listeners. In livestock trade, nine countries are developing harmonized livestock movement permits and common procedures for diagnosis and quarantine of livestock diseases. The Regional Agricultural Trade Expansion Support Program was established in East Africa. And, the Regional Agricultural Market and Trade Information System program was established in West Africa. In addition to IEHA, bilateral programs at all USAID Missions in the region will implement programs to boost agricultural productivity and rural incomes. Programs will stress the use of improved technologies, better quality control, wider access to rural finance, stronger producer associations, small scale rural infrastructure (in conjunction with P.L. 480 Title II Programs), increased access to information and improved functioning of agricultural markets. Related efforts will be made to promote private sector-led diversification of the rural economy, such as agro-processing, and to increase agricultural exports. At the national level, policy dialogue will target changes to provide better incentives to farmers and reduce market distortions.

## **Economic Growth and Trade**

The globalization of the world economy offers Africa genuine opportunities to attract resources for development. Through the African Growth and Opportunities Act of 2001 (AGOA), the U.S. has shown worldwide leadership in efforts to transform African economies through increased trade and investment. AGOA is demonstrating ever more encouraging results. U.S. total trade with sub-Saharan Africa rose 36% in the first half of 2003 over the same period a year earlier and AGOA imports during the same period increased by 66% to \$6.6 billion. In 2003, the enactment of AGOA II further expanded trade opportunities and the President has recently proposed to extend AGOA up to seven years beyond its original expiration date of 2008.

Sub-Saharan Africa has enormous potential to become a much more significant player in the international economy, yet the region accounts for just 2% of world trade. Although a number of countries in the region have begun to take measures to increase their competitiveness, trade is still hampered by systemic constraints such as high transaction costs, capacity limitations, poor infrastructure, and market distortions. Foreign Direct Investment (FDI) decreased dramatically by almost 50% between 2001 and 2002, to \$7 billion, due in large measure to the global economic downturn, and remained highly skewed toward extractive industries in just a few countries. This nonetheless represents a modest increase from 2000 and was higher than FDI flows to either the Middle East or South Asia.

USAID's primary response to the challenge of increasing trade and investment in the sub-Saharan Africa region and supporting AGOA is the Trade for African Development and Enterprise (TRADE) Initiative, launched in 2002. This four-year \$70 million Initiative, which began full-scale implementation in FY 2003 is promoting U.S.-African business linkages, expanding the role of trade in poverty reduction strategies, and building African capacities for more sophisticated trade analysis. It will also improve the provision of public services supporting trade (e.g. customs procedures), strengthen the enabling environment for African business and enable African business to take even better advantage of opportunities under AGOA. In partnership with other U.S. Government Agencies, including the Department of Commerce, the Office of the U.S. Trade Representative (USTR) and the Department of Agriculture, USAID is providing technical assistance, policy advice, economic analysis and training to African countries through three "Hubs for Global Competitiveness," which became fully operational in 2003, in east, west and southern Africa. In FY 2005, USAID proposes to invest \$229 million, or 22% of its program resources in efforts to promote economic growth and to support agriculture and trade, including \$44.5 million for IEHA and \$25 million for the TRADE Initiative.

## **Education**

An educated population is fundamental to sustaining democracy, improving health, increasing per capita income and conserving environmental resources. Although literacy rates have increased from 50% in 1990 to 63% in 2001,

Africa continues to lag behind the rest of the world in investment in its people. Access to formal education has risen in most African countries during the past several years, yet 39% of boys and 43% of girls still are not enrolled in primary school. Drop-out rates remain high, with just 20% of all children completing primary school. Educational quality is also poor, with large class sizes, significant numbers of poorly qualified teachers, a severe shortage of textbooks and teaching aids and inadequate facilities. HIV/AIDS also continues to decimate the ranks of teachers. Systemic education reform is critical if Africa's children are to compete successfully in today's world. USAID bilateral programs focus on educational policy and systems development, decentralized decision making and greater involvement of parents and civil society, with an emphasis on basic education, particularly for girls, which has proven to yield higher returns.

USAID's commitment to education in Africa is centered on the President's \$200 million Africa Education Initiative, launched in FY 2002. In FY 2004 this initiative will expand to reach students in 23 countries in sub-Saharan Africa. The initiative will provide 250,000 scholarships for girls and other vulnerable children, 4.5 million much-needed textbooks and training for 420,000 teachers over a five-year period. This program is 2 years old now. To date, AEI, has upgraded the skills of over 50,000 teachers through in-service training programs and provided initial teacher training for 11,000 new teachers, and this year will provide 650,000 textbooks and 180,000 readers to African schools in Benin, Ethiopia, Guinea, and Senegal and deliver scholarships to nearly 25,000 girls. In FY 2005, USAID will invest about 10% of its program resources available for Africa, or \$105.2 million, in education programs, including \$53 million for the Africa Education Initiative.

## Environment

Africa has a diverse and abundant natural resource base which if prudently managed and protected can contribute to sustainable economic growth as well as to worldwide efforts to improve the global environment and maintain biodiversity. Experience has demonstrated that community-based natural resource management programs, such as those supported by USAID in Madagascar, Guinea and Namibia, have successfully preserved valuable environmental assets while extending their economic benefits to a broader range of households. For example, in Madagascar, 29,000 hectares of natural forest were transferred to 25 community management associations, and USAID helped establish farmer associations in 882 villages where about 26,000 farmers have agreed to stop destructive slash and burn farming around critical biodiversity habitats. In Namibia, contributions made to the national economy by community-based Natural Resource Management enterprises are conservatively estimated at \$5.5 million, and there has been an 81% increase in the number of hectares under conservancy management since 2002. In Guinea, the national government has devolved the management of 87,247 hectares in five classified forests to local communities, who now share the responsibilities for and the benefits of sustainable management of the forests with the Guinean Forest Service. Villagers have taken actions to protect these forests, which are important watersheds for three major West African rivers. Major challenges remain however, as the region contains 45% of global bio-diversity yet has the highest rate of deforestation in the world. Africa is also urbanizing at the highest rate in the world, creating new environmental challenges. By 2016, half of all Africans will reside in urban areas. The centerpiece of USAID's efforts in the environmental sector in Africa is the Congo Basin Forest Partnership (CBFP), a three-year \$53 million effort, announced at the World Summit on Sustainable Development in 2002, to provide a six-country network of national parks and protected areas, well managed forestry concessions and assistance to communities in the world's second largest tropical forest. Proposed funding for USAID's environmental programs in Africa for FY 2005 is 75.9 million, or 7.3% of total available program funding.

## Health

A healthier population is critical to Africa's efforts to reduce poverty and improve living standards. However, during the past decade health status gains have been undermined in many countries of the region by increasing poverty, civil unrest and the rapid spread of HIV/AIDS and other infectious diseases, such as tuberculosis (TB), malaria, meningitis and cholera. The disease burden in Africa is the highest in the world and life expectancy has continued to decline, to less than 50 in many of the countries most affected by HIV/AIDS. Over 90% of the world's 600 million yearly malaria cases occur in Africa and this disease alone causes over 2.3 million deaths a year, mostly of young children. TB rates have also jumped by 95% between 1995 and 2000. While under-five mortality rates are continuing to decline, the rate of decrease has slowed over the last decade. AIDS is driving this trend, as well as that of the TB increases, and the highest HIV/AIDS prevalence countries are seeing an actual increase in their under-five mortality rates. Despite progress, immunization rates for children under one year are still below 80%, leaving significant numbers vulnerable. Malnutrition in children has also increased in many countries due largely to conflict and natural disasters, resulting in alarming numbers of stunted children in the most affected countries. Investment in health systems and basic health interventions has not kept pace with need.

USAID is implementing broad based health interventions in every bilateral country program in the sub-Saharan

Africa region. USAID health programs focus on increasing the availability, effectiveness and access to quality health care. Programs address the leading causes of child mortality and morbidity, such as malaria, TB, malnutrition, respiratory diseases, diarrhea and vaccine-preventable illnesses. USAID programs increase immunization coverage, strengthen surveillance and build human capacity to provide quality care. Spectacular results from Malawi, where sales of treated bed nets to reduce the risk of malaria reached almost one million people in 2003, almost a five fold increase over 2002, provide a proven model for future programming. Successful efforts to create alternative new community based health care financing systems, such as those underway in Senegal, Rwanda and Zambia, also offer promise to hundreds of thousands of households and provide excellent models for replication. As funding levels are clearly linked to improved health outcomes, it is expected that new funding from USAID, other donors, the Global Alliance for Vaccines and Immunizations (GAVI) and the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria will result in more positive trends in the near future. USAID will invest 15.5% of its FY 05 program funding available to Africa in health and child survival programs.

## **HIV/AIDS**

The HIV/AIDS pandemic continues to ravage the continent, although there are hopeful signs that prevention measures, treatment, and care are beginning to slow its spread. Prevalence rates remain extremely high in all of southern Africa, reaching 25% in Zimbabwe and almost 40% in Swaziland and Botswana. Of the estimated 34-46 million people infected by HIV worldwide, 25-28 million reside in sub-Saharan Africa. Over 80% are in their productive years and two thirds are female. The number of AIDS orphans is expected to rise from 11 million to 40 million by 2010. Average life expectancy will continue to decline over the next decade, falling below 35 in several high prevalence countries, significantly impacting prospects for economic growth and further straining household incomes. However, the experience of Uganda, where infection rates have decreased by 50% from 1997-2001 and promising results among certain groups in Zambia and elsewhere demonstrate that strong leadership and a comprehensive approach to prevention can be effective in stabilizing and/or reducing prevalence rates.

HIV/AIDS is the single highest health priority for USAID in Africa. USG global AIDS activity and policy is coordinated by the newly created Office of the U.S. Global AIDS Coordinator at the Department of State, coordinating the \$15 billion, five-year, PEPFAR Initiative. In FY 2005, in addition to a substantial increase in PEPFAR funding, programmed through the Global AIDS Coordinator, \$231 million of Child Survival HIV/AIDS funding will be made available for combating HIV/AIDS in Africa. USAID anticipates playing a key role in the implementation of PEPFAR. USAID Missions will maintain their focus on preventive primary health care and expand service coverage, including those for orphans and vulnerable children. Programs will build on successful efforts in Uganda, Senegal and Zambia. The key approach from Uganda being used for PEPFAR is the "ABC approach" where "A" is for abstinence, "B" for being faithful, and "C" for correct and consistent condom use. Also the approach calls for voluntary counseling and testing and care and support for persons living with AIDS, including anti-retroviral therapy. Programs begun under the Prevention of Mother to Child Transmission Initiative will also be expanded. Missions in Africa are integrating HIV/AIDS mitigation programs throughout their development portfolios.

## **Population**

With a growth rate of 2.4% a year, the highest in the world, Africa's population of 690 million will swell to over one billion by 2025, despite the effect of the HIV/AIDS crisis. This will place its natural resources, public services and social fabric under enormous stress and compromise per capita income growth. Though the majority of women say they desire fewer children, contraceptive prevalence rates remain under 20% in all but five countries and above 50% only in South Africa and Zimbabwe. Dramatic increases in contraceptive prevalence rates in Botswana and Malawi over the past 15 years, however, offer proof that reproductive health programs, such as those supported by USAID, can indeed promote behavioral change. USAID Missions support a broad range of family planning programs, including public education, advocacy and outreach through traditional and community structures, community-based distribution and marketing of contraceptives and encouragement of sound child spacing practices.

For FY 2005, USAID is proposing \$536.8 million in overall funding for all child survival and health accounts, including HIV/AIDS and population, or 51.8% of its total available program funding.

## **Democracy, Conflict and Humanitarian Assistance**

Routine accountability in government, observance of the rule of law and respect for human rights mitigate against civil strife and violent conflict. They are also critical to equitable economic development. Good governance, coupled with improved economic well-being and better social services, also diminish the appeal of extremist ideologies and terrorist agendas. The past year has witnessed a series of extremely positive achievements in conflict resolution with

the restoration of peace in Liberia, Sudan, the DRC, and with the continued progress of reconciliation in Angola and Sierra Leone after years of bitter strife. The United States has played a seminal role in international efforts to assist these processes. However, the conflict in the Cote d'Ivoire and the continuing instability in northern Uganda are reminders that peace is fragile. Through the Conflict and Peace Building Fund, begun in 2003, USAID is implementing a multi-faceted approach to strengthen African capacity to manage and mitigate conflict.

Democratic governance and improved governmental accountability have continued to expand throughout the region. A major milestone was met in Nigeria, when for the first time in its history a civilian government successfully and relatively peacefully transferred power to a succeeding civilian government. In addition, over the past five years, Ghana, Senegal, Kenya, Mauritius, South Africa, and Botswana have held free and fair elections. Since the Kenya elections in late 2002, the new government has moved aggressively to address the corruption issue and taken several concrete steps to improve the transparency and accountability of the public sector. Zimbabwe has unfortunately continued to be a problem with increasing disrespect for the rule of law and for human rights.

USAID's efforts to improve democratic governance and promote increased accountability advance the national security goal of creating the conditions for peace and improved security. In the DRC, USAID assistance for a national workshop of civil society delegates for the Inter-Congolese Dialogue resulted in the drafting of a unified position paper for civil society. This paper identified issues including power-sharing, elections, constituting a new army, police and public order matters, social and financial reconstruction issues, and peace and national reconciliation. Members of the opposition and civil society are now sharing four vice-presidential positions and other key government posts in a transitional government.

USAID programs promote representative political processes, free and fair elections, the strengthening of democratic institutions, the rule of law, the growth of a vibrant civil society, the decentralization of governmental functions, improved accountability of the public and private sectors and the respect for human rights. USAID assistance increased civil society's capacity to lobby for reforms and to monitor government, leading directly to peaceful, free and fair elections in December 2002 in Kenya. In Ghana, USAID assistance has enhanced the interaction between civil society and local government and broadened public input to decision-making. Electricity, water, telephone services, judicial corruption, and health have been discussed in Parliament and have seen widespread interest from Ghanaian citizenry. Public hearings on judicial corruption were attended by more than one thousand people.

Many USAID Missions have integrated the principles of transparency, participation and accountability throughout their development portfolios. Twelve Missions are participating in the Anti-Corruption Initiative, launched in FY 2003, which promotes public access to information, citizen awareness and advocacy, transparency and accountability of government procedures and public-private dialogue. In FY 2005, USAID will extend its efforts to manage and mitigate conflict, promote community reintegration and strengthen African networks to identify and respond to potential crises. In FY 2005, USAID will invest \$89.5 million, or 8.7% of its program resources available to Africa, in efforts to strengthen democracy and governance.

USAID's humanitarian assistance programs have been vital to international efforts to mitigate the effects of several natural disasters during the past year, the most severe being in Ethiopia and parts of southern Africa. Humanitarian assistance programs have also been critical to post conflict recovery in several countries, including the DRC, Sudan, Liberia and Burundi. USAID Missions will continue to strengthen their linkages with the Office of Foreign Disaster Assistance (OFDA) and the Office of Transition Initiatives (OTI) to better prepare for the relief-to-development transition in countries under stress.

## **Millennium Challenge Account**

The President has recently signed into law the Millennium Challenge Account Act, which provides the authorization for the MCA and \$1 billion in appropriations for FY 2004. In FY 2005, the Administration has requested \$2.5 billion for the MCA. The MCA will be administered by the newly formed Millennium Challenge Corporation (MCC), an independent U.S. Government Corporation and will provide development assistance for selected poor countries that demonstrate a commitment to governing justly, investing in people, and encouraging economic freedom. It is anticipated that some African countries will qualify for participation. The legislation also provides for up to 10 percent of the MCA funds is authorized to be made available to countries that demonstrate a commitment to the criteria but fail to meet the full requirements for MCA eligibility so that they may become eligible in the future (so-called "threshold" countries). Also, the MCA Act states that this assistance may be provided through USAID.

USAID's relationship to the MCA is evolving. The USAID Administrator is one of nine MCC Board Members. At a minimum, in approving MCA proposals for assistance, the MCC will consult with Congress, USAID and other donors.

USAID also may play a constructive role in assisting the threshold countries to qualify for MCA in future years.

## **Global Development Alliance -- Public-Private Alliances**

Public-private alliances enable USAID to enhance the impact of its programs by mobilizing the ideas, efforts, and resources of the private sector with those of the public sector and non-governmental organizations. In FY 2003, USAID created 41 public-private alliances through 15 bilateral missions and all three regional programs in sub-Saharan Africa. USAID missions leveraged \$37.5 million of their own resources to generate \$135 million from its partners. Alliances were created in almost every sector of development, including health, agriculture, the environment, education, information technology and small enterprise development. A major new alliance brings together Shell Oil with USAID in a \$20 million effort to spur agricultural growth in Nigeria.

## **Debt Issues**

With the advent of real reductions in external debt resulting from the international Heavily Indebted Poor Countries (HIPC) Initiative, the overall debt picture in sub-Saharan Africa has begun to brighten appreciably. The continent's total debt service ratio (debt as a percentage of exports of goods and services) has fallen from 13.9% in 1999 to 10.7% in 2002, well below the critical 15% mark that is generally viewed as unsustainable. The debt service savings enable the 30 African countries benefiting from HIPC debt relief to free up public resources for other priority sectors, such as education and health.

## **Other Donors**

The United States remains the largest bilateral provider of Official Development Assistance (ODA) to sub-Saharan Africa in 2002. The United Kingdom, France and Japan follow as the other major bilaterals. The largest ODA levels continue to be provided through the multilateral organizations, primarily the World Bank group, which lends almost exclusively in Africa through its concessional International Development Association (IDA) window. The European Union, the African Development Bank and the various U.N. agencies are also significant multilateral donors in the region. The United States has become an active participant in discussions to better harmonize ODA procedures and policies among the donor organizations.

## **Program and Management Challenges**

### **Security Issues**

Security remains an ever-increasing concern at most USAID missions in Africa. Five of 23 bilateral missions exist in critical or high-threat security situations. Missions continue to take steps to improve security within the limits of available funding. USAID missions are required to co-locate with new embassies as they are being built.

### **Staffing and Operating Expenses**

Using the Agency-wide "workforce template" as a base, the Africa region has developed a plan to make the best use of its human resources. Overseas direct-hire field staff levels will be at 227 in FY 2005, including nine new HIV/AIDS professionals. The Africa Bureau will continue to look at re-deploying staff among Missions over the next two years to maximize performance. In 2003 a new Mission was established for Sudan, based in Nairobi, but may move to Sudan as conditions improve. USAID also established a presence in Djibouti last year and is in the planning stages of establishing a USAID Representative Office in Sierra Leone.