



CRS Issue Brief for Congress

Africa: U.S. Foreign Assistance Issues

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SUMMARY

The Clinton Administration's FY2000 budget request for aid to sub-Saharan Africa seeks increases in a number of Africa aid programs, including the Development Fund for Africa. It would also complete the payment of arrears and provide new capital to the African Development Fund, an Africa-based lender to the poorest countries. If approved, the request would continue the recent pattern of incremental annual increases in non-food Africa assistance. However, appropriations bills that have passed the House and Senate have reduced requested aid levels in some categories.

In 1995, at the outset of the 104th Congress, substantial reductions in aid to Africa had been anticipated, as many questioned the importance of Africa

to U.S. national security interests in the post-Cold War era. This position seemed to moderate as the debate went forward, and congressional reports and bills acknowledged U.S. humanitarian, economic, and other interests in Africa. Aid levels did fall somewhat from FY1996 through FY1997, but began to increase in FY1998.

U.S. assistance finds its way to Africa through a variety of channels, including the USAID-administered Development Fund for Africa (DFA), food aid programs, and indirect aid provided through international organizations. Overall U.S. assistance through all channels, including food aid, totaled somewhat more than \$1.8 billion in FY1999, down from about \$2 billion in FY1998, when there was an unusually high volume of food aid.

U.S. assistance to sub-Saharan Africa reached a peak in 1985, when global competition with the Soviet Union was at a high point. As the Cold War eased, security assistance programs for Africa began to drop. Bilateral economic assistance for Africa today is close to the FY1990 low. The United States was once the second-leading development aid donor to sub-Saharan Africa after France but has fallen to fourth place, behind France, Germany, and Japan, in the post-Cold War era.

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

Like its predecessor, the Clinton Administration is pushing African recipients for economic and political reforms, while placing increased emphasis on population and environmental programs. It has launched special initiatives, including a major transition initiative to assist South Africa in moving beyond the apartheid era. The Leland Initiative supports increased Internet connectivity in Africa. U.S. assistance also promotes African conflict resolution programs.

The 1999 debate on aid to Africa is focusing overall aid levels for Africa, debt forgiveness, and promoting African trade and investment.

MOST RECENT DEVELOPMENTS

On August 16, 1999, the White House released a "fact sheet" on the President's international affairs budget that criticized Congress for reducing aid to Africa in the foreign operations appropriations bills. According to the White House, there are "new opportunities for peace, prosperity, and democracy" in Africa, but Congress had "cut significantly" the President's request for development assistance and economic support funds for the region. Others argue that Africa has fared reasonably well in the appropriations process, particularly in view of reductions in many other programs. In an August 12 statement, U.N. Secretary General Kofi Annan said that "the humanitarian needs of victims of war and natural disasters in many parts of Africa are reaching irrevocable proportions." Annan added that he was "alarmed by the poor response of the international community." On July 19, Vice President Gore announced a \$100 million AIDS initiative to be focused primarily on sub-Saharan Africa. The initiative includes \$45 million in new Child Survival and Disease Programs aid and \$10 million for the Department of Defense to conduct HIV prevention education activities in its programs with African armed forces.

The House passed [H.R. 2606](#), its version of the foreign operations appropriation, on August 3. Report language ([H.Rept. 106-254](#)) directs that Development Assistance (DA) for sub-Saharan Africa be at least equal to the amount provided in FY1999. The report estimated that spending for Child Survival and Disease Programs would increase by \$24 million. The Senate version of the foreign operations appropriation ([S. 1234](#)), which passed on June 30, has no earmark for Africa DA; nor is there a report directive. The bill would appropriate \$1.9 billion for the worldwide Development Assistance (DA) programs of the U.S. Agency for International Development, as compared to an Administration request of \$2.6 billion. As requested by the Administration, the Senate-passed bill appropriates \$5.1 million to increase the capital stock of the African Development Bank, a regional multilateral lender, but it does not appropriate funds for the African Development Fund (AfDF), the Bank's soft-loan window. The Administration had sought \$27 million in payment of arrears to the AfDF, as well as \$100 million as a new contribution to AfDF capital. The House bill would provide \$108 million for the AfDF. The House bill sharply reduces requested funding for the World Bank's International Development Association (IDA), a major channel for aid to Africa, while the reduction in the Senate bill is smaller.

BACKGROUND AND ANALYSIS

U.S. Aid to Africa: An Overview

FY2000 Request: Overview

The Clinton Administration's proposed budget for aid to sub-Saharan Africa would continue a pattern of incremental increases in non-food assistance that has been apparent since FY1998 (see [Table 1](#)). (Unusual weather conditions led to high levels of food aid to Africa in FY1998.) There would be an overall increase of \$45 million from FY1999 in spending for the Development Fund for Africa (DFA) and aid for Child Survival and Disease Programs (CSD) -- a combination indicating overall U.S. spending on Development Assistance (DA) in Africa.

The FY2000 request includes the first substantial contribution since FY1992 to the African Development Bank (AfDB), a multi-lateral lending agency based in Africa, reflecting the Administration's endorsement of reforms the Bank has undertaken. The request for the African Development Fund (AfDF), the AfDB's "soft-loan window" that makes loans at concessional rates to needy countries, incorporates a payment of \$27 million to clear up U.S. arrears. Since the \$128 million contributed in FY1999 included \$88.3 million in arrears, the \$127 million requested for the AfDF in FY2000 represents a substantial increase in new support. The Administration's proposed budget would also increase support for peacekeeping in Africa. Proposed spending under the Economic Support Fund, a security assistance program, will be less than in FY1999, primarily because the FY1999 amount was boosted by an emergency supplemental appropriation in response to the bombings of the U.S. embassies in Kenya and Tanzania.

Table 1. Highlights of the FY2000 Africa Assistance Request
(Appropriations, \$ millions)

Program	FY1998 (Actual)	FY1999 (Actual)	FY2000 (Request)
Development Fund for Africa	445.1	460.1	512.6
Child Survival and Disease Programs	255.0	251.2	232.4
Economic Support Fund	26.0	98.2	73.0
African Development Foundation	14.0	11.1	14.4
Peace Corps	52.6	54.6	56.0
Voluntary Peacekeeping Operations	17.1	19.0	28.0
Int'l Military Education and Training	8.0	8.1	8.5
Foreign Military Financing	17.0	10.0	10.0
Contributions to Int'l Peacekeeping	46.2	29.2	57.2
African Development Bank	-	-	5.1
African Development Fund	45.0	128.0	127.0
Non-Food Aid Total	926	1069.5	1124.2
Food Aid	448.4	224.4	134.4
Total	1374.4	1293.9	1258.6

Recent Assistance Levels

In 1995, at the beginning of the 104th Congress, proposals to restructure and reduce the U.S. foreign assistance program had raised questions about the future of U.S. aid to sub-Saharan Africa. Many questioned the strategic rationale for assisting Africa in the post-Cold War era, and asserted that 30 years of U.S. assistance had accomplished little -- whether in terms of promoting economic growth and democratization, or achieving other objectives. The critics generally favored continuing humanitarian assistance in response to African famine and other disasters, but sought sharp cuts or a termination of efforts to accomplish other objectives. As the aid debate proceeded in 1995 and afterward, however, it became apparent that cuts for Africa would be somewhat less than initially anticipated. The view that the United States has important humanitarian, economic, and other objectives in Africa was vigorously asserted by supporters of the Africa aid program, and came to be reflected in report language on the major foreign assistance bills, and in the bills themselves. Appropriations for Development Assistance in Africa did drop significantly in FY1996 and remained at the same level in FY1997 (Table 2). But in FY1998, appropriations began to increase.

Bilateral Aid

U.S. assistance finds its way to Africa through a variety of channels. Bilateral or country-to-country aid, also known as direct assistance, is given by the U.S. government to African governments and their agencies or to non-governmental organizations (NGOs), also

known as private and voluntary organizations (PVOs), working within the host country. Multilateral aid, or indirect assistance, is given first to international financial institutions (IFIs) and U.N. agencies, which in turn channel it to Africa through their own programs.

Table 2. Development Assistance for Sub-Saharan Africa
(Including Child Survival and Disease Programs Fund, \$millions)

	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999
Request	800.0	863.6	802.1	704.0	700.0	730.0
Actual Appropriation	784.0	802.0	665.0	665.1	700.0	711.3

Past Decline. Bilateral aid obligations to sub-Saharan Africa, including economic assistance, food aid, the Peace Corps, and military assistance, reached a peak of \$2.4 billion in FY1985, but fell to \$1.2 billion in FY1990 (both figures in constant 1997 dollars). Bilateral aid rose slightly after FY1990, but then dropped off again. Despite increases in FY1998 and FY1999, recent aid levels have remained at or below the FY1990 level. The aid peak in the mid-1980s reflected the high levels of foreign affairs spending characteristic of the period, which in turn grew out of the global competition with the Soviet Union. The special attention given to combating famines afflicting several African countries at the time also boosted U.S. aid.

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

The reduction in Africa aid during the 1980s took place almost entirely within the security-oriented programs: military assistance and especially the Economic Support Fund (ESF). ESF aid is a type of economic assistance allocated by the State Department, in consultation with USAID, with the objective of promoting U.S. security interests. By the mid-1980s, many in Congress and in the wider aid-oriented community had come to believe that security assistance programs in Africa had grown too large and that more U.S. aid should be used to promote long-term development. This concern, combined with declining anxiety over the Soviet threat, brought a sharp reduction in ESF Africa funding. During the Cold War, a few African countries regarded as strategically important, such as Sudan, Kenya, and Somalia, had received substantial grants for the purchase of military equipment, but this sort of aid was also dropping as the 1980s ended. By FY1995, military grants or financing to purchase equipment had been phased out, and military aid was largely confined to small training grants, typically ranging between \$100,000 and \$200,000, funded under the International Military Education and Training (IMET) program.

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

Under this legislation, DFA remained a part of the broader DA program (Chapter 1 of the Foreign Assistance Act), but aid was authorized for a range of specifically Africa-related objectives. These reflect various development theories and strategies that had emerged in the development debate among policy-makers, academics, NGOs, the IFIs, and others over many

years. According to Chapter 10, the purpose of the program "is to help the poor majority of men and women ... to participate in a process of long-term development through economic growth that is equitable, participatory, environmentally sustainable, and self-reliant."

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

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

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

In FY1996, Congress began to appropriate another type of DA: the Child Survival and Disease Programs Fund (CSD), which has channeled substantial amounts of aid to Africa. The CSD appropriation has been included in the House version of the Foreign Operations appropriation and has become part of the final appropriations legislation in conference with the Senate. In its FY2000 budget presentation, USAID lists both DFA and CSD amounts for African countries and adds the two together to present a DA total for each African recipient. This leaves the terminology of Africa aid somewhat confused, since some of those using the term DFA may still be referring to the DA total, rather than the smaller, separate DFA amounts requested by USAID.

Table 3. DA Recipients in Africa
(Includes DFA and CSD, ranked according to FY2000 Request. \$ millions)

	FY1998	FY1999	FY2000 Request
Uganda	44.8	46.4	49.8
South Africa	70.1	47.0	47.4
Mozambique	39.4	40.7	45.7
Ethiopia	42.9	39.9	37.7
Mali	37.5	34.5	37.3
Ghana	38.2	36.9	34.7
Malawi	37.1	32.1	30.8
Kenya	19.5	19.3	26.9
Tanzania	19.7	21.6	23.4
Zambia	19.3	20.4	22.3
Senegal	17.3	23.2	21.0

Nigeria	7.0	12.5	20.0
Guinea	16.9	17.0	18.3
Madagascar	17.5	15.5	17.0
Benin	17.1	15.7	14.1
Rwanda	7.5	11.3	13.0
Congo (DRC)	20.0	7.9	9.5
Liberia	7.5	7.7	9.5
Namibia	8.3	8.6	9.3
Zimbabwe	11.8	8.5	9.2
Eritrea	11.2	10.0	9.0
Angola	13.0	11.2	9.0
Somalia	4.0	1.5	0
Niger	2.2	0	0

Table 3 lists the DA totals for each African recipient. Under the Administration's FY2000 request, Uganda will replace South Africa as the leading DA recipient. High levels of aid for South Africa in earlier years have fallen as the country has moved ahead with its post-apartheid transition. However, plans to phase out the South Africa program in the near future have been shelved because of that country's slow rate of economic growth and the difficulties it has experienced in creating new jobs. The aid level for Uganda primarily reflects Administration approval of its free market economic reforms and its role as "an increasingly stable regional ally" (USAID Congressional Presentation, FY1999). DA for Nigeria is increasing as that country moves forward with a democratic political transition. There would be a slight increase in the small Development Assistance program in Zimbabwe under the Administration's request, despite that country's domestic political tensions and its military intervention in the war in the Democratic Republic of the Congo (DRC). Officials believe it is important for the U.S. Agency for International Development (USAID) to maintain a presence in Zimbabwe during a difficult period.

Food Aid. Food aid to Africa fluctuates in response to the continent's needs. In FY1993, when a major drought afflicted eastern and southern Africa, food aid amounted to 43% of bilateral aid, but in FY1994, when conditions improved, it dropped to 27%. Most of Africa's food aid is in the form of emergency grants given under Title II of the P.L. 480 program, which is implemented by USAID in cooperation with the Department of Agriculture. On rare occasions, countries in a position to repay are given long-term, low-interest loans to purchase food under Title I of P.L. 480. Some of Africa's poorest countries have received U.S. food donations under Title III, entitled "Food for Development," which can be used in feeding programs or sold on the open market, with proceeds to be used for development purposes. Title III programs are underway in Ethiopia, Eritrea, and Mozambique. A few countries have benefitted under Sec.416(b) of the Agricultural Act of 1949, as amended, which permits donations of surplus food to developing countries, emerging democracies, and relief organizations. (For further information, see CRS Issue Brief 98006, [Agricultural Export and Food Aid Programs](#); and CRS Report 94-303, *P.L. 480 Food Aid: History and Legislation, Programs, and Policy Issues*.)

Peace Corps. Over 2,200 Peace Corps Volunteers (PCVs) and 1,200 trainees are currently working in 26 sub-Saharan countries. Under the Peace Corps Act (P.L. 87-293), volunteers are to help the poorest people of these countries meet their basic needs, to promote a better understanding of the American people, and to promote a better understanding of other peoples on the part of Americans. In Africa, the Peace Corps attempts to accomplish these objectives through small-scale projects in agriculture, education, health, the environment, small business development, and urban development. Political instability and war have hampered Peace Corps efforts in recent years, forcing withdrawals from Guinea-Bissau, Eritrea, Chad, Rwanda and Burundi, the former Zaire, and the Central African Republic. At the same time, a new program has been launched South Africa. The largest programs are in Mali, Ghana, Malawi, Cameroon, and Lesotho. The Peace Corps left Botswana in 1997 and Swaziland in 1998 to accommodate budgetary constraints and concentrate resources where most needed.

Security Assistance. The security assistance program in Africa, which had declined with the end of the Cold War, has begun to grow again, primarily in response to widening conflict and political instability in Africa. The Administration's FY2000 request seeks \$15 million under the Voluntary Peacekeeping Operations (PKO) program for the African Crisis Response Initiative (ACRI), which trains small units of African armies for possible peacekeeping duties. Another \$5 million for the ACRI is being requested through the Foreign Military Financing (FMF) program, while an additional \$13 million in PKO aid would go to support African armies participation in African or other peacekeeping operations. The request proposes \$2 million in ESF aid for strengthening the conflict management components of African regional organizations. The State Department explains the continuing IMET programs in Africa in terms of promoting professionalism and respect for democracy and human rights -- and of enhancing capabilities for participation in peacekeeping operations.

African Development Foundation

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

The creation of the ADF in 1980 reflected a widespread view among many development experts -- and in Congress -- that foreign policy considerations were playing too large a role in the U.S. development aid program for Africa; that the USAID bureaucracy tended to delay the delivery of needed assistance; and that existing aid was governed by a "trickle down" philosophy that could be combated by delivering some aid directly to poor Africans and their community organizations. Legislation establishing the ADF (P.L. 96-533, Title V) stated that its purposes were to strengthen the bonds of friendship between the people of Africa and the United States; support local self-help activities in Africa; stimulate participatory development; and promote the growth of indigenous development institutions (P.L. 96-533, Title V). The organization began operations in 1984, and a provision that would have terminated the ADF in 1990 was repealed in 1989.

Refugee and Disaster Assistance

The United States responds to African humanitarian crises in part with Title II food aid, discussed above, and in part through its refugee and disaster assistance programs. Most refugee assistance comes from the Migration and Refugee Assistance (MRA) account of the State Department appropriation and goes to the United Nations High Commissioner for Refugees and international organizations, as well as private and voluntary organizations assisting African refugees. In addition, the Emergency Refugee and Migration Assistance (ERMA) account, created in 1962 to deal with unexpected refugee situations, has been drawn upon for African emergencies several times in recent years. ERMA funds were used in 1994, for example, to respond to the Rwanda refugee emergency, and in FY1997, \$38 million was spent to assist refugees, victims of conflict, and others at risk in the Great Lakes region of Africa generally. (For further information, see CRS Issue Brief 89150, *Refugee Assistance in the Foreign Aid Bill: Problems and Prospects*.)

USAID's Office of Foreign Disaster Assistance (OFDA) also plays a major role in responding to African crises. In recent years, the largest amounts have been spent in response to emergencies in Sudan, Sierra Leone, and Burundi.

Multilateral Assistance

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

The African Development Fund (AfDF) has been another major channel for indirect U.S. aid to Africa. The Fund is an affiliate of the African Development Bank (AfDB), established in 1964 as an all-African lender. Outsiders were invited to join the AfDF, which was created in 1973 to make concessional loans to the poorest African countries. The United States became a member in 1975. The Bank itself, which holds 50% of the voting power in the AfDF, was opened to outside participation in 1983.

Congress appropriated \$135 million as the U.S. contribution to the AfDF in FY1994 and \$124 million for FY1995. The executive branch used approximately half of the FY1995 appropriation to clear up arrears in U.S. contributions, but the remainder was held pending completion of negotiations on the seventh replenishment of the AfDF by donors. Concerns over management at the AfDB and the AfDF led the House and Senate to rescind the remaining \$62 million of the FY1995 contribution, and no funds were approved for the Bank and the Fund in FY1996. The Bank and the Fund installed new management and undertook various reforms, leading to renewed support for the AfDF in FY1998 and a small request for the AfDB in FY2000 (see [Table 1](#)).

Total U.S. Assistance

Totals for assistance to Africa through the major assistance programs discussed above are provided in **Table 4**. Entries for aid through multilateral organizations were calculated by multiplying the U.S. appropriation for each organization by the proportion of aid that organization gives to sub-Saharan Africa. The totals in this table are only an approximation, since additional amounts of indirect aid reach Africa through other channels, principally U.S. contributions to the regular budgets of U.N. agencies active in Africa, such as the Food and Agriculture Organization (FAO) and the World Health Organization (WHO). (For further information, see CRS Issue Brief 86116, *U.N. System Funding: Congressional Issues*.) Total assistance in FY1998 was unusually high because of high levels of food assistance, as noted above.

Table 4. Estimated U.S. Africa Aid
(\$ millions, appropriations)

Aid Source	FY1997	FY1998	FY1999
Bilateral	1097.4	1252.2	1106.7
PKO	13.0	17.1	19.0
ADF	11.5	14.0	11.1
MRA	129.3	130.8	135.5
ERMA	38.0	33.0	2.3
OFDA	106.5	105.3	69.6
IDA	254.5	388.0	309.6 (1)
AfDF	0	45.0	128.0

UNICEF	47.0	49.2	51.4
UNDP	15.4	15.6	15.6 (2)
Total	1712.6	2050.2	1848.8

(1) Assumes the proportion of IDA lending to Africa will increase by 1.2%, as it did in 1998.

(2) Assumes UNDP will spend in Africa at the 1998 level.

Comparison with Other Regions

Some advocates of increased aid to sub-Saharan Africa contrast Africa aid levels with aid to Egypt and Israel. Others see no issue in the disparity between Africa aid and aid to the Middle East or other regions, arguing that the differences reflect varying U.S. interests. In any case, the FY1999 actual appropriation for all forms of bilateral aid to Africa was \$1.1 billion, while Israel and Egypt together received \$5 billion, all in the form of security assistance. Aid to Africa was less than the \$1.4 billion for Europe and the Newly Independent States, including Russia; and about equal to aid for Latin America and the Caribbean. The Latin America/Caribbean amounts were higher than usual due to hurricane relief and increased anti-narcotics funding.

Comparison with Other Donors

In 1986-1987, according to data compiled by the Organization for Economic Cooperation and Development (OECD), the United States ranked second to France as a donor to sub-Saharan Africa of net bilateral Official Development Assistance (ODA), which includes food aid and relief as well as development aid. By 1996-1997, however, the United States had fallen to fourth place behind France, Germany, and Japan.

Recent Trends in U.S. Aid

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

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

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

USAID also maintains that the DFA and CSD assistance have assisted in helping African countries achieve increases in child immunization and the use of oral rehydration therapy, shift their health policies towards an active emphasis on AIDS prevention, increase the prevalence of contraceptive use, and boost primary school enrollments. In agriculture, USAID asserts that the DFA has helped liberalize agricultural markets, increase smallholder production; and facilitate the development of new seed varieties. The DFA has also been used to assist governments undertaking macro-economic reforms, including reductions in the size of government bureaucracies and the privatization of government enterprises. USAID maintains that it has introduced an efficient, performance-based management system for the DFA, and focused U.S. resources on countries where the chances for success are greatest. USAID has closed missions in several sub-Saharan countries in keeping with the downsizing affecting the foreign affairs agencies generally. Most are in countries that are not cooperating with USAID's efforts to promote democratic and free-market reforms, while the Botswana closing reflects the country's "graduation," as its annual per capita income approaches \$3,000. Some believe that the shutdowns will boost USAID's efficiency over the long-term, but others worry that a major retrenchment is beginning. In their view, U.S. influence will suffer as a result.

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

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

The Leland Initiative is a 5-year \$15 million program aimed at connecting 20 sub-Saharan countries to the Internet. The initiative is named for the late Representative Mickey Leland, founder of the House Select Committee on Hunger, who died in a 1989 plane crash while on his way to investigate conditions in an Ethiopian refugee camp. Technicians from several U.S. government agencies are working to implement the project, which will make Internet access available to "all sectors of the African development community," including NGOs, government agencies, "private developers," and individuals. (USAID press release, June 6, 1996.)

South Africa has been a special focus of the Clinton Administration's aid policy in Africa. After the installation of a democratically-elected government in May 1994, President Clinton pledged the United States to \$600 million in aid to South Africa over 3 years. The United States guaranteed loans for housing, electrification, and small business development. Resources were also used to support the growth of small, medium, and micro-enterprises (SMMEs) in South Africa. In its FY2000 presentation, USAID emphasizes efforts to strengthen the South African justice system, improve education, promote primary health care, and foster majority involvement in business.

President Clinton made a number of announcements and proposals with respect to Africa assistance while visiting 6 countries in the region from March 22 through April 2, 1998. Most of the funding for these initiatives was to come from existing programs, or had already been proposed under the Administration's FY1999 foreign assistance request, which was submitted to Congress before the President's departure. Some initiatives extend over 2 years, so that additional funds are being requested for FY2000. The President's initiatives included \$120 million over 2 years for the Education for Development and Democracy Program; \$60 million over 2 years under the Africa Food Security Initiative to increase food production in Uganda, Mali, Malawi, Mozambique, and Ethiopia; \$35 million to finance 100% reductions in concessional debt for qualifying African states; \$30 million for the Africa Trade and Investment Policy (ATRIP) program; \$30 million to help strengthen judicial systems in the Great Lakes Region of Africa; \$2 million in FY1998 funds for the new, international Rwanda Genocide Survivors Fund, with continued support in years to come; and \$1.2 million funded by the Departments of State and Transportation for a "Safe Skies for Africa" initiative.

A new initiative was also announced to share information on malaria and other infectious diseases, and the President said that he was directing that \$4.8 million be spent over 2 years by the Voice of America for new programming entitled Radio Democracy for Africa. The President urged that more be spent on environmental programs, and pointed out that the Overseas Private Investment Corporation (OPIC) was helping to set up two private equity funds, expected to total \$650 million, to channel U.S. investment to Africa. (OPIC will not contribute any capital of its own but will guarantee long-term debt raised by the private sector for the funds).

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

Issues for 1999

Assistance Levels. The Clinton Administration has complained that amounts provided in the House and Senate versions of the foreign operations bills will hinder its ability to achieve important foreign policy objectives, including objectives in Africa. Supporters of the bills maintain that the amounts provided meet the essential requirements of U.S. foreign policy while upholding budgetary discipline in the face of competing demands on resources. Table 5 compares the two bills with the Administration's request in selected Africa-related categories.

Table 5. Selected Appropriations Actions Affecting Africa

(\$ millions)

	FY1999	Request	S. 1234	H.R. 2606
DA/DFA	460.1	512.6	(1)	460.1 (2)
CSD	251.2	232.4 (3)	(1)	275.0 (4)
ESF	98.2	73.0	(1)	(1)
ADF	11.1	14.4	12.5	14.4
Peace Corps	54.6	56.0	(1)	54.5 (4)
AfDB	0	5.1	5.1	0
AfDF	128.0	127.0	0	108.0
IDA	309.6	401.7	392.5 (5)	284.3 (5)

- (1) No specific earmark or report language on Africa. The amount appropriated worldwide for this program is less than the Administration's request.
- (2) Although there is no earmark, report language ([H.Rept. 106-254](#)) directs that DA funding be at least equal to FY1999 funding.
- (3) On July 19, 1999, the Administration announced a new AIDS initiative, including a \$45 million CSD budget amendment to be focused "primarily" on Africa.
- (4) House report estimate.
- (5) Based on an assumption that half of new IDA lending will go to sub-Saharan Africa. The IDA-12 replenishment targets this amount, as long as the performance of individual countries warrants it. With China's recent "graduation" from IDA eligibility, additional IDA funds have become available. On the FY1999 estimate, see Table 4.

Debt Forgiveness. Bilateral lenders, including the United States, and multilateral lenders have undertaken efforts to reduce sub-Saharan Africa's debt burden in recent years. For background on this issue and a comparison of legislative initiatives, see [CRS Report RL30214](#), *Debt Reduction: Initiatives for the Most Heavily Indebted Poor Countries*.

Trade and Investment. Initiatives to promote trade and investment in Africa may come before Congress in the near future. For further information, see [CRS Issue Brief 98015](#), *African Trade and Investment, Proposals in the 106th Congress*.

Other Issues. Issues related to a number of other African countries could arise during the foreign assistance debate. These CRS products provide information on Africa in general and on specific countries.

CRS Report RL30029 (pdf), *Africa Backgrounder: History, U.S. Policy, Principal Congressional Actions*.

CRS Report RS20085 (pdf), *Angola: War Resumes*.

CRS Report 98-877, *Burundi: Update*.

CRS Issue Brief 96037, *Congo (formerly Zaire)*.

CRS Issue Brief 98046, *Nigeria in Political Transition*.

CRS Report RS20103 (pdf), *Sierra Leone: Current Issues*.

CRS Report RL30065 (pdf), *Somalia: Prospects for Peace and U.S. Involvement*.

CRS Issue Brief 98043, *Sudan: Humanitarian Crisis, Peace Talks, Terrorism, and U.S. Policy*.

For an overview of trends and issues with respect to foreign operations, see CRS Report 30211, *Appropriations for FY2000: Foreign Operations, Export Financing, and Related Programs*.

USAID officials and others express a number of frustrations with aspects of current aid legislation, although there is little indication that these will have an impact on the aid debate in 1999. Some argue, for example, that reductions in operating expenses have forced staff and mission cutbacks that complicate USAID's ability to implement the Africa DA program. Critics of this view maintain USAID, like other parts of the government, must deal with budget constraints in the interest of maintaining a balanced budget. Some in USAID and elsewhere maintain that the CSD earmark has absorbed funds that might otherwise have been used to promote long-term development, which in turn would promote better health among both children and adults. Others argue, however, that the CSD program has channeled funds to a critical, immediate humanitarian need, and that the American people strongly support assistance that benefits impoverished children.

LEGISLATION

[H.R. 434 \(Crane\) /S. 666 \(Lugar\)](#)

African Growth and Opportunity Act. Sec. 17 of the House-passed version declares as policy that the DFA will complement the other provisions of the Act and lay a foundation for increased trade and investment; affirms that the DFA will continue to promote long term development; amends the Foreign Assistance Act to specify that DFA funds can be used for democratization and conflict resolution programs. Sec. 18 favors the provision of assistance by U.S. business to reduce the incidence of HIV/AIDS. Sec. 19 states the sense of Congress that addressing the HIV/AIDS crisis in Africa should be a central component of U.S. Africa policy. Reported by the House International Relations Committee ([H.Rept. 106-19](#), Part I) on February 16; reported by the Committee on Ways and Means ([H.Rept. 106-19](#), Part II), June 17. Passed the House (234-163), July 16; received in the Senate, July 17. Senate version, not including the above provisions, introduced on March 18 and referred to the Committee on Finance. (For more information, see CRS Issue Brief 98015, [African Trade and Investment, Proposals in the 106th Congress](#).)

[H.R. 2606 \(Callahan\)](#)

Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000. Includes no DA or DFA earmark for Africa, but report language ([H.Rept. 106-254](#)) directs that DA for the region should be at least equal to the FY1999 allocation (\$460.1 million) and estimates un-earmarked aid under CSD at \$275 million. Earmarks \$14.4 million in DA for the African Development Foundation; appropriates \$568.6 million for IDA (compared with an Administration request of \$803.4 million); includes no appropriation for the AfDB but appropriates \$108 million for the AfDF; prohibits FMF for Sudan and Liberia; prohibits direct assistance to Sudan; prohibits obligation or expenditure of funds for Sudan or the Democratic Republic of the Congo (DRC) except through regular notification procedures; prohibits aid to the government of the DRC until the President reports that Congo is investigating and prosecuting human rights violations and implementing a credible democratic transition; authorizes ADF to invest funds pending expenditure; permits the ADF to waive the \$250,000 project limit in exceptional circumstances. Report language encourages the ADF to continue to seek outside funding; opposes non-project aid or debt relief for Ethiopia and Eritrea until they cease military operations against one another; endorses Operation Lifeline Sudan in southern Sudan as well as capacity-building projects in the region; urges the Department of State to foster a relationship with the government of Gabon in support of U.S. Africa policy goals; urges the Administration to encourage the Liberian government to end military support for Sierra Leone rebels; criticizes USAID for failing to consult on its decision to extend the South Africa aid program for 5 years; supports ACRI. Reported to the House from the Committee on Appropriations ([H.Rept. 106-254](#)) on July 23; considered in the House on July 29, 30, and August 2, 3; passed the House August 3; passed the Senate in lieu of [S. 1234](#), August 4; conference scheduled in Senate.

[S. 1234 \(McConnell\)](#)

Foreign Operations, Export financing, and Related Programs Appropriations Act, 2000. Appropriates \$1.9 billion for DA worldwide, with no Development Fund for Africa earmark; earmarks up to \$12.5 million in DA for the African Development Foundation; prohibits FMF for Sudan and Liberia; appropriates \$5.1 million to increase the capital stock of the African Development Bank. Includes no appropriation for the African

Development Fund, and report language ([S.Rept. 106-81](#)) states that "given extensive resources committed to Africa on a bilateral and multilateral grant basis, the Committee has not funded the request for additional concessional lending for the Fund." Prohibits use of funds appropriated under the act to assist the government of the Democratic Republic of the Congo. Reported to the Senate by the Committee on Appropriations ([S.Rept. 106-81](#)), June 17, 1999. Passed the Senate, 97-2, June 30; Senate passed [H.R. 2606](#) in lieu of [S. 1234](#), August 4.

FOR ADDITIONAL READING

Lancaster, Carol. *Aid to Africa: So Much to Do, So Little Done*. Chicago, University of Chicago Press, 1999.

Van de Walle, Nicholas and Timothy A. Johnston. *Improving Aid to Africa*. Washington, Overseas Development Council, 1996. (Distributed by Johns Hopkins University Press, Baltimore.)

Appendix: Africa Assistance Acronyms

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

SMMEs	<i>Small, medium, and micro-enterprises.</i>
UNECA	<i>United Nations Economic Commission for Africa, headquartered in Addis Ababa, Ethiopia.</i>
UNDP	<i>United Nations Development Program</i>
USAID	<i>U.S. Agency for International Development</i>

