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Raymond W. Copson
Foreign Affairs, Defense, and Trade Division

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Africa: U.S. Foreign Assistance Issues

SUMMARY

Under the Administration's FY2006 foreign assistance request, U.S. aid to sub-Saharan Africa would continue to grow, due to sharp increases through the State Department's Global HIV/AIDS Initiative. Twelve "focus countries"in Africa are benefitting substantially under this program. Assistance through the Child Survival and Development Assistance programs would decline, but a new Transition Initiatives program would provide $95 million to Ethiopia and Somalia. Overall, non-food aid to Africa would total about $3.6 billion under the request compared with an estimated $3.4 billion being allocated in FY2005.

U.S. aid to 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 levels for Africa began to drop. 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. As the debate went forward, however, congressional reports and bills acknowledged U.S. humanitarian, economic, and other interests in Africa. Aid levels did fall, but began a gradual recovery in FY1997. Assistance through the Child Survival and Development Assistance (DA) accounts has now leveled off, but aid to Africa is reaching new highs due to aid through the Global AIDS Initiative.

U.S. assistance finds its way to Africa through a variety of channels, including the USAID-administered DA and Child Survival programs, food aid programs, and refugee assistance. The Peace Corps is expanding in Africa and plans to have about 2,700 volunteers there by the end of FY2005. 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 far below levels seen in the 1980s, has increased in recent years, primarily because of U.S. support for African peacekeeping initiatives. The World Bank's International Development Association (IDA) is the principal multilateral channel for U.S. aid, but the United States also contributes to the African Development Bank and Fund, and to United Nations activities in Africa.

USAID Administrator Andrew Natsios has testified that in FY2005, the aid program is emphasizing peace in Sudan, ending famine in Ethiopia, and combating HIV/AIDS. He has also stressed the importance of agricultural development. In a June 26, 2003 speech, President Bush described a "partnership" with Africa including support for security and development. In August 2002, the Administration announced initiatives on access to potable water, clean energy, reducing hunger, and development and conservation in the Congo River basin. The initiatives are to make extensive use of public-private partnerships. As part of its counterterrorism efforts, the Administration has also launched initiatives to strengthen security forces in the Sahel region and in East Africa.

The overall level of funding for aid to Africa remains a continuing subject of debate. Other issues include the eligibility of African countries for aid through the Millennium Challenge Account and U.S. support for the New Partnership for Africa's Development (NEPAD), an African initiative linking increased aid with policy reform.

MOST RECENT DEVELOPMENTS

On June 27, 2005, the House Committee on Appropriations reported the Foreign Operations Appropriations bill (H.R. 3057/H.Rept. 109-152). As in previous years, appropriations for most Africa-specific programs are not earmarked in the bill, but the appropriators would provide more than requested worldwide for Child Survival and Health programs as well as Development Assistance, suggesting that the Administration would have ample resources for meeting its proposals for Africa through these programs. On June 10-11, 2005, G8 finance ministers meeting in London agreed on a plan to provide $40 billion in debt relief to 18 poor countries, including 14 in Africa. The agreement is subject to approval at the G8 summit in Scotland, July 6-8. In a June 7 press conference with Britain's Prime Minister Tony Blair, President Bush announced an additional $674.4 million in aid to Africa in FY2005, to be drawn from food and disaster assistance funds, as well as refugee aid, already appropriated by Congress. The President affirmed that the United States would not be participating in Blair's proposed International Finance Facility, which would initially provide $25 billion in additional aid to the sub-Saharan region.

Related CRS products include CRS Report RL32796, *Africa, the G8, and the Blair Initiative*; CRS Issue Brief IB10050, *AIDS in Africa*; CRS Report RS21181, *HIV/AIDS International Programs: Appropriations, FY2003-FY2006*; CRS Issue Brief IB98006, *Agricultural Export and Food Aid Programs*; CRS Report RL32427, *Millennium Challenge Account: Implementation of a New U.S. Foreign Aid Initiative*; and CRS Report RS21772, *AGOA III: Amendment to the African Growth and Opportunity Act.*

BACKGROUND AND ANALYSIS

U.S. Aid to Africa: An Overview

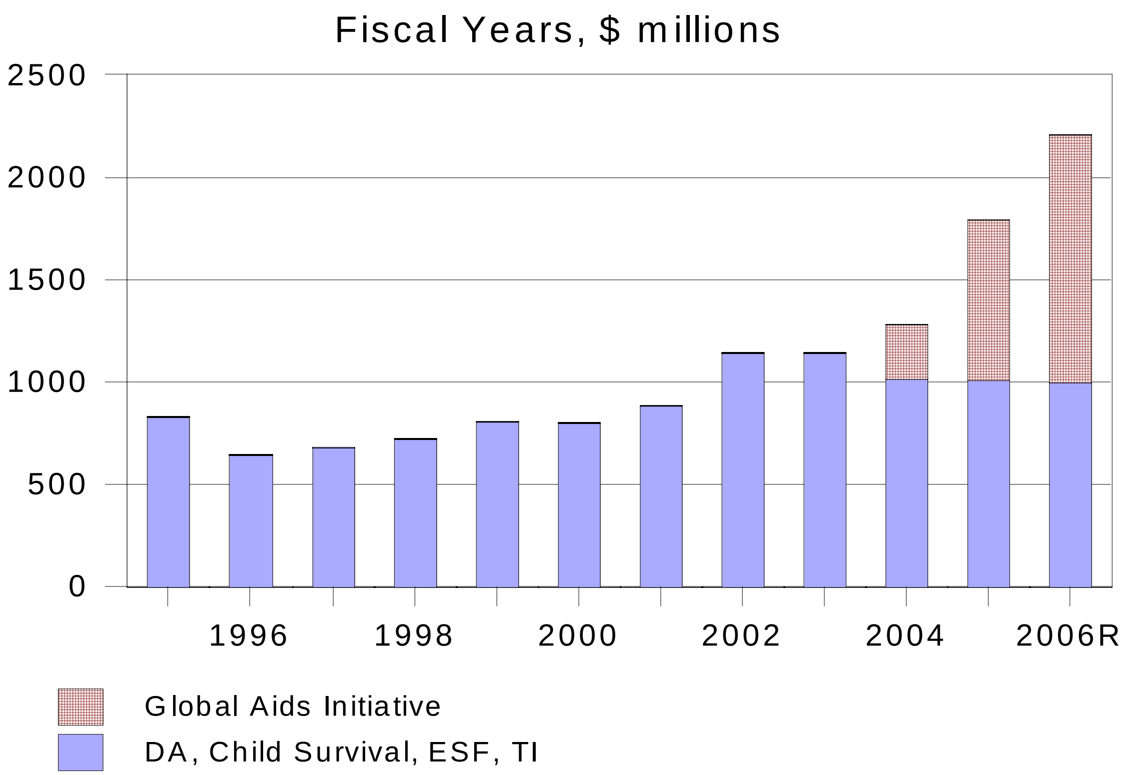
Bilateral Aid

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

Background. Bilateral aid obligations to sub-Saharan Africa were at high levels in the mid-1980s due to the global competition with the Soviet Union and efforts to combat famines afflicting several African countries at the time. Toward the end of the decade, competition with the Soviet Union began to fade as a U.S. priority, and efforts to reduce the U.S. budget deficit began to intensify, contributing to an overall reduction in assistance to the sub-Saharan region. Moreover, policymakers were placing increased emphasis on human rights and commitment to economic reform programs in making their decisions on aid allocations. Consequently, aid to some African countries that had been major Cold War aid recipients, such as Zaire (now the Democratic Republic of the Congo) and Liberia, was sharply reduced.

The reduction in Africa aid 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 the U.S. Agency for International Development (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. 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 FY1994, 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.

Figure 1. U.S. Non-Food Economic Aid to Africa



In 1995, at the beginning of the 104th Congress, proposals to restructure and reduce the U.S. foreign assistance program raised questions about the future of U.S. aid to sub-Saharan Africa. Many questioned the strategic rationale for assisting Africa in the post-Cold War era, and asserted that 30 years of U.S. assistance had accomplished little — whether in terms of promoting economic growth and democratization, or achieving other objectives. The critics generally favored humanitarian assistance, but sought sharp cuts in other programs. As the aid debate proceeded, however, it became apparent that cuts for Africa would be less than initially anticipated. The view that the United States has important humanitarian, economic, and other objectives in Africa was vigorously asserted by supporters of the Africa aid program, and came to be reflected in report language on the major foreign assistance bills, as well as in the bills themselves. Aid did decline, but a slow recovery began in FY1997.

The solid portion of the bars in the accompanying chart (**Figure 1**) shows non-food economic assistance to Africa through the major bilateral U.S. aid programs: Child Survival and Health, Development Assistance (DA), and the Economic Support Fund (ESF). Also included is Transition Initiatives (TI) assistance, a new program that would be created under the FY2006 foreign assistance request to promote stabilization, reform, and post-conflict reconstruction in fragile states. These four programs are administered by the U.S. Agency for International Development (USAID). The checkered portion of the bars shows aid to Africa through the Global HIV/AIDS Initiative (GHAI), administered by the Department of State. GHAI is the principal component of the President's Emergency Plan for AIDS Relief (PEPFAR) and began operations in FY2004. Assistance through GHAI to the 12 PEPFAR focus countries in Africa was an estimated $264 million in FY2004 and $781 million in FY2005, and would reach $1.2 billion in under the FY2006 request; while the USAID programs, taken together, would level off. GHAI assistance includes the provision of antiretroviral therapy, safe injections, safe blood supplies, and abstinence/faithfulness education. (**Table 3**, below, provides detail on these and other programs that channel aid to Africa.)

DFA and Child Survival assistance. 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 (DA) program for the region. Obligations for sub-Saharan Africa projects under the DFA reached $846 million in FY1992, but dropped well below $800 million in subsequent years despite efforts by some Members to increase the DFA appropriation to $1 billion or more. The DFA was last earmarked by Congress in the FY1995 appropriations, when $802 million was appropriated, and DA for Africa has since been provided out of the worldwide Development Assistance appropriation.

For FY1996, Congress began to appropriate another type of assistance: the Child Survival and Disease Programs Fund, renamed the Child Survival and Health Programs Fund (CSH) in FY2002, which has channeled substantial amounts of aid to Africa. In recent years, annual USAID presentations to Congress on the budget request for aid to Africa have varied both with respect to using the term DFA and with respect to including CSH aid in an overall DA amount or in breaking out CSH assistance and DA separately. This has left the terminology governing aid to Africa somewhat confused. However, appropriations bills now treat CSH and DA as separate programs, and that practice is followed in this issue brief. Meanwhile, the term "DFA" is rarely used today, although the Development Fund for Africa is mentioned in the Foreign Affairs Authorization (S. 600) reported in the Senate (S.Rept. 109-35) on March 10, 2005 (see below, **Legislation**).

Economic and Security Assistance

Table 1 ranks African countries that would receive more than $5 million under the FY2006 request through a wide range of U.S. economic and security assistance programs, including the Global HIV/AIDS initiative but not food aid and disaster assistance. Madagascar and Cape Verde have agreed to $110 million compacts with the Millennium Challenge Corporation (see below), but information on the annual allocation of this aid is not yet available and it is not included here.

Table 1. Leading U.S. Assistance Recipients in Africa

($ millions)

Country	FY2006 Request	FY2005 Estimate	FY2004 Actual
Uganda*	220.4	148.6	112.8
Kenya*	212.9	159.1	101.2
South Africa*	189.9	139.4	99.1
Nigeria*	175.7	130.1	80.2
Zambia*	160.0	113.4	82.1
Ethiopia*	145.0	114.1	74.3
Tanzania*	127.5	103.4	58.9
Sudan	112.4	200.9	170.7
Mozambique*	81.5	80.3	59.9
Liberia	89.8	44.1	203.0
Rwanda*	85.0	50.5	35.9
Namibia*	58.8	44.2	26.8
Botswana*	43.7	30.5	11.7
Mali	39.2	38.6	43.0
Dem. Rep. Congo	33.5	38.0	40.4
Ghana	33.4	40.3	41.5
Malawi	32.9	33.3	34.8
Senegal	30.0	29.9	34.1
Cote d'Ivoire*	30.0	20.9	7.5
Madagascar	22.8	22.8	23.3
Angola	20.7	21.5	23.4
Guinea	20.5	17.7	21.9
Benin	17.9	17.9	18.4
Zimbabwe	14.3	13.8	15.5
Djibouti	9.3	6.3	7.1
Sierra Leone	9.0	11.3	9.2
Eritrea	6.9	10.1	8.2
Burundi	6.1	6.4	6.4
Chad	5.2	3.0	3.1

Source: USAID. Amounts exclude food aid.
Note: All amounts include economic and security assistance, as well as assistance under the Global AIDS Initiative.
* Global AIDS Initiative "focus" country. Estimated allocations included.

The high aid level for Uganda reflects not only U.S. backing for its struggle against AIDS, but also a view among policymakers that Uganda's "Prosperity and stability are essential to growth and stability in the east and central African region" generally (USAID Congressional Presentation, FY2004). Kenya is going through a democratic transition following multi-party elections in December 2002; and with Ethiopia, Nigeria, South Africa, and Djibouti, it is regarded as a strategic partner in the war on terrorism. Sudan's relatively high rank reflects U.S. assistance directed to southern Sudan and is focused on conflict prevention, food security, and primary health care. (Aid for Darfur is being provided principally through disaster relief, refugee assistance, and Contributions for International Peacekeeping. For further information, and CRS Issue Brief IB98043, *Sudan: Humanitarian Crisis, Peace Talks, Terrorism, and U.S. Policy*.)

Plans to phase out the South Africa program were shelved by the Clinton Administration because of that country's slow rate of economic growth and the difficulties it has experienced in creating new jobs. Moreover, policymakers have wanted to show continuing support for South Africa's post-apartheid transition, which began in 1994 with the country's first universal suffrage elections. South Africa has the world's largest population of HIV/AIDS victims, with an estimated 5 million infected. Aid for Zimbabwe focuses on the struggle against HIV/AIDS, expanding opportunities for participation in political decision making, and expanding economic opportunities for the disadvantaged. No assistance is channeled through the Zimbabwe government.

Food Aid. Emergency food aid to Africa fluctuates in response to the continent's needs, and the amount provided by the end of a fiscal year often exceeds the initial request. The additional amount is taken from a food aid reserve fund. Emergency food aid is provided under Title II of the P.L. 480 program (named for P.L. 83-480, enacted in 1954), which is implemented by USAID in cooperation with the Department of Agriculture. For further information on food assistance programs, see CRS Issue Brief IB98006, *Agricultural Export and Food Aid Programs*.)

Peace Corps. The Peace Corps expects to have more than 2,700 Peace Corps Volunteers (PCVs) serving in 26 sub-Saharan countries by the end of FY2005, up from an estimated 1,900 in 2002, because of the Administration's Peace Corps expansion program. (For further information, see CRS Report RS21168, *The Peace Corps: Current Issues.*) Under the Peace Corps Act (P.L. 87-293), volunteers are to help the poorest people meet their basic needs, to promote a better understanding of the American people, and to promote a better understanding of other peoples on the part of Americans. In Africa, the Peace Corps attempts to accomplish these objectives through small-scale projects in agriculture, education, health, the environment, small business development, and youth. PCVs are also involved in the struggle against Africa's AIDS pandemic through prevention efforts, capacity-building for local AIDS support providers, care for orphans and vulnerable children, and support for people living with HIV and AIDS.

Security Assistance. The security assistance program in Africa, which had declined with the end of the Cold War, has expanded in recent years, primarily in response to widening conflict and political instability in Africa. Economic Support Fund aid has been used to support economic reform in Nigeria, a "safe skies" program to improve African air traffic safety, human rights and democracy education, and other objectives. ESF aid is also helping strategic partners in the war on terrorism through cooperation on border control, freezing terrorist assets, implementation of the peace agreement in southern Sudan, and other activities. In addition, the Defense Department conducts AIDS prevention education programs, primarily with African militaries.

Table 2. Contributions for International Peacekeeping Activities
($ millions)

Operation	FY2006 (Request)	FY2005 (Estimate)	FY2004 (Actual)
War Crimes Tribunal - Rwanda (UNICTR)	13.7	16.4	16.3
Sierra Leone (UNAMSIL)	3.7	47.4	71.0
Democratic Republic of the Congo (MONUC)	202.3	249.1	30.1
U.N. Operations in Ethiopia/Eritrea (UNMEE)	32.8	50.4	49.5
Burundi Operation (ONUB)	89.9	94.1	41.6
U.N. Mission in Liberia (UNMIL)	159.2	134.3	290.3
Sudan/Darfur	250.0	250.0	
UN Operation in Cote d'Ivoire (UNOCI)	71.9	112.7	82.0
Total	**823.5**	**954.3**	**580.9**

(Errors due to rounding.)

Through the Peacekeeping Operations (PKO) program, the United States supported the Africa Crisis Response Initiative (ACRI), which trained small units of African armies for possible peacekeeping duties, as well as for other regional peacekeeping initiatives. In FY2004, ACRI was succeeded by the Africa Contingency Operations Training Assistance (ACOTA), which focuses on training trainers and on programs tailored to individual country needs. Foreign Military Financing (FMF) resumed in FY1999 and under the FY2005 request under the FY2005 request would be used to strengthen counter-terrorism capabilities in Africa, bolster border security, and help Kenya protect itself against terrorist infiltration from Somalia. International Military Education and Training (IMET) programs in Africa are aimed at promoting professionalism and respect for democracy and human rights, while enhancing capabilities for participation in peacekeeping operations. These programs typically run well under $1 million per country.

The United States contributes to United Nations peacekeeping operations in Africa and elsewhere through a program entitled Contributions to International Peacekeeping Activities (CIPA, **Table 2**). Funds for CIPA are appropriated in the legislation that funds the Departments of Commerce, Justice, and State, rather than in the Foreign Operations appropriation, which governs foreign assistance.

Regional Programs. Both DA and ESF funds are used to support USAID's Africa Regional Programs, which are designed to confront challenges that span the borders of African countries. These include regional programs in health, conflict prevention, democracy, education, and agriculture. The Initiative for Southern Africa supports efforts to promote trade and investment through the Southern Africa Enterprise Development Fund and other programs. The Trade for African Development and Enterprise (TRADE) initiative aims at strengthening business and promoting policy and regulatory reform throughout the sub-Saharan region. The Africa Trade and Investment Policy (ATRIP) program, which provides technical assistance, training, and other aid to African countries implementing free-market economic reforms, is part of this initiative. For FY2005, the Administration sought $4 million in FMF for an African Coastal and Border Security program.

African Development Foundation

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

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

Refugee and Disaster Assistance

The United States responds to African humanitarian crises in part with Title II food aid, discussed above, and in part through its refugee and disaster assistance programs. Most refugee assistance comes from the Migration and Refugee Assistance (MRA) account and goes to the United Nations High Commissioner for Refugees and international organizations, as well as private and voluntary organizations assisting African refugees. In addition, the Emergency Refugee and Migration Assistance (ERMA) account, created in 1962 to deal with unexpected refugee situations, has been drawn upon for African emergencies several times in recent years.

USAID’s Office of Foreign Disaster Assistance (OFDA) also plays a major role in responding to African crises. “Situation Reports” published by USAID’s Office of Foreign Disaster Assistance monitor the U.S. response to African humanitarian crises through food aid and other emergency assistance. To find these reports, visit [http://www.usaid.gov/] and click on “Our Work” and “Humanitarian Assistance.”

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. In 2004, IDA devoted about 45% of its new loan commitments to sub-Saharan Africa, so that about $408 million of the $907 million U.S. contribution to IDA in that year can be said to have gone indirectly to the region. The African Development Fund (AfDF) has been another major channel for indirect U.S. aid to Africa. The Fund, an affiliate of the Africa-based African Development Bank (AfDB), makes loans on highly concessional terms to the poorest African countries. The AfDB lends on roughly commercial terms to creditworthy African borrowers, but at the same time, it holds 50% of the voting power in the AfDF.

Total U.S. Assistance

Table 3 lists most components of U.S. assistance to sub-Saharan Africa and indicates that under the FY2006 request, assistance would rise to $3.6 billion, not including food aid, up from $3.5 billion in FY2005. Table 3 includes an additional $674.4 million in FY2005 aid for Africa announced by President Bush in a June 7, 2005, press conference with Britain's Prime minister Tony Blair. This additional food, disaster, and refugee assistance will be drawn from general funds already appropriated by Congress, including funds in the FY2005 Emergency Supplemental Appropriations (P.L. 109-13), signed into law on May 11, 2005. The components of the additional aid are $90 million in International Disaster and Famine Assistance, $94.4 million in Migration and Refugee Assistance, $240 million in P.L. 480 Title II food aid, and $250 million in food aid from the Bill Emerson Humanitarian Trust, administered by the Secretary of Agriculture.

FY2006 Request and Congressional Action. The Bush Administration's FY2006 assistance request for sub-Saharan Africa, released on February 7, 2005, would continue the pattern of increasing aid for the region, largely due to the expansion of the State Department's Global HIV/AIDS initiative. Aid through this program would grow by more than 50%, to $1.2 billion, as compared to FY2005, while aid under the Child Survival and Development Assistance programs would decline. Development Assistance funds totaling $95 million for Ethiopia and Sudan have been shifted to the new Transition Initiatives program for fragile, post-conflict states. Liberia, where elections are scheduled for October, would receive $75 million through the Economic Support Fund. The Administration requested $3 million for the Millennium Challenge Corporation (MCC) worldwide, although $5 billion in FY2006 funding had been anticipated under the original Millennium Challenge Account program. (See below, **Issues.**)

On June 27, 2005, the House Committee on Appropriations reported the Foreign Operations Appropriations bill (H.R. 3057, H.Rept. 109-152). As in previous years, appropriations for most Africa-specific programs are not earmarked in the bill, but the appropriators would provide more than requested worldwide for Child Survival and Health programs as well as Development Assistance, suggesting that the Administration will have ample resources for meeting its proposals for Africa through these programs. Bilateral aid worldwide through the State Department's Global HIV/AIDS Initiative (GHAI) would be reduced by $100 million, which could affect Africa. At the same time, Africa could benefit from the $100 million added to the GHAI request for the Global Fund to Fight AIDS, Tuberculosis, and Malaria. (See CRS Report RS21181, *HIV/AIDS International Programs: Appropriations, FY2003-FY2006*). The bill meets the Administration's requests for the African Development Bank and Fund, and provides $20.5 million for the African Development Foundation. H.R. 3057 provides less than requested for the activities of the Millennium Challenge Corporation worldwide.

FY2005 Request and Congressional Action. The Administration's FY2005 budget request would have funded most Africa assistance programs at levels closely reflecting those seen in FY2004. However, the budget proposed just over $1 billion in additional spending in 12 African focus countries under the State Department's GHAI initiative. Some observers were concerned that aid under the Child Survival and Development Assistance programs, administered by USAID, was slated to decline for several countries. These included the Democratic Republic of the Congo, Ghana, and Uganda, among others.

Table 3. Assistance Designated for sub-Saharan Africa

($ millions)

Program	FY2006 Request	FY2005 Estimate	FY2004 Actual	FY2003 Actual	FY2002 Actual
Child Survival & Health Fund	325.9	356.8	477.3	541.1	424.4
Global HIV/AIDS Initiative	1,206.3	781.5	263.8		
Development Assistance	428.5	547.4	466.7	490.7	454.0
Transition Initiatives	95.0	—	—	—	—
ESF	151.9	104.2	74.1	109.4	120.0
Peace Corps	68.7	75.7	62.2	63.3	53.7
African Dev. Foundation	18.9	18.8	18.6	18.7	16.5
Migration and Refugee Assistance	256.5	323.8	226.4	228.5	187.5
African Development Bank	5.6	4.1	5.1	5.1	5.1
African Development Fund	135.7	105.2	112.1	107.4	100.0
Liberia/Sudan in Other Appropriations			385.0		
Millennium Challenge Account	—	—	—	—	—
Subtotal, Economic & Humanitarian	**2,693.0**	**2,317.5**	**2,091.3**	**1,564.2**	**1,361.2**
International Narcotics & Crime	4.2	10.5	6.9	6.7	7.5
Peacekeeping Operations	41.4	133.2	30.2	78.1	54.9
IMET	11.0	10.8	11.2	9.9	10.3
Foreign Military Financing	24.0	26.3	20.9	28.0	33.5
Contributions to Int'l Peacekeeping	823.5	954.3	580.9	366.7	513.0
Nonprolif., Anti-terrorism, Demining	30.4	31.5	25.8	19.7	12.1
DOD AIDS Education, Af. militaries	0.0	7.5	4.2	7.0	14.0
Subtotal, Military and Other	**934.5**	**1,174.1**	**680.1**	**516.1**	**645.3**
TOTAL	**3,627.5**	**3,491.6**	**2,771.4**	**2,080.3**	**2,006.5**
Food Aid	*228.8*	*1,013.9*	*1,187.9*	*1,165.9*	*462.9*
Total Including Food Aid	***3,856.3***	***4,505.5***	***3,959.3***	***3,246.2***	***2,469.4***

The FY2005 Consolidated Appropriations (H.R. 4818/P.L. 108-447), as in previous years, did not specify Africa's portion of appropriations for major programs, such as Child Survival aid, Development Assistance, and the GHAI initiative. Allocations from worldwide appropriations were made by the Administration and released with the FY2006 budget request, as indicated in Table 3. The legislation earmarks $311 million in bilateral economic assistance for Sudan, and provides $93 million in other aid as well.

The conference report noted that funds for CSH and DA programs worldwide significantly exceed the Administration's request. It added that "managers therefore expect USAID to restore cuts in African country allocations in those accounts to their FY2004 levels, consistent with proper programmatic considerations." The Consolidated Appropriations will provide $1.5 billion for the Millennium Challenge Corporation (MCC) worldwide, as compared to the Administration's request of $2.5 billion.

Comparison with Other Donors

According to figures compiled by the Organization for Economic Cooperation and Development (OECD), the United States was the largest bilateral donor of net bilateral Official Development Assistance (ODA) to sub-Saharan Africa, in 2003, the most recent year for which data are available, followed by France, Germany, and the United Kingdom. However, the European countries and the European Communities together provided considerably more to Africa than the United States. ODA includes a wide-range of non-military aid disbursements. Many countries continued to give a larger proportion of their assistance to sub-Saharan Africa than the United States. The region received about 32% of U.S. ODA in 2002, according to the OECD, in contrast to 57% of French aid , 37% of British aid, and 47% of German aid. Japan was the eighth ranking donor to Africa in 2003, according to the OECD, providing about 8% of its aid to the region. On May 24, 2005, European Union foreign and development ministers pledged that their governments would reach the United Nations target of providing 0.7% of GDP in foreign aid in 10 years. As an interim target, the Europeans would provide $25 billion in added annual aid by 2010. Some cautioned, however, that these pledges could be affected by budget difficulties in some European countries.

Recent Trends in U.S. Aid

U.S. officials continue to stress a strong commitment to assisting Africa. In a June 26, 2003, speech to a meeting of the Corporate Council on Africa, President Bush spoke of a "partnership" with Africa, including U.S. help in establishing peace and security, making advances in health and literacy, and developing free economies through aid and trade. During the speech, part of the run-up to his July 7-12, 2003, trip to Africa, the President announced $100 million in anti-terrorism assistance over 15 months to countries in East Africa and $200 million over five years both to train teachers in Africa and to provide textbooks through Historically Black Colleges and Universities. Secretary of State Powell, addressing the Corporate Council on June 27, 2003, said that Africa's "boundless potential" could not be realized unless the continent moved against corruption.

In April 2003, Andrew Natsios, the Bush Administration's Administrator for USAID, told the House Committee on International Relations that during the next five years, his agency would be "renewing its leadership in agricultural development assistance." Focusing assistance on countries whose governments govern well and follow effective economic policies has been another emphasis. In a speech at the Heritage Foundation on January 7, 2003, for example, Natsios said that apart from humanitarian assistance, U.S. aid should be directed toward "good performers" with respect to democracy and governance reforms. The speech echoed findings of a major USAID report, *Foreign Aid in the National Interest*, released the same day. In House testimony on April 1, 2004, Natsios said that in accordance with Administration priorities, his agency would be emphasizing peace in Sudan, ending famine in Ethiopia, and fighting HIV/AIDS.

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

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

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

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

Africa Enterprise Development Fund (SAEDF), to promote indigenous business development and ownership.

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

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

The Africa: Seeds of Hope initiative grows out of congressional action in 1998, when the Africa: Seeds of Hope Act (P.L. 105-385) was passed. The proposal was strongly supported by Bread for the World, which describes itself as "a nationwide Christian citizens movement seeking justice for the world's hungry...." The act supports USAID's Africa Food Security Initiative by encouraging a refocus on agriculture and rural development. A presidential report on implementation of the act argued that even more could be done in agriculture if more funds were available.

President Bush, speaking at the Leon Sullivan Summit in Washington on June 20, 2002, announced a new Africa Education Initiative. The President promised to double U.S. aid for education in the region, bringing total spending to $200 million over the next five years. The President also announced that he would visit Africa in 2003. As noted above, Africa will also benefit if two other Bush initiatives win approval: the Global AIDS Initiative, announced by the President in his State of the Union Message on January 28, 2003, and the Millennium Challenge Account (see below).

Counter-terrorism is the focus of other recent assistance initiatives. The Pan-Sahel Initiative (PSI) is a joint Defense and State Department program that provides training and equipment to the armed forces of Mauritania, Chad, Niger, and Mali. According to Administration officials, the initiative has helped these countries respond to the threat posed by Algeria-based Islamist guerrillas. The East African Counter-Terrorism Initiative (EACTI) is training law-enforcement officers in Kenya and other countries.

Sustainable Development Initiatives. On August 23, 2002, the Department of State released information on four initiatives or "signature partnerships," which were formally announced at the World Summit on Sustainable Development (WSSD) in Johannesburg on August 29. These initiatives were the Water for the Poor Initiative, the Initiative to End Hunger in Africa, the Congo Basin Forest Partnership, and the Clean Energy Initiative. The initiatives, which drew praise from the United Nations representative to the conference, stress "public-private partnerships," through which U.S. assistance funds would be used to leverage investments in Africa by other governments, international organizations, NGOs, and the private sector. For example, under the West Africa Water Initiative, part of the Water for the Poor Initiative, USAID would provide $4.4 million as a partner in a $41 million, five-year effort to supply potable water and sanitation to rural villages in Ghana, Mali, and Niger. Other partners would include the Conrad N. Hilton Foundation and UNICEF. Skeptics of the initiatives maintain that the amounts of U.S. assistance being offered are modest and seem to come largely from funds that have already been budgeted or promised. Some also complain that the funds might be used to promote private business interests. (*New York Times*, August 30, 2002.) The initiative to end hunger aims at harnessing science and technology to boost agricultural production and at strengthening markets to assist small farmers.

In addition to the signature partnerships, USAID released documents at WSSD reviewing U.S. actions intended to prevent famine in southern Africa and fight infectious disease. Another document reported on a $15 million investment guarantee by the U.S. Overseas Private Investment Corporation (OPIC) to support the construction of low-income housing and associated infrastructure in South Africa. The guarantee would help a U.S. for-profit company support a bank making construction loans to private developers and contractors. (OPIC press release, August 29, 2002.)

Issues

Millennium Challenge Account. In a March 14, 2002 speech, President Bush outlined a proposed Millennium Challenge Account (MCA), which would increase foreign aid worldwide by $5 billion per year over three years, starting in FY2004. The account would provide additional aid to countries whose governments promote good governance, invest in people through education and health care, and promote open markets. Although the promise of increased aid won praise from many observers, some worried that most countries in Africa will not be able to meet the Fund's eligibility criteria. In May 2004, the Millennium Challenge Corporation announced that 8 African countries had been determined to be eligible to receive grants: Benin, Cape Verde, Ghana, Lesotho, Madagascar, Mali, Mozambique, and Senegal, and agreements have been reached with Madagascar and Cape Verde for MCA programs valued at $110 million each. Nonetheless, the program has been criticized for what some see as a slow disbursal of funds, and as noted above, overall funding for the MCA is turning out to be less than President Bush initially proposed. For further information, see CRS Report RL32427, *The Millennium Challenge Account: Implementation of a New U.S. Foreign Aid Initiative*; and U.S. Government Accountability Office Report GAO-05-625T, *Millennium Challenge Corporation: Progress Made on Key Challenges in First Year of Operations* (April 27, 2005).

AIDS. The level of funding for HIV/AIDS programs in Africa remains a major focus of interest. This issue is covered in CRS Issue Brief IB10050, *AIDS in Africa.* See also CRS Report RS21181, *HIV/AIDS International Programs: Appropriations, FY2002-FY2005.*

NEPAD and the G8. In 2001, African leaders approved the New Partnership for Africa's Development (NEPAD), championed by the presidents of South Africa, Nigeria, Senegal, and others. Under the plan, African countries are to intensify efforts to eradicate poverty, strengthen democracy, deal with corruption, and resolve conflicts in exchange for debt forgiveness from the developed countries as well as increased aid, trade, and investment. NEPAD includes a "peer review mechanism" intended to assure that African governments are held accountable for their performance with respect to governance and economic policy.

At the June 2002 G-8 summit at Kananaskis, Canada, attended by key African leaders, donors launched an Africa Action Plan to be implemented as NEPAD reforms move forward. Whether the G8 donors and Africa are living up to their Kananaskis promises is controversial. Britain will host the July 2005 G8 summit in Scotland, and Prime Minister Tony Blair intends to focus the meeting on Africa once again. Sweeping proposals for 100% debt relief, sharply increased aid, and the removal of trade barriers are expected to be discussed. For more information, see CRS Report RL32796, *Africa, the G8, and the Blair Initiative.*

Other. The overall level of U.S. assistance to Africa could again emerge as an issue in the foreign assistance debate, particularly in view of pressures from Britain and others for a dramatic expansion of aid to Africa. Some observers express a number of frustrations with aspects of the foreign assistance program, but these have had little impact on the congressional aid debate to date. Some argue, for example, that reductions in operating expenses have forced staff and mission cutbacks that complicate USAID's ability to implement the Africa DA program. Critics of this view maintain that USAID must deal with budget constraints that affect other parts of the government as well. Some also maintain that the Child Survival 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 Child Survival program has channeled funds to a critical, immediate humanitarian need, and that the American people strongly support assistance that benefits impoverished children, funds HIV/AIDS programs, and promotes vaccine research, among other objectives.

Meanwhile, a debate continues among scholars, analysts, and policymakers about whether foreign aid is an effective means of spurring growth and poverty reduction in Africa; what types of aid are most effective; and what role other measures, such as debt reduction and the removal of trade barriers, might play. For a discussion of these issues, see CRS Report RL32489, *Africa: Development Issues and Policy Options*.

LEGISLATION

S. 600 (Lugar). Foreign Affairs Authorization, Fiscal Years 2006 and 2007. Authorizes $1.1 billion in FY2006 and such sums as may be necessary in FY2007for Development Assistance worldwide, including the Development Fund for Africa; authorizes $18.85 million for the African Development Foundation in FY2006 and such sums as may be necessary for FY2007; affirms U.S. support for the Congo Basin Forest Partnership; authorizes funds to strengthen judicial capacity in Africa and requires a report from the President on this effort within six months of passage; authorizes $114.4 million in FY2006 for the Global Peace Operations (GPOI) program, with an initial emphasis on Africa; authorizes assistance to expand access to clean water; authorizes $325 million in FY2006 for transition initiatives, including those requested for Sudan and Ethiopia. Reported in the Senate (S.Rept. 109-35), March 10, 2005.

Appendix: Selected Africa Assistance Acronyms

ACOTA	Africa Contingency Operations Training Assistance, successor to ACRI.
ACRI	Africa Crisis Response Initiative, which trained military units for peacekeeping.
ADF	African Development Foundation, U.S.-funded public corporation.
AfDB	African Development Bank, an Africa-based IFI.
AfDF	African Development Fund, affiliate of the African Development Bank.
ATRIP	Africa Trade and Investment Program, a USAID initiative.
CIPA	Contributions to International Peacekeeping Activities
CSH	Child Survival and Health Programs Fund.
DA	Development Assistance.
DFA	Development Fund for Africa, part of DA, not earmarked in recent years.
ERMA	Emergency Refugee and Migration Assistance, administered by State Department.
ESF	Economic Support Fund, a State Department program for promoting U.S. interests.
FMF	Foreign Military Financing, funds equipment purchases.
GHAI	State Department's Global AIDS Initiative, part of PEPFAR.
IBRD	International Bank for Reconstruction and Development, The World Bank.
IDA	International Development Association, concessional loan affiliate of IBRD.
IFIs	International financial institutions.
IGAD	Inter-governmental Authority on Development, a Djibouti-based organization of Horn of Africa states.
IMET	International Military Education and Training, a form of military assistance.
MRA	Migration and Refugee Assistance, a State Department program.
NEPAD	New Partnership for Africa's Development, an African initiative.
NGOs	Non-governmental organizations.
OECD	Organization for Economic Cooperation and Development, an organization of developed countries.
ODA	Official Development Assistance, the OECD's concept of DA.
OFDA	Office of Foreign Disaster Assistance, a part of USAID.
PCVs	Peace Corps Volunteers
PEPFAR	President's Emergency Plan for AIDS Relief, a Bush Administration initiative.
PKO	Peacekeeping Operations account authorized by Part II, Chapter 6 of the Foreign Assistance Act.
PVOs	Private and voluntary organizations
SAEDF	Southern Africa Enterprise Development Fund, a USAID program.
SMMEs	Small, medium, and micro-enterprises.
UNECA	United Nations Economic Commission for Africa, headquartered in Addis Ababa, Ethiopia.
UNDP	United Nations Development Program
USAID	U.S. Agency for International Development