

# FOIA MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Folder Title: AIDS				
Staff Office-Individual: African Affairs-Smith, Gayle/Byrne, Cathy/Harris, Grant/Battenfield, Patricia				
Original OA/ID Number: 3514				
Row: 29	Section: 4	Shelf: 3	Position: 3	Stack: V



# THE AFRICA-AMERICA INSTITUTE

AAI • UNITED FOR LEARNING AND LEADERSHIP

## HEADQUARTERS

380 Lexington Ave, 42nd Floor  
New York, NY 10168-4298  
Phone: 212-949-5666  
Fax: 212-682-6174  
E-Mail: [aainy@aaionline.org](mailto:aainy@aaionline.org)

## WASHINGTON D.C.

1625 Massachusetts Ave, N.W.  
Washington, DC 20036  
Phone: 202-667-5636  
Fax: 202-265-6332

## REPRESENTATIVES IN:

- Benin
- Botswana
- Burkina Faso
- Congo
- Cote d'Ivoire
- Ethiopia
- Ghana
- Guinea
- Guinea-Bissau
- Madagascar
- Mali
- Mozambique
- Namibia
- Nigeria
- Senegal
- Sierra Leone
- South Africa
- Tanzania
- Zambia
- Zimbabwe

## BOARD OF TRUSTEES

- Roger Wilkins, *Chairman*
- Peggy Dulany, *Co-Vice Chair*
- Dr. John Spencer, *Co-Vice Chair*
- Mora McLean, *President*
- Dr. William R. Cotter
- The Honorable Harold E. Doley, Jr.
- Nadine B. Hack
- Jon L. Hagler
- William H. Hayden
- Professor Walter J. Kamba
- James H. Lowry
- William Lucy
- Richard H. Matzke
- Joseph P. Moodhe, Esq.
- Dr. Esther Ocloo
- Gamaliel O. Onosode
- William R. Rhodes
- Ted Smyth
- Maurice Tempelman
- Carl W...

December 19, 2000

Dear Ms. ~~Smith~~ Gayle ✓

CB ✓  
GH ✓  
file

The world has finally begun to awaken to the magnitude of the global HIV/AIDS epidemic, including its devastating impact in Africa. While Africans have welcomed increased international attention to the crisis, many have raised concerns about the effectiveness of donor-funded initiatives to address HIV/AIDS.

In an effort to better understand these concerns and to bring them to the attention of donors and Western policymakers, the Africa-America Institute (AAI) made ***“U.S. and Western Policy Responses to HIV/AIDS”*** the focus of its *African Perspectives* initiative in 2000. AAI organized discussion groups in four African countries – Ethiopia, Nigeria, South Africa, and Uganda -- and with visiting delegations from Eritrea and Botswana. We also conducted an Internet discussion with 53 African alumni of AAI programs from 26 countries. The sessions brought together informed Africans from a wide variety of backgrounds -- including businesspersons, journalists, health experts and leaders of non-governmental organizations -- to share their views and experiences related to donor-funded HIV/AIDS programs in their countries.

The results of these sessions are captured in the attached summary. Among other things, participants recommended that the U.S. build African capacity to fight HIV/AIDS, address the disease as part of a larger, more complex development problem, and engage African NGOs more directly in HIV/AIDS strategies.

I hope that you find the report useful. Both it and the summaries of the individual discussion sessions are available on AAI’s web page at [www.aaionline.org](http://www.aaionline.org). *We intend to continue the African Perspectives initiative in 2001 and would welcome your ideas about which topic(s) to focus on related to U.S.-Africa relations.* If you have any questions about the initiative, please contact Bill Jackson, AAI’s Director of Policy Programs, in our Washington office at (202) 667-5636.

Sincerely,

Mora McLean  
President

✓



## African Perspectives on HIV/AIDS

### *A Sampling of African Views on U.S. & Western Policy Responses to HIV/AIDS in Africa*

#### Executive Summary and Key Findings

The U.S. and other donors have finally begun to recognize the magnitude of the HIV/AIDS crisis in Africa. At the same time, there is growing concern among many Africans working on HIV/AIDS that donor-funded programs are not as effective as they could be.

In order to understand these concerns better, the Africa-America Institute organized a series of intensive, wide-ranging discussions among a diverse cross-section of Africans to address U.S. and Western policy responses to HIV/AIDS in Africa. The sessions were held from July through October 2000 in Ethiopia, Nigeria, South Africa, and Uganda. Sessions were also held in the U.S. with delegations from Botswana and Eritrea and on the Internet with African alumni of AAI programs from 26 countries.

The participants were nearly unanimous in recommending that, when designing and implementing policies and programs to address HIV/AIDS in Africa, international donors should:

- **help build local capacity** to combat HIV/AIDS;
- **adopt a holistic approach** that treats HIV/AIDS as both a cause and an effect of underdevelopment, with corresponding implications for issues such as debt relief; and
- **engage African non-governmental organizations** more directly in HIV/AIDS project design and funding decisions.

Other broadly supported findings include:

- Donors should be more supportive of national priorities set by Africans themselves and not push projects that do not coincide with a country's needs.
- International donors need to learn more about Africa and the African context of HIV/AIDS and adapt their programs to local circumstances, which vary greatly from country to country.
- International donors must do more to coordinate their activities in order to prevent duplication of programs, "band-wagoning," and corruption.
- The U.S. should use its considerable weight in the international community to press for action on HIV/AIDS by other bilateral and multilateral donors.
- The U.S. should be more transparent about its international program priorities and intentions vis-à-vis HIV/AIDS.

*Questions about this project should be directed to Bill Jackson, AAI's Director of Policy Programs, at (202) 667-5636.*

December 2000

## Background and Objectives

In the past year, the world has awakened to the frightening magnitude of the HIV/AIDS epidemic in Africa. According to UNAIDS, at least 17 million Africans have already died of AIDS and related complications. Several million more deaths are expected in the next few years. HIV/AIDS threatens to erase Africa's hard-earned gains in social and economic development, to disrupt trade, and to sharpen economic and political instability on the continent.

Donor countries and organizations have finally begun to give the unfolding HIV/AIDS crisis in Africa special attention. In January 2000, the United Nations Security Council devoted a special session to the international HIV/AIDS epidemic, the first time a health problem has been treated as a security concern by that body. Top U.S. officials subsequently declared the epidemic a national security threat and at least a dozen bills concerning the international HIV/AIDS crisis were introduced in the U.S. Congress, most with a special focus on Africa.

While Africans have welcomed increased donor attention to the crisis, many have also raised concerns about the effectiveness of donor-sponsored initiatives on HIV/AIDS. In an effort to better understand these concerns and to bring them to the attention of U.S. policymakers, the Africa-America Institute (AAI) made HIV/AIDS the focus of its African Perspectives initiative in 2000. The premise of the initiative, begun in 1999, is that U.S. policies and programs on Africa are not always adequately informed by the perspectives and experiences of Africans themselves and would benefit from a better understanding of the African context. Accordingly, the objective of the project this year was to elicit a representative sampling of African views on U.S. and Western policy approaches to HIV/AIDS, to summarize these views, and to present the findings to U.S. policymakers.

### Methodology

The primary sources for this report are a series of moderated discussion sessions that brought together Africans from a variety of backgrounds to discuss their views on donor-sponsored efforts to address the HIV/AIDS crisis in Africa. These sessions were held between July and October 2000 in Ethiopia, Nigeria, South Africa, and Uganda. In addition, two sessions were held in Washington, DC with visitors from Botswana and Eritrea who were in the U.S. learning about American approaches to HIV/AIDS under the U.S. Department of State's International Visitors Program. The Africa-based discussion sessions were coordinated and moderated by African nationals with substantial experience in the field of HIV/AIDS. The sessions in Washington were moderated by AAI's Director of Policy Programs. Each discussion session involved participants from a variety of professional backgrounds, including medical professionals, journalists, government officials, businesspersons, human rights advocates, and representatives of non-governmental organizations (NGOs), including women's and youth groups. In selecting participants, AAI and the local organizers placed special emphasis on achieving ethnic, gender, and religious diversity.

AAI provided a list of topics and questions to help guide the discussions, but the moderators were free to allow the discussions to focus on the areas that participants deemed most important.

AAI also provided a background paper detailing some of the efforts international donors have made to date to address HIV/AIDS in Africa. Sessions generally lasted between three and five hours.

As an additional source of African perspectives, in September 2000 AAI conducted an online discussion session via the Internet involving 53 African alumni of AAI programs from 26 countries. Most of the online participants live and work on the African continent. All have lived and studied in the U.S., giving them special insights into the context in which U.S. policy is formulated. The online discussion took place over the course of four weeks. Each week a different topic related to HIV/AIDS was discussed, mirroring the topics suggested for the live discussions.

## Discussion of Major Themes

### Local Capacity-Building

A participant in the Nigerian session summed up the need for local capacity-building with an African proverb. "If you invite a friend or stranger to come and help sweep your room," he said, "the stranger should understand that you are still the owner of the house. Our invitation to our friends and partners in the developed countries is . . . to come and help us . . . not to come and lecture us about the problem."

**Human Capacity:** The primary concern about capacity-building, expressed in all sessions, is that much donor assistance for HIV/AIDS is overly reliant on outside consultants, who tend to be over-priced, ill-informed about local circumstances, and often leave behind little of lasting value. In most African countries, it was believed, there are many local HIV/AIDS specialists who can do as good a job or better at a lower cost. International consultants were perceived by participants to be less productive, less committed, and less sensitive to local conditions, as well as bearing fixed donor agendas and inhibiting local capacity-building. One participant said, "[An international consultant] cannot achieve much with the local people. He doesn't know the environment, the culture and the dynamics of the disease."

**A Role for Consultants:** The role of international consultants was not entirely dismissed. Many participants saw consultants as important for local capacity-building, noting that they can bring in skills that are in short supply locally. They can also add expertise to areas where there are shortages, particularly in the health professions. In addition, international consultants can be neutral observers and can serve as a valuable link for communicating local needs to international donors.

**Partnership:** Participants in the Botswana session felt that local HIV/AIDS personnel are often not valued by donors as full partners in the fight against the epidemic and are treated more like charity recipients. "We appreciate what they are doing for us but at the same time our services should be appreciated [too]," said one participant. This sentiment was echoed in other sessions.

***Institutional Capacity:*** Participants underlined the need for international donors to build on existing local institutions that are already socially, culturally and politically accepted within the culture. A Nigerian participant explained that “projects are more sustainable when they are built on on-going efforts...driven by consensus on the availability of a particular solution.” Another participant added, “It is important that the term ‘community ownership’ actually becomes a reality. It is paramount that whatever HIV/AIDS policies we design should be home-grown.”

A Ugandan participant cited the example of sickness and burial societies. These small social groups help members pay for medical treatment, health facilities, and burial costs. In a few areas, under a pilot project funded by the International Labor Organization, these societies have transformed themselves into Mutual Health Protection schemes in which members are able to access quality health services at a reduced price. It was suggested that such societies could be strengthened to cover HIV/AIDS education, counseling and access to drugs. According to the participants, other social institutions that could be strengthened to help address HIV/AIDS include recreation facilities, traditional medical practices and African research institutions.

### **Holistic Approach**

It is clear that HIV/AIDS is more than a health problem. The complexity of the HIV/AIDS epidemic and its interlinkages with other development needs was manifest in the wide range of related issues raised by the discussion session participants and in their inability to agree on priority strategies for addressing HIV/AIDS. Among the issues addressed were poverty and debt relief, international trade and economics, education, and infrastructure. The relative importance of these issues varies depending on local circumstances. An Ethiopian businessman said, “At the end of the day, HIV/AIDS is an economic problem...Unless we look at variables such as trade and education, humanitarian assistance is not enough.”

***Debt Relief:*** Of utmost concern to many participants was the link between HIV/AIDS and the crushing international debt borne by African countries. Nearly all sessions agreed that substantial debt relief from international creditors is crucial in the war against HIV/AIDS. Without debt relief, participants said, local resources that could be used to fight HIV/AIDS will continue to be allocated to service debts that can never be paid off. Ugandan participants discussed a “Debt for AIDS” swap in which money freed up from debt relief could be redirected to pay for HIV/AIDS programs. Participants in several sessions criticized a recent loan-based initiative by the U.S. Export-Import Bank to increase availability of HIV/AIDS drugs, noting that the plan would increase the African debt burden, thereby undercutting prospective benefits.

***World Economy and Trade:*** Many participants pointed to the unfavorable position of African countries in the world economy and linked the spread of HIV/AIDS in Africa with globalization and trade liberalization. For example, participants from Uganda asserted that IMF Structural Adjustment Programs there have increased poverty, leading to reduced capacity of medical facilities and higher costs for medications. A South African journalist argued that it is important “not to argue health versus development, but to understand the linkages between the two. One of the reasons why we can’t afford to put condoms in our clinics is because we are on a fiscal austerity program. And one of the reasons we’re on that fiscal austerity program is because we are unequally integrated into the world economic system and we are being forced to accept sets

of rules which enhance and entrench that inequality.” Other participants attacked the TRIPS (Trade-Related Aspects of Intellectual Property Rights) agreement, saying that it has robbed developing countries of the ability to obtain important HIV/AIDS pharmaceuticals. The South African participants felt that the U.S. should take the lead in calling for the TRIPS agreement to be renegotiated and in opening the way for compulsory licensing.

Nigerian participants felt that World Trade Organization agreements also contribute to the HIV/AIDS problem because they turn local markets into dumping grounds for substandard goods and undermine local industries, thereby increasing poverty and the related spread of HIV. According to one participant, “The overhead costs of maintaining local industries is huge enough to scare [African businesses away] from maintaining [employees] living with AIDS . . . [Foreign producers] then flood our market with basic goods which we can produce, thereby throwing our industries out of business and our young people out of employment.”

***Conflict and Peace-Building:*** Eritrean participants stressed the relationship between armed conflict and the spread of HIV/AIDS. Conflict-related rape and sexual violence contribute to the spread of HIV, as do soldiers’ involvement in the commercial sex trade, and the movement of refugees. It is not a stretch, some participants argued, to consider greater UN and Western involvement in conflict resolution as an important element of efforts to stem HIV/AIDS.

***Long-Term Benefits:*** Participants suggested that a more multi-sectoral approach to HIV/AIDS will have a positive impact on other important development goals, too. For example, improvements in infrastructure will lead to better health, the effects of debt relief will be felt long after HIV/AIDS is defeated, and a more benevolent global economic regime will help to build an Africa that is an economically viable trading partner. As a Nigerian participant said, “Whatever we do, either in the short- or long-term, must help build the long-term local capacity. Western assistance must seek to build strong local institutions. We need to move from having project-specific assistance to developmental and institutional assistance programs because that is what makes the changes sustainable.”

***HIV/AIDS Impact Assessments:*** An idea that was implicit in the contributions of many participants was the need for donors to conduct HIV/AIDS impact assessments of *all* development projects, similar to the environmental impact assessments that many donors now require. Such assessments would help donors and development workers to see better the links between development and HIV/AIDS and to identify ways in which other development projects might contribute to efforts to stem the epidemic. More resources will then be mobilized in the fight and HIV/AIDS efforts will become an integral part of nearly every development project.

## **NGO Involvement**

An NGO representative in the Botswana session said, “It is really important for people who are coming into our country to . . . not only look at government as a stakeholder but . . . all these other people involved in the struggle in fighting against HIV/AIDS. We all play a very vital role in this process.”

**Funding Allocation:** Participants from all countries expressed concern about the status quo in which, in most cases, funding for HIV/AIDS from government and multilateral donors is channeled through the recipient governments. They argued that this practice creates unnecessary administrative costs and opens the door to corruption and misuse of funds. If NGOs were involved more directly and prominently in donor negotiations and the setting of national priorities, donors might be able to dispense funds directly to the NGOs, thereby bypassing the government intermediary. An Ethiopian NGO representative stated, "We must invent a system of funding allocation that trusts the smallest service delivery unit enough to fund them directly. So far the top levels of government have complete control of funding allocation and it is not working."

**Monitoring:** Participants acknowledged that direct funding from donors to NGOs will not eliminate corruption and there will still be a need for close monitoring of funding. Several participants underlined the importance of ensuring that all funding does not go to a single NGO, even if that NGO is outperforming others. Instead, aid should be distributed to many NGOs, with an eye toward broader capacity building. Said an Ethiopian participant, "Everyone needs to throw a pebble to fill the ocean."

**Program Design:** Participants argued that donors should work with NGOs in the design stages of HIV/AIDS projects. In this way, donors can give NGOs earlier indications of the quality of a proposal and work with them to improve it. What is currently happening, according to a South African medical professional, is that "a lot of people spend a lot of time playing a cat and mouse game with donors and end up not getting funded. I think there needs to be some ethical responsibility among donors." Due to the short timeframe in which NGOs must act, participants suggested that it would be helpful if donors would fully identify the rules and expectations that accompany their aid and make them known to NGOs at the beginning of their affiliation. Similar open communication should be employed in the selection of recipients so that those not receiving funding can learn from the successes of others.

### **African Priorities**

**National AIDS Plans:** A Nigerian medical doctor asserted that donors should not enter a country with the mindset that they are "meeting a blank slate." Instead, he suggested, they should address those areas that have already been identified as important by Africans. Several Ugandan, Nigerian, and South African participants argued for the creation of a strong, unified, yet multi-faceted National AIDS Plan in each country. Such a plan could serve as a "blueprint" for all HIV/AIDS activities in the country and a "clearinghouse" for donor funding. Donors wishing to contribute to the HIV/AIDS effort in a given country would refer to the National AIDS Plan to learn where aid was most needed in that country. Many participants believe that this approach would reduce waste, corruption and duplication.

Some participants noted that this approach also has shortcomings. Few countries have existing National AIDS Plans that are widely accepted or strong enough to take on such a central role. Donor assistance could be useful to help design national plans, they said, but only if donors do not use this as an opportunity to manipulate the policies and impose their interests.

Some participants expressed a concern that linking aid to a national plan might inhibit innovation and exclude those who did not agree on the effectiveness or appropriateness of the plan.

**Local Needs:** A participant in the Botswana session pointed out the need for international aid to match local needs, saying, “Donors say the proposals [they receive] are not so smart. But how can they be when the needs of the donor don’t match the needs of the community?” Ethiopian participants pointed out that international donors should not ignore treatment of HIV/AIDS patients in favor of prevention just because treatment is not on their agenda. Those with HIV/AIDS must not be dismissed as “already dead.”

### **Misinformation & Ignorance About Africa**

**Global Differences:** Participants stated that, due to global differences in issues surrounding HIV/AIDS, as well as the existence of different HIV strains in Africa, HIV/AIDS programs from other regions of the world should not be implemented in Africa without being altered to fit local conditions. A Nigerian participant shared her experience about a U.S.-funded project that sought to replicate a program from Thailand. Although the program did not make sense in Nigerian circumstances, she was told that Congress would not approve funding unless the Thai model was followed. By the time the fees from consultants were added to the cost in order to mirror the Thai model, the cost had jumped by a factor of twelve. Eventually the project was withdrawn.

**Africa is Not One Country:** Time and time again, participants voiced frustration over the perceived lack of understanding in the U.S. of African realities. They expressed the belief that many policymakers are unaware of the great diversity of cultures, governments and local circumstances in Africa. Because of this diversity, participants noted, HIV/AIDS programs can not be transferred easily from country to country. They first need to be adjusted to fit local needs. Some participants pointed out that even *within* African countries there is significant ethnic and cultural diversity, which creates a need for locally specific approaches to HIV/AIDS.

**Ignorance in the U.S. About Africa:** Most participants believe there is widespread misunderstanding in the U.S. of the complexity and severity of the disease in Africa. A participant who had just spent a month visiting HIV/AIDS facilities and groups in the U.S. lamented the ignorance of American groups on the scale of the problem in Africa. “I was privileged to travel to seven states and I discovered that virtually all the HIV/AIDS response programs that I had interaction with are ignorant of the magnitude of the problem in Africa,” he recalled.

**Myths about African Sexuality:** Some participants were troubled by the many myths about African sexual practices circulating in the West. Although there was some contention on the point, most participants seemed to believe that Africans are no more or less promiscuous than other people. The much-discussed phenomenon of “sugar daddies” – men having sex with much younger women in exchange for gifts and money – was seen by some participants as simplistic, unrepresentative, and distracting from the real issue of gender inequality. Such myths must be discussed in more depth so that fact can be sorted from fiction, participants recommended.

## **International Coordination**

***Duplication and “Band-Wagoning:”*** Participants noted that donors do not communicate with each other enough, leading to duplication of projects. Many donors, they said, focus too intently on the areas they see as promising the greatest immediate return, while ignoring other critical areas. Several participants said that even when duplication becomes evident, new donors, rather than focusing elsewhere, often direct their resources and efforts towards the same issue or project. This “band-wagoning” effect, said some Ethiopian and Nigerian participants, is attributable in part to donor efforts to gain greater visibility. The result is a herd of donors that rushes to the latest fad, ignoring other critical needs. A Nigerian representative of an international donor said, “Three years ago, everybody wanted to do peer-to-peer education. There was no indication that it was working, but because everybody heard that that was an area [one international donor] was interested in, people started flooding in proposals on that area.”

***Corruption:*** According to some participants, “band-wagoning” in turn fosters corruption. Many NGOs and other aid recipients “double-dip” – receive overlapping funding for a single project from multiple donors – because donors are focussing on the same issues and are not discussing with each other the projects they are funding. Precious resources are thereby wasted.

## **U.S. International Influence**

Said one South African participant, “There’s basically a whole lot of things that big powers such as the American government could be doing which would not be intervening, which would not be dictating policy but in fact would be freeing up and allowing countries like our own to work out our own solutions; the bottom line being that they would not be intervening.”

***International Organizations:*** Participants suggested that the U.S. could use its sway in the World Trade Organization to make special exceptions for developing countries with regards to restrictive trade agreements, pharmaceutical trade issues and intellectual property rights. The U.S. could also lobby for more substantial debt relief.

***Domestic Reform:*** Some of the online session participants suggested that in countries where the government is ignoring the HIV/AIDS threat the U.S. should support broad legal reform and attention to HIV/AIDS using the “purse strings” of foreign bank accounts, foreign assistance and military aid.

***U.S. Media:*** Also mentioned was the effect of U.S. media programming on African audiences, particularly youth. Many felt that such programming contained immoral content and is negatively affecting the values and behavior of African youth. At the same time, it was noted that the U.S. could use its unparalleled marketing and broadcasting capacity in a positive manner to help raise awareness of HIV/AIDS both in the U.S. and in Africa.

## **U.S. Transparency**

***Suspicion:*** Participants described a widespread suspicion about the intentions of American and other Western donors. In many sessions, participants argued that donor aid often seems to serve the donor country's political interests without much concern for the recipient. This is a particular concern when the donations are very large and the timing appears politically convenient for the donor. Participants were concerned that U.S. agencies and NGOs felt greater accountability to the U.S. government than to the people they are supposedly trying to help. One participant wondered "whether some of the programs are intended to solve the real problem or to pay lip service." A participant from Botswana lamented the lack of information that accompanies foreign aid, saying, "I think that it's very important for [foreign aid] to come with all the information, either good or bad so that [recipients] are able to make their own informed decisions."

***Corporate Influence:*** Many participants saw U.S. policy as compromised by the interests of the U.S. pharmaceutical industry. The aforementioned U.S. Export-Import Bank initiative to provide loans to African countries for the purchase of HIV/AIDS drugs was cited by a few participants as an example of the U.S. government putting the interests of the U.S. pharmaceutical industry above those of Africans affected by HIV/AIDS.

***Transparency and Consistency:*** To remedy this problem, participants suggested that the United States make its policy on HIV/AIDS clearly known to its aid recipients. A South African noted that "there must be a bridging of the gap between the donor and the recipient because if that gap is too wide, there is a lot of suspicion that can be created or can be exacerbated." It was also suggested that the U.S. government could encourage U.S.-based multinational corporations to apply the same HIV/AIDS policies in their overseas branches as in their domestic branches.

A Nigerian human rights worker said, "The U.S. and other Western governments should abide by and respect all international declarations and charters, especially on social and economic rights of all peoples." South Africans and Ugandans noted that the U.S. does not always practice at home what it preaches in Africa. For example, even while the U.S. urges African countries not to discriminate against those who are HIV-positive it continues to maintain travel restrictions preventing HIV-positive Africans from entering the U.S.

\* \* \*

*This project was made possible in part by a grant from the Carnegie Corporation of New York. The views expressed in this summary report are those of the participants.*

*Summaries of the seven discussion sessions held as part of this project, including the Internet dialogue, are available via the Africa-America Institute's web page at [www.aaionline.org](http://www.aaionline.org). Questions about this project should be directed to Bill Jackson, AAI's Director of Policy Programs, at (202) 667-5636.*

*AAI graduate intern Christopher Bennett coordinated the discussion sessions in Africa and on the Internet and contributed substantially to preparation of this summary report.*

Pat - please let Laura Efros know that we clear (but w/ one recommendation on

To: Gayle, Cathy or anyone else who is ruining their Sunday in the office

From: Laura Efros

p.1  
(suggestion only)

Attached is the draft US-EU Summit Statement on Communicable Diseases, which we negotiated with the EU Saturday afternoon. The statement covers new activities and commitments since the Queluz Summit last May, where we first committed to working together on AIDS, malaria, and TB in Africa. The key points about the new statement are that the US and EU will:

↓  
Done -  
File

- Call on industry to reduce drug prices for poor countries (language already cleared by Gene, Chris Jennings, and others with relevant domestic equities);
- Agree to rapidly expand AIDS prevention and care programs and support new programs in training, provision of health commodities, and reducing mother-to-child transmission of HIV/AIDS;
- Expand public investment in infectious disease R&D (consistent with the FY 2001 HHS budget);

Unfortunately, the EU was absolutely opposed to including specific funding levels, program benchmarks, or disease reduction targets. The attached language is as strong as we could manage. The EU also insisted on adding several paragraphs of empty chapeau language, which we agreed to in exchange for reasonable language on development assistance.

**Status of draft statement:** The statement is pending final clearance from Brussels, which we hope to get by noon Sunday. It's been cleared by Ken, @EUR, and is pending with Mara. **Would @Africa be able to clear on it today (Sunday)?** Sorry for the short fuse!

DRAFT

EU-US Drafting Session, WDC 16 December 2000 continuing  
16:50

**Draft EU - U.S. Summit Statement on Communicable Diseases  
in Africa**

At the Queluz Summit on May 31, 2000 the EU and the U.S. made a commitment to help stem and roll back the spread of HIV/AIDS, malaria and tuberculosis in Africa, and to address their severe economic, social and personal consequences. The scope of the problem requires a multi-faceted approach and the mobilization of significant resources. As proof of this commitment, the EU and the U.S. have dramatically increased financial resources dedicated to combating these scourges. Together we are now waging the battle against these diseases on all of the major fronts.

The EU and the U.S. agree that the response to HIV/AIDS, tuberculosis and malaria must be placed within a broad multisectoral framework of development. The EU and the U.S. call upon countries to incorporate fully and address the health and development implications of HIV/AIDS, tuberculosis and malaria in the elaboration of their poverty reduction strategies and programs.

The EU and the U.S. plan to coordinate among the appropriate institutions and organizations at the global and regional level in order to ensure that all aspects of the response are endorsed by relevant stakeholders.

The EU and the U.S. are working to ensure that governments, institutions and civil society, including NGOs and the private sector, fully participate in these efforts.

**Diplomatic Cooperation in Africa**

The EU and the U.S. participate together in donor coordination groups across Africa, assessing local needs and capacities and developing diplomatic and public awareness strategies. EU and U.S. diplomats have successfully encouraged African leaders to speak openly about the threat of HIV/AIDS, to set national priorities, to establish high level governmental coordinating mechanisms, to establish action plans and to commit resources. We are making great strides in ensuring that our diplomatic activities are

*I would  
cut the  
word  
"diplomatic"  
as it  
sounds  
like no  
body*

responsive to the needs and priorities of host countries, and complements the activities of other donor partners.

- Regular high-level coordination involving the EU, the U.S., other donors and host governments has been established in several African countries. Similar coordination is proposed throughout sub-Saharan Africa.

#### **Development Assistance Cooperation**

The EU and the U.S. will work together in planning and implementing country activities that are responsive to the needs and priorities of countries and regions. This assistance will be placed within national and regional health and development frameworks.

- The EU and the U.S. will collaborate in sub-Saharan African countries to rapidly expand HIV/AIDS prevention, care and support, and malaria and tuberculosis activities.
- The EU and the U.S. are enhancing their support for national health and other sector plans and policies. This support can take the form of a general support, either direct or through budget, or by supporting specific elements, for example training, provision of commodities such as condoms and test kits, and improving access to interventions that reduce mother to infant HIV transmission, of those plans and programs.
- Under the enhanced HIPC initiative, the EU and the U.S. will work together in close collaboration with national authorities of selected countries to identify mechanisms for the utilization of debt relief towards comprehensive social programs responding to the challenge of HIV/AIDS, tuberculosis and malaria.
- The EU and U.S. will set up a working group to identify and take advantage of their respective comparative advantages in supporting procurement and the provision of technical assistance.

#### **International Partnerships**

The EU and the U.S. jointly support multilateral HIV/AIDS initiatives such as UNAIDS and the International Partnership

against AIDS in Africa. The EU and U.S. continue to support the Roll Back Malaria Initiative and the Multilateral Initiative on Malaria, as well as coordinating our assistance to the Stop TB Initiative and the TB Coalition.

The EU and the U.S. support new innovative partnerships to increase the availability and affordability of global public goods.

### **Research cooperation**

The EU and the U.S. agree that to combat these diseases, the international scientific community needs to work together. Long-term investments in the full range of scientific endeavor are necessary to accelerate the development and evaluation of new and affordable vaccines and drugs.

- The EU and the U.S. are enlarging public investment in research and development activities focused on confronting the three communicable diseases, and call upon the private sector to follow this example.
- The EU and the U.S. will work together to strengthen the coordination of research projects and to ensure that the coordinated efforts contribute to strengthening sustainable capacities at local, national and regional levels in Africa.

### **Access to affordable drugs, vaccines and other commodities**

Better access to affordable pharmaceuticals and commodities to prevent or to treat the three communicable diseases is crucial. The EU and the U.S. will seek to assist in setting up effective infrastructures and will take steps to make key medicines and commodities more affordable and available. African leaders' commitment to improving health systems is essential to the success of these efforts, and we stand ready to provide technical assistance in this regard.

- The EU and the U.S. urge the pharmaceutical industry to make drugs for HIV/AIDS, malaria and tuberculosis more affordable, particularly for the poorest countries. We reaffirm the importance of providing more affordable pricing and strict compliance with safety and quality assurance laws and regulations.

- [The EU and U.S. should encourage developing countries and industry in bringing to fruition without delay existing and future partnership arrangements to provide key drugs at significantly reduced prices.] ?



## About OPIC...

*Taking advantage of promising opportunities in international investment can help a company grow. But it's not easy. Emerging markets present unique investment risks and financing obstacles. OPIC, a self-sustaining U.S. government agency, provides political risk insurance and loans to help U.S. businesses of all sizes overcome these obstacles. OPIC leads the way—filling a commercial void, helping America compete, and supporting development and stability around the world.*



### How Can OPIC Help?

When private financing and insurance cannot provide 100 percent of what is needed to make smart investments happen in some 140 emerging markets and developing countries, OPIC provides up to \$200 million in political risk insurance and/or financing to U.S. investors of all sizes in support of their investments. Backed by the full faith and credit of the U.S. government, OPIC advocates for U.S. investment, offers experience in risk management, and draws on an outstanding record of success.

### What is OPIC's Impact?

Since 1971, OPIC has supported \$130 billion worth of investments, generating \$61 billion in U.S. exports and creating more than 242,000 American jobs.

### What Does OPIC Political Risk Insurance Cover?

OPIC insures against the inability to convert local currencies into dollars, expropriation of assets by foreign governments, and political violence.

### What Financing is Available from OPIC?

Supporting long-term private investment, OPIC loan guaranties work in partnership with commercial lenders; direct loans are reserved for smaller U.S. businesses; and OPIC-guaranteed private equity funds act as a catalyst for private sector activity in developing countries by investing in new, expanding or privatizing companies.

### Who Can Help?

For general information, call the OPIC InfoLine at 202-336-8799. Please visit us at our web site at [www.opic.gov](http://www.opic.gov). To discuss a project in a specific region, please contact the appropriate business development officer:

#### Africa

Sam Smoots  
(202) 336-8645  
[ssmoo@opic.gov](mailto:ssmoo@opic.gov)

#### Asia

Carl Reinhardt  
(202) 336-8491  
[crein@opic.gov](mailto:crein@opic.gov)

#### Europe/NIS

Jim Gale  
(202) 336-8629  
[jgale@opic.gov](mailto:jgale@opic.gov)

#### Latin America

Carl Reinhardt  
(202) 336-8647  
[crein@opic.gov](mailto:crein@opic.gov)

#### Middle East/North Africa

Abed Tarbush  
(202) 336-8632  
[atarb@opic.gov](mailto:atarb@opic.gov)

#### Caspian Office

Peter Ballinger  
90 (312) 466-6081  
[pball@opic.gov](mailto:pball@opic.gov)

#### Southeast Europe Office

Jim Moran  
(385 1) 461-0777  
[jmora@opic.gov](mailto:jmora@opic.gov)

#### Small Business

Larry Spinelli  
(202) 336-8690  
[lspin@opic.gov](mailto:lspin@opic.gov)

# OPICNews

Published by the Overseas Private Investment Corporation  
An Agency of the United States Government



## In This Issue:

Letter From OPIC President and CEO George Muñoz

U.S. Small Businesses in Africa Receive OPIC Support

Financing IT and Telecom Projects in Africa

Business Strategies to Combat HIV/AIDS in the African Workplace

About OPIC...

# Special Edition: OPIC Implements Aggressive Africa Initiative

## A Letter From OPIC President and CEO George Muñoz



In 1994 President Clinton challenged his Administration to develop a policy toward Africa that would integrate the continent's nations into the global economy through trade, economic development and democratization.

The U.S. government continues to meet this challenge and has produced significant results. One of the most significant results was the May 2000 passage of the Trade and Development Act of 2000 into legislation. This landmark legislation includes the Africa Growth and Opportunity Act and is expected to pave the way for expanded economic relations with Africa and the Caribbean.

According to the World Bank reports, Africa has experienced overall growth for four years in a row. In 1998, the average African country grew by four percent. This continued growth is a result of the Administration's prioritization of expanding trade and investment in Africa as well as many African nations' strong commitment to reform measures creating a more attractive investment climate in Africa.

OPIC has led the way in expanding private sector investment in 48 of the 54 African nations. OPIC's loans and political risk insurance supported three times more business projects in Africa in 1999 than in 1998 and its total dollar support for American investments in Africa rose by more than 36 percent to roughly \$1.2 billion in 1999. The total number of Africa projects committed to in 1999 was 17 percent of the corporation's total portfolio, more than in Asia or the NIS states.

To help meet the enormous infrastructure demands in sub-Saharan Africa—estimated at \$77 billion for sanitation and road repair alone—OPIC launched the New

Africa Infrastructure Fund in July 1999, a \$350 million equity fund for investment in sub-Saharan Africa that is the largest single fund in OPIC history. The fund is expected to leverage an additional \$2 billion of investment in Africa, creating approximately 6,800 new jobs for Africans and generating almost \$50 million in annual revenues for the countries of sub-Saharan Africa.

OPIC also established two other equity funds: the Africa Opportunity Fund and the Modern Africa Fund with an aggregate size of \$225 million. The Modern Africa Fund targets investments in the telecom, mining and manufacturing sectors. The New Africa Opportunity Fund is targeted for countries in Southern Africa (SADC).

In June 2000, we announced Board of Directors approval for its largest-ever financing and insurance support to a project in sub-Saharan Africa. The support includes a \$173 million loan guaranty for the construction, ownership and operation of a methanol plant in the West African nation of Equatorial Guinea and up to \$200 million in political risk insurance.

The project will improve the skill level of the local workforce through a training program and will create 85 permanent jobs in Equatorial Guinea. International Labor Organization standards will be followed setting an example of good labor practices in the country.

We at OPIC are anxious to continue to mobilize the U.S. business community to access the opportunities in emerging markets such as Africa and will continue to work with governments of African nations to encourage reforms.

Sincerely,

George Muñoz

## The Trade and Development Act of 2000

The Trade and Development Act was passed into law by President Clinton in May 2000.

The legislation includes the Africa Growth and Opportunity Act, the U.S. Caribbean Basin Trade Partnership Act and other important provisions. It will help expand two-way trade and create incentives for the countries of sub-Saharan Africa and the Caribbean Basin to continue reforming their economies and increase their participation in the global economy. It will lift all existing quotas on textile and apparel products from Africa and Caribbean nations.

This legislation also paves the way for OPIC to better assist investors and companies interested in the region. OPIC can help by providing political risk insurance, financing, especially for small business, private equity funds and advocacy for clients abroad.

OPICNews is published by the Overseas Private Investment Corporation  
1100 New York Avenue, NW Washington, DC 20527 202-336-8400  
An Agency of the United States Government

Editors: Ruth Stern, Christopher Astriab, Jennifer Clinton, and Kathy Clark

September 2000



### 1 Hispanic Heritage Celebration: "The Important Role of Hispanics in Globalization"

September 29, 2000; Business Forum, 2-5pm, Dean Acheson Auditorium, U.S. Department of State; Reception, 6-9 pm, The Great Hall, Thomas Jefferson Building, Library of Congress; Washington, DC. The **Business Forum** will feature George Muñoz President & CEO Overseas Private Investment Corporation; Anna Cabral, President and CEO of the Hispanic Association on Corporate Responsibility; George Herrera, President of the U.S. Hispanic Chamber of Commerce; Bill Richardson, Secretary of Energy; Giselle Fernandez, California Lieutenant Governor Cruz Bustamante; Congresswoman Loretta Sanchez; Congressman Robert Mendendez; and Assistant Secretary of State for Western Hemisphere Affairs, Peter Romero.

### Africa and America: A Gateway for Women in Business

September 27-29, 2000; 8-5pm; Chicago, IL. The Center for International Private Enterprise, Eastman Kodak and the Africa-American Institute are hosting a conference to provide an opportunity for African and American businesswomen to connect and develop business linkages between the two continents. The main focus will be to introduce topics such as venture capital, international business, use of the Internet, how to develop e-commerce, and emerging markets and the emerging business model.

### PanAfrica Conference 2000

November 2-4, 2000; Regal Maxwell House Hotel, Nashville, TN. Healthcare International Management Company and PanAfrica will co-host the PanAfrica Conference 2000. The theme of the conference is "The Global HIV/AIDS Pandemic: A Crisis of Economic Resources." The international assembly of key governmental and private industry experts will focus on the recent policy initiatives and their impact on the global AIDS pandemic to better understand what resources are available and needed.

## U.S. Small Businesses in Africa Receive OPIC Support

OPIC has implemented an Agency-wide initiative to help bring the world to small businesses. OPIC has reduced the minimum loan size to \$250,000, condensed the insurance application process, streamlined the loan process, initiated a small business incentive program for brokers and developed micro-finance programs. In May 2000, OPIC launched an Interactive Small Business Training web site that provides information about OPIC finance and insurance products.

OPIC's willingness to listen to the needs of businesses and the market and adjust its programs accordingly is paying off. Seventy percent of OPIC's 1999 finance commitments were to projects sponsored by U.S. small businesses and several were for projects in Africa.

One of OPIC's strategies for supporting small business in Africa is to work directly with the Peoples Investment Fund for Africa (PIFA) and the African Development Bank to support an investment program that raises capital from American investors to lend to or invest in micro-finance institutions in Africa. This project will help reach those in the region most in need of capital for business and economic development.

## Financing IT and Telecom Projects in Africa

The U.S. is a global leader in the information technology (IT) sector and OPIC is uniquely positioned to support that leadership role in Africa. As the U.S. markets begin to mature, technology companies are actively pursuing opportunities in emerging markets where prospects in the IT and telecommunications sectors abound.

OPIC has supported over 360 U.S. technology investments overseas and over 100 telecommunications projects. These projects have ranged from cellular and landline telecommunications to computer, information and Internet technology, and from railway signal equipment to opto-electronics.

Currently telecommunications is one of the leading sectors for investment opportunities in many African nations. Deregulation of the telecommunications sector is becoming the norm in many countries inviting competition and much-needed upgrades on infrastructure.

Sub-Saharan Africa is the region most in need of investment in their telecommunications infrastructure sector. This region's teledensity has continued to remain at less than one phone per 200 inhabitants (South Africa being the exception with 28 phones per hundred people). The end result of a poor telecommunications infrastructure is very limited access to the Internet. The average cost of using a local dialup Internet account for five hours a month is \$60. In addition the problem of high tariffs on imported computer equipment impedes further expansion.

### Small Business Projects

#### Pharmaceuticals

A \$12.5 million dollar OPIC loan commitment and \$24.5 million in political risk insurance from OPIC are helping a U.S. pharmaceuticals project in Ghana. U.S. small business, Phyto-Riker Pharmaceuticals Ltd. will become the leading manufacturer, re-packager, and distributor of low-cost, high quality, generic pharmaceutical products throughout sixteen West African nations. Not only is the project helping to provide Ghana and West Africa with essential, affordable medicines by manufacturing and distributing a variety of drugs and related products locally, but it will also result in significant local job creation with the hiring of 300 managers and employees.

#### Agriculture

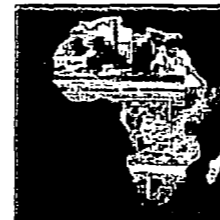
In 1999 OPIC approved a \$1.7 million loan to Idaho-based Camas International for a project in Ghana. The project will support the deployment and operation of two mobile agricultural processing units to clean and separate cocoa beans which are Ghana's main source of export earnings. The project is expected to generate 25 U.S. jobs, support 45 local jobs in Ghana, increase Ghanaian cocoa bean export prices by 10-20 percent and provide a strong source of foreign exchange earnings.

In response to this dire need for IT and telecom infrastructure, OPIC established a \$350 million equity fund that targets infrastructure needs in Africa. Telecom investments are likely to lead the fund's portfolio.

In addition OPIC supports two other recently established equity funds with an aggregate size of \$225 million and that are invested in four IT projects totaling \$21 million. The OPIC-supported Modern Africa Growth and Investment Fund is mandated to focus specifically on the telecom sector in addition to the mining and manufacturing sectors. These funds have invested over \$21 million in four projects in telecommunications and computer programming in Tanzania, Cote d'Ivoire, Djibouti and South Africa.

OPIC is harnessing the power of technology to better educate and serve its clients. Its award-winning web site features an Information Gateway providing over 5,300 links to web sites and documents providing economic, business, political and social data for the countries and areas in which OPIC can currently do business.

In the recent AFComm 2000 conference in Fair Lakes, Virginia, OPIC Executive Vice President Kirk Robertson stated: "We feel that together with IT companies across the nation, OPIC can help bridge the digital divide which when crossed, will help Africa achieve its potential in the new economy."



## Business Strategies to Combat HIV/AIDS in the African Workplace

The global AIDS pandemic has reached a point of incomprehension. Studies prove that AIDS is now the leading cause of death in Africa and has spread throughout Asia, Russia and Latin America. In sub-Saharan Africa more than 10,000 people are infected per day. The direct and indirect cost of workers who die because of AIDS will deprive Sub-Saharan Africa of \$50 billion by the end of the decade (this is the equivalent of wiping out the GNP of Nigeria, Kenya and Democratic Republic of Congo).

The AIDS problem has exasperated the Departments of Health of most African nations, since in the past they have shouldered the weight in dealing with the epidemic. Their limited resources in terms of finances and scope of involvement can not match the growing need for attention to the problem. Because the spread of AIDS delves into more social, economic, and political realms of developing nations, it is crucial that the private sector step up to play a larger role in combating this disease. Not only is increased involvement in HIV/AIDS prevention the right thing to do to help combat the spread of the disease, but it is the right business decision.

Many corporations already face increased worker absenteeism, increased labor costs for employers, lower productivity, and decreased overall demand for goods and services. In the past, employers have been forced to deal with the problem through inefficient measures to counteract the situation such as training two and three people for the same job, since many trainees will die of AIDS before their period of instruction is complete. Businesses should investigate more cost-effective solutions to this growing problem since the disease will inevitably affect businesses' bottom line.

Companies who contemplate doing business in Africa should implement an HIV/AIDS prevention

program in the workplace. The workplace is an ideal setting because there is a captive employee audience and prevention programs can be easily and cost-effectively integrated into already established worker health care programs.

The Family Health International AIDSCAP project through funding from USAID is an example of one of the many programs that are conducting studies on HIV/AIDS prevention programs in the workplace. Based on a survey sent to dozens of companies operating in Africa, AIDSCAP found that "Managers of organizations with HIV/AIDS prevention programs believe that their workplace activities are reducing employee risk behavior, health expenses, and other business costs, as well as making positive contributions to the community." AIDSCAP has published a practical guide for managers to help them develop appropriate workplace HIV/AIDS policies and prevention programs.

In addition to the AIDSCAP program, there are numerous resources available through NGO's and other government agencies that can help you determine the best practices for your organization. You can contact the following agencies for further information on HIV/AIDS prevention programs: Joint United Nations Programme on HIV/AIDS, World Bank, Centers for Disease Control and Prevention, US Agency for International Development, and AIDS.ORG, the AIDS Gateway to the Internet.

A strong and growing partnership between the public and private sectors can help to battle this disease that poses a threat to the safety and welfare of all peoples around the world.

## Did You Know?

**Ghana ...**  
OPIC's largest exposure in Africa is in Ghana a country the size of Oregon and made up of 18 million people. Currently, more than \$120 million in OPIC insurance and financing stands behind projects in Ghana in the telecommunications, power, energy, pharmaceuticals, consumer goods and mining sectors. Since 1992 Ghana has prospered from a democratically elected government with constitutional rule and a multi-party parliamentary system. President Clinton visited Ghana in 1998 calling it the "Gateway to West Africa." Agriculture dominates the economy making up about 41 percent of GDP and employees 60 percent of the workforce. Tourism is the country's third largest foreign currency earner. Telecommunications has recently been reinspired by the government's deregulation of the sector. Wireless communications have now become the norm, providing many opportunities for foreign investors in this sector.

**Nigeria ...**  
In 1999 OPIC reopened its programs in Nigeria, one of Africa's most populous countries with 113 million people. Historically, OPIC has supported 33 investments in Nigeria in the financial services, manufacturing, energy, and agriculture sectors. OPIC has seen interest in ten potential projects representing approximately \$200 million of total investments. Since the inauguration of President Olusegun Obasanjo in 1999, the Nigerian Government has taken an aggressive approach to fighting corruption and eliminated subsidies on petroleum products. President Clinton visited Nigeria at the end of August 2000 to encourage the new democracy's role as leader for peace and economic development in the struggle against AIDS. President Clinton stated: "If democracy takes root in Nigeria, it will lift up an entire region. So we'll do our part to help with trade and investment, support for Nigeria's peacekeepers in its efforts to ensure that the vast wealth it has accumulated and squandered in the past finally benefits its people."