The US-Africa Leaders Summit - What's Next?

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Two months after the historic US-Africa Leaders Summit some may question what was really achieved beyond the spectacle and excitement of the State Department and White House hosting 45 African heads of state and five high-level delegations at the start of Washington’s summer vacation season. While managing the logistical challenges alone deserves credit, the Administration did more and can do more to create a legacy beyond the Summit.

An examination of four areas prominently featured during the Summit reveals opportunities for the Administration to go beyond initial steps and make permanent the efforts to strengthen US engagement with the African continent.

Achieving a Key Milestone for AGOA and the US-Africa Dialogue

The Obama administration was the first to implement the 14-year-old mandate within the African Growth and Opportunity Act (AGOA) to host a US-Africa head of state summit. The Congress authorized the Summit long before the Chinese, Japanese, European, and Brazilian summits with African leaders became regular features of the global summitry landscape. The Administration thus achieved an important milestone in elevating the annual US-Africa dialogue on trade and investment, popularly known as the AGOA Forum, to the most senior level of decision-making.

However, the Administration did not go far enough. Rather than announcing bold initiatives for strengthening US-Africa trade and enhancing AGOA, President Obama issued at the end of the Summit a Presidential Memorandum establishing a 17 agency Steering Group on Africa Trade and Investment Capacity Building whose purpose is to develop a comprehensive approach to expand sub-Saharan Africa capacity for trade and investment. This anti-climatic outcome wastes government staff time and the taxpayers’ money. The Administration needs to look no further than the Office of the Assistant United States Trade Representative for African Affairs for the applicable trade capacity data, and the Office of Management and Budget for expertise in prioritizing the necessary financial resources.

US trade with Africa last year was $85 billion.1 If Africa were one country it would be our nation’s seventh largest trading partner, ranking between the United Kingdom and

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Brazil. But Africa is 54 countries that collectively represent just two to three percent of global trade and two percent of imports into the United States. Indeed, despite the President’s commitment to trade with Africa, US-African bilateral trade has decreased from a high of $125 billion in 2011 to $85 billion last year, a 32 percent drop. Bilateral trade between African countries and China, on the other hand, has increased nearly every year over the past decade. China surpassed the United States as Africa’s largest trading partner in 2009. Between 2011 and 2013, China-Africa trade increased from $166 billion to $210 billion.

The President should seize the momentum generated by the Summit and push for permanent authorization of AGOA. A permanent AGOA would serve as the foundation of our trade relationship with Africa and create the predictable business environment required for incentivizing long-term investment. During the Summit, the President called for the AGOA legislation to be strengthened and renewed; the Administration and the Congress now must follow through and act.

Expanding US Commitments through the “Doing Business in Africa” Campaign

At the Summit, the Obama administration rolled out its Doing Business in Africa (DBIA) campaign in which President Obama announced a combined public and private sector commitment of $33 billion. This amount includes $14 billion in new private sector deals in aviation, banking and construction, $12 billion in new private sector commitments under the Administration’s Power Africa initiative, and $7 billion in new financing to promote US exports to and investment in Africa. Analysts continue to study the DBIA to determine what new programs, as opposed to repackaged commitments, are included. The Administration is right to focus on the private sector and commercial deals between the United States and Africa. This is especially true as Africa has outstripped global growth rates over the past decade, offering new opportunities for American investment.

To complement the DBIA and support Americans doing business in Africa, the Obama administration could easily increase the number of Foreign Commercial Service (FCS) Officers serving in our embassies in Africa. FCS Officers are mandated to promote American business abroad and encourage foreign investment in the United States. However, according to a report released by Senator Chris Coons last year, there are only six FCS Officers serving in Africa. The 2000 AGOA legislation called for a minimum of 20 FCS Officers in at least ten sub-Saharan African countries by end of 2001. The Commerce Department cut the number of FCS Officers in Africa since the start of President Obama’s

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3 Ibid.
first term. If the President wants to make a direct impact on supporting American companies looking to invest in Africa, increasing on-the-ground support is a quick and easy step.

A far bolder action would be to provide tax incentives and additional resources to help American enterprises invest across more sectors in Africa. Machinery and vehicles are the top exports to Africa, together accounting for 35 percent of total Africa exports last year. Oil is the largest share of AGOA imports, valued at $30.1 billion last year, or 86 percent of all AGOA imports. If President Obama is serious about export-led job creation in America and Africa, he should focus on reducing barriers and expanding incentives. This includes creating tax reductions and holidays to enable American companies, especially small and medium enterprises that are the source of most new jobs, to enhance their competitiveness.

Focusing on Africa’s Youth: A Lasting Legacy Opportunity

The Young African Leaders Initiative (YALI) offers a genuine legacy opportunity for the Obama administration. With 60 percent of Africa’s total population under the age of 35, an initiative focused on youth is essential. Four years after YALI’s founding, the Administration has finally fleshed out the proposal through the creation of the Mandela Washington Fellowship program and the establishment of Regional Leadership Centers across Africa. Both programs focus on building skills, networks, and opportunities in entrepreneurship, civic leadership and engagement, as well as public management and administration. The United States Agency for International Development will support the initiative with a $38 million commitment, and the MasterCard Foundation will provide financial resources over five years to develop the regional centers, with other major corporations providing in-kind contributions.

The Administration wisely alleviated initial concerns that YALI could be used to promote instability and even undermine African political leadership, à la the Arab Spring. The YALI initiative is decidedly focused on offering opportunities for young people to gain skills and create networks that enable them to take responsibility for their futures and their societies. Investing in the next generation of African leaders is a time tested and proven method of fostering strong and enduring ties between the United States and Africa.

Energizing and Expanding the Africa Constituent Community

The Summit’s success also can be attributed to a number of actions and events worth highlighting:

♦ The US-Africa Leaders Summit energized the Africa constituent community that conducted more than 80 non-official side events, reflecting strong engagement and interest in Africa.
The Administration skillfully avoided catering to special interests and instead presented a serious Summit agenda focused on governance, development and peace and security—mutual core interests for the United States and African countries.

First Lady Michelle Obama’s partnership with former First Lady Laura Bush and the Bush Institute in hosting the Spouses Summit was an inspiring display of bipartisanship in the interest of advancing education and health, especially the Pink Ribbon Red Ribbon initiative to fight cervical and breast cancer.

President Obama mobilized top officials, including the Vice President and Cabinet Secretaries, to participate in the six official signature events. This high level participation demonstrated a whole-of-government commitment to Africa, at least for the three-day Summit.

In the end, the US-Africa Leaders Summit offered something for everyone. More than a dozen White House Fact Sheets announced new initiatives on a range of topics, including gender equality, global health, food security, climate change, wildlife trafficking, powering Africa, peacekeeping, counterterrorism, democracy, and human rights, among others. The Summit and its announced initiatives enhanced US investment in Africa’s youth through long-term leadership development as well as economic opportunities through trade. To ensure that the Summit’s legacy endures, the Administration must fulfill the promises it made during the three-day event and take bolder steps to formalize US trade and investment engagement with Africa.