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THE WHITE HOUSE LOOKS TO AFRICA, PART II

“As Africa changes, I’ve called on the world to change its approach to Africa. So many Africans have told me, we don’t want just aid, we want trade that fuels progress. We don’t want patrons, we want partners who help us build our own capacity to grow.” President Obama speaking to the people of Africa at the African Union Headquarters in Addis Ababa, Ethiopia

In late July, shortly after meeting with newly inaugurated [Nigerian President Muhammadu Buhari in the Oval Office](#), President Obama, [with twenty members of Congress in tow](#), made his fourth and likely final official trip to sub-Saharan Africa, stopping first in Kenya before traveling on to Ethiopia. For Africa watchers, the trip was an opportunity for Obama to [secure his legacy in Africa](#) and solidify initiatives under the four key pillars outlined in his 2012 [U.S. Strategy Toward Sub-Saharan Africa](#): trade and investment, peace and security, democracy and accountability, and development and opportunity. In Nairobi and Addis Ababa, Obama and senior U.S. government officials joined with their African counterparts to reiterate commitments to existing hallmark programs and announce a handful of new efforts to:

- [deepen existing trade partnerships](#), including the announcement of the next U.S.- Africa Business Forum in 2016 and billions in financing guarantees;
- [catalyze financing for entrepreneurship](#) through both \$700 million in new private sector commitments and significant new U.S. government funding (from OPIC, USAID, and the State Department);
- [increase U.S. assistance for peace and security](#), including through some \$40 million in new assistance to counter violent extremism and a presidential event at the UN General Assembly to increase the capacity of UN peacekeeping missions in Africa;
- [improve anti-corruption practices](#) in Kenya through a new bilateral quarterly review process intended to increase training, improve transparency, and leverage technology to ensure government accountability;
- [advance democracy and rule of law](#), including through \$21 million in new assistance for elections, expanded regional partnerships to combat illicit finance and improve transparency, and additional funding to combat wildlife trafficking, promote gender equality, and support civil society;
- [combat infectious disease and improve global health security](#) through a new \$1 billion commitment (more than half to be spent in Africa) and support for the establishment of the African Union (AU)’s new Centers for Disease Control and Prevention; and
- [improve food security](#), including through an additional \$142 million to address the impacts of climate change that threaten Africa’s small shareholder farmers across the continent.

Obama’s first stop was Kenya, where [he attended the sixth annual Global Entrepreneurship Summit \(GES\)](#), the first to be held in sub-Saharan Africa. The Summit highlighted the region’s vibrant entrepreneurial spirit: Kenya is home to some of the most innovative leap-frog

technologies in Africa, such as [M-Kopa](#). It also built on the Obama administration's support for a new generation of African leaders—one of Obama's cornerstone initiatives is the Young African Leaders Initiative (YALI)—and focused on the critical need to equip Africa's large youth population with the tools they need to succeed in an increasingly globalized economy (Obama held his [annual YALI Town Hall](#) just days after returning from Africa). One of the most important aspects of this year's GES was its ability to connect entrepreneurs with the capital—so often difficult to access in the African context—necessary to take their businesses to the next level. At the Summit, African entrepreneurs had the opportunity to connect not only with business leaders like Airbnb CEO Brian Chesky and executives from the Blackstone Group, Google, and GE, but also African business magnates, including Tony Elumelu and Strive Masiyiwa. President Obama announced new resources to advance entrepreneurship in Africa, including, as mentioned above, [new sources of both private and government financing](#). These resources build off of more traditional lending mechanisms from OPIC and USAID, but also leverage new partnerships, such as one with the Kenyan Equity Bank Group to provide loans to women and youth in support of small-enterprise development and a [new entrepreneurship center](#) offering business resources and education to women set to open in Mali this year (two other such centers are already open in Kenya and Zambia).

Building on the historic U.S.-Africa Business Forum in August 2014, there were several noteworthy [new announcements focused on trade expansion](#). In Nairobi, Secretary of Commerce Penny Pritzker signed a Memorandum of Understanding (MOU) with the Kenyan government to build critical infrastructure in Kenya. The MOU is in line with the country's ambitious development plan, Kenya Vision 2030, and is also designed to effectively and efficiently bring to bear the full capabilities of the U.S. government and leverage American capabilities to support Africa's growth—one of the key recommendations from major American business leaders and members of the [President's Advisory Council on Doing Business in Africa](#). The Commerce Department also announced it will take steps to further the development of a new, modern cold chain in Kenya that can be replicated across the region and stands to transform the value of Africa's agricultural outputs. In a major push to direct capital flows towards the continent, Commerce will launch a multi-stop Institutional Investor Roadshow, beginning at the UN General Assembly in September, to mobilize capital and promote best practices dialogue between U.S. institutional investors and African governments. The roadshow will seek to introduce leading American institutional investors to opportunities across the continent, with up to 10 stops in the region. Seeking to broaden its reach, the Trade Africa Initiative, initially intended to reduce barriers to trade and promote regional integration within the East Africa Community, will be expanded to include Cote d'Ivoire, Ghana, Senegal, and Zambia. Several other U.S. agencies also made major new commitments that will impact Africa. The Millennium Challenge Corporation (MCC) is launching a new \$750 million public private platform. OPIC announced an additional \$1 billion in financing for insurance through 2018, will open two new African offices, and will lead a post-Ebola investor trip to West Africa in 2016. In addition, the U.S. Trade and Development Agency (USTDA) will host four reverse trade missions from Africa to the United States and is launching a Global Procurement Initiative in Ethiopia to help improve procurements practices for infrastructure projects. The Department of Agriculture's Commodity Credit Corporation will also commit an additional \$1 billion in financing guarantees on the continent through 2017; and the State Department will lead a medical technologies trade mission to Nigeria and Cameroon in November 2015.

While the trip has generally been hailed as a success—and was uniquely personal for this president—the choice of Kenya and Ethiopia as the anchor destinations did not go unnoticed by critics, who questioned the President's willingness to meet with leaders from two nations that have been accused of human rights violations. Obama did, however, make a point to meet with civil society groups in Nairobi. He also made comments in his public remarks promoting free expression and open societies, and, when asked about anti-homosexuality laws, Obama was clear that [states should not discriminate based on sexual orientation](#). Speaking to leaders from across the continent at the AU headquarters in Addis Ababa (Obama is the first sitting American president to visit the AU), the President [spoke frankly](#) about his disdain for leaders who overstay their constitutional term limit, stating that “nobody should be president for life.” The audience erupted into cheers, indicating growing disillusionment on the continent with African heads of state who have found ways to extend their stays of power—including current AU Chairman Robert Mugabe, who has served as Zimbabwe’s president since 1987—and the new momentum for transformative democratic elections, as in the case of Nigeria’s recent historic presidential vote. But trade and investment themes also remained paramount in Ethiopia, as in Kenya: while in Addis Ababa, the President met with AU Chair Nkosazana Dlamini Zuma and their discussion on the importance of breaking down barriers to trade—including the need to attract investment by modernizing customs, building new infrastructure, diversifying sectors, and fighting corruption—featured prominently in Obama’s subsequent AU speech.

With little time left in the Obama presidency, Africa analysts expect that the administration’s remaining efforts will focus on Obama’s enduring legacy and ensuring that the President’s Africa initiatives will be retained once his successor takes office in 2017. As the bilateral trading relationship between the United States and Africa deepens, preparations will soon begin for the next U.S.-Africa Business Forum, set to take place in the United States in 2016, and attended by President Obama and hosted by the Department of Commerce. At the last forum, government and the private sector pledged over \$33 billion in trade and investment commitments. Since the 2014 forum, the number of projects in Africa supported by Commerce has tripled, and, the upcoming investor roadshow will serve to further drive interest in the continent. Ongoing investor interest in Africa will depend on many factors, including West Africa’s ability to recover from the devastating Ebola outbreak, a resurgence in oil prices and demand for Africa’s natural resources, and the ability of African governments to continue taking the necessary steps to facilitate intra-regional trade. Obama’s trip was intended to serve as a reminder that Africa is open for business and to reassure investors that the United States is committed to partnering with Africans to ensure continued growth on the continent.

In Nairobi, Obama told audiences that the next time he is in Africa [he may not be wearing a suit](#). But American suits will continue to be seen in African capitals from Lagos to Nairobi, thanks in large part to the Obama administration’s targeted efforts to elevate the trade and investment relationship between the United States and African nations. As the continent continues to expand its infrastructure base and a new generation of African entrepreneurs partner with American business leaders, analysts expect that American interests in Africa will continue to rise.