

**Testimony by U.S. Agency for International Development
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House Foreign Affairs Committee
Subcommittee on Africa, Global Health and Human Rights Hearing
Governance, Democracy, Human Rights, and the Millennium Challenge Corporation in
Africa:
The FY2012 Proposed Budget
May 10, 2011**

Good afternoon Chairman Smith, Mr. Payne, and members of the Subcommittee. Thank you for inviting me to speak with you today about our investments in Africa. Mr. Chairman and Mr. Payne, it is always an honor and pleasure for the Agency to have the opportunity to discuss our work with such great supporters of Africa.

This year, USAID celebrates 50 years of the generosity of the American people, who believe that we can make the world a better and safer place if we use our wealth, expertise, and values to invest smartly. Africa matters to the American people. Our histories and cultures are inextricably linked, and our partnership is based on our mutual desire for peace, security, democracy, good governance, good health, educated people, and economic growth and prosperity for all.

Throughout USAID's 50 years, we have confronted some of the greatest development challenges in Africa, and our work has made a difference through crucial interventions in humanitarian assistance, health, education, economic growth, and infrastructure. The United States has been instrumental in bringing many African conflicts to an end, laying the foundation for governance transformations and creating partnerships that consolidate democratic gains. We have moved beyond ending wars to understanding how to prevent the conflicts and political instability that threaten our own national security. Emerging and persistent challenges like corruption, disease, environmental degradation, poverty, illicit trade, and extremism, combined with unemployment and a ballooning youth population, require sustained and smart U.S. investments in development.

Our efforts reap dividends for both Africa and the United States. Disease and conflict know no borders, and undeveloped markets limit the potential of global economic growth. As the United States supports the development of African businesses that will generate the kinds of jobs necessary for real economic growth and political stability, American firms and American workers stand to benefit from the large untapped markets and increasing opportunities Africa presents. We also cannot turn our backs on those in need; the American people demonstrated their overwhelming commitment to help those in crisis through outpourings of donations after the earthquake and tsunami in Japan, the earthquake in Haiti, and other recent disasters. Assistance is an American value.

USAID's assistance focuses on improving health, helping to address transnational threats and challenges, strengthening democratic institutions and protecting democratic gains, fostering broad-based and sustainable economic growth, and preventing, mitigating, and resolving armed conflict. To get the kinds of outcomes we seek, USAID has several new tools at its disposal. The Obama Administration's Policy Directive on Global Development is guiding the U.S. Government to take stock of its efforts contributing to development outcomes, and to focus and

improve the impacts of our interventions. Combined with Secretary Clinton's leadership in the Quadrennial Diplomacy and Development Review and Administrator Shah's own efforts to fundamentally reform how USAID does business through USAID Forward, the United States is significantly improving the impact and efficiency of its work in Africa.

Where can we make a difference? That question drives everything we do. We are becoming more selective in how we choose the countries and sectors where we will invest our resources. Under USAID Forward, we are moving toward practices that are most effective at achieving development results that are measurable and real and that create the conditions where our assistance is no longer needed. In all of our areas of work, we are seeking to put in place more effective, more modern, and more efficient strategies to get better results and better outcomes. At the same time, we are constantly in search of science and technology innovations that will accelerate economic growth and improve health. Promising innovations in vaccines, clean energy, and information technologies can produce especially dramatic results in Africa, where even small-scale or low-cost technologies can leapfrog traditional development hurdles and yield exponential development gains.

USAID is focusing on President Obama's three major initiatives—Feed the Future, which aims to address hunger and unlock the enormous potential of African agriculture as a driver of prosperity; the Global Health Initiative, which will save millions of lives while building sustainable health systems; and Global Climate Change, which helps mitigate the potentially dire consequences of climate change on African ecosystems, food production, and economic development. USAID is also working to strengthen the principles and practices of democracy and good governance to create the conditions for peace and development in Africa by promoting the rule of law, free and fair elections, a politically active civil society, and transparent, accountable, and participatory governance. In addition to our bilateral support to African countries, we are engaging heavily with regional organizations like the East African Community, which can work effectively across borders, easing the restrictions on trade and investment and encouraging growth throughout Africa. As part of USAID Forward, we are also expanding our work with local organizations to build home-grown capacity and institutionalize our efforts to strengthen relations between the people and their governments to support lasting, sustainable civil society organizations, government institutions, and health care and education providers that can exist long after USAID support has run its course.

The total FY 2012 budget request for Africa is \$7.8 billion, representing a 10 percent (\$732.7 million) increase over the FY 2010 enacted total. Roughly 65.9 percent (\$5.1 billion) of that consists of bilateral assistance for 13 priority countries (the Democratic Republic of Congo, Ethiopia, Ghana, Kenya, Liberia, Mali, Mozambique, Nigeria, Somalia, South Africa, Sudan, Tanzania, and Zimbabwe) that are critical to national security and economic trade.

The request for Sudan represents an increase of 21 percent (\$90.5 million) over the FY 2010 enacted total, which would go toward enhancing security, governance capacity and economic growth throughout southern Sudan's transition to independence. In January 2011, 3.8 million southern Sudan voted in a referendum on self-determination, which was provided by the 2005 Comprehensive Peace Agreement that ended one of Africa's longest and bloodiest conflicts.

Nearly 99 percent of voters chose secession. This is a new chapter in history, opening the door to sustainable peace and development throughout north and south Sudan.

Seventy-seven percent of the request would go toward the President's initiatives, in which we will build on substantial investments:

- Feed the Future: \$507.3 million
- Global Health Initiative: \$5.4 billion
- Global Climate Change Initiative: \$126 million

These initiatives are integrated, focused, and led by each country's specific needs and opportunities. We have worked closely with focus countries to develop rigorous strategies and balance difficult trade-offs with a clear-eyed assessment of where we can most effectively achieve dramatic, meaningful results for the developing world.

An effective government—one that represents the interests of the people and is accountable and transparent—is the best insurance for making development progress sustainable. In African countries, long-term improvements in health, education, economic growth, and the environment ultimately require responsive and representative governments that can promote and consolidate gains. In contrast, weak governance dampens economic activity, increases the risk of civil unrest, and can create fertile ground for terrorists.

Since 1998, dozens of African countries embraced democratic rule. Today, nine of Africa's 48 states are regarded by Freedom House as full democracies while 23 others are regarded as partial democracies. This is a remarkable achievement given that 30 years ago military dictatorships and one-party states dominated the continent, and we believe our sustained efforts to support democracy both diplomatically and through our assistance programs have played a key role in this success.

The number of conflicts that preoccupied Africa and the international community over the past decade has been sharply reduced. African leaders recognize the negative impact of violent conflicts on their region and many of them demonstrate a willingness to assume greater responsibility for preventing and responding to conflicts. USAID employs a range of conflict mitigation and peace and reconciliation activities in Africa. In FY 2010, support to conflict mitigation and reconciliation in the region totaled approximately \$63 million, with the majority of funding to the Democratic Republic of Congo, Ethiopia, Somalia, and Sudan. USAID also supports conflict early warning and prevention mechanisms in Kenya and through the Economic Community of West African States, the East African Inter-Governmental Authority on Development, and the African Union to analyze conflict trends and position resources to mitigate violence before it starts. The participation of African states in sub-regional peacekeeping missions and the African Union's commitment to the establishment of five standby brigades across the continent attest to this fact. The African Union's principled stand in opposition to violent coups is another positive development, and USAID has been strengthening its coordination with the African Union with programming focused on conflict prevention, democracy and governance, food security, and health.

A number of obstacles hinder the consolidation of democratic political systems in Africa: entrenched political leaders, a lack of systems that provide for checks and balances, the high incidence of conflict due to resources, endemic corruption, legal restrictions on civil society, ethnic grievances, and a lack of a democratic political culture. A recent spate of coups, ethnic conflict, suppression of civil society, and political stalemates between opposing factions suggest a trend of democratic backsliding across all regions of Africa. However, we also see 15 emerging markets which are attracting private capital, commercial investments, and nascent bond markets. USAID has reached out to many private sector actors to assist our work and see it expanding in the coming years.

Africa's economies have also made measurable strides. African governments have liberalized their economies, embraced market reforms and adopted pro-business policies. Prior to the onset of the global financial crisis in 2008, Africa enjoyed nearly a decade of steady economic growth, averaging over 5.3 percent a year. Although much of this growth was driven by oil and gas exports, and the rise in mineral and commodity prices, significant policy changes by African governments, an upsurge in agricultural exports, and the expansion of Africa's entrepreneurial middle class also played a major role in this turnaround. USAID's priority is fostering this sustainable, broad-based economic growth—one of the fundamental forces that will eventually transform the developing world, accelerate development, and eradicate poverty. We envision a world where private sector investment drives sustainable growth and market-led development replaces foreign assistance.

Feed the Future affirms the United States' commitment to advance global stability and prosperity by improving the most basic of human conditions: the need that families have for a reliable source of quality food and the means to purchase it. Agricultural growth is highly effective in reducing poverty—especially in Africa, where the majority of rural poor depend on agriculture for their livelihoods. To ensure our investments are effective, we are prioritizing and focusing our resources on a core set of countries where food security objectives can best be realized.

Feed the Future has two key objectives: creating inclusive growth in the agricultural sector and improving nutrition. Women are the backbone of the economy in Africa, so gender concerns are integrated in all our efforts and we are helping partners strengthen their capacity to consider gender throughout all stages of the agricultural production, processing, and marketing. Women are also the key to improving nutrition, so we are investing in cost-effective nutrition programs that focus on women and young children. Feed the Future's country-owned plans are developed within the continent-wide efforts known as the Comprehensive Africa Agriculture Development Program (CAADP). Up to 20 potential focus countries worldwide have been identified based on the level of need, opportunity for partnership and regional collaboration, potential for agriculture-led growth, and resource availability. Twelve of these countries are in Africa (Ethiopia, Ghana, Kenya, Liberia, Mali, Malawi, Mozambique, Rwanda, Senegal, Tanzania, Uganda, and Zambia).

The U.S. government's long-standing bipartisan efforts in global health are a signature of American leadership in the world. Our health programs not only show America at her best, but also deliver results. Investments in global health strengthen fragile or failing states, promote social and economic progress, and support the rise of capable partners who can help to solve

regional and global problems. The President's Emergency Plan for AIDS Relief has prevented more than a quarter million newborns from contracting HIV/AIDS and provided care to over 9.4 million people. In 2000 malaria killed nearly a million people each year in sub-Saharan Africa, but by 2009, that number had dropped nearly 20 percent, and the \$30 billion a year in productivity lost due to the disease has also begun to fall. Of the eight President's Malaria Initiative (PMI) focus countries in Africa where baseline and follow-up health surveys have been conducted, all have reported substantial reductions in child mortality, ranging from 16 to 36 percent. Malaria prevention and control measures have been a major factor in these reductions. Fistula remains a major problem in many African countries. We have supported 25 fistula centers in nine African countries and funded the training of medical personnel, treating and counseling of thousands of women with fistula, and preventing and managing the condition. In Ethiopia, for instance, central USAID-supported fistula repair centers are complemented by "pre-repair" centers, which provide nourishment and physical therapy to patients, and teams that mobilize and educate communities on fistula prevention, identification, and repair.

But despite these successes urgent challenges remain. This year, more than 350,000 women will die in pregnancy or childbirth and 8 million children will die of preventable diseases before their fifth birthday; approximately half of these deaths will occur in Africa, and undernutrition is a leading contributing factor. Through the Global Health Initiative (GHI), the United States in partnership with host countries and other donors will accelerate progress toward ambitious health goals which will improve the lives of millions. Funding is targeted to the highest priorities— infectious diseases, maternal and child health, and family planning—while helping developing countries build their capacity to help their own people. In FY 2010, we expanded malaria control into two critical countries, the Democratic Republic of Congo and Nigeria, which have a combined population of 200 million and where 50 percent of the African malaria burden lies. And we will continue to strengthen the capacity of local partners to deliver highly effective malaria prevention and treatment measures. We have prioritized funding in areas that have maximum impact on the health of women and children to achieve dramatic, meaningful results for the American people's investment in the developing world.

The United States is resolute in its commitment to forge a truly global solution to climate change, and established the Global Climate Change (GCC) initiative to help countries assess their vulnerability to climate change and begin to adapt to these changes. Africa's share of global greenhouse gas emissions is currently small—sub-Saharan Africa has only about 6 percent of global emissions, while encompassing about 12 percent of the world's population. In many parts of the continent, however, emissions are rising rapidly—and there is enormous untapped potential to control their growth. But if emissions are relatively modest, climate impacts on Africa are unfortunately not commensurately limited. Africa is one of the most vulnerable continents to global climate change and climate vulnerability. The FY 2012 request includes \$126 million for GCC in Africa, which will focus on three areas—adaptation, energy, and landscapes—while addressing each of the sectors where the effects of climate change will be the most pronounced: food security, health, and stability.

Of the total request for FY 2012, \$53 million is planned to go toward adaptation—helping countries increase their resilience to changing climatic conditions. Activities will include assisting countries in improving science, building government systems, and identifying activities

that can make people, places, and livelihoods less vulnerable over the long term. The FY 2012 request also includes \$25 million for clean energy programs. No country has developed without a parallel increase in the use of energy, which is why developing economies are projected to account for over 80 percent of the growth in emissions by 2030. These countries can and should play a major role in reducing emissions of greenhouse gases. We intend to help attract investment in clean technologies to reduce these emissions while supporting robust and sustainable growth. Finally, the FY 2012 GCC request includes \$48 million for sustainable landscapes, which mitigate emissions caused by land degradation, deforestation, and desertification. USAID is working to change the economic circumstances that drive emissions, improve land management, conserve important carbon “sinks” in forests, promote reforestation and afforestation, and promote improved agricultural and agroforestry methods to increase carbon sequestration.

Our key priorities require a cooperative approach, so regional integration will be key to achieving the objectives of each of these initiatives. USAID works closely with African regional institutions, which play a vital role in bringing together member states to address challenges that cross boundaries, such as food security, health, and climate change. USAID, working with the Departments of State and Defense, has increased its support to regional integration efforts by closely working with the African Union, the East African Community, ECOWAS, and other regional groupings to ensure that common security and economic issues can be the platforms to creating peace and security in the region.

For USAID to accomplish its goals, we must get the most out of every taxpayer dollar spent—that is why we are committed to making crucial reforms that are already having an effect on our work in Africa. USAID is partnering with other donors for greater impact, as we are doing with the United Kingdom’s Department for International Development in Nigeria to jointly program our resources to ensure the elections were free and credible. We are also proud of our joint efforts with the State Department toward the successful referendum on independence for southern Sudan last January. Smart USAID investments are paying off in Tanzania and Ghana as well, where Feed the Future is leveraging the private sector and working to truly transform food production and the economies of our African partners. In Kenya, through PEPFAR, USAID coupled HIV/AIDS treatment to maternal and child health services, which extended the availability of reproductive health services from just two of the country’s regions to all eight—and at no additional cost.

Africa’s future is driven by Africans, but the United States has a continued commitment to a partnership grounded in mutual responsibility and respect. We have a moral imperative to help to solve the planet’s biggest development challenges, and a very real role in safeguarding the United States’ national security and economic opportunities. As we continue to work with our partners toward our shared goals over the coming months, I very much look forward to a continued conversation on USAID in Africa.

Thank you, Mr. Chairman, Mr. Payne, and members of the Subcommittee. I look forward to responding to any questions you might have.