

Africa-US Partnership Framework



The Africa-US Partnership Framework was launched on August 3, 2010 under the United States – African Union Multi-year Assistance Agreement and solidified by the US Department of State – AU Commission MOU for Cooperation, which was signed on February 1, 2013. The co-organizers are the African Union Commission (AUC) and US Department of States. The relationship was strengthened in 2014 by the convening of the US-Africa Leaders’ Summit in August 2014.

Since the United States became the first non-African country to establish a dedicated diplomatic mission to the African Union in 2006, the United States and African Union Commission (AUC) have built an enduring partnership based on mutual interests and shared values. The United States has worked with the AUC, since launching an official High-Level Dialogue in 2013, to advance partnership in critical areas: Discussions at the 7th U.S.-AUC High Level Dialogue held November 14 – 15, 2019 in Washington, D.C. advanced mutual interests in advancing stability and building economic opportunity on the continent.

With GDP of US \$21.44 trillion and a population of 316 million, the United States has the largest and most technologically advanced economy in the world, with a per capita GDP of \$49,800. US firms are at or near the forefront in most technological advances, especially in computers and in medical, aerospace, and military equipment but also in infrastructure (energy, transport, etc.). The US also has the most sophisticated services sector of the world with global service firms in sectors such as: banking and finance; consulting, professional and business services; ICM (IT, Communication, Media) services, transport and logistic services; education and research.

The combination of a robust education and research sector, a dynamic consulting and business/professional sector, and a forward-looking innovative NGO and CSO sector also put the USA at the forefront on policy and program innovation in PPP/infrastructure, industrial, export, SMME development policy, programs and related business development tools.

Table 1: US-Africa Trade (all figures in millions of USD)

	US Exports	US Imports	Balance
Total 2000	10,965.9	27,640.9	-16,675.0
Total 2005	15,309.5	65,211.8	-49,902.2
Total 2010	28,339.9	85,008.1	-56,668.2
Total 2013	35,038.1	50,075.9	-15,037.8
Total 2019	20,800	31,500	-10,700

Source: US Department of Commerce

The United States is the second largest importer of merchandise from Sub-Saharan African (SSA) countries. In 2011, the United States received

15 percent of the region’s total exports. However, although it is the second largest trade partner from the perspective of SSA countries, the United States conducts a small share of its total trade with SSA countries. The United States imported merchandise worth \$74 billion from SSA countries in 2011, which is about 3.4% of total U.S. global imports of \$2.2 trillion.

The United States exported goods worth \$20.3 billion to the region in 2011, 1.5% of total U.S. exports of \$1.3 trillion based on 2011 trade statistics. Overall, total trade (exports plus imports) between the United States and Sub-Saharan Africa grew 51% between 2009 and 2011, up from \$62.4 billion in 2009 to \$94.3 billion in 2011. This increase in the value of trade resulted from increases in commodity prices between 2009 and 2011, as well as growth in the quantities traded.

The main U.S. import is mineral fuels and oil which accounted for about 73% of the US imports from SSA in 2011 (USDC, 2011). Nigeria, South Africa, Angola, Gabon, Chad and Congo are the major exporters of the products imported to the US (i.e. mineral fuels and oil, pearls, precious stones and metals, vehicles and parts.).

A large proportion of U.S. trade with sub-Saharan Africa is with a small number of countries. About 79% of U.S. imports from the region in 2011 were from Nigeria (47%), Angola (19%), and South Africa (13%). The only agricultural product in the top 10 products imported is cocoa and cocoa preparations. African cocoa exports increased significantly reaching \$1.2 billion in 2011, up 22 percent from 2010. Côte d’Ivoire, Ghana, Cameroon, Nigeria and Togo are the leading producers and exporters of cocoa in Africa.

The top U.S. export market in SSA was South Africa at \$7.2 billion; made up largely of machinery, mineral fuels and oil, gold powder, vehicles and parts. Other important markets include Nigeria (\$4.8 billion; mostly minerals and oil, machinery, vehicles and its parts and cereals), Angola (\$1.5 billion; mostly machinery, aircraft parts, poultry, iron/steel), Ghana (\$1.1 billion; mostly machinery, vehicles and parts, mineral fuels, cereals), and Ethiopia (\$689 million; mostly cereals, aircraft and parts, machinery).

On August 3, 2010, the United States and the African Union signed a \$5.8 million multi-year Assistance Agreement (to be completed on September 2014) to further the U.S. foreign assistance objectives of peace and security, economic development, regional integration, health and social welfare, and good governance on the African continent. Cooperation Areas of the United States – African Union Multi-year Assistance Agreement, in which the parties may develop and carry-out activities including, but are not limited to:

Trade facilitation and regional integration

- Agriculture and food security
- Democracy and governance
- Health and nutrition
- Climate change
- Capacity building
- Strengthening regional and global cooperation
- Such other areas as the parties may mutually agree to.

The partners further intend to hold discussions aimed at facilitating cooperation in four key areas: peace and security; democracy and governance; economic development, investment and trade; and promotion of opportunity and development, as well as to exchange related information on best practices, lessons learned, and technical matters. The Partners intend to cooperate and encourage collaboration among international partners in confronting the many peace and security challenges facing the continent. The framework of the partnership covers the areas of:

PEACE AND SECURITY

The Partners intend to deepen their cooperation, coordination, and capacity to work together in areas of humanitarian concern, crisis response and monitoring, conflict prevention, peacekeeping operations, post conflict reconstruction and development, maritime security, illicit

trafficking and combating terrorism, and to improve their mutual engagement with other regional and international organizations in these areas.

DEMOCRACY AND GOVERNANCE

The Partners intend to work together on efforts to support democratic practice and constitutional transitions; promote good governance, elections, transparency, and the rule of law; uphold human rights, including the freedoms of speech and religion, women's rights throughout the continent; and the promotion of strong civil society and social justice. They intend to collaborate in these areas and improve the capacity of the AUC to be able to deliver on these issues in the areas identified.

ECONOMIC GROWTH, TRADE AND INVESTMENT

To achieve joint economic objectives and other interests, the Partners intend to encourage ongoing programs and initiatives and explore new areas of cooperation aimed at promoting sustainable growth and encouraging mutual private sector engagement to stimulate trade, investment, and cooperation in other related fields.

The Partners intend to explore cooperation on issues that transcend national boundaries in the following fields: natural resource and labor management, sustainable fisheries, environmental protection, food security, climate change, renewable energy and regional energy integration, organized crime, conservation of biodiversity, labor migration, agriculture, civil aviation, and regional information networks and communication.

The Partners intend to exchange views on their respective positions on these matters in international and regional forums and cooperate on mutual positions.

PROMOTION OF OPPORTUNITY AND DEVELOPMENT

The Partners intend to promote cooperation in the following fields: health, education, humanitarian resilience, enhancing the role of youth and women. The Partners may also consider collaborative activities in the area of higher education, promoting technical and scientific cooperation, exchange programs, capacity building, and research and development in the areas of information technology.

Under the partnership, which is still in its early days, a detailed action plan has not yet been articulated. Intervention areas are still very loosely defined and the AUC and the US Department of State are working towards making it more comprehensive. Hence, the implementation level is still very low.

In fact, the partnership framework needs to be made more comprehensive and be further clarified in terms of its institutional framework and content as specified in the recommendations. Selected key initiatives of the US that supports Africa trade, investment, and development include:

- **The African Growth and Opportunity Act**

The Africa Investment Incentive Act of 2006 that the US government put into play in 2006 (signed by President George Bush on December 20, 2006), amends portions of the African Growth and Opportunity Act (AGOA) and is referred to as "AGOA IV".

The legislation extends the third country fabric provision for five years, from September 2007 until September 2012; adds an abundant supply provision; designates certain denim articles as being in abundant supply; and allows lesser developed beneficiary sub-Saharan African countries export certain textile articles under AGOA. The textile and apparel provisions were further extended in 2012 to 2015.

- **The Millennium Challenge Corporation**

MCC is an innovative and independent U.S. foreign aid agency that is helping lead the fight against global poverty. Created by the U.S. Congress in January 2004 with strong bipartisan support, MCC is

changing the conversation on how best to deliver U.S. foreign assistance by focusing on good policies, country ownership, and results.

To date, the MCC has approved over \$8.4 billion in compact and threshold programs worldwide that support country-determined projects in such sectors as:

- Agriculture and irrigation,
- Transportation (roads, bridges, ports),
- Water supply and sanitation,
- Access to health,
- Finance and enterprise development,
- Anticorruption initiatives,
- Land rights and access, and
- Access to education.

- **Power Africa**

On June 2013, the US government announced Power Africa, a new initiative to double access to power in sub-Saharan Africa. The United States and its partners intend to work with an initial set of Power Africa partner countries, including Ethiopia, Ghana, Kenya, Liberia, Nigeria, and Tanzania. Power Africa will also partner with Uganda and Mozambique on responsible oil and gas resources management.

Power Africa seeks to bring to bear a wide range of U.S. government tools to support investment in Africa's energy sector. From policy and regulatory best practices, to pre-feasibility support and capacity building, to long-term financing, insurance, guarantees, credit enhancements and technical assistance, Power Africa will provide coordinated support to help African partners expand their generation capacity and access.

The United States in 2018 put into legislation the BUILD Act. With strong backing of the Trump administration, the US Congress passed legislation that will see the US government double the available US government's investment capital from \$29bn to \$60bn and offers promising opportunities for more US direct investment in Africa. This sign of an increased desired cooperation strengthens between the US and Africa.

- **Trade Africa**

On 1st July 2013, US President Barack Obama announced the launch of Trade Africa, a new partnership between the United States and sub-Saharan Africa that seeks to increase internal and regional trade within Africa, and expand trade and economic ties between Africa, the United States, and other global markets.

Trade Africa will initially focus on the member states of the East African Community (EAC) – Burundi, Kenya, Rwanda, Tanzania, and Uganda. In its initial phase, Trade Africa aims to double intra-regional trade in the EAC, increase EAC exports to the United States by 40%, reduce by 15% the average time needed to import or export a container from the ports of Mombasa or Dar es Salaam to land-locked Burundi and Rwanda in the EAC's interior, and decrease by 30% the average time a truck takes to transit selected borders. The United States is also supporting the EAC's efforts to advance regional integration, through bilateral and regional trade facilitation and a new partnership with TradeMark East Africa.

Doing Business in Africa Campaign

Highlighted at the U.S.-Africa Business Forum, the Doing Business in Africa (DBIA) Campaign, includes \$7 billion in new financing to promote U.S. exports to and investments in Africa. The DBIA Campaign encourages U.S. commercial engagement in Africa by harnessing the resources of the U.S. government to assist businesses in identifying and seizing opportunities and to engage with members of the African Diaspora in the United States. The DBIA Campaign, which was launched in November 2012, has four main objectives:

- Connect American Businesses with African Partners
- Support Existing and New American Investment in Africa
- Expand Access for American Businesses to Finance Their Exports to Africa
- Reduce Barriers to Trade and Investment in Africa