

FACT SHEET: U.S.-Africa Commercial Engagement

This month, members of the President's Advisory Council on Doing Business in Africa joined U.S. government leaders on a four-country trip across Africa. The trip underscores the significant partnerships that the United States has with African nations and the potential for shared economic prosperity. Expanding trade, investment, and commercial ties will create jobs and build wealth for Americans and for Africans. The fact-finding visit by the Advisory Council members also underscores the value of private sector input into the development of economic and trade strategies that enhance U.S.-Africa cooperation and competitiveness.

On the occasion of the high-level visit, the U.S. government will make significant commitments to further deepen U.S.- Africa commercial engagement and to create pathways for long-term trade and economic partnership.

New Commitments to Significantly Expand Commercial Engagement between the U.S. and Africa

- The U.S. Department of Commerce signed government-to-government memoranda of understanding with Ethiopia, Kenya, and Ghana, respectively, that demonstrate the U.S. Government's commitment to sustainable, high-quality infrastructure development and other priority projects in each country and whole-of-government support for the use of U.S. solutions that will benefit millions of citizens and create jobs in Africa and the United States.
- The U.S. Government intends to support more than \$20 billion in financing and through programs to expand and deepen U.S. – Africa commercial ties. This includes financing, investment, and insurance from the Export-Import Bank of the United States and the Overseas Private Investment Corporation, grants from the Millennium Challenge Corporation, the U.S. Agency for International Development, and the U.S. African Development Foundation; feasibility studies and reverse trade missions funded and organized by the U.S. Trade and Development Agency; and stronger engagement by U.S agencies to deepen private sector engagement between Africa and the United States.

Agency-Specific Commitments to Deepen Commercial Ties between the U.S. and Africa

U.S. Export-Import Bank (EXIM)

- Upon obtaining a quorum on EXIM's Board of Directors, EXIM stands ready to support up to **\$15 billion in financing** of U.S. exports to Africa over the next two years.

Overseas Private Investment Corporation (OPIC)

- OPIC will commit up to **\$3 billion in financing and insurance support** over the next three years to catalyze private sector investments in Africa. This includes *OPIC's Connect Africa* investment initiative, which was recently launched in advance of OPIC's President and CEO's travel to the continent and will invest more than **\$1 billion for projects that support transportation, communications, and value chains** in Africa over the next three years.

Millennium Challenge Corporation (MCC)

- In addition to the signed compacts and threshold programs in Africa totaling over **\$3.2 billion**, MCC will commit up to **\$1.3 billion in funding for new compacts and threshold programs** in Africa over the next two years that facilitate private sector-led economic growth and poverty reduction, creating potential opportunities for U.S. companies to invest in our partner countries. To date, MCC projects in Africa have catalyzed more than \$4 billion in private sector and other third-party commitments.
- In addition to frequent market outreach events and online webinars throughout the United States, MCC will hold a **Market Outreach Event specifically for U.S. construction firms**—highlighting upcoming relevant opportunities across all Compacts. In order to promote opportunities to U.S. businesses, MCC will hold a **Compact Contracting Event in Africa** for procurement opportunities in partnership with the U.S. Department of Commerce. To ensure U.S. company input is considered during the design stage, MCC will hold **Compact Development Forums** with the U.S. private sector for each compact under development.
- The U.S. Trade and Development Agency and MCC will partner to deliver **Reverse Trade Missions** to introduce U.S. industry to the procurement opportunities supported by MCC compacts in African countries

focusing on opportunities for U.S. companies in sectors such as energy and transportation where U.S. industry could provide valuable solutions to advance compact goals in MCC partner countries in Africa.

U.S. Trade and Development Agency (USTDA)

- USTDA will **open an office in East Africa** at the U.S. Embassy in Nairobi. This will be USTDA's first ever representation in East Africa and demonstrates the expanding importance of Africa in USTDA's portfolio.
- USTDA will support **six reverse trade missions** for African governments and companies in 2018 and 2019 targeting sectors including energy, smart cities, cyber security, and customs projects.
- USTDA will provide **\$13.86 million in grants** for feasibility studies and technical assistance for over 15 projects in 10 countries in Africa in 2018 to support infrastructure development in energy, transportation, and telecommunications. This represents over **\$1.3 billion in potential U.S. exports**.
- USTDA will sign an **MOU with the African Development Bank (AfDB)** to promote best value assessments in procurements for infrastructure development. This will strengthen AfDB's capacity - and that of their partner African governments - to build sustainable and quality infrastructure.
- USTDA will host at least **four workshops in Africa in 2018 through the U.S.-Africa Clean Energy Standards Program (CESP)**, implemented by the American National Standards Institute (ANSI) in partnership with Power Africa. These workshops will support cooperation and facilitate exchanges relating to standards and technical regulations for clean energy technologies.

U.S. Agency for International Development (USAID)

- USAID's **current budget request for Africa of \$5.2 billion** supports the Agency's vision to renew America's competitive advantage for sustained economic growth and job creation, catalyze commerce and trade, and leverage strategic partnerships with the private sector by harnessing the assets, skills and financial resources of businesses to drive development, advance shared interests and opportunities, and support the U.S. Government's development finance efforts.
- USAID's regional Trade and Investment Hubs in East, West, and Southern Africa will **target U.S. trade and investment with Africa**, leveraging private capital and private sector solutions to increase business partnership opportunities. This includes promoting U.S. agricultural technologies under Feed the Future, partnering with U.S. firms that use shea butter in their products, and providing financial guarantees to African firms to purchase U.S. health equipment.
- USAID Trade and Investment Hubs' work on the ground will **reduce the cost of doing business in Africa**, leveling the playing field, reducing the risk, and cutting through red tape to make trade and investment freer and fairer for everyone. The Hubs offer a win-win for the United States and Africa. As we support African countries on their journey to prosperity and self-reliance, we create new opportunities for U.S. businesses, investments, and transatlantic trade.
- USAID Trade and Investment Hubs have worked with the African private sector to create an **investment pipeline in Africa of more than \$600 million** and growing. They offer investment advisory services and market linkage support to reduce the risk, cost and deal time of transactions in the region.
- USAID will commit more than \$150 million to Power Africa over the next two years to offer a wide range of technical assistance in support of utilities, host-government institutions, the private sector, and other power sector entities. This assistance will focus on expanding market opportunities by strengthening institutional and technical capacity and advancing critical power sector reforms.
- Power Africa has **updated its existing MOUs with Ghana, Kenya, and Ethiopia** to harness host-government commitments to power sector reforms, strengthen our partnerships, and align our joint efforts with Power Africa 2.0 objectives, which include: advancing sustainable development through private sector-led electrification of sub-Saharan Africa; promoting U.S. economic prosperity, and increasing Power Africa's focus on the enabling

environment, and transmission and distribution.

- Power Africa will launch its Gas Roadmap for sub-Saharan Africa, demonstrating the tremendous potential for powering the continent with inexpensive gas, which is abundantly available in both Africa and the United States. This Roadmap identifies **more than \$175 billion in investment opportunities in gas infrastructure**, and notes that if only 10% of the anticipated demand for gas in Africa is met with imports from the United States, that alone presents a \$5 billion export opportunity for the United States.

U.S. Department of Agriculture (USDA)

- USDA's Commodity Credit Corporation will make available up to **\$1 billion in financing guarantees for agricultural exports** to Africa over the next two years. USDA also will conduct outreach seminars in 2018 and 2019 to promote the use of its credit guarantee program and the newly modified Facility Guarantee Program for the export of U.S. agricultural products.
- USDA's Foreign Agricultural Service will sponsor an **Agribusiness Trade Mission for U.S. companies to South Africa** in the fall of 2018, which will include buyers from across sub-Saharan Africa and will connect U.S. companies to business opportunities in the agriculture and agriculture equipment sector across the continent.

U.S. Department of Commerce

- The International Trade Administration will launch "**deal teams**" for the three African countries with which memoranda of understanding were signed, Ethiopia, Kenya, and Ghana. These deal teams will track specific and actionable procurement and business opportunities and align U.S. government financing, counseling, and advocacy resources to support each deal to better position U.S. companies to compete and win major business in the target markets.
- The Minority Business Development Agency will support a **trade mission to Africa** in 2019.

U.S. African Development Foundation (USADF)

- The U.S. African Development Foundation (USADF), the federal government's public-private partnership agency, will **commit \$100 million over the next three years to enterprise development** in Africa.
- USADF and Bechtel will commit to a **five-year partnership to support community-led development of women and youth-owned enterprises** in Africa.
- USADF will commit an additional **\$5 million** to its existing partnership with GE and other multinationals to finance entrepreneurs and enterprises. The focus of these enterprises is to expand the solar and wind energy sector in Kenya, Ethiopia, and Ghana.
- USADF will commit an additional **\$5 million** in partnership with Citi Foundation to address Africa's youth employment gap.

U.S. Department of State

- State has provided **\$50 million in funding to the Women Entrepreneurs Finance Initiative (We-Fi)**, a new multi-donor facility housed by the World Bank aimed at comprehensively tackling the full range of barriers facing women entrepreneurs, women-owned and women-led small businesses, and women customers of financial services providers. We-Fi will support women entrepreneurs by scaling up access to financial products and services, building capacity, expanding networks, offering mentors, and providing opportunities to link with domestic and global markets. It will also assist governments in creating enabling environments for women in business. The first round of funding, allocated in April 2018, will include **\$45.5 million for eight countries in sub-Saharan Africa** over a five-year period.
- The **Mandela Washington Fellowship for Young African Leaders (YALI)** program brings Africa's most dynamic young leaders to the United States each year for six weeks of leadership training and networking at

top U.S. universities. In 2018, the Fellowship will bring **700 Fellows** to the United States, 100 of whom will also participate in six-week professional development programs with private U.S. companies, NGOs, and state and local governments.

U.S. Department of the Treasury

- Through its Office of Technical Assistance (OTA), the Department of the Treasury supports partner government efforts to build the human and institutional capacity necessary for macroeconomic stability and **increased private-sector opportunity**. OTA will continue to provide support to interested African countries in the areas of budget policy and accountability, banking and financial services, government debt and infrastructure finance; financial crimes; and revenue policy and administration. OTA currently has 26 active bilateral or regional projects in 18 countries across sub-Saharan Africa.

U.S. Department of Transportation

- The Department of Transportation will conduct multiple **capacity building workshops** under the Safe Skies for Africa program.