

US-Africa Leaders Summit: Investing in the next generation

African leaders gathered in Washington, DC last summer, at the invitation of President Barack Obama, to explore the relationship between the United States and Africa. **Wendy Atkins** explains the outcome of the summit, which centred on how to foster progress that Africans define as critical for the future

“I do not see the countries and peoples of Africa as a world apart; I see Africa as a fundamental part of our interconnected world – partners with America on behalf of the future we want for all of our children. That partnership must be grounded in mutual responsibility and mutual respect.” So said United States President Barack Obama when he hosted the first US-Africa Leaders Summit in August 2014, an event whose aim was to strengthen ties between the nations.

It was the largest summit held to date between a US President and African heads of state and government, and reflected a shift in focus towards a more equal partnership that has at its centre Africa's capacity to solve problems and grow. This sentiment was echoed by African leaders. During the summit, Rwanda's President Paul Kagame said: “We need to be partners, where everyone is a stakeholder and [is deriving] benefits.” South African President Jacob Zuma said the summit had reshaped the US-Africa relationship: “We believe a new phase has begun, and that even future administrations... will find it difficult to ignore Africa following this initiative”.

The event focused on how to create and unlock opportunities, stimulate growth and foster an enabling environment for the next generation. It considered the challenges faced by the continent, such as poverty, conflict, hunger and disease, but also recognised that a new Africa is emerging. In his address to the more than 50 African leaders and 300 CEOs who attended the summit, President Obama said: “We all know what makes Africa such an extraordinary opportunity. Some of the fastest-growing economies in the world; a growing middle class; expanding sectors like manufacturing and retail; one of the fastest-growing telecommunications markets in the world. More governments are reforming, attracting a record level of foreign investment.”

The summit highlighted areas in which the US and Africa must work together, including providing capital, development programmes and projects, rule of law, regulatory reform and good governance.

Discussions centred on encouraging progress in areas deemed critical for Africa's future, such as the promotion of inclusive, sustainable development and improving cooperation on peace and security, including long-term solutions to regional conflicts, peacekeeping challenges and combatting transnational threats. As the President commented: “The future belongs to those who build, not those who destroy. And it's very hard to attract business investment, and it's very hard to build infrastructure, and it's very hard to sustain entrepreneurship in the midst of conflict.”

Tripling the energy goal

The President also reaffirmed the US commitment to partnering with Africa to build the infrastructure – particularly the energy-generation facilities – that the continent needs to flourish. He highlighted the aims of the Power Africa initiative, which has been set up to double access to electricity in sub-Saharan Africa and connect more than 20 million homes and businesses to mains power. He told delegates that projects and negotiations are underway that, when completed, will put project partners nearly 80 per cent towards achieving those goals. President Obama added: “I'm announcing that the United States will increase our pledge to \$300 million a year for this effort. And as of today... we've now mobilised a total of more than \$26 billion to Power Africa... We decided we're meeting our goal too easily... So we're tripling our goal, aiming to bring electricity to more than 60 million African homes and businesses that can spark growth for decades to come.”

Whether the African Growth and Opportunity Act (AGOA), which has reduced US tariffs to zero on



EPAMICHAEL REYNOLDS/ANAPY

US President Barack Obama speaks to the US-Africa Leaders Summit in Washington, DC last year

more than 6,000 products from 40 sub-Saharan African countries, would be renewed was high on the discussion agenda at the summit. As a result, President Obama's announcement that the US would work towards renewing and enhancing the AGOA was welcomed by those that see it as a stimulus for regional economic development.

Other initiatives that were given a boost included the 'Doing Business in Africa' (DBIA) campaign, with the President committing to putting more teams on the ground to advocate on behalf of American companies and to increasing trade missions. In addition, the President signed an executive order creating an advisory committee comprised of private-sector representatives that will advise the White House on ways to boost economic ties.

President Obama also pledged that, through the Trade Africa initiative, the US would increase investment to help African partners build their own capacity to trade, strengthen regional markets, make borders more efficient and modernise the customs system, with the aim of getting goods moving faster.

The US would also do more to empower the next generation of African business leaders and entrepreneurs, he said. Work is already underway to meet this objective, through the Young African Leaders Initiative (see box story).

One of the most significant outcomes of the summit was the heightened emphasis placed on trade and investment, with more than \$37 billion worth of deals, commitments and investments announced during the event. Major deals included a \$5 billion partnership between US private equity firm Blackstone and Nigerian business magnate Aliko Dangote for energy infrastructure projects in sub-Saharan Africa; a \$5 billion investment by Coca-Cola in manufacturing lines and production equipment; \$2 billion from GE for infrastructure projects; \$200 million from Marriott for schemes across the continent; and a \$66 million commitment by IBM to provide technology services to Ghana's Fidelity Bank. Other sectors that saw agreements included clean energy, aviation, banking

● Young African Leaders Initiative (YALI)

President Obama launched the Young African Leaders Initiative (YALI) in 2010 with the aim of supporting an emerging generation of African leaders as they work to drive economic growth, enhance democratic governance and strengthen the civil society structures that will help the continent grow and prosper.

YALI includes the Mandela Washington Fellowship for Young African Leaders, which connects young African leaders with leadership training opportunities at some of the US's top universities. These fellowships will be awarded to 1,000 participants a year by 2016.

Public-private partnerships have also been created to drive programmes, platforms and support for young African leaders. These include the establishment of Regional Leadership Centres in Ghana, Kenya, Senegal and South Africa, and the development of a range of online classes and resources. They are also providing seed funding and entrepreneurship grants, and supporting mentoring, networking opportunities and mobile incubators.

The US Agency for International Development (USAID) is providing \$38 million to support the Regional Leadership Centres. American and African companies and foundations have more than matched these funds, providing principal capital for the startup costs, technology and equipment. For example, the MasterCard Foundation is providing five years of development funding.

With financial and in-kind contributions from Microsoft, Dow Chemical Company, Intel Corporation and Cisco Systems, the US government will be able to establish and maintain the centres, using them to provide access to business software and hardware, mentoring, and information technology training.

In-kind support is also being provided by Procter & Gamble, GE, Atlas Mara and McKinsey & Company, enabling the centres to provide young entrepreneurs with leadership training, technical support and access to capital.

and construction. Additionally, the President announced \$3 billion in financing from the US Export-Import Bank aimed at supporting American exports to the continent over a two-year period.

Nigerian President Goodluck Jonathan spoke of the importance of trade for spurring sustainable development: "To meet the yearnings and aspirations of our growing youth population, we have to continue to expand our economies, create wealth and employment opportunities. Africa cannot achieve this by depending on foreign aid from development partners." He added in relation to global trade that Africa will need to transit from "exporting raw materials and primary commodities to higher value finished and semi-finished products."

Emphasising the development of the relationship between the US and Africa, the President said that the US will be "a good partner, an equal partner, and a partner for the long term". ●