

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. report	U.S. Government Report (1 page)	03/06/1997	P1/b(1)
002. report	U.S. Government Report (1 page)	03/06/1997	P1/b(1)
003. report	U.S. Government Report (1 page)	03/06/1997	P1/b(1)
004. profile	Eritrea: Key Women in Leadership (1 page)	03/06/1997	P1/b(1)
005. profile	Biographic profile of H.E. Fawzia Hashim Abdulkader [partial] (1 page)	ca. 1997	P6/b(6)
006. profile	Biographic profile of Ms. Worku Tesfamichael [partial] (1 page)	ca. 1997	P6/b(6)
007. profile	Biographic profile of Hiwet Zemichael [partial] (1 page)	ca. 1997	P6/b(6)
008. profile	Biographic profile of Leul Gebreab [partial] (1 page)	ca. 1997	P6/b(6)
009. profile	Biographic profile of Wenni Gerezgigher [partial] (1 page)	ca. 1997	P6/b(6)
010. profile	Biographic profile of Mehret Iyob [partial] (1 page)	ca. 1997	P6/b(6)
011. profile	Biographic profile of Yeshe Haile [partial] (1 page)	ca. 1997	P6/b(6)
012. profile	Biographic profile of Haile Woldense Ogbu [partial] (1 page)	ca. 1997	P6/b(6)

COLLECTION:

Clinton Presidential Records
National Security Council
African Affairs (Barks-Ruggles, Erica/Rice, Susan)
OA/Box Number: 2580

FOLDER TITLE:

Briefing Book: FLOTUS [First Lady of the United States] Trip to South Africa,
Zimbabwe, Tanzania, Uganda, Eritrea [8]

Kara Ellis
2006-0457-F
ke1107

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
013. profile	Biographic profile of Ruth Simon [partial] (1 page)	ca. 1997	P6/b(6)
014. profile	Biographic profile of Aberehet Haile [partial] (1 page)	ca. 1997	P6/b(6)
015. cable	re: Rwandan Women's Delegation to Meet with the First Lady [incomplete copy] (1 page)	ca. 1997	P5

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SOLIDARITY OF AMERICAN WOMEN, AS YOU ENGAGE IN THE VARIOUS TASKS BEFORE YOU.

-- AS YOU KNOW THE UNITED STATES IS ACTIVELY INVOLVED IN SUPPORTING WOMEN'S ACTIVITIES IN RWANDA ESPECIALLY THROUGH THE WOMEN IN TRANSITION PROGRAM. I AM PLEASED TO LEARN THAT MANY OF YOUR ACTIVITIES - CREDIT PROGRAMS FOR EXAMPLE - ARE DEAR TO MY OWN HEART. ACCESS TO BASIC SERVICES AND PRODUCTIVE OPPORTUNITIES ARE ESSENTIAL TO CONFLICT PREVENTION. I ASSURE YOU THAT THE UNITED STATES WILL CONTINUE TO SUPPORT THESE SORTS OF PROJECTS.
UNCLAS SECTION 02 OF 02 KIGALI 001488

DAR PLEASE PASS TO A/S MOOSE AND FLOTUS PARTY

E.O. 12958: DECL NA
TAGS: PREL, PHUM, RW
SUBJECT: RWANDAN WOMENS' DELEGATION TO MEET WITH THE FIRST LADY

-- IN CLOSING LET ME WISH YOU WELL, ASSURE YOU AGAIN OF OUR CONCERN AND SUPPORT, AND THANK YOU AGAIN FOR COMING TO SEE ME THIS AFTERNOON.

5. PITFALLS:

FROM THEIR SIDE:

A. TRIBUNAL. THE GOVERNMENT OF RWANDA IS NOT PARTICULARLY ENAMORED OF THE INTERNATIONAL CRIMINAL TRIBUNAL FOR RWANDA, ESSENTIALLY BECAUSE IT HAS NOT YET ESTABLISHED A RECORD OF TRIALS AND CONVICTIONS. WE NEED NOT ADDRESS THIS ISSUE IN DETAIL, EVEN IF THE LADIES RAISE IT (WHICH WE DOUBT). A SUITABLE RESPONSE IS THAT THE UNITED STATES DOES BELIEVE IN AND FULLY SUPPORTS THE TRIBUNAL. WE ARE ENCOURAGING THAT IT BE MANAGED MORE EFFICIENTLY SO THAT THOSE GUILTY OF GENOCIDE BE HELD ACCOUNTABLE FOR THEIR ACTS.

B. RESOURCES. THE DELEGATION WILL CERTAINLY PUT FORWARD REQUESTS FOR SPECIFIC PROJECTS - MOST PROBABLY HELP FOR ORPHANS. WE TOO ARE SEEKING FUNDS THROUGH THE USG SYSTEM FOR ADDITIONAL HELP TO ORPHANS, BUT AT THIS JUNCTURE CANNOT PROMISE ANYTHING.

FROM OUR SIDE:

A. BE SENSITIVE TO THE GULF WHICH SEPARATES SURVIVORS FROM RECENT REFUGEES (WHO BEAR AT LEAST PARTIALLY - AND PERHAPS UNFAIRLY - THE STIGMA OF RESPONSIBILITY FOR GENOCIDE). THE DELEGATION IS A MIXED AND WE BELIEVE A

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. briefing paper	Meeting with President Robert Mugabe of the Republic of Zimbabwe (6 pages)	05/16/1995	P1/b(1), P5
001b. talking points	Points to be Made for Meeting with President Robert Mugabe of Zimbabwe (3 pages)	ca. 05/1995	P1/b(1)
001c. report	U.S. Government Report (1 page)	05/10/1995	P1/b(1)
001d. report	U.S. Government Report (1 page)	05/11/1995	P1/b(1)
001e. report	U.S. Government Report (1 page)	05/11/1995	P1/b(1)
001f. report	U.S. Government Report (1 page)	05/10/1995	P1/b(1)
001g. report	U.S. Government Report (1 page)	05/10/1995	P1/b(1)
001h. report	U.S. Government Report (1 page)	05/10/1995	P1/b(1)
001i. report	U.S. Government Report (1 page)	05/10/1995	P1/b(1)
001j. report	U.S. Government Report (1 page)	05/10/1995	P1/b(1)
001k. report	U.S. Government Report (1 page)	05/10/1995	P1/b(1)
001l. report	U.S. Government Report (1 page)	05/10/1995	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
African Affairs (Jett, Dennis/Steinberg, James/DeShazer, MacArthur/Rice, Susan et al.)
OA/Box Number: 2663

FOLDER TITLE:

Official Working Visit of President Mugabe of Zimbabwe, May 18, 1995

Kara Ellis
2006-0457-F
ke1109

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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001m. report	U.S. Government Report (1 page)	05/10/1995	P1/b(1)
001n. memo	Acting Secretary Tarnoff to the President, re: Meeting with Zimbabwean President Robert Mugabe (2 pages)	05/11/1995	P1/b(1), P5
001o. memo	MacArthur DeShazer to Anthony Lake, re: Addendum to the President's Mugabe Briefing Packet (1 page)	05/16/1995	P1/b(1)
002. briefing paper	Meeting with President Robert Mugabe of the Republic of Zimbabwe (1 page)	05/16/1995	P1/b(1)
003. memo	WAVES Request for Appointments [partial] (1 page)	05/17/1995	P6/b(6)
004. email	MacArthur DeShazer to APNSA Special Assistants, re: RE: A NOTE FROM NANCY SODERBERG (1 page)	05/17/1995	P1/b(1)
005a. memo	MacArthur DeShazer to Anthony Lake, re: Addendum to the President's Mugabe Briefing Package (1 page)	05/16/1995	P1/b(1)
005b. memo	Anthony Lake to the President, re: Addendum to Your Meeting with President Mugabe fo Zimbabwe (1 page)	ca. 05/1995	P1/b(1), P5
006a. memo	Kenneth Brill to Andrew Sens, re: Bakground Papers for the President for His Meeting with Zimbabwean President Robert Mugabe on May 18 (1 page)	ca. 05/1995	P1/b(1)
006b. briefing paper	U.S.-Zimbabwe Relations (1 page)	ca. 05/1995	P1/b(1)
006c. briefing paper	[Zimbabwean Democracy] (1 page)	ca. 05/1995	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
African Affairs (Jett, Dennis/Steinberg, James/DeShazer, MacArthur/Rice, Susan et al.)
OA/Box Number: 2663

FOLDER TITLE:

Official Working Visit of President Mugabe of Zimbabwe, May 18, 1995

Kara Ellis
2006-0457-F
ke1109

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006d. briefing paper	[U.S. Zimbabwe Cooperation] (1 page)	ca. 05/1995	P1/b(1)
006e. briefing paper	[Land] (1 page)	ca. 05/1995	P1/b(1)
006f. briefing paper	AIDS in Zimbabwe (1 page)	ca. 05/1995	P1/b(1)
007. cable	American Embassy, Harare to Secretary of State, re: [Invitation] (2 pages)	04/21/1995	P1/b(1)
008. letter	President Clinton to President Mugabe [draft] (1 page)	05/30/1995	P5

COLLECTION:

Clinton Presidential Records
National Security Council
African Affairs (Jett, Dennis/Steinberg, James/DeShazer, MacArthur/Rice, Susan et al.)
OA/Box Number: 2663

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GIFT UNIT-DRAFT OF BC LETTER

DMS

INITIALS: BC / eks /

DOCUMENT TITLE: /gifts/draft/mugabe.rg.eks

DRAFT DATE / LETTER DATE: May 30 1995 /

CORRESPONDENCE #: 2256870

CLEAR WITH:

WHCC:

CC: WH Gifts
Betty Currie

CORRESPONDENCE ADDRESSED TO:

His Excellency Robert Gabriel Mugabe
President of the Republic of Zimbabwe
Harare,ENCLOSURES AND SPECIAL INSTRUCTIONS:
Dispatch thru State Dept.
BC SIG

Dear Mr. President:

It was an honor to welcome you to the White House and ~~to have the~~
~~opportunity to~~ discuss so many issues of mutual concern.

Routine

I want to reaffirm my admiration for your bold efforts to bring greater prosperity to the Zimbabwean people by establishing a comprehensive economic structural adjustment program. I look forward to working together ^{to} attract foreign investment in your country to augment its growing economy.

As we discussed, the United States is grateful
~~I also wanted to reiterate my gratitude to you and your country for~~
~~Zimbabwe's~~ ^{your} efforts to promote democracy, international peacekeeping, and regional conflict resolution, especially in Angola. ~~The~~ continued cooperation between our two countries ~~will hopefully~~ preserve lasting peace in ^{your} ~~that~~ region. *hopefully will*

Thank you for the wonderful rhinoceros sculpture. It ~~serves as~~ ^{is} a *fine* great reminder of our productive meeting and of the warm relationship between our two nations, *share*.

Sincerely,

MAY 31 1995

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001. email	Susan Rice to Jane Baker, et al., re: Africa Update (5 pages)	05/02/1995	P1/b(1), P5
002. email	MacArthur DeShazer to Stephen Niemerski, re: FW: WHSR WEEKLY EMPHASIS LIST (3 pages)	05/12/1995	P1/b(1)
003. email	Helen Walsh to MacArthur DeShazer, re: Mugabe Briefing (2 pages)	05/15/1995	P1/b(1), P5
004. email	Andrew Sens to Jane Baker, et al., re: FW: STUFF (2 pages)	05/16/1995	P1/b(1)
005. email	MacArthur DeShazer to Jane Baker, et al., re: RE: A NOTE FROM NANCY SODERBERG (2 pages)	05/17/1995	P1/b(1)
006. email	MacArthur DeShazer to Susan Rice, re: RE: Mugabe Visit (1 page)	05/18/1995	P1/b(1)
007. email	Eileen Claussen to Wendy Gray, RE: A Note from Nancy Soderberg (2 pages)	05/18/1995	P5

COLLECTION:

Clinton Presidential Records
NSC Emails
MSMail - Record (Sept 94 - Sept 97) ([Zimb*])
OA/Box Number: 590000

FOLDER TITLE:

[05/02/1995 - 05/22/1995]

Kara Ellis
2006-0457-F
ke1114

RESTRICTION CODES

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M S M a i l

DATE-TIME 18 May 95 09:51
FROM Claussen, Eileen B.
CLASSIFICATION UNCLASSIFIED
SUBJECT Subject: RE: A NOTE FROM NANCY SODERBERG [UNCLASSIFIED]
TO Gray, Wendy
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

OK, I have a little more information. The World Solar Commission has as its goal improved understanding and use of solar energy. It will make recommendations to a Solar Summit. Quite honestly, the goals are laudable and the activities useful, but I fail to see why we need Head of State involvement in another summit (particularly since the proposed date is September 1996). We could say we are interested in seeing expanded use of solar energy (it's terrific from the point of view of environment), and that we will be happy to participate. But a Summit in September 1996 seems ludicrous to me.

From: Gray, Wendy E.
To: Claussen, Eileen B.
CC: /R, Record at A1; @CROSS - Cross Hatches
Subject: RE: A NOTE FROM NANCY SODERBERG [UNCLASSIFIED]
Date: Wednesday, May 17, 1995 07:18 PM

Response from Nancy:

Hi Eileen!

If you could give me more background I'd appreciate it. Mugabe will raise on Thursday.

Thanks!

Nancy

From: Claussen, Eileen B.
To: Gray, Wendy E.
CC: /R, Record at A1
Subject: RE: A NOTE FROM NANCY SODERBERG [UNCLASSIFIED]
Date: Wednesday, May 17, 1995 08:49 AM

I don't know a great deal about the Commission, but I do know that we will soon be starting the "International Solar Decade," that Zimbabwe is hosting the 1995 "In Search of the Sun" Conference, and that Africa is a huge potential market for solar energy (in which the U.S. is a leader). If you want to know more, I can make some phone calls.

From: Gray, Wendy E.

To: Claussen, Eileen B.

CC: /R, Record at A1; @CROSS - Cross Hatches

Subject: A NOTE FROM NANCY SODERBERG [UNCLASSIFIED]

Date: Wednesday, May 17, 1995 12:24 AM

Hi Eileen!

What do we think of Mugabe's Solar Commission?

Thanks

Nancy

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Erica Barks-Ruggles to Pat Battenfield, et al., re: FLOTUS trip (10 pages)	01/09/1997	P1/b(1), P5
002. email	Ronda Albert to Fulton Armstrong, et al., re: [Round 4] (3 pages)	02/13/1997	P1/b(1)
003. email	Shawn McCormick to Pat Battenfield, re: for the record (2 pages)	02/27/1997	P1/b(1)
004. email	Sean Rice to Susan Rice, re: FW: FLOTUS Trip (3 pages)	02/28/1997	P5
005. email	M. Kay Joshi to Eric Barks-Ruggles, et al., re: CHs due today (1 page)	04/11/1997	P1/b(1)
006. email	James Seaton to Susan Rice, re: [Exercises] (2 pages)	04/25/1997	P1/b(1)

COLLECTION:

Clinton Presidential Records
 NSC Emails
 MSMail - Record (Sept 94 - Sept 97) ([Zimb*])
 OA/Box Number: 590000

FOLDER TITLE:

[01/09/1997 - 04/25/1997]

Kara Ellis
 2006-0457-F
 ke1119

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M S M a i l

DATE-TIME 28 February 97 20:24
FROM Rice, Sean P.
CLASSIFICATION UNCLASSIFIED
SUBJECT FW: FLOTUS trip [UNCLASSIFIED]
TO Rice, Susan E.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

From: Barks-Ruggles, Erica
To: Rice, Sean P.
CC: /N, NonRecord at A1; @AFRICA - African Affairs
Subject: FLOTUS trip[UNCLASSIFIED]
Date: Friday, February 28, 1997 07:18 PM

Susan -

We had a good constructive meeting Friday afternoon. Chaired by Melanne Verveer (though she stepped out for about 1/2 the meeting). We were a bit surprised that Judy Johnson, AID (Roberta), Carol Lancaster and Theresa Lorr had been invited, but their input was useful.

FLOTUS staff meeting with her on 3/1 (Saturday) to discuss. Meeting on Tuesday at 4:30 (not confirmed) to brief FLOTUS - they would like you to attend. (Not sure if just you and staff or if others from today's group are invited)

Stops on trip, in order, are: Senegal, South Africa, Zimbabwe, Tanzania, Uganda and Eritrea.

(Cities in parentheses below)

3 major speeches are planned for Senegal, South Africa and Uganda

We cautioned them about the pitfalls of going to Uganda with the current Zaire situation. They are sensitive and want us to tell them if they shouldn't go. All want your input. They have not yet talked to the airforce about flying times and need to refuel. As we know from the VP trip, Senegal to South Africa will require a refueling. Shawn and I agree that Ghana is the refuel point of choice (have not told them), but we will let the Air Force tell them about the need to stop.

Speechwriters were in the meeting, so we went over broad themes for speeches and specific highlights she can hit in appearances in all countries. In

brief:

Senegal: legacy of slavery links Africa and U.S.
(Dakar) people to people cultural connection
enrichment of U.S. cultural diversity by
African-Americans
importance of diversity/ Islam / multilingual / global
village themes
role of women in diversity and women's education (speech at University)

South Africa: importance of diversity, reconciliation and building bridges
= common ground for
(Jo'burg & S. Africa and U.S. (speech at University of Cape
Town)
Capetown) democracy
non-discrimination (race and gender) - vital to nation-building
and growth
economic development - microenterprise (might
announce USAID grant)
role of NGO's and role of regional links

Zimbabwe: women's health - family planning, fertility reduction, child
survival
(Harare & micro-enterprise, economic empowerment of women
Vic. Falls) environment - preservation (Vic. Falls)

Tanzania: Economic success (socialism to free market)
(Dar, micro-enterprise
Arusha & education of girls
Ngorongoro) peacekeeping
environment - partnerships for conservation,
economic base for conservation

Uganda: African challenges remain, work together (speech at Nile
Conference Center)
(Kampala) even disasters can become economic and (political) successes
economic turnaround and empowerment of women -
micro-enterprise
AIDS - public awareness campaigns, women's involvement, NGO role
girl's education

Eritrea: Pioneer spirit
(Asmara) Our common ground in nation-building on democratic foundation
women's leadership in independence and nation-building
national service/democratic spirit
economic development
health

I have provided speechwriters with all of Christopher's speeches and am
working on getting them some other information (re: AID, Peace Corps

programs, etc.). John is doing a short brainstorm on the role of women in the independence movement in Eritrea. Shawn is working on getting Lake speeches in Africa. - Erica

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Pat Battenfield to Susan Rice, re: RE: [Conference] (3 pages)	04/24/1996	P1/b(1)
002. email	Erica Barks-Ruggles to Susan Rice, re: VP Visit (2 pages)	12/24/1996	P5
003. email	Susan Rice to Eileen Biernacki, et al., re: POTUS Trip Memo (6 pages)	12/05/1996	P1/b(1), P5
004. email	Shawn McCormick to Erica Barks-Ruggles, et al., re: [Call] (1 page)	12/27/1996	P1/b(1)
005. email	Pat Battenfield to Erica Barks-Ruggles, Shawn McCormick, and John Scott, re: FW: FLOTUS Trip (11 pages)	01/10/1997	P1/b(1), P5
006. email	Susan Rice to Erica Barks-Ruggles, et al., re: FLOTUS trip memo (6 pages)	01/15/1997	P1/b(1), P5
007. email	Pat Battenfield to M.K. Friedrich re: Africa Trade Report-Log 0581 (75 pages)	02/11/1997	P5
008. email	Erica Barks-Ruggles to Ronda Albert, re: RE: [Round 4] (2 pages)	02/13/1997	P1/b(1)
009. email	Sean Rice to Susan Rice, re: FW: FLOTUS Trip (3 pages)	02/28/1997	P5

COLLECTION:

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 NSC Emails
 MSMail-Non-Record (Sept 94-Sept 97) ([Zimb*])
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FOLDER TITLE:

[02/15/1996 - 02/28/1997]

Kara Ellis
 2006-0457-F
 ke1121

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

M S M a i l

DATE-TIME 24 December 96 11:46
FROM Barks-Ruggles, Erica
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: VP visit [UNCLASSIFIED]
TO Rice, Susan E.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

Ok, I know Ghana (my first choice) is out because it is on the President's list, so that eliminates all of the W. African democracies that are enroute and close enough to make it to S. Africa. My only other suggestion is Zimbabwe, but Pete still does not know if the plane can make it that far. Equatorial Guinea is beginning to look better and better.....

From: Rice, Susan E.
To: Barks-Ruggles, Erica; @AFRICA - African Affairs
CC: /N, NonRecord at A1
Subject: RE: VP visit [UNCLASSIFIED]
Date: Tuesday, December 24, 1996 10:35 AM

he's also been to Benin

From: Barks-Ruggles, Erica
To: Rice, Susan E.; @AFRICA - African Affairs
CC: /N, NonRecord at A1
Subject: RE: VP visit [UNCLASSIFIED]
Date: Tuesday, December 24, 1996 10:24 AM

Most of W. Africa is out because it is too far to get to S. Af. in one hop, but I would suggest Benin. Despite predictions that he would revert to dictatorship, Kerekou doing well since his election last year. Economic reform is on track, relations with parliament (including a large opposition contingent) are smooth, and Benin is once again helping us out on a peacekeeping mission, contributing a battalion to the Liberia effort (due to leave hopefully around the late Jan. early Feb. time frame). I know Benin has had lots of attention, but it is a small country surrounded by big bad neighbors. It would also help show the Nigerians that there are tangible benefits for those who turn to democracy. - Erica

From: Rice, Susan E.
To: Barks-Ruggles, Erica; @AFRICA - African Affairs
CC: /N, NonRecord at A1
Subject: RE: VP visit [UNCLASSIFIED]

Date: Tuesday, December 24, 1996 10:07 AM

he did Namibia in 1994. I'm not wild about Gabon. Further thoughts

From: Barks-Ruggles, Erica

To: @AFRICA - African Affairs

CC: /N, NonRecord at A1

Subject: VP visit[UNCLASSIFIED]

Date: Monday, December 23, 1996 07:36 PM

Susan - Shawn and I discussed. Either Gabon or Namibia (if the plane can make it that far). We'll discuss tomorrow once we find out about distances.

- Erica

MS Mail

DATE-TIME 11 February 97 14:25
FROM Battenfield, Pat
CLASSIFICATION UNCLASSIFIED
SUBJECT Africa Trade Report-Log 0581 [UNCLASSIFIED]
TO Friedrich, M. K.
CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY
[[AFRICA2.DOC : 3653 in AFRICA2.DOC]]
Per your request--the report to Congress.....

ATTACHMENT
FILE DATE 11 February 97 10:37

ATTACHMENT
FILE NAME AFRICA2.DOC

A COMPREHENSIVE TRADE AND
DEVELOPMENT POLICY FOR THE COUNTRIES OF
AFRICA

A Report Submitted by the President of the United States
to the Congress

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Appendix

A. Summary of new
initiatives.....

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List of Frequently Used Abbreviations and Acronyms

AfDB African Development Bank
 AfDF African Development Fund
 BDC U.S.- South African Business Development Committee
 BIT Bilateral Investment Treaty
 BNC U.S.-South African Binational Commission
 ECAs Export credit agencies
 ESAF Enhanced Structural Adjustment Facility
 FDI Foreign direct investment
 GATT General Agreement on Tariffs and Trade
 GDP Gross domestic product
 GII Global Information Infrastructure
 GSP Generalized System of Preferences
 HIPC Heavily indebted poor country
 IDA International Development Association
 IFC International Finance Corporation
 IFI International financial institution
 IGAD Intergovernmental Authority on Development
 IMF International Monetary Fund
 IPR Intellectual property rights
 ISA Initiative for Southern Africa
 LDDB Least developed beneficiary countries
 LDC Less developed country
 MDB Multilateral Development Bank
 OECD Organization for Economic Cooperation and Development
 OPIC Overseas Private Investment Corporation
 SADC Southern Africa Development Community
 SPA Special Program of Assistance for Africa
 TDA U.S. Trade and Development Agency
 TIC Trade Investment Committee
 TPCC Trade Promotion Coordination Committee
 TRIPS Trade-related Aspects of Intellectual Property Rights
 USAID U.S. Agency for International Development
 USDA U.S. Department of Agriculture
 USIA U.S. Information Agency
 USITC U.S. International Trade Commission
 USTR United States Trade Representative
 UR Uruguay Round

WTO World Trade Organization

A COMPREHENSIVE TRADE AND DEVELOPMENT POLICY FOR THE COUNTRIES OF AFRICA

Executive Summary

The primary goal of the Administration's trade and development policy for the countries of Africa is to support sustainable economic development in the region and to quicken the pace of that development, which would boost U.S. trade and investment in Africa. In response to the economic and democratic reforms implemented by many Sub-Saharan African nations in recent years, the Administration seeks to accelerate the pace of development by: 1) increasing trade flows between the United States and Sub-Saharan Africa; 2) promoting economic reform as well as the development of the private sector and infrastructure; 3) improving the investment climate; and 4) strengthening efforts toward democratic governance.

The United States strongly supports economic and institutional reform efforts currently underway in Africa. Economic growth across the continent is manifestly in the U.S. national interest. Increased economic development in Sub-Saharan Africa will benefit both Africans and Americans and will contribute to the national and economic security of the United States. Stronger economies in Sub-Saharan nations will contribute to social and political stability in Africa and create more export opportunities for U.S. goods and services and more jobs at home. They will also reduce costs to the U.S. of emergency humanitarian assistance as countries become better equipped to manage their own emergencies.

The Administration will continue to use a variety of tools to achieve its objectives including: bilateral technical and development assistance; increased government-to-government dialogue; multilateral development bank and IMF assistance; bilateral and multilateral debt reduction programs, World Trade Organization disciplines and participation; bilateral trade and

investment agreements; and export promotion and trade facilitation programs.

A number of Sub-Saharan African countries have made significant progress in economic and democratization reforms in recent years. Over 30 countries, with assistance from the World Bank and the International Monetary Fund, have instituted economic reform programs that entail liberalizing exchange rates and prices, privatizing state-owned enterprises, instituting tighter disciplines over government expenditures, ending costly subsidies, and reducing barriers to trade and investment. Since 1990, more than 25 Sub-Saharan countries have held elections generally recognized as free and fair. Stable democracies create a climate in which business can thrive while economic development increases the chances that democratization will succeed. The willingness of a number of African countries to enter into regional economic integration agreements will also contribute to stronger economies.

In spite of Africa's improving economic performance, further structural reforms are necessary if the continent is not only to achieve sustainable growth, but also to reduce poverty. Necessary economic reforms include strengthening public finances by improving revenue collection and reducing expenses, especially with regard to state-owned enterprises; liberalizing prices; freeing the markets for foreign exchange and credit; and reducing trade barriers. Reforms in the trade area have particular importance for overall growth: recent research suggests that roughly 40 percent of Africa's slow growth in the 1970-1989 period was due to the fact that African markets have significant barriers to trade. A major goal of the Administration's trade and development policies toward Sub-Saharan Africa, therefore, must be to support African efforts to reduce tariffs and trade-related barriers so that the region may realize the full benefits of expanded trade and gain a resulting boost in growth.

Other reforms are also needed to improve Africa's "market infrastructure," e.g., modernizing commercial laws that govern domestic business and investment, strengthening financial institutions that provide the backing for entrepreneurs' ideas,

and renovating the physical infrastructure that expedites domestic and international trade. Liberalization of investment is also critical for improving economic conditions in Africa. Foreign direct investment can transfer valuable technology to Africa, improve competition and galvanize domestic investment, while also benefiting foreign investors.

* * *

This is the second annual report submitted pursuant to the Uruguay Round Agreements Act (the "Second Africa Trade Report") setting forth the Administration's comprehensive trade and development policy for Sub-Saharan Africa. The Second Africa Trade Report summarizes the status of ongoing programs discussed in the first comprehensive trade and development report submitted by the Administration (the "First Africa Trade Report") and introduces new initiatives designed to spur investment, development and trade over the near to medium term. Working with the U.S. private sector and the Congress, the Administration intends to build upon these initiatives and the strategy outlined in the Second Africa Trade Report to develop with Congress in 1997 additional initiatives to promote trade and investment with Africa and sustain economic growth in the region.

In preparing the First Africa Trade Report, the Administration sought to identify the many U.S. programs related to Sub-Saharan Africa and set forth a policy framework structured around five basic objectives: trade liberalization and promotion, investment liberalization and promotion, development of the private sector, infrastructure enhancement, and economic reform. These five objectives remain the framework for the Administration's trade and development policy for Sub-Saharan Africa and the issues and initiatives discussed in the current report are organized around them. Highlights of the Second Africa Trade Report, including a brief discussion of the issues and progress on the initiatives discussed in the First Africa Trade Report, are set forth below.

The new initiatives that are discussed at the end of chapters II - VI are summarized in appendix

A.

I. Economic Reform

□ Economic growth in Africa requires continuing macroeconomic stabilization and structural reform. The success of recent reforms is apparent in the region's accelerating GDP growth, which reached an average of 4 percent in 1995 compared to 1.4 percent in 1991-94. This average, however, conceals wide variations in country performance, with four countries growing by over 10 percent and others contracting or growing by less than the population growth rate. Nevertheless, contrast with the 1980s and early 1990s, the poor performers now seem more the exception than the rule.

□ Continuing public sector deficits and low private savings rates will keep total savings and investment at levels too low to sustain adequate growth in most Sub-Saharan countries. The World Bank estimates that gross domestic savings were only 6 percent of GDP in 1994-96, twice as high as in the prior three years but well below the median investment-to-GDP ratio of 15-16 percent. Even the latter modest level of investment can be sustained only by grants and concessional loans from official donors and debt relief, since Africa's share of global private investment is small. Donors will be increasingly selective in the countries and projects they support, while African nations should continue to do more to attract foreign investment.

□ In September 1996, 23 Sub-Saharan countries had reform programs in effect with the IMF, while 31 participated in the World Bank-led Special Program of Assistance (SPA) for Africa. Reforms typically include realignment of exchange rates, fiscal consolidation, trade liberalization, privatization, financial sector reform, and in a few cases, regional economic integration. There also have been improvements in transparency and accountability. While fiscal performance is better, management of public finance

generally remains weak and excessive reliance on trade tariffs for revenue hampers efforts to liberalize trade.

□ The region's enormous parastatal enterprise (PE) sector still drains public resources and constrains private investment. The PEs' poor management, weak finances, and technological limitations mean that their net developmental effect usually is negative. While privatization has gained speed, it must be further accelerated and participation widened if the rate and quality of investment and growth are to improve. Privatization of utilities offers especially good opportunities to upgrade essential services while avoiding new debt.

II. Trade Liberalization and Promotion

□ More active participation in regional and global trade organizations will help Sub-Saharan African countries take advantage of the benefits of trade liberalization. Protectionist trade policies in Africa were analyzed in a recent World Bank study that concluded protectionism has been costing the region as much as \$11 billion per year -- equivalent to the total amount of external aid to the region in 1991.

□ The United States has a growing strategic and commercial stake in expansion of Sub-Saharan African trade flows as the region already exports products worth \$12 billion to the United States and is a growing market for U.S. goods. U.S. merchandise exports to the region jumped nearly 23 percent in 1995, to \$5.4 billion.

□ More than 30 Sub-Saharan countries have become members of the WTO and an increasing number of Sub-Saharan nations have taken steps toward regional integration. However, few Sub-Saharan nations were active participants in the Uruguay Round negotiations. In fact, there was virtually no lowering of the region's average tariffs in this, the world's most ambitious trade liberalizing agreement, despite

initiatives undertaken by the WTO to make participation less burdensome for developing countries.

□ The United States has encouraged the WTO to re-focus its technical assistance programs for promoting the understanding and implementation of WTO obligations to give special attention to the needs of the least-developed developing countries and to explore avenues for diversification of African exports.

□ The Administration has been successful in obtaining legislation renewing the Generalized System of Preferences (GSP) that provides duty-free entry for half of the 9,000 products listed in the U.S. Tariff Schedule and contains special benefits for least developed beneficiary countries (LDBC). Another special benefit for the LDBCs is the possible addition of up to 1,895 tariff line items to the list of articles with preferential duty-free access. Most Sub-Saharan countries of Africa could benefit from this expansion of GSP benefits, particularly if Congress renews the program on a multi-year basis after it expires May 31, 1997.

□ The historic Commercial Development Mission to Africa led by the late Secretary of Commerce Ron Brown in February 1996 visited five countries: Cote d'Ivoire, Ghana, Kenya, Uganda, and Botswana. Secretary Brown held discussions with government leaders and private representatives from nearly 40 African countries and more than 150 U.S. firms, resulting in contracts and agreements for American companies totaling nearly \$500 million, with potential for future sales that eventually could total more than \$3 billion in U.S. exports.

III. Investment Liberalization

□ If obstacles that hinder investment are removed, benefits will accrue to both U.S. investors and the African nations. U.S. investments in Africa will increase if U.S. investors are assured of being treated as fairly and favorably as domestic and other

foreign competitors and if they are confident the host country has a stable legal system.

□ Most Sub-Saharan African countries actively seek foreign investment and many have liberalized their investment policies in order to attract foreign investors. Nonetheless, many Sub-Saharan countries still maintain restrictive investment policies, inefficient public enterprises, and/or legal systems that effectively discourage private investment, both domestic and foreign.

□ The Administration is actively promoting U.S. investment in Africa. OPIC authorized a \$120 million private investment fund, the New Africa Opportunities Fund, that will invest in projects in the countries of Southern Africa. In addition, during the last year, Eximbank approved over \$23 million in transactions for the gold mining sector in Ghana and an additional \$316 million for the hydrocarbon sector in Ghana. Eximbank also financed a major petroleum project in Angola. Also, TDA has funded 24 technical support activities and reverse trade missions as well as a major Africa transportation conference to support infrastructure development in 30 countries in Sub-Saharan Africa.

IV. Private Sector Development

□ Development of Africa's private sector is critical due to its central role in the development of national economies. U.S. assistance to the private sector includes: (1) developing the human resource base for both the work force and managers; (2) expanding access to capital, both working and investment capital; and (3) building institutions to support the private sector.

□ USAID is expanding its financial markets programs in certain African countries. Micro-enterprise lending is a particularly strong component of USAID's financial sector activities, and funding has been provided to such programs in Kenya, South Africa, Guinea, Mali, Zimbabwe, Senegal and Uganda. Its \$100

million Southern Africa Enterprise Development Fund and smaller national funds in South Africa and Zimbabwe target that region.

□ Under the auspices of the Agriculture Committee of the U.S.-South Africa Binational Commission, over 20 bilateral agricultural projects are underway in the areas of market access, technology development, institutional and human resources development, and sustainability issues, including soil conservation and rural development.

V. Infrastructure Enhancement

□ Improving infrastructure is critical to expanding intra-regional and international trade. There is a pressing need for development of transportation, water and energy resources, and telecommunications in Sub-Saharan Africa. At the same time, to ensure that such development is sustainable, the creation or further development of an adequate environmental infrastructure is required.

□ Governments in Sub-Saharan Africa continue to dominate the provision of infrastructure in telecommunications, power, transport, and other sectors. All too often the result of this dominance has been under-investment, poor maintenance of finished projects, and lack of responsiveness to business and household end-users. For instance, the continent's average telephone density of about 0.4 lines per 100 inhabitants is the lowest in the world.

□ One of the most promising short- and medium-term sectors for private investment in Africa is telecommunications. Technological changes such as satellite and microwave systems erode the old network-based monopoly in telecommunications and make competition possible. Similarly, in power generation and distribution, technological advances and improvements in regulatory frameworks are making power-generation more attractive to domestic and foreign private investors.

□ Some efforts to coordinate regional infrastructure investments are already occurring in Sub-Saharan Africa. For example, the Commission of East African Cooperation, founded by Kenya, Tanzania, and Uganda in March 1996, has an ambitious plan to coordinate electrical power projects.

□ In May, the Administration promoted the principles of the Global Information Infrastructure (GII) at a major conference in South Africa, and formally announced the five-year "Leland Initiative" to improve access of 20 African countries to the Internet.

□ Eximbank issued \$1.3 billion in letters of interest in Africa last year and has used escrow accounts to limit risk for infrastructure projects in less credit-worthy markets. The Department of Energy is providing policy and technical advice that facilitates private investment in water and power generation.

Working Together in the Administration

In the First Africa Trade Report, the Administration detailed the wide array of activities that

federal agencies were undertaking to promote trade and development in Sub-Saharan Africa.

This Second Africa Trade Report provides new information on the progress made during the last

year in implementing these programs and on new initiatives that agencies are undertaking to

achieve this goal. In addition, the first and second annual reports prepared by the U.S.

International Trade Commission, both entitled U.S.-Africa Trade Flows and Effects of the

Uruguay Round Agreement and U.S. Trade and Development Policy, contain valuable

information on U.S.-African trade and investment flows, and detailed information on the

trade and development activities in Africa of the federal agencies.

Working Together with Congress on Legislation

Some policy makers in the United States and other developed countries have assumed in the past

that in order to promote economic development in Sub-Saharan

Africa, foreign assistance and unconditional access to industrialized markets must precede the implementation of internal economic and structural adjustment programs by the Sub-Saharan nations. In light of the recent experience of a number of developing countries in which successful market-opening reforms as well as trade and investment have significantly contributed to development, the Administration recognizes that a more balanced approach to promoting development in Sub-Saharan Africa is required. Budgetary constraints also provide a further impetus to such an approach.

The Administration seeks to work closely with Members of Congress in the coming months on an approach that is aimed at assisting African development through trade, investment and access to international financial and technical assistance. Sub-Saharan African countries should expect that the benefits of increased trade, investment, and closer economic relations with the United States will be linked with their own efforts to open their markets to competition and investment, the protection of intellectual property rights, and the implementation of the economic reforms that are necessary for development.

The Administration seeks to promote trade, investment and increased development in Africa by, among other things, encouraging U.S. firms to play a more active role in the region. The Administration shares these objectives with the sponsors of the proposed "Africa Growth and Opportunity: The End of Dependency Act of 1996" (HR 4198) and hopes to work closely with Congress in the coming months to develop legislation that places due priority on building and enhancing the partnership between the U.S. and Sub-Saharan African private sectors in order to spur economic growth and development in Africa and to expand U.S. trade with and investment in the region.

I. Introduction

Importance of Sub-Saharan Africa to the United States

Economic development in Sub-Saharan Africa will benefit both Africans and Americans. The 48 countries of Sub-Saharan Africa

are: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Cote d'Ivoire, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Uganda, Zaire, Zambia and Zimbabwe. Stronger economies will enable Sub-Saharan nations to address a variety of complex problems that transcend regional boundaries, including civil strife, hunger, poverty, disease, refugee flows and environmental degradation. The development of Sub-African economies also contributes to the national and economic security of the United States.

In an increasingly competitive global economy, the United States cannot afford to neglect a vast region that contains almost 10 percent of the world's population and a wealth of untapped natural resources. The progress being made under the Free Trade Agreement for the Americas initiative and the Asian Pacific Economic Cooperation (APEC) forum, as well as the beneficial results of trade liberalization in many developing countries, indicate the potential value of a more engaged trade policy for the Sub-Saharan region. While the primary responsibility for African development rests with the Africans, helping to integrate reforming African nations into the global trade and financial systems is a priority goal not only for the United States, but also for its partners in the G-7.

The late Commerce Secretary Ronald Brown noted the importance of Sub-Saharan trade and development for the United States. At the Third African/African-American Summit in Dakar in May 1995 Secretary Brown stated:

The United States no longer concedes Africa's markets to European suppliers. The opportunity cost of inaction--the price we will pay for delay--is far too high. We have

learned the lessons of Asia's economic development, and we have seen how quickly the nations of Latin America are growing. Now it is Africa's turn, and America will be here, as a partner and staunch economic ally.

Stronger economies in Sub-Saharan nations will create more export opportunities for U.S. goods and services and more jobs at home. U.S. businesses increased their exports to Sub-Saharan Africa by 23 percent in 1995 to a total of \$5.4 billion. However, U.S. market share in the region -- 6.7 percent -- still lags significantly behind the 30 percent market share enjoyed by the European Union and the growing market share enjoyed by Japan (7.2 percent).

The need to reinforce the strides that a number of Sub-Saharan countries have taken toward economic and democratic reforms is so urgent that now is the time for a new approach to economic development in Sub-Saharan Africa.

Goal of Administration's Trade and Development Policy

Supporting sustainable economic development in Sub-Saharan Africa is the primary goal of the Administration's trade and development policy for the region. In response to the economic and democratic reforms implemented by many Sub-Saharan African nations in recent years, the Administration's approach seeks to accelerate the pace of economic development by: 1) increasing trade flows between the United States and Sub-Saharan Africa; 2) promoting economic reform as well as the development of the private sector and infrastructure; 3) improving the investment climate; and 4) strengthening moves toward democratic governance. This approach includes both new initiatives developed by the Administration which appear herein and initiatives that must be developed and implemented in partnership with the Congress in the coming months.

The Administration is currently using a variety of tools to achieve its objective including:

- bilateral technical and development assistance,

- ☐ increased government-to-government dialogue,
- ☐ assistance provided by the multilateral development banks and the International Monetary Fund (IMF),
- ☐ a more extensive program of bilateral and multilateral debt reduction for heavily indebted countries implementing reforms,
- ☐ promotion of understanding of and participation in the World Trade Organization (WTO),
- ☐ bilateral trade and investment agreements, and
- ☐ export promotion and trade facilitation programs.

Significant progress has already been achieved in a number of Sub-Saharan countries. For instance, with assistance from the World Bank and the IMF, more than 30 out of the 48 Sub-Saharan nations have instituted economic reform programs that entailed liberalizing exchange rates, prices and credit markets, privatizing state-owned enterprises, instituting tighter disciplines over government expenditures, ending costly subsidies, and reducing barriers to trade and investment. In addition, multilateral trade liberalization and preferential programs have greatly reduced, though not eliminated, the trade barriers faced by Sub-Saharan merchandise goods and service exports to the United States and other countries. In 1995, for example, the average trade-weighted duty on U.S. imports from Sub-Saharan Africa was a mere 1.7 percent.

Progress in regional economic integration will also contribute to developing stronger economies. The willingness of the members of the Southern African Development Community (SADC) to conclude a trade protocol, and of certain West African states to create the West African Economic and Monetary Union, should eventually lead to the harmonization of tariff structures and the elimination of tariffs and non-tariff barriers on intra-regional trade. The Administration seeks to encourage regional economic integration consistent with WTO rules wherever possible.

In addition, democratization is underway in Sub-Saharan Africa, and its success is crucial for economic development and political stability in the region. Since 1990, more than 25 Sub-Saharan countries have held elections. Stable democracies foster predictability, accountability and the rule of law -- all elements essential to the creation of a climate in which business can thrive. At the same time, economic development increases the chances that democratization will succeed. Still, the economic development aspirations of the peoples of Sub-Saharan Africa have yet to be fully realized. Clearly, the United States and other developed nations must do their part to promote economic growth and development in the region. Additionally, Sub-Saharan governments must recognize that the failure of many African states to open their markets has been an important factor in slowing regional economic growth. This Administration intends to work with Sub-Saharan nations to help reduce remaining barriers to trade and investment in order to foster mutually beneficial trade and investment ties between the United States and Sub-Saharan Africa over the long-term.

A major goal of the Administration's trade and development policies for Sub-Saharan Africa, therefore, must be to support African efforts to reduce tariffs and trade-related barriers so that the region may realize the full benefits of expanded trade and gain a resulting boost to growth.

Structure of the Report

The Second Africa Trade Report is organized around five major principles that served as the guideposts for the economic relationship between the United States and Sub-Saharan Africa over the past year, namely: economic reform; trade liberalization and promotion; investment liberalization; development of the private sector; and infrastructure enhancement. Each of these principles is dealt with in a separate chapter. Chapters include an exposition of the issue, a discussion of current African and U.S. initiatives that have been designed and implemented in

an effort to address the issue, and planned new initiatives.

New Initiatives

The Second Africa Trade Report sets forth a number of new initiatives that have been designed to address the issues outlined in the various chapters. (See appendix A for a list of the new initiatives proposed in the report.) In addition, the Administration is actively considering other ideas, some of which are similar to ideas currently being considered by Congress and the private sector. The Administration will continue to consult with Congress, private sector advisory groups, and African governments in an effort to develop and implement programs that, along with measures taken by the Sub-Saharan African nations, will help produce growth through a mutually beneficial trade-based relationship between the United States and the countries of the region over the long term.

II. Economic Reform

Background

Continuing the trends noted in the First Africa Trade Report, the macroeconomic performance of Sub-Saharan African countries in 1995-96 showed overall improvement -- though the performance of individual countries varied widely. The World Bank estimates that Sub-Saharan Africa's GDP grew by 4 percent in 1995, and by that much or more in 1996, due to effective economic reforms, strong commodity prices, and favorable weather -- especially in western and southern Africa. Thirty Sub-Saharan countries recorded growth in per capita income in 1995, implying growth exceeding average population growth of 3 percent. Four (Uganda, Angola, Malawi, and Lesotho) grew by over 10 percent. By comparison, Africa's GDP growth averaged only 1.4 percent in 1991-94.

Even countries that have not been characterized by good economic

management or reform programs, such as Nigeria and Angola, showed positive growth due to their wealth in oil (and diamonds, in the case of Angola). Other non-reformers were not so fortunate. Zaire, Rwanda, Burundi, Sierra Leone, and Liberia, for example, continued to experience static or falling growth rates, declining market shares, and lower per capita incomes. In contrast to the 1980s and early 1990s, however, these poor performers seem more the exception than the rule.

Despite the recent increases in national output, public sector deficits combined with low private sector savings resulted in savings and investment rates that will be inadequate to sustain high growth rates in most Sub-Saharan countries. For the period 1994-96, according to the World Bank, gross domestic saving in the region is projected to reach an average level of about 6 percent of GDP, double the rate in the preceding three years but still far lower than current modest rates of gross investment. Investment is rising substantially in the 30 fastest-growing countries, with half of them experiencing real growth of 11-12 percent annually in total investment and nine of them showing growth in private investment of over 12 percent per year. Nevertheless, the region's median investment-to-GDP ratio remains at a low 15-16 percent. Since foreign private investment in Africa is so low, most of the difference between the 6 percent saving rate and the 16 percent investment rate is provided by official aid donors and concessional credits.

Africa's recent macroeconomic record shows a strong trend towards stabilization, such as lower fiscal deficits, but not enough basic structural change, such as openness to private investment. Further, despite the improvements in economic growth and other indicators, many African countries still are dealing with the legacy of past mistakes in the form of high debt burdens that constrain growth prospects.

Since many Sub-Saharan countries are very poor and cannot finance needed investment from domestic resources or pay for foreign credits on commercial terms, they will continue in the

medium term to need concessional assistance in the form of debt relief and official financing.

To make the best use of scarce resources, aid donors will need to be increasingly selective in the countries and projects they support, with even the strongest performers being urged to accelerate the steps needed to diversify their economies. For their part, in the medium to longer term, African countries should do more to increase their share of the world's private foreign investment.

Recent African Initiatives

As of September 30, 1996, 23 Sub-Saharan countries had reform programs in effect with the IMF, including 19 Enhanced Structural Adjustment Facility (ESAF) programs. Thirty-one countries participate in the World Bank-led Special Program of Assistance for Africa (SPA) designed to coordinate donors' aid programs and build consensus on the reform agenda. IMF- and World Bank-supported reforms adopted by the participating African countries typically include realignment of exchange rates, fiscal consolidation, trade liberalization, privatization, financial sector reform, and in a few cases, regional integration of markets. Improvements in transparency and accountability of government operations have been substantial, as for example in the government of Cameroon's decision to publish the accounts of 17 of its largest parastatals. In a number of areas where major currency realignments have been carried out, such as the Western Franc Zone, parallel markets in currency trading have declined in importance.

The World Bank reports that fiscal deficits have been brought down in 13 countries (excluding external grants; 19 if grants are included), contributing to macroeconomic stabilization. While revenues were up in many countries, more than half continued to collect less than 20 percent of GDP. Total public expenditure, on the other hand, still averages about 25 percent of GDP. On the whole, management of public finances remains a weakness even in the better-performing countries. Weak tax systems and corrupt management often contribute to poor resource allocation, and excessive reliance on trade taxes as a revenue

source hampers efforts to liberalize trade.

At the microeconomic level, there has been substantial movement toward freer markets for goods in most African countries, with many monopolies abolished and entry requirements reduced for new firms. Liberalization of markets for land, labor and capital, however, has been much less satisfactory, with restrictions on domestic and foreign investment in particular continuing to hamper growth in many countries.

Africa's enormous parastatal enterprise (PE) sector continues to drain scarce budgetary resources from heavily indebted, cash-strapped governments, although the scale of the problem has been reduced. As outlined the First Africa Trade Report, the PEs' dominance of many areas of economic activity, their close ties to political decision-makers, and their preferred access to credit often act to discourage the growth of a viable African private sector. Often their poor management, weak financial condition, and limited access to current technology mean their net developmental effect generally is negative. The pace of privatization in most African countries must be accelerated if the rate and quality of investment and growth are to improve. Privatization of utilities (telecommunications, power, water, transportation) offers particularly good opportunities for African governments to upgrade essential services while avoiding accumulation of new debt.

Privatization as a policy objective continued to gain support in 1995-1996, and the rate of implementation increased in several countries. Important examples included divestiture of Ashanti Goldfields, Kenya Airlines, and major banks in Ghana, Mozambique, and Kenya. Senegal invited offers for 51 percent of the shares of SONACOS, the large peanut oil parastatal. In Zambia, 46 of 50 PEs targeted for divestiture (from a total of about 150) have been sold or liquidated; annual revenue of a bakery privatized three years ago rose from \$57,000 to \$1.2 million in 1995.

The pace of privatization in most countries is still slowed,

however, by fear that it will reduce employment and create social unrest, by the resistance of vested interests, by the lack of adequate capital markets, and by a continuing unwillingness to yield control of some functions to the private sector. An issue often raised by African governments reluctant to privatize is how to maintain enough control over "strategic" industries to attain social objectives. Many have chosen to do so by maintaining a minority or vetoing share in PEs after divestiture; whether this will be an optimum means of achieving the purpose remains open to question.

At the IMF/World Bank Annual Meetings in September, African governments announced they have committed themselves to taking the lead in building institutional and human capacity in their countries. The announcement acknowledges that most weaknesses in capacity stem from poor governance, and that African governments must do a better job of policy implementation, budgeting, managing, educating, and creating an enabling environment for the private sector. The initiative called on the World Bank and other donors to do more to support capacity-building efforts designed by Africans rather than by donors. If implemented effectively, this could be a useful step toward establishing African control of African development.

Regional integration has long been an objective honored more in rhetoric than in reality in Africa. In the last two years, however, at least three integration initiatives have been taken that show promise of being effective. The countries of the Western Franc Zone have begun to create an economic and monetary union and already can point to solid progress, particularly in the areas of banking and financial sector reform. In East Africa, Kenya, Uganda, and Tanzania announced in early 1996 a revival of regional integration, commonly known as East African Cooperation, that had not existed since the demise of the former East African Community. And the SADC countries, benefiting from economic recovery and the ending of regional wars, have been striving towards unprecedented political and economic cooperation.

Status of Current U.S. Initiatives

A. Macro policy

The United States recently pledged \$1.6 billion of new funding for the International Development Association (IDA), the World Bank's concessional lending "window." This pledge effectively leveraged total new IDA commitment capacity to \$22 billion during the period 1997-99, of which approximately half has been prospectively programmed for Africa. Congress did not appropriate the full amount requested for fiscal year 1997 (\$700 million vs. \$934 million) to clear U.S. arrears under the previous replenishment, and future funding is in doubt due to restrictions placed on procurement from U.S. suppliers under the IDA Trust Fund. The Treasury and State Departments are working vigorously to have these restrictions removed. It is anticipated the Administration's specific budget request for IDA in fiscal year 1998 will be substantial.

With regard to the IMF's ESAF, the Administration will seek authorization and, over the period 1998-2002, appropriation for the remaining \$75 million of its \$100 million commitment to the ESAF Subsidy Account. In addition, the Administration has strongly supported ESAF's role as the mechanism for providing the IMF's share of financing for the joint initiative, with the World Bank and Paris Club, for offering debt relief to the most heavily indebted poor countries. ESAF programs are often a precondition for multilateral development bank initiatives, Paris Club debt rescheduling, commercial bank debt restructuring, and bilateral assistance. Over half of ESAF borrowers are in Africa. Aside from ESAF's role as a financing mechanism, the IMF and World Bank Boards have agreed that satisfactory performance under an ESAF program will be a prerequisite for a country to receive debt relief from the international financial institutions (IFIs).

The United States has been the leading advocate within the IFIs for providing more assistance to countries that liberalize their economies and less to those that do not. The Administration is

continuing its efforts during the Country Assistance Strategy review process at the World Bank to ensure that the Bank implements its policy of basing the level of assistance given to a country on that country's economic reform record.

The United States is urging bilateral and multilateral debt reduction for the heavily indebted poor countries because many of them have accumulated external debts that are too large to be serviced and significantly constrain economic development. In recent reschedulings, the United States and other creditors have agreed to reduce these countries' bilateral debts by as much as 67 percent within the Paris Club framework, provided the debtors maintain economic reform programs. The intent is to help these countries to develop and grow, although for some, additional action beyond bilateral debt reduction will be necessary.

The United States, with congressional authorization and appropriation, has participated in debt reduction through the Paris Club of official creditors since fiscal year 1994. Congress has provided continuing appropriations for this program in fiscal year 1997, which this year will benefit as many as 13 countries -- including 10 in Sub-Saharan Africa. Further appropriations will be needed in coming years to continue current debt reduction, and for the countries with the most unsustainable debt burdens, to participate in debt reduction of up to 80 percent.

The United States has also pledged \$200 million in new funding for the African Development Fund (AfDF), which lends at concessional rates to the poorest African members of the African Development Bank (AfDB). This pledge brought the AfDF replenishment negotiations to a successful close, leveraged total new commitment capacity for AfDF of \$2.9 billion, and laid the groundwork for reactivation of the Fund after nearly three years of dormancy. Congress did not appropriate any funding for either the AfDB or the AfDF in fiscal year 1997, however. In FY 98, the Administration will request a substantial first payment toward our AfDF pledges.

U.S. leadership in the international financial institutions is

critical to both African and U.S. interests, particularly given the World Bank's crucial role in promoting market-oriented structural reform in the world's poorest countries. The Administration attaches a high priority to U.S. participation in all these mechanisms, and to meeting U.S. financial commitments, particularly with regard to IDA, where there are substantial U.S. arrears. The arrearages endanger important development resources for Africa and jeopardize the ability of U.S. firms to compete for projects financed by these funds in Africa's poorest countries.

The success of our efforts to encourage new and ongoing initiatives by the development banks in Africa will be partly determined by our ability to meet U.S. financial commitments to IDA and the African Development Fund. The Administration is committed to working closely with Congress to address these issues.

B. Commercial law reform

The Department of Commerce is undertaking a program in the area of commercial law development assistance to South Africa that has several components:

(1) Under the auspices of the U.S.-South African Business Development Committee's (BDC) Commercial Law working group, the Department of Commerce and the South African Ministry of Justice co-sponsored the first joint commercial law seminar in South Africa in May 1995. The purpose of this and future seminars is to encourage dialogue between U.S. and South African participants regarding their respective commercial legal systems and business practices. Such a dialogue enhances commercial relations generally and will improve understanding of the legal regimes governing trade and investment in both countries. Over 300 South African attorneys and business people attended the first legal seminar.

(2) In affiliation with the BDC, the private sector will fund a Diversity in South Africa Commercial Legal Practice Initiative to facilitate historically disadvantaged South African law

school graduates' access to clerkships at large South African commercial law firms. Funds are being solicited principally from American corporations and transferred to the participating South African law firms for the payment of stipends to the law clerks. Clerkship represents one of the few points of entry into commercial law practice in South Africa. By increasing the number of historically disadvantaged law school graduates who obtain clerkships with commercial law firms today, the initiative will promote diversity in South African commercial legal practice in the future.

The Department of Commerce has been unable to stage a seminar in South Africa on intellectual property rights (IPR) due to tightened resource constraints. The need for such a seminar arose during the apartheid period when South African businessmen began to use the trademarks of U.S. firms. U.S. anti-apartheid laws, which prohibited U.S. firms from investing in South Africa, prevented U.S. firms from using or protecting their intellectual property rights during that period and South African users, moreover, challenged U.S. registration of the marks in South African courts on the grounds of U.S. non-usage. The need for IPR seminars in South Africa seems less pressing in view of favorable developments regarding IPR policy there, and the South African Supreme Court Appellate Division's finding in favor of our American company's right to its exclusive use of its trademark in South Africa. The U.S. Information Agency (USIA) plans to stage a West African IPR seminar in Benin, the first of several projected subregional conference on the topic.

C. Better governance

With strong support from the United States, in April 1996, the Organization for Economic Cooperation and Development (OECD) Council approved a recommendation calling for the elimination of the tax deductibility of bribes to foreign public officials in international business transactions. During the 1997 OECD Ministerial, the United States will seek a clear recommendation on criminalization of foreign bribery. The United States has strongly pushed

the IFIs to focus more on governance issues, including bribery and corruption. Recently the World Bank adopted enhanced anti-corruption provisions for loan conditions, procurement rules and standard bidding documents. The Administration has been a vocal supporter of including corruption issues on the agenda of Consultative Group meetings and other multi-donor fora.

This has given the issue a higher profile than it would have had otherwise. The United States is also advocating action in the United Nations Economic and Social Council on the issues of bribery and corruption.

D. Rationalization of the public sector: privatization

USAID, through its programs and policy dialogue, has encouraged privatization efforts throughout the continent. The agency has been the key donor for technical assistance to the Zambia privatization effort. Other examples include assistance to the Ethiopian Ministry of Industries, the Malawi railroad privatization program, and a policy dialogue in Senegal that resulted in efforts to privatize SONACOS, one of the largest parastatals in the country. In Cote d'Ivoire, assistance was provided to the Enterprise Network in the privatization of a multi-million dollar rubber plantation. Efforts are underway to assist in the privatization of Zambia's copper industry.

E. Reorienting multilateral lending practices to the poorest countries

The United States is urging all the multilateral development banks to focus their concessional lending on the historically poorest and least creditworthy countries that are now demonstrating a real commitment to sound policies, private sector development, and sustainable growth. Countries that no longer need concessional resources should be "graduated." The United States and other IDA donors have agreed that China no longer will receive IDA resources under IDA-12--potentially freeing more resources for Africa.

New Initiatives

- A debt-reduction initiative started after the 1995 G-7 Halifax

Summit encouraged the IMF and World Bank to consider measures to assist heavily indebted poor countries (HIPC's), with the objective of reducing their debt burdens to sustainable levels. The HIPC Debt Initiative will be funded by an initial \$500 million contribution from World Bank net income, an initial transfer by the IMF of Enhanced Structural Adjustment Facility reserves for individual country cases, and additional debt relief of up to 80 percent from the Paris Club. Other multilateral creditors, including the Inter-American Development Bank and the AfDB and AfDF, are in the process of determining their contributions to this program. In order to be eligible for additional relief, countries must demonstrate a sustained track record of sound economic policy implementation. The Department of the Treasury will continue to provide strong backing so the World Bank/IMF/Paris Club HIPC program can proceed rapidly.

□ At the 1996 G-7 summit in Lyon, the heads of state requested that major international economic institutions (UN, IMF, World Bank, World Trade Organization) devote special attention to Africa. In response, the four institutions pledged to give top priority to economic reform and poverty reduction programs essential to economic growth in Africa. The Administration (Treasury, State, NEC, USAID) will be working with these international institutions to develop more specific proposals in time for consideration at the next G-7 Summit in Denver in July, 1997.

□ In the past two and one-half years, the African Development Bank/African Development Fund (AfDB/AfDF) have gone through some of the most extensive reforms of any of the multilateral banks. While this process was underway, donor countries withheld concessional funding for the AfDF and postponed consideration of a capital increase for the AfDB. Now that these reforms are substantially complete, in fiscal year 1997 the United States will undertake two major initiatives with respect to the Bank. First, while seeking to meet its obligations to the Bank, the Administration

will urge AfDB to intensify its cooperation with the IMF and World Bank on policy-based lending. Over the next year, AfDB is expected to participate with the World Bank in at least two policy-based loans. Second, the Administration will press to make the voting influence of the Bank's non-African shareholders in its decision making more commensurate with their financial contribution.

□ In 1997, USAID will implement a new \$2.5 million bilateral agreement with the South African Ministry of Public Enterprises to assist the ministry in the restructuring state assets and the possible privatization of public enterprises.

III. Trade Liberalization and Promotion

Background

The United States has a growing strategic and commercial stake in the expansion of African trade flows. This expansion will contribute to African economic development and make Africa a more attractive market for U.S. firms. In 1995, Sub-Saharan Africa exported \$12 billion worth of products to the United States, mostly petroleum, metals, and minerals. Sub-Saharan Africa is also a growing market for U.S. goods. U.S. merchandise exports to the region jumped nearly 23 percent in 1995, to \$5.4 billion. The United States continues to export more to Sub-Saharan Africa than to all the Newly Independent States of the former Soviet Union combined. U.S. exports to South Africa alone are greater than U.S. exports to Eastern Europe.

Africa's current trade shares are far below historical levels, however. In the mid-1950s, Sub-Saharan Africa accounted for 3.1 percent of global exports. By 1990, this share had fallen to 1.2 percent. Low levels of global exports from the region can be partially attributed to the highly restrictive import regimes in place in many Sub-Saharan nations. As a result, Sub-Saharan Africa is a region greatly insulated from import competition and sheltered from

the effects --beneficial as well as disruptive -- of global competition.

African trade regimes also contain a strong anti-export bias. A combination of high import tariffs -- Sub-Saharan tariffs average over 28 percent -- and other trade barriers, such as export taxes, continue to inhibit international competitiveness, holding Sub-Saharan annual growth of non-fuel exports to 5.4 percent, compared with a 12.5 percent annual export growth rate in other non-OECD countries. The compound effect of such differential growth rates is striking. Over the past three decades, Sub-Saharan African exports of non-fuel goods grew only four-fold, versus a 25-fold increase for other non-OECD countries.

Restrictive trading regimes in Sub-Saharan Africa have contributed to the region's inability to produce diversified exports and to exploit significantly the preferential tariff access to the U.S. market it enjoys under the Generalized System of Preferences (GSP).

Protectionist trade policies in Africa were analyzed in a recent World Bank study that concluded protectionism has been costing the region as much as \$11 billion per year -- equivalent to the total amount of external aid to the region in 1991. The study found that both tariff and non-tariff barriers, particularly in the poorest African countries, were far more restrictive than in the emerging markets of Southeast Asia. The study dismissed charges that industrial country trade barriers account for Africa's declining share of world trade, noting that Africa has benefited from trade preferences in such markets. Instead, the study concluded that African protectionism, especially against essential imports such as agricultural inputs and machinery, has made most African countries uncompetitive and left them with a declining share of the market for a few commodities that are themselves of declining importance in world trade. Any effort to reintegrate African countries with the world market must tackle this problem squarely.

Recent African Initiatives

Many African countries, although members of the General Agreement on Tariffs and Trade

(GATT), were not active participants in the Uruguay Round (UR) negotiations. In fact, there was no lowering of the region's average tariffs in this, the world's most ambitious trade-liberalizing agreement, despite initiatives undertaken by the WTO to make participation less burdensome for developing countries. At present, 33 Sub-Saharan countries have become members of the WTO and two additional countries have formally requested WTO accession. Five other countries that were GATT members are expected to seek full membership in the WTO. The WTO leadership, for its part, has undertaken initiatives to make WTO participation less burdensome for these countries.

While tariff preferences can play a positive, if temporary, role in Africa's trade and economic development, the focus of attention in Africa should shift toward efforts to reduce its own barriers. Broader membership and participation by African countries in the WTO, and in other multilateral institutions, will help them undertake and enjoy the benefits of trade and investment liberalization. Because tariff preferences are temporary and offered unilaterally, they do not grant the stability and predictability needed to attract foreign investment.

Many Sub-Saharan nations have also taken steps toward regional integration. Although the regional proposals vary in structure, they have as a common objective trade and investment liberalization. The most advanced and tightly structured effort is in the seven-member West African Economic and Monetary Union, which has a goal of a regional financial market by early 1997 and a customs union by the end of 1997. The SADC countries signed a protocol in August 1996 to signal its members' commitment to trade and investment liberalization. Tariffs within the SADC community are to be gradually eliminated within eight years. A Cross Border Initiative is supported by a number of eastern and southern African countries united by their commitment to reduce barriers to trade and investment. Finally, Kenya, Uganda, and Tanzania have revived their former regional community under the name of East Africa Cooperation. These regional coordination and trade liberalization efforts

appear to be on track, but must continue moving forward to be effective.

Status of Current U.S. Initiatives

A. Integration into international trading system

The United States has promoted efforts in several international organizations (WTO, World Bank, IMF, AfDB) to increase the integration of African countries into the international trading system. Within the framework of the WTO and its Committee on Trade and Development, the United States has encouraged the WTO to refocus its technical assistance programs on promoting the understanding and implementation of WTO obligations among its members. As a result, technical assistance programs now give special attention to the needs of the least-developed developing countries. The WTO is also exploring avenues for diversification of African exports and new forms of joint action to secure a greater share of world trade for the African continent. This includes briefing trade officials in Africa, and lending assistance to business communities in identifying trade and market opportunities so they may diversify their exports.

The State Department briefed African Ambassadors on WTO issues prior to the Singapore Ministerial Meeting of the WTO. During the Singapore Ministerial, USTR convened a session to discuss U.S. trade policies vis-...-vis Africa and African participation in the WTO.

The United States supported WTO efforts to coordinate closely and cooperate with other international organizations to develop a comprehensive program aimed at Africa. A framework agreement for enhanced cooperation between the WTO and the IFIs is close to being concluded. It will provide for greater WTO input to IFI programming at both the executive and the staff levels and should help improve the treatment of trade policy issues in IFI-supported adjustment programs.

In addition to supporting WTO and IFI efforts to assist developing countries in Africa and elsewhere on trade issues, the United States is encouraging

African efforts to liberalize trade regimes individually and collectively. For example, USTR is encouraging the liberalization of trade regimes by giving increased attention to identifying arbitrary and unfair tariff barriers that exist in certain African nations in the National Trade Estimates Report. In some cases, these citations have led to bilateral consultations aimed at arriving at resolutions that will encourage increased trade flows.

The United States actively supported the adoption of a plan of action on food aid at the Singapore Ministerial in December 1996. The Ministers agreed that, during 1997, members of the Food Aid Convention and other interested countries and relevant international organizations should review the current food aid situation and develop recommendations for establishing a level of food aid commitments, covering as wide a range of donors and donable foodstuffs as possible, that is sufficient to meet the legitimate needs of developing countries during the implementation period of the WTO Agreement on Agriculture. These recommendations should include guidelines to ensure that an increasing proportion of food aid is provided to least-developed and net food-importing developing countries in fully grant form and/or on appropriate concessional terms in line with Article IV of the current Food Aid Convention, as well as means to improve the effectiveness and positive impact of food aid.

B. Regional coordination

USAID's Initiative for Southern Africa (ISA) has sponsored a number of activities to provide small- and medium-sized enterprises with a forum for discussion of regional policy. These activities include the formation of the Small Enterprise Promotion Advisory Council, as well as the establishment of a permanent office of the Southern Africa Enterprise Development Fund in Johannesburg. The Fund has already received 262 investment proposals from businesses in the region. Also under the ISA umbrella, a regional framework has been developed with the SADC Transport and Communications Commission to improve the regional flow of goods and services.

In the SADC, where regional integration is underway, USAID's Regional Center for Southern Africa financed the preparation of SADC's regional trade protocol agreement. In May 1996, a group of USAID economists traveled to the SADC countries to assess the trade and investment environment and identify major constraints to regional integration. USAID's subsequent report was the basis for formulating a program of assistance to lower trade and investment barriers in the Southern Africa region.

Under a memorandum of understanding signed by Vice President Gore and SADC in December 1995, the United States committed to assisting SADC efforts to develop a protocol that would eliminate trade barriers. In March, the USTR reviewed and discussed the protocol with SADC's Executive Director and several of its key officials. The protocol was signed and finalized on August 24, 1996, by the twelve member countries of SADC. Implementation of the accord will be a significant step in liberalizing trade practices regionally, and the U.S. government plans to assist SADC in implementing the protocol by addressing key issues in economic integration and trade liberalization in a trade protocol forum in early 1997.

In late 1995, the Greater Horn of Africa Initiative provided funds for a study that examined policy and regulatory constraints faced by businesses interested in investing in the Greater Horn of Africa countries. The results of this assessment were presented at the East and Southern African Business Organization conference held in Nairobi in May 1996. Follow-up consultations will be held with policy makers in individual countries. USAID also supported the restructuring and revitalization of the Intergovernmental Authority on Development (IGAD), a regional organization with a mandate to harmonize economic policies among the Horn countries and to improve food security in the region.

C. Generalized System of Preferences (GSP)

The Administration has been successful in obtaining an important amendment to the GSP statute.

(The GSP program provides duty-free entry for half of the 9,000 products listed in the U.S. Tariff schedule.) As reauthorized, the program should be more useful to the least developed beneficiary countries, particularly those in Africa. The least developed beneficiary country (LDBC) exemption from competitive need limits continues to apply. These countries are not limited to a ceiling on the value or amount of imports of eligible GSP items.

Another special benefit for the LDBCs is the possible addition of up to 1,895 tariff line items to the list of articles with preferential duty-free access. Many of the Sub-Saharan countries of Africa could benefit because they meet United Nations' criteria for least developed countries.

The Administration has begun a process for determining the sensitivity of each of the new tariff line items being considered. As part of this review, the U.S. International Trade Commission (USITC) was requested to provide advice, and public comment has been solicited. The USITC held public hearings and plans to complete its assessment by March 1997. USTR will conduct additional hearings and, supported by the USITC evaluation, a USTR-led inter-agency committee will determine which of the products will be eligible for GSP treatment. The entire process should be completed by mid-1997.

Since the reauthorization of the GSP program in September 1996, the Administration has focused on how to increase African countries' participation in the program. Total Sub-Saharan GSP imports, which amounted to \$492 million in 1995 (of which South Africa alone accounted for \$357 million, or 73 percent of total GSP imports from Sub-Saharan Africa) accounted for only 2.7 percent of all GSP imports.

The Administration intends, therefore, to launch a sustained effort to inform African governments and the private sector of the GSP program benefits, requirements, and methods of operation. With the renewal of the GSP program, USIA can now proceed with plans to hold Worldnet programs on GSP and on other topics related to trade with Africa. Depending upon

available funding, on-site seminars/workshops on "how to" import into the United States will be arranged. In addition, appropriate instructional materials will be supplied to U.S. embassy officials to enable them to conduct follow-on training sessions as needed.

The Administration has determined that, once SADC members ratify their trade protocol, it will designate SADC countries as "regional GSP beneficiaries." This will allow products produced partially in one or more SADC countries having GSP status to qualify for GSP treatment. Extension of this benefit to SADC members who are individual GSP beneficiaries should provide an incentive to increase regional processing for export.

D. Intellectual property protection

In January 1996, the Department of State stressed to all African countries the importance of intellectual property protection and urged early implementation of the WTO's Trade-related Aspects of Intellectual Property Rights (TRIPS) Agreement. A seminar organized by the World Intellectual Property Organization (WIPO) and WTO was held in Abidjan early in 1996 for African representatives to review the implementation of the TRIPS Agreement. The State Department will work together with USIA to examine the feasibility of a Worldnet broadcast discussing protection of intellectual property and its relation to sound investment regimes.

The Trade and Investment Committee (TIC) of the U.S.-South Africa Binational Commission (BNC) has been an effective vehicle for improving bilateral cooperation on commercial issues. The U.S. Government used the BNC/TIC to sensitize the South African Government to U.S. investor concerns about South Africa's protection of intellectual property rights. South African Minister of Trade and Industry Erwin announced his government's intention to move forward expeditiously with two legislative amendments now before Parliament designed to bring national trademark provisions into conformity with WTO and Paris Convention standards. Shortly thereafter, the South African Supreme Court Appellate Division found that a U.S.

corporation is the rightful owner within South Africa of its trademark. These actions allowed the United States to keep South Africa off the Special 301 Watch List from which it was provisionally removed in April 1996.

E. Non-traditional export promotion

USAID's focus on increasing private sector non-traditional exports in Kenya, Ghana, Uganda, Zimbabwe, Guinea-Bissau, Guinea, and Malawi continues to help these countries generate much needed foreign exchange and incomes for micro-enterprises and farmers. In Ghana, for example, USAID's market liberalization efforts have improved the enabling environment for non-traditional export production and marketing. In Guinea-Bissau, the USAID mission encourages the production and exports of cashews through its assistance to the National Agricultural Producers and National Association of Women with Economic Activities.

F. U.S. trade promotion

The Commercial Development Mission to Africa led by the late Secretary of Commerce Ron Brown in February 1996 built a foundation for expanded commercial ties between Africa and the United States. The mission visited five countries: Cote d'Ivoire, Ghana, Kenya, Uganda, and Botswana. In each country major initiatives were undertaken with African governments and private sector representatives to ensure continued benefits for both Africa and the United States.

During the mission, Secretary Brown held discussions with government leaders and private representatives from nearly 40 African countries and more than 150 U.S. firms. He announced contracts and agreements for American companies totaling nearly \$500 million, and he advocated on behalf of U.S. firms competing for projects that eventually could total more than \$3 billion in U.S. exports. The Secretary challenged African leaders to recommit their countries to democracy, free enterprise, and lowering of commercial barriers.

Secretary Brown held regional meetings in West, East, and Southern Africa to demonstrate the importance of regionally-focused economic development. He signed a Memorandum of Understanding between the Department of Commerce and SADC aimed at increasing trade and investment ties between the United States and this important twelve-country regional organization by promoting SADC project opportunities to U.S. industry. The SADC agreement complements the Initiative for Southern Africa implemented by USAID, which is designed to help SADC increase regional trade and economic integration. Secretary Brown also opened a new Commercial Service office in the U.S. Embassy in Accra, Ghana, acknowledging the growing interest of U.S. business in Ghana as that country aggressively implements economic reforms.

To maximize scarce resources, three of the existing Commercial Service offices in Africa -- Abidjan, Nairobi, and Johannesburg -- have taken on regional outreach responsibilities in cooperation with their State Department colleagues in neighboring diplomatic posts. The regionalization of the Commercial Service enables the Department of Commerce and the Department of State to combine their efforts in trade promotion, business facilitation, and direct support for American companies. The Commercial Service has provided training to State Department officers and Foreign Service nationals on Commerce programs and services. The regional offices are also developing integrated plans for commercial promotion throughout Africa's sub-regions. For example, the Abidjan office arranged for a foreign buyer delegation from throughout West Africa to visit the National Association of Home Builders trade show in Houston in January 1997. The Johannesburg office sponsored a trade mission to Mauritius by U.S. company affiliates based in South Africa and is planning a similar mission to Angola and Mozambique.

U.S. ambassadors to African countries have regularly reported on key projects of interest to the U.S. private sector. In July 1996, the Department of State instructed ambassadors to place due emphasis on trade development and on reporting on key projects of

interest to the U.S. private sector. State reinforced the need for this reporting in guidelines sent to embassies for the preparation of each Country Commercial Guide, an annual report distributed through the National Trade Data Base for use by the U.S. business community.

The State Department's Office of the Coordinator for Business Affairs and its Africa Bureau have jointly developed a matrix of key projects that is shared with the private sector. In 1996, State and Commerce identified key projects requiring advocacy prior to the trips to Africa by Secretary of State Christopher and the late Secretary of Commerce, Ron Brown. The Departments of State and Commerce will continue to cooperate closely to promote U.S. commercial interests in Africa. The Trade Promotion Coordination Committee (TPCC) Africa Working Group was created in April 1996. The group, involving senior representatives of State, Commerce, USTR, Treasury, Labor, Agriculture, the Export-Import Bank (Eximbank), the Overseas Private Investment Corporation (OPIC), the U.S. Trade and Development Agency (TDA), Energy, USAID, and other interested agencies, meets as necessary to follow up on initiatives of the Brown mission, and to address such key issues as trade and project finance, reverse commercial missions, and outreach to the U.S. business community. The Working Group has:

- ☐ met with representatives of the U.S. business community to exchange views on Nigeria and to ensure that U.S. business interests are reflected in formulation of U.S. policy;
- ☐ formulated plans for the first reverse commercial development mission to the United States from SADC, expected in 1997;
- ☐ coordinated planning for a forum -- to be held during the SADC reverse commercial development mission -- on implementing the recently-signed SADC Trade Protocol, by which the U.S. Government would provide guidance and assistance in achieving greater economic integration and increased trade among SADC members;
- ☐ set an agenda for an ongoing commercial dialogue with SADC,

aimed at promoting continued economic reform and closer commercial ties with the United States; and

□ held two workshops on trade and project finance with U.S. businesses, banks, and government representatives.

New Initiatives

□ In order to ensure higher level attention and coordination of our trade policies toward Africa with overall trade policy goals, the Deputy USTR has in the past year assumed responsibility for senior level direction of U.S. trade relations with Africa. In addition, USTR is considering creation of a new position within its current resources for an Assistant USTR, whose responsibilities will be dealing with trade policy questions related to Africa.

□ The Administration is reviewing the funding possibilities for a multi-year reauthorization for the GSP program. The program must be administered in a stable and predictable manner if it is to provide an incentive to development. In 1997, additional products imported from least developed beneficiary developing countries, mainly in Africa, will be selected for GSP eligibility. These determinations are being made on an accelerated basis and will implement the authority granted to the President in the amended GSP statute that became effective October 1, 1996.

□ At the WTO and World Intellectual Property Organization (WIPO), USTR will urge that African countries be provided technical assistance and training in WTO and WIPO procedures and agreements. USIA will provide support to a sub-regional conference on Intellectual Property Rights (IPR) that will be held in Benin and will consider supporting additional IPR conferences that have been scheduled for Africa.

□ USTR will send a delegation to key African countries to explain the requirements of the U.S. textile and apparel import regime.

☐ The Commerce Department will work with the private sector to post a Home Page for African Opportunities on the Internet that will include information on trade and investment opportunities, trade programs, equity funds, and banks available for trade and project finance.

☐ The State and Commerce Departments will work with the private sector to organize a tour throughout the United States by U.S. Ambassadors to African countries to brief and consult with U.S. companies in order to stimulate interest in doing business in Africa.

☐ In order to encourage active participation by African countries in the WTO, comprehensive briefings for African Ambassadors on the WTO and other trade and development issues by the State Department and the office of the U.S. Trade Representative (USTR) will be provided during 1997.

☐ Commerce will initiate a commercial dialogue with the SADC countries with the following goals: a) continued progress toward market-based economic reform in Africa; b) promotion of regional development cooperation; and c) closer commercial relations with the United States. The dialogue will involve the public and private sectors of each side to strengthen public-private cooperation. The experience with SADC could serve as a model for other sub-regions in the future.

☐ While the Interagency Credit Risk Assessment System (ICRAS) process is classified, private sector representatives and other entities will be invited to provide information and perspectives to the Commerce Department on African economies which might be useful to ICRAS participants in determining credit ratings.

☐ Commerce and USIA will co-sponsor a "reverse commercial development mission" to the United States by SADC trade ministers and private sector representatives, as a follow-up to the February 1996 Commercial Development Mission to Africa led by the late Secretary of Commerce Ronald H. Brown. The mission will visit

Washington and other cities for matchmaking sessions with U.S. firms.

☐ Eximbank has named a Senior Vice President as liaison to the Eximbank Working Group of the Corporate Council on Africa and plans to continue its dialogue with that organization with a view to providing maximum support to U.S. exporters interested in African markets.

☐ This fiscal year, Eximbank will send a mission to Africa led by an Eximbank Director.

☐ Commerce and USAID will co-sponsor a Trade Protocol Forum for the visiting SADC delegation, to assist the SADC countries in implementing the trade protocol they signed in August 1996. The forum will discuss issues in trade and economic integration, costs and benefits for the SADC members, and implications for the government and private sectors of SADC and the United States.

☐ Commerce devoted the January 1997 issue of Business America to Africa, including articles on the region's commercial opportunities and information on U.S. Government programs to help firms in African markets.

☐ U.S. embassies in Africa will be instructed to expand commentary in their annual Country Commercial Guide to catalog market access barriers to U.S. products. Such a catalog of trade barriers would include those that are WTO incompatible, but also those in which WTO acceptable tariffs are so high as to discourage American exports (e.g., extremely high tariffs on large vehicle engines.)

☐ Commerce and OPIC will host roundtables on commercial development in Africa to explore with appropriate private sector organizations ways to structure and support a commercial development mission to Africa by U.S. banks and other financial institutions. The objective of such roundtables and prospective mission would be to better acquaint U.S. private sector financial institutions with African commercial opportunities, with the

hope they might expand their operations in the region.

□ TDA will fund reverse trade missions involving high-level Africans in the health industry and solid waste industry. By doing this, American firms will learn of new market entry opportunities and the Africans will become more aware of U.S. technologies and specific firms capabilities.

IV. Investment Liberalization

Background

Improvements in the legal framework for foreign investment have not offset the other adverse conditions that dissuade foreign investment in many African countries, however. Sub-Saharan Africa, excluding South Africa, only attracted 2.9 percent of global FDI inflows to developing countries in 1995, and that share appears to be declining. Between 1984 and 1989, Africa attracted 6.6 percent of the annual average inflow of FDI to developing countries. From 1990 to 1995, the region netted only 3.3 percent of the annual average inflow of FDI to developing countries.

Most Sub-Saharan African countries actively seek foreign investment and many have liberalized their investment policies in order to attract foreign investors. Nonetheless, Sub-Saharan Africa has fallen behind other developing regions of the world in the competition for foreign private capital. A number of Sub-Saharan African countries still exhibit restrictive trade policies, inefficient public enterprises, and/or legal systems that effectively discourage private investment, both domestic and foreign. Poor physical infrastructure, high levels of indebtedness, uneven progress in implementing economic reforms under structural adjustment programs, and low levels of skills in the work force are other adverse factors that make it particularly difficult for many African countries to attract foreign investment. U.S. firms operating in Sub-Saharan Africa regularly stress the importance of more consistent and

transparent application of laws, labor regulations, customs procedures, and currency remittance procedures to improving investment climates. Corruption is often cited as a disincentive to investment in the region.

Many Sub-Saharan African countries still restrict foreign direct investment (FDI) in key industries, although the number of industries closed to foreign ownership has been reduced. Investment flows to Sub-Saharan Africa are concentrated in oil-exporting countries (Angola, Cameroon, the Congo, Gabon, Nigeria) and in South Africa, but some other countries also attract significant amounts of FDI (Cote d'Ivoire, Namibia and Swaziland).

Moreover, the markets of African countries are often too small to attract foreign investment in many sectors, though efforts are underway to address this problem through regional integration. To increase their appeal to potential investors, African countries must work to improve and modernize their economic policies and regulatory climates as they strive to increase their market size through regional integration.

One reason the region has received lower FDI inflows from privatization and debt-equity swaps is that Sub-Saharan countries have lagged behind other developing regions in privatizing state-owned enterprises. A number of Sub-Saharan countries have now begun privatizing programs that target foreign investors and have sought to develop stock markets to attract foreign investors. The countries of the West African Franc Zone (UEMOA) for example, are creating a regional stock exchange in Abidjan, Cote d'Ivoire. Nevertheless, the stock markets in Sub-Saharan African countries other than South Africa are relatively thin and therefore have attracted far less portfolio investment than developing countries in Latin American and Asia.

In Asia and Latin America, FDI is now the largest component of net resource inflows from abroad. Sub-Saharan Africa, however, continues to obtain the bulk of its resource inflows from foreign assistance in the form of grants and official loans.

According to the World Bank's 1996 Debt Tables, FDI only accounted for 10 percent of net resource flows to Africa in 1995.

Despite a declining share of global FDI flows, many Sub-Saharan countries offer significant investment opportunities. Africa has large petroleum reserves and important deposits of gold, uranium, bauxite, and diamonds, among others. There are also substantial investment opportunities in resource transformation industries, services, tourism, and infrastructure. Botswana, Swaziland, Lesotho, Mauritius, Ghana, and Uganda are examples of countries that have tailored their investment regimes to fit their local advantages in order to attract greater flows of FDI.

Recent African Initiatives

During the past decade, many Sub-Saharan African countries have introduced or made adjustments to their investment codes or guidelines in order to attract more foreign investment. Countries with relatively favorable investment climates, such as Ghana and Uganda, made revisions to become more attractive. Former socialist countries, such as Benin, Guinea, and Mozambique, enacted new codes that offer incentives for foreign investors.

A large number of Sub-Saharan African countries also concluded bilateral investment treaties (BITs) and became members of multilateral treaties that provide protection to investors.

Sub-Saharan countries had signed 137 bilateral investment treaties by January 1, 1995.

However, only four Sub-Saharan countries -- Senegal, Zaire, the Congo, and Cameroon -- have concluded BITs with the United States. (U.S. international investment policy makes its requirements for a BIT more stringent than those of other major investor countries.)

Thirty-two are members of the convention establishing the Multilateral Investment Guarantee

Agency. Thirty-seven Sub-Saharan countries have joined the Convention on the Settlement of

Investment Disputes between States and Nationals of other States, 33 have subscribed to the

Convention for the Protection of Industrial Property, and 19 are

members of the Convention on
Recognition and Enforcement of Foreign Arbitration Awards.

An increasing number of African countries are using the World Bank's International Finance Corporation (IFC) and its services to enhance their private sectors. So far, 28 countries have obtained assistance from the IFC's Foreign Investment Advisory Service that reviews the country's investment climate and provides advice on investment laws. IFC has also played a constructive role in promoting portfolio investments in African countries through the establishment of the U.S.-based Africa Emerging Market Fund.

Status of Current U.S. Initiatives

A. Improvement of Africa's Investment Regimes

A number of initiatives were identified in the First Africa Trade Report to help advance investment liberalization in Sub-Saharan Africa. Significant progress was made on the initiatives that dealt with additional support for U.S. direct investment in Africa. In an important development, OPIC authorized the creation of a \$120 million private investment fund, the New Africa Opportunities Fund, which will invest in projects in the countries of Southern Africa. Moreover, USAID support helped create new private sector business associations and networks such as the African Business Round Table, the West Africa Enterprise Network, the Ugandan National Forum, and, more recently, the All-Africa Businesswomen's Association. USAID also funds the Black Integrated Commercial Network Support Project in South Africa. The Project recently sponsored a conference that resulted in 85 franchising agreements between U.S. and South African firms.

B. Support of foreign direct investment

During the July 1996 Gore-Mbeki Commission proceedings, OPIC pledged to conduct project finance seminars in South Africa. OPIC's continued efforts to provide political risk insurance coverage for projects in Africa also bore fruit. In fiscal year 1995, OPIC insured investments valued at \$68 million to cover four new projects in East and

Northwest Africa, and insured the expansion of eight existing projects. In fiscal year 1996, OPIC insured 10 new projects and the expansion of four existing projects in African countries. An additional ten projects in African countries are already in the pipeline to receive OPIC insurance coverage for fiscal year 1997.

Eximbank was able to intensify its efforts to provide support for projects in Africa that extract minerals for export. During the last year, over \$23 million in transactions were approved for the gold mining sector in Ghana and an additional \$316 million for the hydrocarbon sector in Ghana. Eximbank also financed a major petroleum project in Angola.

Preliminary informal discussions have been held with the government of South Africa about a possible bilateral investment treaty. A number of other Sub-Saharan countries have expressed interest. In general, however, it has proven difficult to commence negotiations with African countries because their investment regimes are incompatible with the standard of protection guaranteed to U.S. investors by our BITs. The Administration will place a priority on negotiating a BIT with South Africa. The Administration will also work with other African nations that have liberalized their investment regimes sufficiently to permit conclusion of a BIT.

A U.S.-South Africa tax treaty was initialed in November 1996 and the Administration expects to submit it to the Senate in 1997. The current state of tax systems in most African countries, however, make them weak candidates for tax treaties with the United States. Moreover, compared to countries in other regions of the world, the U.S. business community has filed few complaints about African tax regimes. The interests of the business community have been taken into account in deciding how to allocate the limited U.S. Government resources available for negotiation of tax treaties.

C. Investment Guide

In seeking IDA/IFC technical assistance for developing investment guides for African countries and regional organizations, the United States is consulting with

the African Directors of the World Bank to encourage the support of their governments.

New Initiatives

□ Five OPIC funds are available to invest equity in projects in Africa. In addition to the Allied Capital Small Business Fund and OPIC's first environmental fund, the Global Environment Emerging Markets Fund I, three other OPIC funds can and do make investments in Africa. These funds are the \$120 million New Africa Opportunities Fund, the recently-approved Aqua International Partners Fund, which is a \$300 million fund that will focus on private water-related projects, and OPIC's second environmental fund, the Global Environment Emerging Markets Fund II (GEMF II). This GEMF II fund has already made an investment in a water purification project in South Africa.

□ In September 1996, the IFC approved a new \$40 million program (the "Reach Initiative") to extend its work to developing countries in which there has been little interest on the part of world capital markets and where IFC itself has not been active. The Administration strongly supports this program. The program will focus on enterprises/projects that are smaller than those typical subjects of IFC programming. The fourteen targeted African countries include, e.g., Eritrea, Ethiopia, Congo, Senegal, and Mozambique.

□ OPIC will seek to expand its current client base for on-lending facilities. These facilities can provide needed access to capital for investment in Sub-Saharan Africa.

□ In Angola, USAID will be providing assistance in reviewing that nation's investment codes in an effort to make it attractive for domestic and overseas investors; follow-up activities will include assisting the Angolans to establish a "one stop investment shopping center." In Uganda and Tanzania, USAID will conduct feasibility studies and help prepare business plans for the establishment of sustainable microenterprise credit

and savings institutions to be operated by Pride Africa, a U.S. registered non-government organization based in Nairobi. USAID's activities to support capital market development will culminate with the launching of an interim stock trading facility in Uganda early next year. Future technical assistance in this area will involve: (a) training new regulators; and (b) establishing private pension funds to assist with the mobilization of capital for domestic investments.

V. Private Sector Development

Background

The past few years have witnessed a general trend in Africa away from centrally planned economies to market-oriented economies. African governments increasingly recognize that the economic growth of a country requires the expansion of its private sector. The failure of public enterprises to deliver the growth required has helped produce a change in economic and political thinking in Africa during the past decade.

Despite these positive trends, poor enabling environments, weak human resource bases, and deficient infrastructure in many Sub-Saharan countries contribute to low productivity and high costs. A recent survey by AID titled "Cost and Competitiveness in West African Manufacturing Industries," revealed that it takes 0.36 labor hours to make a shirt in Hong Kong but over two hours in an African country. High taxes and labor legislation that imposes high wage and benefit payments and layoff restrictions make hourly wages in Ghana 66 percent greater than Indonesia and render Cote d'Ivoire 80 percent more costly than Morocco or Malaysia. These high production costs undermine the competitiveness of local manufacturers, both in domestic and international markets.

Support for the development of a vibrant private sector has become an important part of the Administration's strategy to help African governments achieve rapid, sustained, and broad-based

economic growth. Rising incomes and purchasing power that come with economic growth generally increase imports of U.S. products. The United States has a growing strategic and commercial stake in African private sector development.

Recent African Initiatives

In recent years, some Sub-Saharan African countries have taken steps to promote development of their private sectors by privatization of state-owned enterprises; removal of policy and regulatory impediments to growth; introduction of market-determined interest and exchange rates; development of capital markets; and the promotion of private sector organizations.

In Ghana, for instance, the government adopted an Export-Import Act that deregulated a range of non-traditional exports and abolished foreign exchange controls. Non-traditional exports for 1995 were \$185 million, a 36 percent increase from the previous year. In Mali, the government's commitment to economic liberalization helped increase private investment by 20 percent in 1995.

SADC has taken a number of important steps to promote private sector participation in the region. In August 1995, the Southern African Power Pool was established to facilitate cross-border trade by the regions' power utilities. The SADC Council of Ministers approved the establishment of the Regional Tourism Organization of Southern Africa aimed at fostering private sector participation in the tourism industry. At the SADC summit at Maseru, Lesotho in August 1996, four protocols were signed to promote the freer movement of goods and services in order to help attract investments to the region.

Current U.S. Initiatives

A. Human resources

Education and training are essential to the establishment of a viable Sub-Saharan private sector. The first six of 50 South African participants in the Mandela Economic Scholars Program, funded by USAID, received training at the American Economic

Association Institute in Boulder, Colorado before starting their university course work in September.

Of the 228 Fulbright grants for Africans to study in the United States, 47 were in economic, business, and trade fields. In spite of a reduced budget last year, USIA also funded 43 African Humphrey Fellows, seven in business-related fields. Through other USIA grants, American University conducted two training programs for Nigerian business leaders, and Indiana University organized training/internships in business management for South Africans. The New School for Social Research continued for the third year to develop programs in management training at two universities in South Africa. In June, following a series of meetings, the U.S.-South African Working Group recommended the establishment of a jointly funded Fulbright Commission, a first for Africa.

In January 1996, Kenya, Zambia, and Guinea became participants in the New Partnerships Initiative, a USAID effort to stimulate lasting economic, social and political development by strengthening civil society. The start-up phase will include development of small business partnerships and democratic local governance, and will foster synergistic relationships between these groups.

During 1996, USIA sent representatives to seven African countries to promote privatization, business management, and trade. In Uganda, a Harvard-based economist addressed how privatization increases international trade and contributes to development. An economist from the U.S. Bureau of Mines spoke in Zaire, Zimbabwe, and the Congo on how to encourage investment and develop trade. A professor of economics and a representative from Price Waterhouse led a privatization workshop for businessmen from five African countries. USIA also organized Worldnet television programs on trade, privatization, and economic development themes, in which more than 25 countries participated. Several of USIA's International Visitor and Private Sector programs focused on trade-related topics. Budget cuts severely reduced its

publication programs, particularly French texts, but USIA was able to distribute some economic/business texts and pamphlets at trade fairs and through embassies.

The Peace Corps' Africa Region is making the transition to the next phase of its assistance to the private sector. With the Office of Training and Program Support, it supports business linkage programs in several West African nations, including a business development project review in Togo and a workshop and feasibility study in Ivory Coast. As part of the latter, volunteers assist village committees to organize non-government organizations, manage pharmacy cooperatives, professionalize waste collection and recycling businesses, and undertake income-generation activities in the areas of water and sanitation, health education and urban environmental management. A Peace Corps-organized exposition in Benin provided non-government organizations and cooperative businesses an opportunity to share experiences and initiate mutually profitable business relationships.

In June, representatives of the South African Labour Ministry visited the United States to study U.S. Department of Labor (DOL) programs. Following the visit, the Ministry requested technical assistance in training work place safety and health inspectors, and helping the Labour Ministry to improve its statistical and labor market capability. The South African Ministry has also requested assistance from DOL in learning about affirmative action and anti-discrimination policies in the United States. It is expected that these programs will begin in 1997.

B. Food and agriculture

The agricultural sector provides attractive opportunities for privatization. Under the auspices of the Agriculture Committee of the U.S.-South Africa Binational Commission, over 20 bilateral agricultural projects are underway in the areas of market access, technology development, institutional and human resources development, and sustainability issues, including soil conservation and rural development.

The U.S. Department of Agriculture (USDA) is encouraging African beneficiaries of P.L. 480 to promote free and open markets. In fiscal year 1997, a \$5.0 million P.L. 480 Title I program is planned with Cote d'Ivoire. An agreement with Angola, valued at \$10 million, will support rehabilitation of agriculture production infrastructure and support of a rural populace engaged in agriculture. A \$5 million program with the Congo will support a wide variety of activities including protecting and supporting women in development.

USDA's Emerging Markets program, which provides technical assistance to support U.S. agricultural exports to target countries, has fostered numerous activities to enhance the private agricultural sector in South Africa. An agribusiness advisor was placed in Cape Town in March 1996 for two years to assist U.S. and South African agribusinesses to develop trade and investment relationships. In fiscal year 1996, a second Cochran Fellowship Training Program was funded that will provide short-term individualized training in agribusiness for 25 South Africans. A Marketing and Regulatory Forum in September 1996 provided an overview of African nations' responsibilities under the WTO, established exchanges of information on regulatory and legislative processes used by countries to protect their food supplies, and encouraged ongoing technical discussions on issues of importance. Under the Emerging Markets Program, mandatory economic assessments have been implemented in Namibia and Ghana.

Under the Commodity Credit Corporation's Export Credit Guarantee Program (GSM-102), USDA authorized \$50 million in credit guarantees for fiscal year 1996 to a group of 19 countries in West Africa and to a group of 19 countries in Southern Africa for sale of agricultural commodities. In February 1996, USDA authorized \$50 million in credit guarantees for sales of U.S. agricultural commodities to South Africa under the GSM-103 program. GSM-102 programs for FY 1997 have been announced to the East Africa region totaling \$35.0 million, \$50.0 million for the Southern Africa region, and \$50.0 million for the West Africa region. In

addition, a \$50.0 million GSM-103 program has been announced for South Africa.

C. Financial markets

Development of effective financial markets is necessary for a healthy private sector. Subject to the availability of funds, USAID is expanding market development programs in African countries, e.g., through its \$100 million Southern Africa Enterprise Development Fund and smaller national funds in South Africa and Zimbabwe. USAID provides technical assistance to securities market development in Cote d'Ivoire, Uganda, and Swaziland; banking reform and privatization in Tanzania, Senegal, and Swaziland; and venture capital operations in Ghana, Tanzania, Uganda, Senegal, and Malawi. Programs to strengthen credit unions are active in Mali, Togo, Cameroon, and Malawi. USAID has also provided technical assistance to central banks in Southern and Eastern Africa.

Micro-enterprise lending is a particularly strong component of USAID's financial sector activities in countries such as Kenya, South Africa, Guinea, Mali, Zimbabwe, Senegal and Uganda. In Zimbabwe, in 1995, USAID helped establish a loan-guarantee program with Barclays and Stanbic Bank. Four months into the program, 40 loans with a total value of \$200,000 were extended to small enterprises. In South Africa, between 1994 and 1996, the Small Enterprise Foundation and the Get Ahead Foundation made an estimated 50,430 loans to small and micro-enterprises. In Uganda in 1995, 10,000 rural businesses received credit through Coop Bank. The repayment rate exceeded 95 percent. In countries like Uganda, credit to expand non-traditional exports has helped small firms penetrate regional and international markets.

D. Multilateral Initiatives

The Administration also supports multilateral efforts such as the World Bank-led Special Program of Assistance for Africa, which coordinates donor support for policy reforms that benefit the region's private sector.

Some specific private sector trade and promotion activities in

Africa by the World Bank in 1996 were designed to support private investment generally and are worthy of note in this report:

- The Bank sponsored a conference in Ghana on reviving private investment in Africa. It also participated in several other sub-regional conferences.
- At the request of its African members, the Bank will chair a multinational "Consultative Group on Capacity Building in Africa." Efforts will be made to attract support also from other aid donors as well as from the private sector and non-government organizations.

In fiscal year 1996, the IFC -- the World Bank's private sector lending arm -- approved \$190 million in financing for 71 projects in Sub-Saharan Africa in 20 countries, plus one with a regional scope. Examples included a successful two-year advisory role in the privatization of Kenya's national airline and rehabilitation and privatization of the cement and cashew industries in Mozambique. In addition, the IFC's Africa Enterprise Fund, established in 1988, provided a total of \$28 million in financing for 42 investments in Africa. The IFC, with the participation of the Canadian aid agency, also initiated a three-year pilot project to provide technical assistance to businesses in Ghana primarily in production, marketing, and management information systems. If successful, the program will be extended throughout Africa.

During the past year, the Foreign Investment Advisory Service (FIAS), jointly operated by IDA and the IFC, continued to provide technical assistance in rewriting investment codes, restructuring investment agencies, and modifying tax incentives, foreign exchange regimes, and other aspects of the investment environment in member countries. African countries have had the largest number of FIAS advisory programs -- 28. They cover such areas as investment promotion in Ghana, identification of administrative and legal barriers to doing business in Namibia and Mozambique, analysis of Senegal's customs procedures and free trade zone program, and comprehensive reviews of the investment climates in Guinea and Mozambique. FIAS in 1996 also organized a regional meeting for eastern and

southern African countries to discuss policy issues affecting foreign investment in infrastructure.

The Multilateral Investment Guarantee Agency (MIGA), another arm of the World Bank, provides political risk insurance to private sector investors in developing countries. MIGA has 40 African members and worked in 1996 to broaden its African portfolio. In fiscal year 1996 it covered its first project in Mali and a regional telecommunications sector operation in East Africa and extended guarantees in Uganda, Tanzania, and South Africa. The U.S. Government is working with MIGA to ensure that it has adequate resources to continue to build its portfolio in Africa.

New Initiatives

• Treasury will urge the African Development Bank/Fund to expand its lending to, and collaboration with, the African private sector, specifically by instituting co-financing of infrastructure projects and beginning a program of lending to micro-enterprises. The President of AfDF has said that his objective is to increase lending to the private sector to 25 percent of its total lending (from negligible levels prior to 1996).

□ Eximbank will identify markets in which it currently is not open for routine transactions, but which have improving economic conditions and a positive environment for private sector development, in an effort to expand U.S. exports to the private sector, including newly privatized firms, through creative financing.

□ USIA will support, through its private sector program, U.S. internships for African entrepreneurs arranged by the Corporate Council on Africa.

□ The Administration will work through established government/private sector cooperative bodies to explore methods of maximizing the utility of Embassy unclassified reporting and making it more readily available to American businesses.

□ Through its Agricultural Research Service, USDA is collaborating directly with South African agricultural research institutions as a model system for effecting a transformation to viable farming there and will seek to apply the results in other southern African countries. The research emphasizes the use of indigenous species of plants to produce higher yields, environmentally safe treatments to increase shelf life of fruit exports, increasing opportunities for rural craft industries producing meat and meat by-products, and the use of ecologically sound sustainable agricultural practices and integrated pest management to develop biopesticides and reduce crop loss.

□ The U.S. Department of Labor will continue to support the Administration's goal of improving essential government institutions by providing technical assistance to interested African countries contingent upon USAID funding. Specifically, the Department of Labor will work to help improve the ability of Labor Ministries to enhance labor market information capabilities, strengthen labor standards and training, and enforce laws.

□ USAID will undertake in 1997 a number of new initiatives to promote the development of the private sector in Sub-Saharan Africa. For example, in South Africa, USAID's Equity Access Systems will sponsor a \$7.5 million technical assistance program to improve access to equity and long term debt by African entrepreneurs; assistance will be provided to small and medium enterprises to bring them to the "bankable" stage by making them attractive for venture capital investment and/or loan financing. Also, USAID has developed new analytic tools to assist Sub-Saharan countries to assess and improve the competitiveness of their private sectors. Use of such tools will begin in Uganda and Tanzania to help such countries identify and promote new investment opportunities.

□ The Administration will encourage the World Bank Group to

increase outreach efforts to ensure that African entrepreneurs, including consultants, are better able to bid for World Bank contracts.



VI. Infrastructure Enhancement

Background

Governments in Sub-Saharan Africa continue to dominate the provision of infrastructure in telecommunications, power, transport and other sectors. All too often the result of this dominance has been under-investment, poor maintenance of finished projects and lack of responsiveness to business and household end-users. For instance, the continent's average telephone density of about 0.4 lines per 100 inhabitants is the lowest in the world. An IFC study comparing the infrastructure of seven Sub-Saharan LDCs with ten non-African LDCs, found that the African countries lagged (per 1,000 persons) in the provision of telephones (6 vs. 54), roads (0.6 km vs. 1.0 km), and electricity (annual consumption of 80 KW vs. 300 KW). Economists recognize that underdevelopment of infrastructure has been costly to Africa. Well-planned and managed infrastructure is critical for development and has a large multiplier effect on economic growth.

In part because of technological advances, the most promising short- and medium-term prospects for private-sector involvement in Africa are in telecommunications. Satellite and microwave systems are replacing long distance cable networks, and cellular systems are emerging as an alternative to local distribution networks. These changes erode network-based monopolies in telecommunications and make competition possible. U.S. companies are leading suppliers of these new technologies. For example, U.S. firms have already installed cellular telephone networks in Benin, Cote d'Ivoire, Guinea, Madagascar, and Uganda.

Power generation and distribution projects also provide good prospects for private sector involvement. Presently, these projects are scarce in Africa. Two important obstacles to the development of private-sector projects are government controls on rates and poor country credit-worthiness, which prevent access to capital markets for financing of wholly non-recourse projects. Nevertheless, there are some prospects for IFI and private sector financing in this sector. In August 1994, for example, Cote d'Ivoire signed a 19-year concession to purchase power from the first private power project in Sub-Saharan Africa, financed by the IFC and two French public entities.

Moreover, as with telecommunications, technological advances and improvements in regulatory frameworks are making power generation more attractive to domestic and foreign investors. Combined-cycle gas turbine generators, for example, operate efficiently at lower output levels, allowing more scope for entry by new competitors in power generation. Regulators have also learned how to unbundle the generation of electricity from its distribution, allowing the break-up of old, vertically-integrated parastatals.

African countries will need to attract large amounts of foreign credit in order to import the capital equipment necessary to build the stock of infrastructure conducive to rapid economic growth. Although U.S. Eximbank and Export Credit Agencies (ECAs) of other countries, along with the MDBs, have traditionally been the major sources of support for infrastructure projects in Africa, their resources will not be enough.

Innovative financing techniques will be needed to support an accelerated transition from public to private-sector risk bearing in infrastructure projects in Africa. Project -- or limited recourse -- finance of infrastructure projects is an option that has become increasingly popular in Asia. Its use in Africa has been limited, however, because of a perception that risks remain unacceptably high. This market reaction underlines why African nations should undertake more dramatic structural, institutional and policy reforms if the continent's

economies are to compete successfully for a larger slice of global investment capital and develop their own capital markets to tap domestic savings. As emphasized in other sections of this report, sound macroeconomic policies are critical to attract and generate the capital necessary to boost investment in Africa's infrastructure base. At the same time, as natural resources are developed in Africa, it is also important -- so that such development is "sustainable" -- to ensure the parallel development of an environmental infrastructure. This includes the development of adequate environmental legal and regulatory regimes and their enforcement.

Recent African Initiatives

According to the World Bank, there is an incipient but strong move in Africa away from government domination of infrastructure delivery to private provision under increasingly competitive conditions, with government acting as regulator in the public's interest. Broadly, this shift reflects a reassessment of the state's role in economic activity in light of the poor performance of planned economies. It also reflects reforms in some developed economies, where increased competition in telecommunications, power generation, and land and air transport have proven that alternative approaches can be better for the economy as a whole.

Some African governments have already experimented with private-sector partnerships in providing infrastructure services. Options include public ownership with operations contracted to the private sector, and private ownership and operation, often with regulation. Examples of the former include Cote d' Ivoire and Guinea, which have successfully granted water supply concessions to private firms, and Kenya, which has done the same for road maintenance.

Examples of the latter -- private ownership and operation of infrastructure -- are also becoming more numerous in Africa as privatization of parastatal enterprises becomes more

common. This option, in which regulatory constraints are embodied in contracts with the private infrastructure provider, is an attractive alternative in African countries, where independent regulatory bodies are often weak. Tanzania, for example, began a process of privatization in 1994 that may soon leave private enterprise with a controlling interest in its telecommunications sector. Kenya plans to sell one-third of the shares in its telecommunications parastatal by 1999 and hopes eventually to cooperate in establishing an integrated, regional telecommunications market free of state control. Guinea has sold a 60 percent share of its telecommunications parastatal, and Ghana 30 percent of its, to a Malaysian firm.

Private ownership and/or operation is attractive because it introduces powerful market incentives to maintain infrastructure. Inadequate maintenance has been a widespread and very costly failure of public-sector infrastructure providers in Africa. According to World Bank estimates, almost \$13 billion worth of roads in Africa -- one-third of those built in the past 20 years -- have eroded due to lack of maintenance. Timely road maintenance expenditures of \$12 billion would have saved road reconstruction costs of \$45 billion in the ten-year period ending in 1994, according to another World Bank estimate.

One theme of the First Africa Trade Report was the importance of regional integration in Africa.

This is particularly salient in the case of infrastructure networks such as power grids and road networks, where the lowest cost solution to the supply of infrastructure services often includes coordination of investments and maintenance between neighboring countries.

Some efforts to coordinate infrastructure investments regionally are already occurring in Sub-Saharan Africa. For example, the Commission of East African Cooperation, founded by Kenya, Tanzania, and Uganda in March 1996, has an ambitious plan to coordinate electrical power projects. Under its plan, Uganda would supply more hydropower to energy-strapped Kenya, while Tanzania's entirely private Songo Songo gas project -- which is being partially funded by IDA -- would sell some of its power supply to Kenya. SADC member

countries signed protocols in August to fund regional infrastructure projects, including transportation projects. U.S. firms may benefit from these regional efforts: Virginia-based AES Corp., for example, has signed a memorandum of understanding with Uganda to build a \$450 million dollar hydroelectric dam on the Nile.

This focus on regional integration also highlights the fact that, up to now, the quality of transportation infrastructure in Africa has often been less of a problem than institutional constraints. For example, one-third of the time required to ship freight between landlocked Mali and neighboring ports in Lome (Togo) and Abidjan (Cote d'Ivoire) is due to delays in customs clearance; in some East African ports clearing an unloaded container can require up to four weeks -- a procedure that can take less than 24 hours elsewhere.

Status of Current U.S. Initiatives

Several initiatives proposed in the First Africa Trade Report are making important contributions to policy reform and financing efforts of African governments in infrastructure provision. Some of the initiatives target the relatively promising telecommunications and power generation sectors and should create opportunities for U.S. exporters at the same time that they help Sub-Saharan African economies.

Different U.S. government agencies are leading coordinated efforts to promote policy reforms in Africa and provide financing:

□ In May, the Administration promoted the principles of the Global Information Infrastructure (GII) at a major conference in South Africa and formally announced the five-year Leland Initiative to improve access of 20 African countries to the Internet.

□ The Africa GII Gateway project is the core element of the U.S. Agency for International Development's strategy of "Empowering Africans in the Information Age."

☐ The Department of State encouraged African governments to participate actively in the ongoing WTO negotiations on basic telecommunication services and followed up on this issue during an October conference attended by most Sub-Saharan African Ambassadors based in Washington.

☐ The Federal Communications Commission (FCC) is monitoring an International Telecommunications Union recommendation that governments and private carriers negotiate cost-based accounting rates and issued its own rule on accounting rates that dealt with special issues affecting developing countries.

☐ Eximbank issued \$1.3 billion in letters of interest in Africa last year and has used escrow accounts to limit risk for infrastructure projects in less credit-worthy markets.

☐ TDA has reached agreements in the transportation sector in Africa and continues to emphasize privatization and build-operate-transfer opportunities.

☐ The Department of Energy is providing policy and technical advice that facilitates private investment in water and power generation.

The late Secretary of Commerce Ron Brown worked to involve U.S. firms in the development of Africa's infrastructure during his historic Commercial Development Mission to Africa. Secretary Brown engaged Africans in regionally focused workshops in key sectors such as telecommunications, power generation, transportation, financial services, agribusiness, and tourism. Each workshop discussed opportunities, obstacles, and action recommendations for the government and private sector participants. The objective was to influence the African public and private sectors, as well as U.S. firms, toward approaching Africa's infrastructure development needs on a regional rather than an individual country basis.

The Commerce Department further highlighted the importance of regional development during its

Telecommunications Trade Mission to eastern and southern Africa in October 1996. Meetings were held in Nairobi and Johannesburg to provide an opportunity for regional discussion of the private sector and telecommunications needs. The meetings also allowed for presentations of U.S. firms' products and services to appropriate government and industry representatives in east, central, and southern Africa. Officials from Kenya, Uganda, Tanzania, Ethiopia, Rwanda, Zaire, and Madagascar participated in the Nairobi meeting, while South Africa, Mauritius, Zambia, Malawi, Zimbabwe, and Lesotho participate in that in Johannesburg.

The Department of Energy continues to hold discussions with nations in Africa that have promising energy markets, such as South Africa, Mozambique, Botswana, Namibia, Ghana, Congo, Equatorial Guinea, Uganda and others, to encourage and promote the concept of sustainable energy in the government's strategy for developing an energy infrastructure. The Department has provided technical support and expertise in the development of clean, efficient, renewable technologies as well as addressed the issue of project financing, which has become one of the key considerations for private investment in Africa. Energy is making a concerted effort to assess the financing problem, alert the private sector of possible funding sources and seek creative ways of obtaining venture capital for energy businesses interested in investing in Africa.

In an effort to promote sustainable energy development in Africa, the Department of Energy has strongly encouraged the application of clean, energy efficient technology, such as low smoke coal, renewable and energy efficient building design technologies. South Africa is evaluating the possible creation of an energy efficiency agency and developing an integrated energy efficient housing program. In addition, progress has been made toward strengthening the infrastructure of Africa, particularly in Southern Africa. Energy advised South Africa on how to rationalize and begin developing an energy framework that is responsive to the economic, social and health needs of the country.

New Initiatives

- ☐ The Administration will establish an interagency group on private infrastructure promotion and finance for Africa which would help focus and refine proposals for support of privatization and new private infrastructure projects.
- ☐ To encourage and promote the regionalization of telecommunications underway by OAU members, and to build on existing cooperation with the International Telecommunications Union, the Federal Communications Commission (FCC) and the Department of State will assist with institutional strengthening of regional organizations such as the Pan African Telecommunications Union, the Regional African Satellite Organization, and the African Regional Advanced Level Telecommunications Institute.
- ☐ The Energy Department will develop a framework for a sustainable U.S. energy policy vis-a-vis Africa through an examination of the current status of African energy demand and supply, energy needs and capacity of the African continent, the role of U.S. energy technology in fostering a sustainable energy future in Africa, and innovative project financing methods.
- ☐ A number of cooperative efforts to encourage development of an environmentally sound infrastructure in Sub-Saharan Africa will be undertaken in 1997. One approach will provide funding for cooperation in adapting U.S. technology to meet South Africa's critical environmental needs. A second approach will offer training for the trainers on environmental management and enforcement in South Africa and additional training on priority environmental topics to be funded on a private sector/government cost-sharing basis. The third involves issuing small grants (up to \$20,000) to assist community groups in developing environmental capacity.

APPENDIX A

A-

Summary of New Initiatives

Economic Reform

□ A debt-reduction initiative started after the 1995 G-7 Halifax Summit encouraged the IMF and World Bank to consider measures to assist heavily indebted poor countries (HIPC), with the objective of reducing their debt burdens to sustainable levels. The HIPC Debt Initiative will be funded by an initial \$500 million contribution from World Bank net income, an initial transfer by the IMF of Enhanced Structural Adjustment Facility reserves for individual country cases, and additional debt relief of up to 80 percent from the Paris Club. Other multilateral creditors, including the Inter-American Development Bank and the AfDB and AfDF, are in the process of determining their contributions to this program. In order to be eligible for additional relief, countries must demonstrate a sustained track record of sound economic policy implementation. The Department of the Treasury will continue to provide strong backing so the World Bank/IMF/Paris Club HIPC program can proceed rapidly.

□ At the 1996 G-7 summit in Lyon, the heads of state requested that major international economic institutions (UN, IMF, World Bank, World Trade Organization) devote special attention to Africa. In response, the four institutions pledged

to give top priority to economic reform and poverty reduction programs essential to economic growth in Africa. The Administration (Treasury, State, NEC, USAID) will be working with these international institutions to develop more specific proposals in time for consideration at the next G-7 Summit in Denver in July, 1997.

□ In the past two and one-half years, the African Development Bank/African Development Fund (AfDB/AfDF) have gone through some of the most extensive reforms of any of the multilateral banks. While this process was underway, donor countries withheld concessional funding for the AfDF and postponed consideration of a capital increase for the AfDB. Now that these reforms are substantially complete, in fiscal year 1997 the United States will undertake two major initiatives with respect to the Bank. First, while seeking to meet its obligations to the Bank, the Administration will urge AfDB to intensify its cooperation with the IMF and World Bank on policy-based lending. Over the next year, AfDB is expected to participate with the World Bank in at least two policy-based loans. Second, the Administration will press to make the voting influence of the Bank's non-African shareholders in its decision making more commensurate with their financial contribution.

□ In 1997, USAID will implement a new \$2.5 million bilateral agreement with the South African Ministry of Public Enterprises to assist the ministry in the restructuring state assets and the possible privatization of public enterprises.

Trade Liberalization and Promotion

□ In order to ensure higher level attention and coordination of our trade policies toward Africa with overall trade policy goals, the Deputy USTR has in the past year assumed responsibility for senior level direction of U.S. trade relations with Africa. In addition, USTR is considering creation of a new position within its current resources for an

Assistant USTR, whose responsibilities will be dealing with trade policy questions related to Africa.

☐ The Administration is reviewing the funding possibilities for a multi-year reauthorization for the GSP program. The program must be administered in a stable and predictable manner if it is to provide an incentive to development. In 1997, additional products imported from least developed beneficiary developing countries, mainly in Africa, will be selected for GSP eligibility. These determinations are being made on an accelerated basis and will implement the authority granted to the President in the amended GSP statute that became effective October 1, 1996.

☐ At the WTO and World Intellectual Property Organization (WIPO), USTR will urge that African countries be provided technical assistance and training in WTO and WIPO procedures and agreements. USIA will provide support to a sub-regional conference on Intellectual Property Rights (IPR) that will be held in Benin and will consider supporting additional IPR conferences that have been scheduled for Africa.

☐ USTR will send a delegation to key African countries to explain the requirements of the U.S. textile and apparel import regime.

☐ The Commerce Department will work with the private sector to post a Home Page for African Opportunities on the Internet that will include information on trade and investment opportunities, trade programs, equity funds, and banks available for trade and project finance.

☐ The State and Commerce Departments will work with the private sector to organize a tour throughout the United States by U.S. Ambassadors to African countries to brief and consult with U.S. companies in order to stimulate interest in doing business in Africa.

☐ In order to encourage active participation by African countries in the WTO, comprehensive briefings for African Ambassadors on the WTO and

other trade and development issues by the State Department and the office of the U.S. Trade Representative (USTR) will be provided during 1997.

☐ Commerce will initiate a commercial dialogue with the SADC countries with the following goals: a) continued progress toward market-based economic reform in Africa; b) promotion of regional development cooperation; and c) closer commercial relations with the United States. The dialogue will involve the public and private sectors of each side to strengthen public-private cooperation. The experience with SADC could serve as a model for other sub-regions in the future.

☐ While the Interagency Credit Risk Assessment System (ICRAS) process is classified, private sector representatives and other entities will be invited to provide information and perspectives to the Commerce Department on African economies which might be useful to ICRAS participants in determining credit ratings.

☐ Eximbank has named a Senior Vice President as liaison to the Eximbank Working Group of the Corporate Council on Africa and plans to continue its dialogue with that organization with a view to providing maximum support to U.S. exporters interested in African markets.

☐ This fiscal year, Eximbank will send a mission to Africa led by an Eximbank Director.

☐ Commerce and USAID will co-sponsor a Trade Protocol Forum for the visiting SADC delegation, to assist the SADC countries in implementing the trade protocol they signed in August 1996. The forum will discuss issues in trade and economic integration, costs and benefits for the SADC members, and implications for the government and private sectors of SADC and the United States.

☐ Commerce devoted the January 1997 issue of Business America to Africa, including articles on the region's commercial opportunities and information on U.S.

Government programs to help firms in African markets.

☐ U.S. embassies in Africa will be instructed to expand commentary in their annual Country Commercial Guide to catalog market access barriers to U.S. products. Such a catalog of trade barriers would include those that are WTO incompatible, but also those in which WTO acceptable tariffs are so high as to discourage American exports (e.g., extremely high tariffs on large vehicle engines.)

☐ Commerce and OPIC will host roundtables on commercial development in Africa to explore with appropriate private sector organizations ways to structure and support a commercial development mission to Africa by U.S. banks and other financial institutions. The objective of such roundtables and prospective mission would be to better acquaint U.S. private sector financial institutions with African commercial opportunities, with the hope they might expand their operations in the region.

☐ TDA will fund reverse trade missions involving high-level Africans in the health industry and solid waste industry. By doing this, American firms will learn of new market entry opportunities and the Africans will become more aware of U.S. technologies and specific firms capabilities.

Investment Liberalization

☐ Five OPIC funds are available to invest equity in projects in Africa. In addition to the Allied Capital Small Business Fund and OPIC's first environmental fund, the Global Environment Emerging Markets Fund I, three other OPIC funds can and do make investments in Africa. These funds are the \$120 million New Africa Opportunities Fund, the recently-approved Aqua International Partners Fund, which is a \$300 million fund that will focus on private water-related projects, and OPIC's second environmental fund, the Global Environment Emerging Markets Fund II (GEMF II). This GEMF II fund has already made an investment in a water purification project in South Africa.

□ In September 1996, the IFC approved a new \$40 million program (the "Reach Initiative") to extend its work to developing countries in which there has been little interest on the part of world capital markets and where IFC itself has not been active. The Administration strongly supports this program. The program will focus on enterprises/projects that are smaller than those typical subjects of IFC programming. The fourteen targeted African countries include, Eritrea, Ethiopia, Congo, Senegal, and Mozambique.

□ OPIC will seek to expand its current client base for on-lending facilities. These facilities can provide needed access to capital for investment in Sub-Saharan Africa.

□ In Angola, USAID will be providing assistance in reviewing that nation's investment codes in an effort to make it attractive for domestic and overseas investors; follow-up activities will include assisting the Angolans to establish a "one stop investment shopping center." In Uganda and Tanzania, USAID will conduct feasibility studies and help prepare business plans for the establishment of sustainable microenterprise credit and savings institutions to be operated by Pride Africa, a U.S. registered non-government organization based in Nairobi. USAID's activities to support capital market development will culminate with the launching of an interim stock trading facility in Uganda early next year. Future technical assistance in this area will involve: (a) training new regulators; and (b) establishing private pension funds to assist with the mobilization of capital for domestic investments.

Private Sector Development

□ Treasury will urge the AfDF to expand its lending to, and collaboration with, the African private sector, specifically by instituting co-financing of infrastructure projects and beginning a program of lending to micro-enterprises. The President of AfDF has said

that his objective is to increase Bank lending to the private sector to 25 percent of its total lending (from negligible levels prior to 1996).

☐ Eximbank will identify markets in which it currently is not open for routine transactions, but which have improving economic conditions and a positive environment for private sector development, in an effort to expand U.S. exports to the private sector, including newly privatized firms, through creative financing.

☐ USIA will support, through its private sector program, U.S. internships for African entrepreneurs arranged by the Corporate Council on Africa.

☐ The Administration will work through established government/private sector cooperative bodies to explore methods of maximizing the utility of Embassy unclassified reporting and making it more readily available to American businesses.

☐ Through its Agricultural Research Service, USDA is collaborating directly with South African agricultural research institutions as a model system for effecting a transformation to viable farming there and will seek to apply the results in other southern African countries. The research emphasizes the use of indigenous species of plants and animals to produce higher yields, environmentally safer treatment to increase shelf life of fruit exports, and increase opportunities for rural craft industries producing meat and meat by-products.

☐ The U.S. Department of Labor will continue to support the Administration's goal of improving essential government institutions by providing technical assistance to interested African countries contingent upon USAID funding. Specifically, the Department of Labor will work to help improve the ability of Labor Ministries to enhance labor market information capabilities, strengthen labor standards and training, and enforce laws.

☐ USAID will undertake in 1997 a number of new initiatives to promote the development of

the private sector in Sub-Saharan Africa. For example, in South Africa, USAID's Equity Access Systems will sponsor a \$7.5 million technical assistance program to improve access to equity and long term debt by African entrepreneurs; assistance will be provided to small and medium enterprises to bring them to the "bankable" stage by making them attractive for venture capital investment and/or loan financing. Also, USAID has developed new analytic tools to assist Sub-Saharan countries to assess and improve the competitiveness of their private sectors. Use of such tools will begin in Uganda and Tanzania to help such countries identify and promote new investment opportunities.

☐ The Administration will encourage the World Bank Group to increase outreach efforts to ensure that African entrepreneurs, including consultants, are better able to bid for World Bank contracts.

Infrastructure Enhancement

☐ The Administration will establish an interagency group on private infrastructure promotion and finance for Africa which would help focus and refine proposals for support of privatization and new private infrastructure projects.

☐ To encourage and promote the regionalization of telecommunications underway by OAU members, and to build on existing cooperation with the International Telecommunications Union, the Federal Communications Commission (FCC) and the Department of State will assist with institutional strengthening of regional organizations such as the Pan African Telecommunications Union, the Regional African Satellite Organization, and the African Regional Advanced Level Telecommunications Institute.

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and innovative project
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□ A number of cooperative efforts to encourage development of an
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One approach will
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critical environmental needs. A second approach will offer
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environmental management and enforcement in South Africa and
additional training on
priority environmental topics to be funded on a private
sector/government cost-sharing
basis. The third involves issuing small grants (up to \$20,000)
to assist community groups
in developing environmental capacity.

M S M a i l

DATE-TIME 28 February 97 20:16
FROM Prendergast, John P.
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: FLOTUS trip [UNCLASSIFIED]
TO Barks-Ruggles, Erica
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

Erica, just wanted to note to you that SEAN Rice is the recipient, not SUSAN. But she'll get it anyway I guess from the @AFRICA.

From: Barks-Ruggles, Erica
To: Rice, Sean P.
CC: /N, NonRecord at A1; @AFRICA - African Affairs
Subject: FLOTUS trip[UNCLASSIFIED]
Date: Friday, February 28, 1997 07:18 PM

Susan -

We had a good constructive meeting Friday afternoon. Chaired by Melanne Verveer (though she stepped out for about 1/2 the meeting). We were a bit surprised that Judy Johnson, AID (Roberta), Carol Lancaster and Theresa Lorr had been invited, but their input was useful.

FLOTUS staff meeting with her on 3/1 (Saturday) to discuss. Meeting on Tuesday at 4:30 (not confirmed) to brief FLOTUS - they would like you to attend. (Not sure if just you and staff or if others from today's group are invited)

Stops on trip, in order, are: Senegal, South Africa, Zimbabwe, Tanzania, Uganda and Eritrea.

(Cities in
parantheses below)

3 major speeches are planned for Senegal, South Africa and Uganda

We cautioned them about the pitfalls of going to Uganda with the current Zaire situation. They are sensitive and want us to tell them if they shouldn't go. All want your input. They have not yet talked to the airforce about flying times and need to refuel. As we know from the VP trip, Senegal to South Africa will require a refueling. Shawn and I agree that Ghana is the refuel point of choice (have not told them), but we will let the Air Force tell them about the need to stop.

Speechwriters were in the meeting, so we went over broad themes for speeches

and specific highlights she can hit in appearances in all countries. In brief:

Senegal: legacy of slavery links Africa and U.S.
(Dakar) people to people cultural connection
enrichment of U.S. cultural diversity by
African-Americans
importance of diversity/ Islam / multilingual / global
village themes
role of women in diversity and women's education (speech at University)

South Africa: importance of diversity, reconciliation and building bridges
= common ground for
(Jo'burg & S. Africa and U.S. (speech at University of Cape
Town)
Capetown) democracy
non-discrimination (race and gender) - vital to nation-building
and growth
economic development - microenterprise (might
announce USAID grant)
role of NGO's and role of regional links

Zimbabwe: women's health - family planning, fertility reduction, child
survival
(Harare & micro-enterprise, economic empowerment of women
Vic. Falls) environment - preservation (Vic. Falls)

Tanzania: Economic success (socialism to free market)
(Dar, micro-enterprise
Arusha & education of girls
Ngorongoro) peacekeeping
environment - partnerships for conservation,
economic base for conservation

Uganda: African challenges remain, work together (speech at Nile
Conference Center)
(Kampala) even disasters can become economic and (political) successes
economic turnaround and empowerment of women -
micro-enterprise
AIDS - public awareness campaigns, women's involvement, NGO role
girl's education

Eritrea: Pioneer spirit
(Asmara) Our common ground in nation-building on democratic foundation
women's leadership in independence and nation-building
national service/democratic spirit
economic development
health

I have provided speechwriters with all of Christopher's speeches and am

working on getting them some other information (re: AID, Peace Corps programs, etc.). John is doing a short brainstorm on the role of women in the independence movement in Eritrea. Shawn is working on getting Lake speeches in Africa. - Erica

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	John Prendergast to Pat Battenfield, re: RE: Cable re FLOTUS itinerary (8 pages)	03/07/1997	P1/b(1)
002. email	Susan Rice to Erica Barks-Ruggles, et al., re: RE: [Africa] staff (2 pages)	04/08/1997	P1/b(1)
003. email	Erica Barks-Ruggles to Susan Rice, re: FW: [Exercises] (2 pages)	04/25/1997	P1/b(1), P5

COLLECTION:

Clinton Presidential Records
NSC Emails
MSMail - Non-Record (Sept 94 - Sept 97) ([Zimb*])
OA/Box Number: 605000

FOLDER TITLE:

[03/06/1997 - 04/25/1997]

2006-0457-F

kel122

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

M S M a i l

DATE-TIME 20 March 97 20:54
FROM Prendergast, John P.
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: First Lady [UNCLASSIFIED]
TO McCormick, Shawn H.
Rice, Susan E.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

it's North

From: McCormick, Shawn H.
To: Prendergast, John P.
CC: /N, NonRecord at A1
Subject: RE: First Lady [UNCLASSIFIED]
Date: Thursday, March 20, 1997 08:43 PM

south korea? thought you said north.

From: Prendergast, John P.
To: Rice, Susan E.
CC: /N, NonRecord at A1; @AFRICA - African Affairs
Subject: First Lady [UNCLASSIFIED]
Date: Thursday, March 20, 1997 07:35 PM

For the record, I fielded a call on 3/20 from Harare DCM regarding the Iranian and South Korean travel in Zimbabwe during the First Lady's visit. Shawn suggested I speak with Randy Beers, who advised that I call Embassy Harare back and have them channel the info directly to the First Lady's travel team. Randy wanted to reduce the filters and allow the security team to make their own assessment. I called the DCM and relayed the information, requesting to be informed of any developments.

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	John Prendergast to Erica Barks-Ruggles, et al., re: draft Presidential Initiatives request (11 pages)	12/02/1997	P1/b(1)
002. email	Richard Ragan to Daniel Benjamin et al, re: FW: Updated Fact Sheet (7 pages)	12/02/1997	P5

COLLECTION:

Clinton Presidential Records
NSC Emails
Exchange - Record (Sept 97 - Jan 01) ([Zimb*])
OA/Box Number: 620000

FOLDER TITLE:

[12/02/1997 - 12/05/1997]

Kara Ellis
2006-0457-F
ke1128

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
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- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Exchange Mail

DATE-TIME 12/2/97 10:52:41 AM
FROM Ragan, Richard F.
CLASSIFICATION UNCLASSIFIED
SUBJECT FW: Updated Fact Sheet [UNCLASSIFIED]
TO Benjamin, Daniel
Blinken, Antony J.
Gray, Wendy E.
LaFleur, Vinca S.
Leavy, David C.
Naplan, Steven J.
Widmer, Edward L.

CARBON_COPY Crowley, Philip J.
Hill, Roseanne M.
Johnson, David T.
Luzzatto, Anne R.
Rubin, Eric S.
Wozniak, Natalie S.
Witkowski, Anne A.

TEXT_BODY

thx Tony.

On your point about spending more than the rest of the world, the Ottawa team felt strongly that we leave that out because it appears we are gloating and they are concerned about convincing other to support the 2010 Initiative.

On your question about R&D \$'s, the \$86.4 million referenced is what the Army will spend on countermine programs, programs which provide spin-off technologies to the humanitarian demining program. The \$26 million for the humanitarian demining R&D is part the \$80 million humanitarian demining total -- I tired to clarify in redraft.

On your question is there a short way to describe mini-flail and shape charge, I tried and it's not short but we can do it if you think it's important.

I think I got everything else.

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On your question is there a short way to describe mini-flail and shape charge, I tried and it's not short but we can do it if you think it's important.

I think I got everything else.

-----Original Message-----

From: Blinken,
Antony J.

Sent: Tuesday, December 02, 1997 10:11 AM

To: @PRESS

- Public Affairs; @PLANNING - Strat Plan & Comm; @DEFENSE - Defense Policy; @DEMOCRACY - Dem/Human Affairs

Subject: FW: Updated Fact Sheet [UNCLASSIFIED]

Importance: High

Some edits and queries
re. fact sheet.

-----Original Message-----

From: Ragan, Richard
F.

Sent: Tuesday, December 02, 1997 9:20 AM

To: @PRESS - Public
Affairs

Cc: @PLANNING - Strat Plan & Comm; @DEFENSE - Defense Policy;
@DEMOCRACY - Dem/Human Affairs

Subject: FW: Updated Fact Sheet

[UNCLASSIFIED]

Anne/PJ/Eric

This is an updated Fact Sheet
JUST on humanitarian demining. SRB asked that it be updated, but
I'm unclear if/how he wanted it used. David L. and I discussed this
and thought it would be nice to have if Bob B. does anything and
wants to hand it out or Mike M. takes Qs and wants to pass it out

-----Original Message-----

From: Ragan, Richard F.

Sent: Monday,

December 01, 1997 7:56 PM

To: Leavy, David C.

Cc: @DEMOCRACY -

Dem/Human Affairs; @DEFENSE - Defense Policy

Subject: FW: Updated

Fact Sheet [UNCLASSIFIED]

David, attached is the fact sheet on
humanitarian demining we discussed.
DoD and State have cleared.

TRANSLATED_ATTACHMENT

HumDemFactDec97.doc
THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release
December ???, 1997

FACT SHEET

U.S. Humanitarian Demining Efforts

2010 Initiative

* Because at least 60 countries around the world face the enormous challenge of removing landmines, last month Secretary's Albright and Cohen announced the global "2010 Initiative." The goal of the U.S. "2010 Initiative" is to greatly accelerate global humanitarian demining by marshalling and committing the necessary resources to lift every landmine in the ground that harms innocent civilians by the year 2010.

* The President named Ambassador Karl (Rick) Inderfurth to be his Special Representative to lead this effort. We will challenge the international community to do several things:

-- to increase commitments for humanitarian demining to \$1 billion a year -- five times more than current funding levels;

-- to ensure that global effort is as effective and efficient as possible; and

-- to cooperate on developing and sharing new and more effective technologies for demining land and returning it to productive civilian use.

* An Advisory Board will be named from the private sector and Congress to advise the Secretary of State and assist the Special Representative with his work.

* Ambassador Inderfurth is leading the U.S. delegation to this week's Ottawa Conference, where he will be laying the groundwork to enhance cooperation on the 2010 Initiative with other countries engaged in humanitarian demining.

Humanitarian Programs

* The United States continues to be the world leader in humanitarian demining

efforts. Since, 1993 we have spent over \$153 million to train foreign deminers in 15 landmine-plagued countries.

* In 1998 the U.S. plans to commit \$80 million for humanitarian demining programs -- doubling the commitment we made last year. Today the U.S. is supporting demining programs in 15 countries: Afghanistan, Angola, Bosnia, Cambodia, Eritrea, Ethiopia, Jordan, Laos, Mozambique, Namibia, OAS/IADB regional program in Central America (Honduras, Costa Rica, Nicaragua), Rwanda and Yemen. We are beginning programs in Chad, Zimbabwe and Lebanon, and hope to increase the total to 21 countries by the end of 1998.

* We expect the first countries the USG has worked in to be declared "mine free" this coming year (Costa Rica, Nicaragua, Honduras).

* Today, roughly one quarter of the active deminers in the world were trained and equipped by the United States.

* Based on the success of the "Superman" DC Mine Awareness Comic for children in Bosnia, we are developing a second version in Spanish for Latin America. In addition, the United States is working to develop new educational tools such as interactive school programs, as well as radio and TV public service announcements.

* The Department of Defense has established a humanitarian demining information center at James Madison University (JMU). With DoD, JMU maintains a regularly updated humanitarian demining website that offers a comprehensive database of information covering a full range of demining activities, as well as links to other demining sites worldwide.

* The Department of Defense demining training programs at the U.S. Army Engineer School will be opened at the beginning of 1998 to deminers from other nations, non-governmental organizations and international organizations

* The U.S. has the largest research and development effort in the world to identify and field improved technologies for mine detection and demining. In 1998, we plan to spend \$26 million on humanitarian demining R&D and an additional \$86.4 million on new mine detection and clearing technology in our countermine

program.

* In the last year, the USG has reviewed over 120 technologies specifically designed for humanitarian demining operations and 21 new projects have been selected for development.

* Prototypes of selected equipment like mini-flails in Bosnia, stand-off shape charges in Laos, a compressed air spade in Cambodia, the demining training support system in Mozambique, and the berm processor Namibia are either being or about to be field tested.

Assistance to Landmine Victims

* The U.S. has initiated several programs to help landmine victims, those who are most affected by the tragedy of landmines. These projects represent the beginning of what will be a substantial increase in the level of activity in this area.

-- In conjunction with the World Health Organization and the Moss Rehabilitation

Hospital in Philadelphia, we have developed a manual to assist in providing community rehabilitation to victims.

-- We have started several innovative projects to use the sophisticated resources of our military medical institutions such as the Casualty Care Research Center at Bethesda Naval Hospital, the Institute for Surgical Research at the U.S. Army Medical Command Headquarters and Tripler Army Medical Center in Hawaii, to work in heavily mined countries with local surgeons and health care providers to improve the quality of care provided to victims.

-- The Department of Defense is working to apply the technology of Telemedicine to the needs of medically underserved populations in locations with a high incidence of landmine injuries.

2

2

A REPORT SUBMITTED BY THE PRESIDENT OF THE UNITED
STATES
TO CONGRESS

The Third of Five Annual Reports
December 1997

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Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Erica Barks-Ruggles to May Peters, re: FLOTUS cable (4 pages)	05/30/1997	P1/b(1)
002. email	Mary McCarthy to Erica Barks-Ruggles, et al., re: [Cable re: Zimbabwe] (6 pages)	06/21/1997	P1/b(1)
003. email	Susan Rice to Kristen K. Cicio et al, re: African-African American Summit (2 pages)	07/01/1997	P5
004. email	Susan Rice to Erica Barks-Ruggles et al, re: AAI Summit Request from COS Office (2 pages)	07/03/1997	P5
005. email	John Prendergast to Robert Malley re: FW (2 pages)	07/07/1997	P5
006. email	Susan Rice to Robert Malley et al, re: African African American Summit (2 pages)	07/07/1997	P5
007. email	Philip Crowley to William Davis and Susan Rice re: PA Guidance (2 pages)	07/08/1997	P5
008. email	Susan Rice to Philip Crowley and William Davis re: PA Guidance (2 pages)	07/08/1997	P5
009. email	Pat Battenfield to William Antholis, re: Ltr to Mugabe/Sullivan (9 pages)	07/15/1997	P1/b(1)
010. email	Joseph Wilson to Erica Barks-Ruggles, re: FW: Msg from Regina Brown [partial] (1 page)	07/16/1997	P6/b(6)
011. email	Pat Battenfield to William Antholis, re: Mugabe Letter (3 pages)	07/16/1997	P1/b(1)

COLLECTION:

Clinton Presidential Records
NSC Emails
Exchange-Non-Record (Mar 97-Jan 01) ([Zimb*])
OA/Box Number: 630000

FOLDER TITLE:

[05/30/1997 - 07/31/1997]

Kara Ellis
2006-0457-F
kel130

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
012. email	Pat Battenfield to M. Kay Joshi, re: Mugabe letter (3 pages)	07/21/1997	P1/b(1)
013. email	Pat Battenfield to Nancy Brown, et al., re: Copy to disk [partial] (1 page)	07/18/1997	P6/b(6)
014. email	Erica Barks-Ruggles to Nicole Elkon, re: FW: Press Office inquiry re [African-African American Summit] (4 pages)	07/23/1997	P6/b(6)
015. email	John Prendergast to Shawn McCormick, re: FW: Query to Public Liaison [partial] (1 page)	07/29/1997	P6/b(6)

COLLECTION:

Clinton Presidential Records
 NSC Emails
 Exchange-Non-Record (Mar 97-Jan 01) ([Zimb*])
 OA/Box Number: 630000

FOLDER TITLE:

[05/30/1997 - 07/31/1997]

Kara Ellis
 2006-0457-F
 ke1130

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Exchange Mail

DATE-TIME 7/1/97 4:11:00 PM
FROM Rice, Susan E.
CLASSIFICATION UNCLASSIFIED
SUBJECT [UNCLASSIFIED]African-African American Summit
TO Cicio, Kristen K.
Veit, Katherine M.
Carter, Jacqueline F.
Braden, Susan R.
Kale, Dora A.
Helweg, M. Diana
Kerrick, Donald L.
Millison, Cathy L.
Malley, Robert

CARBON_COPY Barks-Ruggles, Erica
Battenfield, Pat A.
McCormick, Shawn H.
Prendergast, John P.
Rice, Susan E.
Wilson, Damon M.
Orr, Robert C.
Wilson, Joseph C.

TEXT_BODY

SRB--

The fourth biennial African-African American Summit will be held in Harare, Zimbabwe, July 21-25. It is a major jamboree attracting approximately 2,000-3,000 Americans and Africans, including typically a who's who of the civil rights community and 5-15 African heads of state. I attended the one in 1995 with Ron Brown in Dakar. It is a poorly organized, highly indebted, largely social affair, the primary purpose of which is to give Sullivan a very public platform. While there is a useful opportunity for bilats and for some US business promotion, little of substance ever comes out of these summits. However, they do attract an influential group of African Americans.

As
you may recall, Sullivan has told me (and others) repeatedly that if the President, VP and SecState can't come "don't send me anyone". This injunction bears note because in 1995, after Ron Brown truly saved his summit from disgrace, Sullivan publicly criticized the Administration and "dissed" Brown. The VP cannot attend for scheduling

reasons. State indicates that the Secretary will not attend. This raises the issue of who, if anyone, should represent the Administration?

I have asked Sullivan's right hand man, Dr. CT Wright, whether in fact Sullivan is serious about not wanting any other senior Administration officials and stressed, while we cannot commit anyone, we would not want him/her to be embarrassed publicly. Wright understood and undertook to get back to me asap. I have not yet heard back from him.

If Sullivan indicates an openness to other senior officials, I would recommend an interagency delegation led by the following in rank order: 1) Rodney Slater; 2) Bill Richardson. (Needs to be cabinet level to be credible).

If Sullivan appears hostile to another senior official, I'd recommend considering sending a presidential delegation led by an outsider like Jackson with members of Congress and others (e.g Hazel O'Leary). As part of this group, the Administration should also field an interagency team, which could be led by a sub-cabinet official.

In any case, unfortunately, this is likely to be a lose/lose proposition in that Sullivan will almost inevitably publicly damn us if we do or don't. That's just his style.

Exchange Mail

DATE-TIME 7/3/97 2:27:00 PM
FROM Rice, Susan E.
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: AAI summit request from COS office [UNCLASSIFIED]
TO Barks-Ruggles, Erica

CARBON_COPY Barks-Ruggles, Erica
Battenfield, Pat A.
McCormick, Shawn H.
Prendergast, John P.
Rice, Susan E.
Wilson, Damon M.
Orr, Robert C.
Wilson, Joseph C.

TEXT_BODY

ERICA--

I assume you mean A-AA Summit vice AAI. Yes, pls. take a stab at a 1 pager. Nothing in the can. Below is some background, although not appropriately written for COS. Needs sterilizing. Also, talk to Joe W. and SAda Adler at State for additional background/details. Thanks.

The fourth biennial African-African American Summit will be held in Harare, Zimbabwe, July 21-25. It is a major jamboree attracting approximately 2,000-3,000 Americans and Africans, including typically a who's who of the civil rights community and 5-15 African heads of state. I attended the one in 1995 with Ron Brown in Dakar. It is a poorly organized, highly indebted, largely social affair, the primary purpose of which is to give Sullivan a very public platform. While there is a useful opportunity for bilats and for some US business promotion, little of substance ever comes out of these summits. However, they do attract an influential group of African Americans.

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In any case, unfortunately, this is likely to be a lose/lose proposition in that Sullivan will almost inevitably publicly damn us if we do or don't. That's just his style.

From: Barks-Ruggles,
Erica

To: Rice, Susan E.

CC: /N, NonRecord at A1; Battenfield,

Pat A.

Subject: AAI summit request from COS office [UNCLASSIFIED]

Date:

Wednesday, July 02, 1997 09:38 PM

Susan -

Laura Marcus called

to ask if we had/could do one page of background on the AAI summit (who goes, when, where and points of controversy/ptifalls). She said that somebody had raised in her higher up structure, but she wasn't sure of the context. Do we have a ready-made product to give to her, or should I take a stab at drafting? - Erica

Exchange Mail

DATE-TIME 7/7/97 9:19:00 AM
FROM Prendergast, John P.
CLASSIFICATION ~~CONFIDENTIAL~~
SUBJECT FW:[~~CONFIDENTIAL~~]
TO Malley, Robert

DECLASSIFIED
E.O. 13526
White House Guidelines, September 11, 2006
By KDE NARA, Date 07/22/2011
2006-0457-F

CARBON_COPY

TEXT_BODY

Hey Rob, here is the info on the Summit. Hope you're having a good trip.

From: Rice, Susan E.
To: @NSA - Natl Security Advisor
CC:
@AFRICA - African Affairs; /N, NonRecord
Subject: [UNCLASSIFIED]African-African
American Summit
Date: Tuesday, July 01, 1997 04:13 PM

SRB--

The fourth biennial African-African American Summit will be held in Harare Zimbabwe, July 21-25. It is a major jamboree attracting approximately 2,000-3,000 Americans and Africans, including typically a who's who of the civil rights community and 5-15 African heads of state. I attended the one in 1995 with Ron Brown in Dakar. It is a poorly organized, highly indebted, largely social affair, the primary purpose of which is to give Sullivan a very public platform. While there is a useful opportunity for bilats and for some US business promotion, little of substance ever comes out of these summits. However, they do attract an influential group of African Americans.

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Exchange Mail

DATE-TIME 7/7/97 9:43:00 AM
FROM Rice, Susan E.
CLASSIFICATION UNCLASSIFIED
SUBJECT [UNCLASSIFIED]African African American Summit
TO Malley, Robert
Roach, Darren S.
Berger, Samuel (Sandy)
Steinberg, James
Veit, Katherine M.
Davies, Glyn T.
LaFleur, Vinca S. at Trip
Leavy, David C. at Trip
Helweg, M. Diana
Joshi, M. Kay
Elkon, Nicole L.
Malley, Robert
Vershbow, Alexander R. at Trip
Luzzatto, Anne R. at Trip
Blinken, Antony J. at Trip
Benjamin, Daniel at Trip
Maxfield, Nancy H. at Trip
Schmidt, John R. at Trip
Fried, Daniel at Trip
Pifer, Steven K. at Trip
Veit, Katherine M.

CARBON_COPY

TEXT_BODY

PLEASE PASS TO ROB MALLEY ASAP

Where are we? Need update
soonest, if poss. Hearing rumors that Albright may go after discussion
with Jackson on Sunday. I had told Sullivan at State's request that
she was not available (as you know).

State AF and our Ambassador
to Zimbabwe have recommended against her going. I too think it would
be ill-advised, but not disastrous. (Among the genuine luminaries
who would be present will also be such folks as Farrakhan and Al
Sharpton) This event is a poorly planned quasi-Baptist revival,
the main purpose of which is to give a biennial boost to Sullivan

already sizeable ego. This would not be the most dignified way for her to conduct her first trip to Africa as Secretary.

Exchange Mail

DATE-TIME 7/8/97 2:16:54 PM
FROM Crowley, Philip J.
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: PA Guidance [UNCLASSIFIED]
TO Davis, William K.
Rice, Susan E.

CARBON_COPY Bendick, Gordon L.
Burrell, Christina L.
Danvers, William C.
Davis, William K.
Barks-Ruggles, Erica
Battenfield, Pat A.
McCormick, Shawn H.
Prendergast, John P.
Rice, Susan E.
Wilson, Damon M.
Orr, Robert C.
Wilson, Joseph C.

TEXT_BODY

My understanding is that the JCS/OLA want a minimalist approach to this due to McConnell's opposition. I can't imagine Tom Giaconda stepping up on an issue like this. I've suggested to DoD PA that they revisit the issue with JCS. Otherwise, I sense that State and DoD Policy share our view that publicity can't hurt and may well help.

PJ

-----Original Message-----

From: Davis, William K.

Sent: Tuesday, July 08, 1997 1:49 PM

To: Rice, Susan E.; Crowley,
Philip J.

Cc: @LEGISLAT - Legislative Affairs; @AFRICA - African
Affairs

Subject: RE: PA Guidance [UNCLASSIFIED]

The more positive
press coverage, the better - as you've said, we have a good story,
and it will give a little more ammo to the proponents of ACRI on

the Hill. The only real problem ACRI has run into is Sen. McConnell (and his staffer) - we have other members and staff aligned to be helpful and some positive press coverage would only support that effort.

-----Original Message-----

From: Rice, Susan E.

Sent: Tuesday,

July 08, 1997 1:21 PM

To: Crowley, Philip J.

Cc: @LEGISLAT - Legislative
Affairs; /N, NonRecord

Subject: RE: PA Guidance [UNCLASSIFIED]

This
should be a leg. affairs call. Will?

From: Crowley, Philip
J.

To: @AFRICA - African Affairs

CC: @PRESS - Public Affairs

Subject:

PA Guidance [UNCLASSIFIED]

Date: Tuesday, July 08, 1997 11:00 AM

On
our morning conference call, EUCOM asked about the status of their draft PA guidance regarding ACRI training. DoD said there was some question within the Interagency whether this should be active, allowing for media coverage, or passive, discouraging media interest. The rationale for going passive was funding on the Hill. Yet, this is a good story. There has already been some coverage of Brit initiatives in Zimbabwe, with ACRI tagged on. I think we should encourage coverage. If nothing else, it reinforces the good work our soldiers are doing and may even put a little heat on critics on the Hill.

PJ

Exchange Mail

DATE-TIME 7/8/97 2:27:00 PM
FROM Rice, Susan E.
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: PA Guidance [UNCLASSIFIED]
TO Crowley, Philip J.
Davis, William K.

CARBON_COPY Barks-Ruggles, Erica
Battenfield, Pat A.
McCormick, Shawn H.
Prendergast, John P.
Rice, Susan E.
Wilson, Damon M.
Orr, Robert C.
Wilson, Joseph C.
@LEGISLAT-Legislative Affairs

TEXT_BODY Then let's go for it. We have some specific changes, which we'll pass to @Press and State/DOD.

JW -- pls. provide

From:
Davis, William K.
To: Rice, Susan E.; Crowley, Philip J.
CC: @LEGISLAT
- Legislative Affairs; @AFRICA - African Affairs
Subject: RE: PA
Guidance [UNCLASSIFIED]
Date: Tuesday, July 08, 1997 01:48 PM

The
more positive press coverage, the better - as you've said, we have a good story, and it will give a little more ammo to the proponents of ACRI on the Hill. The only real problem ACRI has run into is Sen. McConnell (and his staffer) - we have other members and staff aligned to be helpful and some positive press coverage would only support that effort.

-----Original Message-----

From: Rice,
Susan E.

Sent: Tuesday, July 08, 1997 1:21 PM
To: Crowley, Philip
J.
Cc: @LEGISLAT - Legislative Affairs; /N, NonRecord
Subject: RE:
PA Guidance [UNCLASSIFIED]

This should be a leg. affairs call.
Will?

From: Crowley, Philip J.
To: @AFRICA - African
Affairs
CC: @PRESS - Public Affairs
Subject: PA Guidance [UNCLASSIFIED]
Date:
Tuesday, July 08, 1997 11:00 AM

On our morning conference call,
EUCOM asked about the status of their draft PA guidance regarding
ACRI training. DoD said there was some question within the Interagency
whether this should be active, allowing for media coverage, or passive,
discouraging media interest. The rationale for going passive was
funding on the Hill. Yet, this is a good story. There has already
been some coverage of Brit initiatives in Zimbabwe, with ACRI tagged
on. I think we should encourage coverage. If nothing else, it reinforces
the good work our soldiers are doing and may even put a little heat
on critics on the Hill.

PJ

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Erica Barks-Ruggles to Joseph Wilson, Re: policy rethink (5 pages)	08/25/1997	P1/b(1), P5
002. email	Joseph Wilson to Pat Battenfield, re: RE: [Zimbabwe] (1 page)	08/25/1997	P1/b(1)
003. email	Joseph Wilson to Erica Barks-Ruggles, re: [Ambassador Midzi] (3 pages)	08/28/1997	P1/b(1)
004. email	Joseph Wilson to John Prendergast, re: [African nation] (10 pages)	08/29/1997	P1/b(1)
005. email	Mary Quinn to Julie Snyder re: [Foreign Military Assistance Act Report] (27 pages)	09/04/1997	P5

COLLECTION:

Clinton Presidential Records
NSC Emails
Exchange-Non-Record (Mar 97-Jan 01) ([Zimb*])
OA/Box Number: 630000

FOLDER TITLE:

[08/01/1997 - 09/04/1997]

Kara Ellis
2006-0457-F
ke1131

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Exchange Mail

DATE-TIME 9/4/97 5:13:30 PM
FROM Quinn, Mary E.
CLASSIFICATION UNCLASSIFIED
SUBJECT [UNCLASSIFIED]
TO Snyder, Julie A.

CARBON_COPY

TEXT_BODY

TRANSLATED_ATTACHMENT FOREIGN MILITARY ASSISTANCE ACT REPORT.doc

FOREIGN MILITARY ASSISTANCE ACT REPORT TO
CONGRESS
AUTHORIZED U.S. COMMERCIAL EXPORTS AND MILITARY
ASSISTANCE, FOREIGN MILITARY
SALES,
AND MILITARY IMPORTS:
FISCAL YEAR 1996

Introduction:

This report is being furnished in accordance with Section 655 of the Foreign Assistance Act of 1961 (as amended by Public Law 104-106). Section A of the attached report describes defense articles, services, and related technology licensed for export pursuant to Section 38 of the Arms Export Control Act (AECA). Section B details the deliveries of defense articles and services pursuant to Foreign Military Sales as allowed under Chapter 2 of the AECA and transfers authorized by grant under the FAA, or under any other provision of law, including excess defense articles (EDA), and IMET. Section C includes information regarding the types and total value of military articles purchased during fiscal year 1996 by the USG from foreign suppliers.

Section A of this report was provided by the Office of Defense Trade Controls at the Department of State. The information in Sections B and C of this report were provided by the Defense Security Assistance Agency (DSAA) and the Office of the Principal Deputy Under Secretary of Defense (Acquisition and Technology), Defense Procurement (OUSD(A&T)DP). This report was assembled by the Department of State.

Section B Overview:

In Fiscal Year 1996, the United States Government (USG) transferred a total of approximately \$12 billion worth of military equipment--including aircraft, ships, ground force equipment, missiles, electronic equipment, parts, supplies, technology and training--and defense services to foreign countries and areas under FMS and grant programs. The level of military deliveries for 1996 remains relatively consistent with the annual dollar value of military deliveries over the last ten years and most deliveries were to allied and coalition partners. In addition, the majority of these transfers, roughly 75 percent, were in support of equipment previously sold to countries by the USG, while the remaining percent of deliveries pertained to transfers of weapons system new to a particular country or area.

Defense articles and services delivered under Foreign Military Sales (FMS) totaled nearly \$11.2 billion for the fiscal year and the United States provided military equipment and services to more than 150 countries and areas, mostly friends and allies. Eighty percent of the largest recipients were either European or Middle Eastern countries, although the European countries were in the bottom tier. Saudi Arabia was the largest recipient receiving \$2.79 billion dollars worth of U.S. military exports and assistance last year. As mentioned

earlier, the majority of these deliveries pertained to military items and services provided in support of previous transfers of weapons systems. Egypt placed second with \$1.16 billion and was followed by Taiwan, Japan, Kuwait, Turkey, Spain, Germany, the Netherlands, and South Korea. Together, these countries and areas accounted for nearly \$8.2 billion--or close to 75 percent-of all U.S. military deliveries in fiscal year 1996.

Authorizations for EDA, IMET, and authorized emergency drawdowns totaled approximately \$841 million, with \$39 million allocated to training through IMET and the remaining \$802 million to EDA and emergency drawdowns. Overall, the Middle East received the most of this grant aid (\$376.8 million), followed by Europe (\$246.3 million), and Latin America and the Caribbean (\$107.9 million). By country, Egypt was the largest recipient, valued at \$134.1 million, followed by Jordan, which received IMET, emergency drawdown equipment, and EDA valued at \$114.5 million. Bosnia, receiving mostly emergency drawdown equipment and supplies, received \$102 million in grant aid. (Figure 2)

Methodology:

There are several caveats that need to be made related to the data reported under FMS sales. First, the data provided by the Department of Defense includes figures related to deliveries, not authorized sales, of defense articles and services exported to foreign countries during the fiscal year. In addition, the total value of FMS deliveries includes the value of EDA transfers made under Foreign Military Sales. This pertains to Argentina (\$67,989), Brazil (\$4.6 million), Canada (\$210,928), Costa Rica (\$16,218), Greece

(\$664,964), Israel (\$78,480), Italy (\$147,848), Japan (\$228,179), Korea (\$230), NATO (\$54,795), Spain (\$7.4 million), Turkey (\$169,740), and the United Kingdom (\$9.3 million) for a grand total of \$23 million. Furthermore, the quantity of certain defense articles, such as spare parts or ammunition, have not been identified in DOD database printouts because the quantities of such items were significantly large. Instead, only the values have been noted. Although the quantities of defense articles are provided, it is not possible to quantify defense services and only values are represented. Finally, all data related to FMS sales are categorized alphabetically by country.

Pertaining to grant aid, all data is organized alphabetically by country. When provided by DOD, all quantities of military items that have been authorized for delivery are indicated. Emergency drawdown quantities represent the quantity of items that have been authorized by the USG for delivery. As with FMS sales, military services, such as IMET, are not quantified.

Section C Overview:

The United States imported a total of \$372.8 million in military items from foreign suppliers during fiscal year 1996. Companies from five foreign countries--the United Kingdom, Canada, Israel, Sweden, and Germany--accounted for nearly 92 percent of the foreign military goods purchased by the USG during the fiscal year. The United Kingdom was the largest foreign supplier, furnishing \$111.8 million worth of military equipment, or roughly 30 percent of total U.S. military imports during the fiscal year. These imports included mostly aircraft

components, ADP software, guided missiles and remote control systems, and naval equipment. Canada provided almost \$85 million in a variety of military equipment, including ADP software and components, aircraft components, engines and parts, and trucks. Israel furnished almost \$71 million in military aircraft and guided missile components and ground vehicle parts. Sweden provided \$55.8 million in military equipment and support, mostly in armaments and ground vehicle spares. Germany rounded out the top five foreign suppliers to the U.S. with almost \$18 million worth of imported military equipment by the USG. (Figure 3)

Organization Acronyms:

NACISA--NATO Communications and Informations Systems Agency

NAMMA--NATO Multi-Role Combat Aircraft Development and Production Agency

NAMSA F-104--NATO Maintenance and Supply Agency

NAMSA General and Nike--""

NAMSA-HAWK--""

NAMSA-Weapons--""

NAPMO--NATO Program Management Office

NATO AEW&C--NATO Airborne Early Warning and Control

NATO EFA--NATO Euro Fighter Aircraft Development, Production, and Logistics

Management Agency

NHPLO--NATO HAWK Production and Logistics Organization

SACLANT--NATO Supreme Allied Commander, Atlantic

SHAPE--Supreme Headquarters, Allied Powers, Europe

OAS HQ--Organization of American States Headquarters

Authorized Grant Aid

Country Name Commodity/Service Quantity Authorized Value

ALBANIA

IMET N/A \$432,000
EDA \$33,451,765
Blankets 238
Binoculars 30
Clothing 764
Helmets 1,316
Lifters and parts 351
Miscellaneous N/A
Radios and equipment N/A
Trucks 326

Country Total \$33,883,765

ALGERIA

IMET N/A \$75,000

Country Total \$75,000

ARGENTINA

IMET N/A \$588,000
EDA \$17,879,786
A-4M attack aircraft 8
Computer Equipment 4
Miscellaneous 9
OV-1D aircraft 11
P-3B aircraft 6
Trucks N/A
UH-1H helicopter 8

Country Total \$18,467,786

AUSTRIA

IMET N/A \$15,000

Country Total \$15,000

BAHAMAS, THE

IMET N/A \$116,000

Country Total \$116,000

Country Name Commodity/Service Quantity Authorized Value

BAHRAIN

IMET N/A \$108,000

EDA \$82,283,360

Armored recovery vehicle 6

Battalion air defense system 2

BBL Pistol condition code 1,000

Hawk missile 4

Hawk accessories 13

Howitzers 25

Perry-class frigate 1

Test sets and kits 5

Trucks 70

Country Total \$82,391,360

BANGLADESH

IMET N/A \$326,000

Country Total \$326,000

BELARUS

IMET N/A \$279,000

Country Total \$279,000

BELIZE

IMET N/A \$217,000

Country Total \$217,000

BENIN

IMET N/A \$281,000

Country Total \$281,000

BOLIVIA

IMET N/A \$547,000

EDA \$4,500

Analytical stereoplotter 1

Country Total \$551,500

Country Name Commodity/Service Quantity Authorized Value

BOSNIAN FEDERATION

IMET N/A \$259,000

DRAWDOWN \$100,000,000

AT-4 light anti-tank weapon 840

Ammunition 21,956,952

BBS combat simulation system 1

Binoculars 400

Generators 24

Grenades for AMVs 2,000

JANUS combat simulation system 1

MILES trning. equip. for M113 1

MILES trning. equip. for M60A3 1

M16A1 rifles 46,100

M60 machinegun 1,000

M113A2 APC 80

M2 machinegun 80

M60A3TTS tank 45

M240 machinegun 45

M85 machine gun 45

Portable radio batteries 30,000

Radios 2,492

Radio-Wire integration unit 130

Rolls, cable, metallic, reel 2,000

Spare and misc. services N/A

Telephones 4,100

UH-1H helicopter 15

EDA \$2,179,040
Semi-trailer 24
Truck and Van 426

Country Total \$102,438,040

BOTSWANA

IMET N/A \$454,000
EDA \$906,750
UH-1H helicopters 6

Country Total \$1,360,750

BRAZIL

IMET N/A \$200,000

Country Total \$200,000

Country Name Commodity/Service Quantity Authorized Value

BULGARIA

IMET N/A \$708,000
EDA \$7,310,435
Cargo aircraft 3
Computer equipment 162
Data processing equipment 11
Medical equipment and supplies N/A
Trucks 175

Country Total \$8,018,435

BURUNDI

IMET N/A \$71,000

Country Total \$71,000

CAMBODIA

IMET N/A \$403,000
DRAWDOWN \$151,000
Defense articles for POW's and MIA's
EDA \$462,570
Trucks 100

Country Total \$1,016,570

CAMEROON

IMET N/A \$83,000

Country Total \$83,000

CAPE VERDE

IMET N/A \$64,000

Country Total \$64,000

CENTRAL AFRICAN REPUBLIC

IMET N/A \$110,000

Country Total \$110,000

Country Name Commodity/Service Quantity Authorized Value

CHILE

IMET N/A \$301,000
EDA \$487,394
Armored recovery vehicles 4
Assembly sets and kits 30
Clothing 147
Generators 6
Measuring Devices 22
Misc. furniture and parts 83
Oscilloscopes 7
Trailers 64

Tractors or trucks 12

Country Total \$788,394
COLOMBIA

IMET N/A \$95,000

Country Total \$95,000

COMOROS

IMET N/A \$64,000

Country Total \$64,000

CONGO

IMET N/A \$162,000

Country Total \$162,000

COSTA RICA

IMET N/A \$196,000

EDA \$137

Magnetometer 1

Country Total \$196,137

COUNTERNARCOTICS--Colombia, Peru, Venezuela, East
Caribbean

DRAWDOWN 47 \$75,000,000

C-26 aircraft 13

LCU aircraft 2

UH-1H helicopters 32

Country Total \$75,000,000

CROATIA

IMET N/A \$218,000

Country Total \$218,000

Country Name Commodity/Service Quantity Authorized Value

CZECH REPUBLIC

IMET N/A \$795,000

Country Total \$795,000

DJIBOUTI

IMET N/A \$150,000

Country Total \$150,000

DOMINICAN REPUBLIC

IMET N/A \$507,000

EDA \$17,041

Misc furniture and equipment 36

Country Total \$524,041

EAST CARRIBEAN

IMET N/A \$507,000

Country Total \$507,000

ECOMOG--Liberia, Mali, and Ivory Coast

DRAWDOWN \$5,000,000

Canteens 6,000

First aid kits 6,200

Pillows 200

Pillow cases 400

Sheets 200

Water purification tabs 6,000
and other misc.

Country Total \$5,000,000

ECUADOR

IMET N/A \$547,000

EDA \$14,213

Binoculars 5

Furniture 18

Miscellaneous 36

Photographic equipment 3

Radios 13

Theodolite 17

Transferscope 3

Vehicles 2

Country Total \$561,213

Country Name Commodity/Service Quantity Authorized Value

EGYPT

IMET N/A \$1,009,000
EDA \$133,091,274
APN-169 spare parts N/A
Armored recovery vehicles 126
Chapparal launcher and test set 35
Grenade launchers 5,000
Howitzers--8 inch 144
Perry-class frigate 1
Rifles 10,000
Standard Missile 144
Trucks 389
Vulcan-self-propelled 134
Vulcan-towed 66

Country Total \$134,100,274

EL SALVADOR

IMET N/A \$535,000

Country Total \$535,000

ERITREA

IMET N/A \$261,000
DRAWDOWN
GP medium tents 557 N/A
EDA \$1,403,800
Trucks 120
USS Hoist 1

Country Total \$1,664,800

ESTONIA

IMET N/A \$386,000
EDA \$8,887,398
Calibrator set 4
Clothing 2,076
Mast antenna 143
Miscellaneous 868
Monitor 2

Power supply 5
Radio and communication equip. 170
Sleeping equipment 397
Tool kits and sets 49
Trucks, trailers, and vans 268

Country Total \$9,273,398

Country Name Commodity/Service Quantity Authorized Value

ETHIOPIA

IMET N/A \$327,000
DRAWDOWN
C-130J support and inspections N/A N/A
EDA \$3,185,984
Cargo aircraft 2
Trucks 60

Country Total \$3,512,984

FINLAND

IMET N/A \$14,000

Country Total \$14,000

GEORGIA

IMET N/A \$302,000

Country Total \$302,000

GHANA

IMET N/A \$257,000
EDA \$2,438,450
UH-1H helicopter 20

Country Total \$2,695,450

GREECE

IMET N/A \$54,000
EDA \$63,429,202
Aiming adjustment devices 36
Ammunition and components 200,158
Durandel munitions 523

Harbor tug 2
3A1 machine gun and parts 2,221
M79 Grenade launchers N/A
MK42 gun and accessories 1
Miscellaneous 247
Rocket motors and containers 18
Trucks and vans 351
UH-1H helicopters 100

Country Total \$63,483,202

GUINEA

IMET N/A \$35,000

Country Total \$35,000

Country Name Commodity/Service Quantity Authorized Value

GUINEA-BISSAU

IMET N/A \$88,000

Country Total \$88,000

GUYANA

IMET N/A \$220,000

Country Total \$220,000

HAITA

IMET N/A \$169,000

Country Total \$169,000

HONDURAS

IMET N/A \$500,000

Country Total \$500,000

HUNGARY

IMET N/A \$1,034,000

Country Total \$1,034,000

INDIA

IMET N/A \$357,000

Country Total \$357,000
INDONESIA

IMET N/A \$577,000

Country Total \$577,000

ISRAEL

DRAWDOWN N/A \$12,000,000
Assistance for disarming explosive devices
EDA \$16,423,287
Cobra helicopters 14
Combat vehicle spare parts N/A
Electron tubes 157
M16A1 rifles 30,000

Country Total \$28,423,287
IVORY COAST

IMET N/A \$151,000

Country Total \$151,000
Country Name Commodity/Service Quantity Authorized Value

JAMAICA

IMET N/A \$469,000
EDA \$681,129

Country Total \$1,150,129

JORDAN

IMET N/A \$1,202,000
DRAWDOWN 1,919 \$100,000,000
Air/Sea rescue boat 1
AN/VRC-12 radios 50
AN/AVS-6 NVGs 180
AN/PRC radios 151
AN/PVS-4 NVDs 1,000
Cargo slings and hooks 36
C-130H aircraft and support pack. 1
CUCVs 250
M60 machine gun 40
M60 mounts 40

M60A3 tanks and support pack. 50
M240 machine guns 50
M85 machine guns 50
MK4 personnel boats 2
UH-1 helicopters and support 18

EDA \$13,327,212
Armored recovery vehicle 55
Night vision equipment 15
Trucks, trailers, and vans 1,193

Country Total \$114,529,212

KAZAKHSTAN

IMET N/A \$388,000

Country Total \$388,000
KENYA

IMET N/A \$297,000

Country Total \$297,000

KOREA

IMET N/A \$9,000

Country Total \$9,000
KYRGZSTAN

IMET N/A \$231,000

Country Total \$231,000
Country Name Commodity/Service Quantity Authorized Value

LAOS

DRAWDOWN 15+ \$11,800,000
Commercial Utility Vehicles 15
English language material N/A

Country Total \$11,800,000

LATVIA

IMET N/A \$388,000
EDA \$10,062,160
Administrative equip. N/A
Ammunition 4,043,639
Body armor 193
Camouflage screening N/A
Communications equip. N/A

Medical equipment N/A
NBC clothing N/A
Personal equipment N/A
Trucks
Uh-1H helicopter 12

Country Total \$10,450,160
LEBANON
IMET N/A \$474,000
EDA \$7,643,018
Ammunition 125
Armored recovery vehicles 28
Body Armor 506
Clothing 12,275
Helmet 1,522
Machines and tools 113
Medical supplies 34
Miscellaneous gear 6,384
Radios 3
Sleeping gear 2,524
Tool set and kits 85
Trucks, trailers, and vans 775

Country Total \$8,117,018
LESOTHO

IMET N/A \$72,000

Country Total \$72,000
LITHUANIA

IMET N/A \$498,000
EDA \$7,134,525
Administrative equipment N/A
Camouflage screening N/A
Communications equip. N/A
Medical equipment N/A
NBC clothing N/A
Personal equipment N/A
Trucks 209

Country Total \$7,632,525
Country Name Commodity/Service Quantity Authorized Value

MADAGASCAR

IMET N/A \$102,000

Country Total \$102,000

MALAWI

IMET N/A \$154,000

Country Total \$154,000

MALAYSIA

IMET N/A \$613,000

Country Total \$613,000

MALDIVES

IMET N/A \$80,000

Country Total \$80,000

MALTA

IMET N/A \$30,000

Country Total \$30,000

MACEDONIA

IMET N/A \$249,000

Country Total \$249,000

MALI

IMET N/A \$155,000

Country Total \$155,000

MEXICO

IMET N/A \$992,000

EDA \$2,372,446

Misc. furniture 20

USS Monob One Aux. ship 1

USS Deer Island Aux ship 1

Salvage ship 1

UH-1H helicopters 12.

Country Total \$3,364,446

MOLDOVA

IMET N/A \$273,000

Country Total \$273,000

Country Name Commodity/Service Quantity Authorized Value

MONGOLIA

IMET N/A \$70,000

Country Total \$70,000

MOROCCO

IMET N/A \$830,000

EDA \$27,930,411

Armored recovery vehicle 55

Howitzer, 8-inch 60

M85 machine gun 300

Self-propelled Vulcan 50

Towed Vulcan 10

Trucks and trailers 700

Country Total \$28,760,411

MOZAMBIQUE

IMET N/A \$203,000

Country Total \$203,000

NAMIBIA

IMET N/A \$190,000

Country Total \$190,000

NEPAL

IMET N/A \$140,000

Country Total \$140,000

NIGER

IMET N/A \$11,000

Country Total \$11,000

OMAN

IMET N/A \$119,000

EDA \$2,441,632

M85 machine gun 100

Patrol boat 2

Smoke grenade launcher 100

Towed Vulcan 20

Country Total \$2,560,632
PACAMS

IMET N/A \$500,000

Country Total \$500,000
Country Name Commodity/Service Quantity Authorized Value

PAPUA-NEW GUINEA

IMET N/A \$162,000

Country Total \$162,000

PARAGUAY

IMET N/A \$155,000
EDA \$3,784
Misc. furniture 27
Misc. equipment 9
Radio 4

Country Total \$158,784
PERU

IMET N/A \$380,000
EDA \$1,249,193
A-37 aircraft 11
Misc. equipment 22
Photography equipment 7

Country Total \$1,629,193

PHILIPPINES

IMET N/A \$1,210,000
EDA \$263
Misc. equipment 4

Country Total \$1,210,263

POLAND

IMET N/A \$1,021,000

Country Total \$1,021,000

PORTUGAL

IMET N/A \$769,000
EDA \$22,046,136
.50 caliber ammunition 250,000
Chapparat launchers 36
Harbor tug 1
Test kits and sets 11
USS Audacious (Stalwart-class) 1

Country Total \$22,815,136

ROMANIA

IMET N/A \$758,000

Country Total \$758,000

Country Name Commodity/Service Quantity Authorized Value

RUSSIA

IMET N/A \$760,000

Country Total \$760,000

RWANDA

IMET N/A \$243,000

Country Total \$243,000

SAO-TOME

IMET N/A \$75,000

Country Total \$75,000

SENEGAL

IMET N/A \$637,000

Country Total \$637,000

SEYCHELLES

IMET N/A \$31,000

Country Total \$31,000

SIERRA-LEONE

IMET N/A \$134,000

Country Total \$134,000
SINGAPORE

IMET N/A \$20,000

Country Total \$20,000
SLOVAKIA

IMET N/A \$473,000

Country Total \$473,000
SLOVENIA

IMET N/A \$253,000

Country Total \$253,000
SOLOMAN ISLANDS

IMET N/A \$85,000

Country Total \$85,000
Country Name Commodity/Service Quantity Authorized Value

SOUTH AFRICA

IMET N/A \$466,000
EDA \$8,111,401
C-130B cargo aircraft 5

Country Total \$8,577,401

SPAIN

IMET N/A \$49,000

Country Total \$49,000

SRI LANKA

IMET N/A \$79,000

Country Total \$79,000

SURINAME

IMET N/A \$85,000

Country Total \$85,000

SWAZILAND

IMET N/A \$50,000

Country Total \$50,000

TANZANIA

IMET N/A \$126,000

Country Total \$126,000

THAILAND

IMET N/A \$1,445,000

Country Total \$1,445,000

TONGA

IMET N/A \$85,000

Country Total \$85,000

TRINIDAD

IMET N/A \$83,000

Country Total \$83,000

Country Name Commodity/Service Quantity Authorized Value

TUNISIA

IMET N/A \$816,000

EDA \$5,859,922

C-130B cargo aircraft 2

HH-3E transport helicopter 6

Trucks and vans 177

Country Total \$6,675,922

TURKEY

IMET N/A \$1,095,000

EDA \$9,062,021

Durandal munitions 523

Country Total \$10,157,021

TURKMENISTAN

IMET N/A \$213,000

Country Total \$213,000

UGANDA

IMET N/A \$189,000

DRAWDOWN

Load-bearing equipmen 11,716 N/A

EDA \$518,550

Trucks 100

Country Total \$707,550

UKRAINE

IMET N/A \$1,019,000

Country Total \$1,019,000

URUGUAY

IMET N/A \$380,000

EDA \$2,793,700

Armored recovery vehicle 30

Trucks 90

UH-1H helicopters 8

Country Total \$3,173,700

UZBEKISTAN

IMET N/A \$293,000

Country Total \$293,000

Country Name Commodity/Service Quantity Authorized Value

VANUATU

IMET N/A \$88,000

Country Total \$88,000

VENEZUELA

IMET N/A \$428,000
EDA \$208,122
Misc. equipment 32
Radio equipment 13

Country Total \$636,122

VIETNAM

DRAWDOWN N/A \$3,000,000
Defense Articles for POW's and MIA's

Country Total \$3,000,000

WESTERN SAMOA

IMET N/A \$79,000

Country Total \$79,000

YEMEN

IMET N/A \$50,000

Country Total \$50,000

ZAMBIA

IMET N/A \$99,000

Country Total \$99,000

ZIMBABWE

IMET N/A \$224,000
EDA \$850,175
Trucks 175

Country Total \$1,074,175

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Erica Barks-Ruggles to Samuel Berger, re: Update on African-American Summit (2 pages)	07/16/1997	P1/b(1)
002. chart	re: African/African-American Summit: Mission Members on USG Aircraft (8 pages)	07/16/1997	P2, P5

COLLECTION:

Clinton Presidential Records
NSC Records Management
[Zimb*]
OA/Box Number: 1631

FOLDER TITLE:

9704944

Kara Ellis
2006-0457-F
ke1148

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

**African/African-American Summit:
Mission Members on USG Aircraft**

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	Extend invitations ONLY to Tier 1 individuals. If space permits, we will later invite Tier 2 individuals.										
Seats	First Name	Last Name	Title	Organization	Telephone	RSVP	SS #	Passport #	Date of Birth	Place of Birth	Sex
40						Yes=1					
						No=0					
Tier 1	Leaders (3)										
1	Rodney	Slater	Secretary	DOT							
2	Jesse	Jackson	President	National Rainbow Coalition							
3	Yirgalem	Tadesse	Jackson Aide	National Rainbow Coalition							
					Yes	0					
Tier 1	Admin (16)										
4	Charles	Duncan	WHP	White House Personnel							
5	Lottie	Shackelford	OPIC	OPIC	202-296-2400						
6	Joseph	Wilson	Senior Director	NSC	456-9261						
7	Bill	Wise	OVP	OVP							
8			AID	AID							
9			Commerce	Commerce							
10			DOT Staff	DOT							
11			DOT Staff	DOT							
12			DOT Staff	DOT							
13			DOT Staff	DOT							
14			DOT Staff	DOT							
15			DOT Staff	DOT							
16			EXIM	EXIM							
17			Labor	Labor							
18			State	State							
19			Treasury	Treasury							
			HHS	HHS							
Tier 2	Sandy	Jackson	USIA	USIA							
			USTR	USTR							
					Yes						
Tier 1	CEOs (4)										
20	Stanley	1Straughter	Director	Mitchell & Titus		1					
21	David	2Hinds	President	Exec Leadership Council		0					
22	David	3Miller	President	Corp Council on Africa	202-835-1115	0					
23	Kenneth	4Derr	CEO	Chevron	415-894-7700						

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	Frank	5Savage	Chairman	Alliance Capital	212-969-1000	0					
	Bob	6Johnson	Chairman and CEO	BET	202-608-2442	0					
	Percy	7Sutton	President	Unity Cable							
	Percy	8Wilson		Coca-Cola Company	404-676-2121	*					
Tier 2	Judith	Aidoo	President	The Aidoo Group							
	Kenneth	Chenault	President	American Express							
	David	Eller	CEO	MWI Corporation	954-426-1504						
	George	Fisher0	CEO	Eastman Kodak Co	716-724-4000						
	Donald	Fites	CEO	Caterpillar, Inc.	309-675-1000						
	Lucio	Noto	CEO	Mobil Oil Corp.	703-846-3000						
	Walter	Shipley	CEO	Chase Manhattan	212-270-6000						
	Joann	Sparacino	President	Alexis International							
	Alex	Trotman	CEO	Ford Motor Company	313-322-3000						
	William	Weisz	CEO	Motorola	847-576-5000						
	Edward	Whitacre, Jr.	CEO	SBC Communications	210-821-4105						
			CEO	AT&T/Africa One	201-326-3500						
			CEO	GM	313-556-5000						
			CEO	IBM	914-765-4711						
					Yes						
Tier 1	CODEL (5)										
24	Charles	1Rangel	Member of Congress	CODEL	225-4365						
25	Maxine	2Waters	Member of Congress	CODEL	225-2202						
26	Donald	3Payne	Member of Congress	CODEL	225-3436						
27	Cynthia	4McKinney	Member of Congress	CODEL	225-1605						
28	Alcee	5Hastings	Member of Congress	CODEL	225-1313						
	Carol	6Moseley-Braun	Member of Congress	CODEL	224-2854						
	William	7Jefferson	Member of Congress	CODEL	225-6636						
Tier 2	Chaka	8Fattah	Member of Congress	CODEL	225-4001						
	Ronald	9Dellums	Member of Congress	CODEL	225-2661						
	John	Conyers (10)	Member of Congress	CODEL	225-5126						
	Philip	Crane	Member of Congress	CODEL	225-3711						
	Jim	Kolbe	Member of Congress	CODEL							
	Ed	Royce	Member of Congress	CODEL							
					Yes						
Tier 1	NGOs (5)										
29	David	Dinkins	Chairman	Constituency for Africa	212-854-4253						

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30	Ernest	Green	Chair of Board	African Dvlpt Found.	202-452-4728						
31	Dorothy	Height	President & CEO	Ntl Coun for Negro Women	202-463-6680						
32	C. Payne	Lucas	President	Africare	202-462-3614						
33	Mora	McLean	President	African American Institute	212-822-1878						
	Merlie	Evers-Williams		NAACP							
	William	Ford	President	African Dvlpt Found.	202-673-3916						
	U. Lawrence	Boze	President	National Bar Association							
	Joseph	Mabin	President	Ntl Asse of Minority Cntrctrs							
Tier 2	David	Beckman		Bread for the World	301-608-2400						
	Julius	Coles	Director	Bunche Intl Center, Howard							
	MacArthur	DeShazar	Executive Director	National Summit on Africa	202-462-3614						
	Melvin	Foote	President	Constituency for Africa	202-371-0588						
	Henry Louis	Gates	Chairman	Afro-Amer Studies, Harvard							
	Roy	Hastic		Caribbean Chamber of Comm							
	Herman	Hemingway	Professor of Law	UMass	617-426-24271						
	Charles	Joshua		Cntrl Brooklyn Coord Cncil							
	Donald	McHenry	Professor	Georgetown	202-687-6083						
	Doug	Tilton		Washington Office on Africa	202-546-7961						
					Yes						
Tier 1	REL (3)										
34	Chandler (Bishop)	1Owens	Presiding Officer	Church of God & Christ							
35	Rev. Joanne	2Braun-Campbell	General Secretary	National Council of Churches							
36	B.W.	3Smith	President	Progressive Baptist Convt							
	Bishop Paul	4Morton	Chief Bishop	Full Gospel of Churches							
					Yes						
Tier 1	VIPs (4)										
37	Michael	Brown									
38	Tracy	Brown									
39	Haley	George	Commissioner	Fed Postal Rate Commis							
40	Coretta Scott	King									
	Andrew	Young, Jr.	Co-Chairman	GoodWorks International	404-527-8484						
Tier 2	Mae	Jemison									
	Eutrice	Lead									
	Deval	Patrick									
	Niara	Sudarkasa									
	Louis	Sullivan									

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	Willie	Williams	Astronaut	NASA							
					Yes						
					Total Yes						

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<i>* indicates on Rev. Sullivan's planes</i>			
Category	Tier	Source	
AA1-Lead	1		
AA2-Lead	1		
NRC	1		
Admin	1		
Admin	1	DOT	
Admin	1		
Admin	1		
Admin	1		
Admin	1		
Admin	1		
Admin	1		
Admin	1		
Admin	1		
Admin	1		
Admin	1		
Admin	1		
Admin	1		
Admin	1		
Admin	2	AF	
Admin	2		
CEO	1	AF	
CEO	1	OPL	
CEO	1	OPL	
CEO	1	*AF	

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CEO	1		
CEO	1	OPL	
CEO	1	*AF	
CEO	1	AF	
CEO	2	AF	
CEO	2	OPL	
CEO	2	AF	
CEO	2	OPL	
CEO	2	OPL	
CEO	2	OPL	
CEO	2	OPL	
CEO	2	OPL	
CEO	2	OPL	
CEO	2	OPL	
CEO	2	OPL	
CEO	2	OPL	
CEO	2	OPL	
Congress	1		
Congress	1		
Congress	1		
Congress	1		
Congress	1	Leg	
Congress	1	Leg	
Congress	1		
Congress	2	Leg	
Congress	2	Leg	
Congress	2	Leg	
Congress	2	AF	
Congress	2	AF	
Congress	2	AF	
NGO	1	*	

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NGO	1	DOT	
NGO	1	*	
NGO	1	*DOT	
NGO	1		
NGO	1		
NGO	1	DOT	
NGO	1	DOT	
NGO	1	DOT	
NGO	2	OPL	
NGO	2	OPL	
NGO	2	AF	
NGO	2	OPL	
NGO	2	OPL	
NGO	2	AF	
NGO	2	AF	
NGO	2	AF	
NGO	2	OPL	
NGO	2	OPL	
REL	1	Yuri	
REL	1	Yuri	
REL	1	Yuri	
REL	1	Yuri	
VIP	1		
VIP	1		
VIP	1	DOT	
VIP	1	*	
VIP	1	DOT	
VIP	2	AF	
VIP	2	AF	
VIP	2	AF	
VIP	2	*AF	
VIP	2	*AF	

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VIP	2	AF	