

UNCLASSIFIED

**Statement of Donald Y. Yamamoto, Deputy Assistant Secretary of State,
Bureau of African Affairs, Department of State, Washington, DC**

United States Senate Committee on Foreign Relations

FY05 Foreign Assistance Oversight Hearing

March 2, 2004

Mr. Chairman and members of the Committee, thank you for inviting me to testify on our budget priorities for sub-Saharan Africa in FY2005. The African continent faces today, as it has in years past, many grave challenges. Terrorists have hit targets in Africa and states that are willing to confront terrorism often lack the means to do so. Serious conflicts that, while in some cases are close to resolution, remain a threat to stability. Soaring HIV/AIDS rates, hunger, and drought are crippling Africa's nations, while corruption, regional conflict, and human rights abuses threaten to undermine the progress we have made to enable African governments to fulfill the potential that exists in their people and natural resources.

Our \$1.6 billion FY2005 budget request addresses the most urgent concerns facing U.S. interests in Africa today and funds several programs that specifically seek to empower African governments' capacities to respond to emergencies and long-term problems. This request includes \$101 million in Economic Support Funds (ESF), \$22 million in Foreign Military Finance (FMF), \$11 million in International Military Education and Training (IMET), \$60 million in Peacekeeping Operations (PKO), and nearly \$1 billion in Child Survival and Health (CSH) and Development Assistance (DA) monies. My colleague USAID Assistant Administrator Connie Newman will address the details of development assistance in her testimony.

We are making this request because events in Africa affect the interests of the United States. For sub-Saharan Africa, our five most important goals are to: increase African capacity to fight terrorism; promote private sector-driven economic growth; reduce regional conflicts while increasing African capacity to respond to contingencies; promote democracy, human rights, rule of law, and good governance; and improve the health and well-being of Africa's people and environment.

These priorities reflect the reality that Africa's problems are increasingly linked to our own and to those of the international community. Corruption, civil unrest, and poor governance weaken states and prevent them from addressing the most critical needs of their people. In many cases around Africa, central governments have no or little ability to govern large portions of their territories. Weak, failing, and failed states breed chronic poverty and serve as potential havens for terrorists and terrorist networks that seek to attack the United States, its interests abroad, and its allies. Yet terrorists are not the only entities that take advantage of porous borders and weak governments in Africa. Disease, drug trafficking, and the spread of illicit arms constantly threaten to move among

UNCLASSIFIED

UNCLASSIFIED

Africa's states and travel to other continents. Even human rights and environmental abuses on African soil have repercussions for the international community at large.

Our assistance to sub-Saharan Africa benefits U.S. security. Many sub-Saharan African nations are solid allies in the Global War on Terrorism, and our partners in the region gladly embrace U.S. counter-terrorism programs and training. The potential need for hosting forward operating sites for U.S. and coalition forces, and an existing willingness to apprehend terrorist suspects are advantages of maintaining strong ties with responsible governments in Africa. The President's FY05 request for assistance to sub-Saharan Africa simultaneously addresses terrorist threats to the United States through counter-terrorism programs, while also empowering these governments to address their own economic, social, and security needs, thereby reducing opportunities for terrorist networks to take hold. Our public diplomacy efforts in the region work to strengthen these ties and raise awareness of the values and ideals African people share with Americans, increasing understanding and support for U.S. foreign policy objectives and utilizing modern technology to reach wider audiences. The State Department request for African public diplomacy (programs and non-American salaries, but not exchange programs) in FY05 is just over \$20 million. In addition, the Bureau of Educational and Cultural Affairs has indicated it expects to fund educational and cultural programs in Africa in FY05 at approximately the FY04 level, that is \$35 million.

U.S. leadership is critical to Africa. To cite one example, in Liberia, the United States has played a crucial role ensuring that country's transition to democracy. Following the removal of Charles Taylor from power and the end of more than 15 years of civil unrest and violence, Liberia today has a promising chance for a better future. Congress's appropriation of \$200 million in FY04 supplemental funding for Liberia reconstruction and \$245 million for CIPA to support the UN Peacekeeping Mission in Liberia (UNMIL) is playing a critical role in Liberia's reconstruction. U.S. assistance to Liberia goes beyond our economic pledges – this Administration has played a leading role in the international community's overall response to the Liberian crisis, co-hosting last month's Liberia Reconstruction Conference with the UN and World Bank, and coordinating international efforts to reform Liberia's security sector.

However, Liberia's success does not depend only on efforts from outside Africa. It is the responsibility of African people to address their problems. Chairman Gyude Bryant of the National Transitional Government of Liberia said it himself at the recent reconstruction conference: Liberia's stability and security depend foremost on the actions of Liberians and their ability to effectively and transparently use the aid the international community is willing to provide. Just across Liberia's borders, its neighbors have an important role to play too. Individual neighboring states like Sierra Leone and Côte d'Ivoire must work to contain their own conflicts, while sub-regional organizations like the Economic Community of West African States (ECOWAS) must continue to display strong leadership through effective peacekeeping operations.

UNCLASSIFIED

The President's budget request for the State Department, USAID, and other agencies working on assistance to sub-Saharan Africa addresses this need to build the capabilities of individual governments and African regional organizations.

The Bureau has requested a total of \$84 million in bilateral ESF funding in FY 2005 for 12 focus countries. These include five countries (Djibouti, Ethiopia, Kenya, Nigeria, and South Africa) identified as strategic – due to their size, economic power, military strength, importance to counter-terrorism initiatives, or ability to have either a significant impact on their region. Our assistance to the additional seven other focus countries (Angola, Burundi, the Democratic Republic of Congo, Liberia, Sierra Leone, Sudan, and Zimbabwe) will bolster efforts to resolve serious and generally long-running conflicts or instability. In the case of Zimbabwe, ESF will of course be aimed at bringing democracy to this nation that once gave so much promise, but which has been so badly misgoverned.

Our remaining requested ESF funds (\$17 million) are for three regional programs: the Africa Regional Fund, Safe Skies for Africa (SSFA), and regional organizations. The Africa Regional Fund (\$11 million) strengthens the rule of law, promote trade and investment, aid judicial reform and the development of civil society, improve administration of borders, combat money laundering, and support African efforts to manage its environment and natural resources. Through the SSFA program (\$5 million), we will continue to enhance airport security in order to promote U.S. investment opportunities and combat international crime and terrorism. Some \$1 million in assistance will help strengthen the capabilities of regional organizations in Africa, including the African Union, the Southern Africa Development Community (SADC), and ECOWAS. ESF will finance initiatives and programs that contribute to regional and global economic integration, especially programs to open markets and harmonize tariff structures.

Strengthening the capabilities of key African states to combat terrorism is one of our highest priorities. The President announced his \$100-million East African Counter Terrorism Initiative (EACTI) last June, which funds 14 programs designed to train and engage East African governments in intelligence sharing, limiting free movement of terrorists, augmenting host nation security forces, countering extremist influence, and disrupting terrorist financing networks. These programs are up and running and build a strong foundation for continued U.S. engagement to strengthen our African allies' capacity to fight terrorism in the region. Moreover, DA and ESF funds serve our interests by promoting the well-being of African citizens and encouraging goodwill toward the United States. East Africa's proximity to the Arabian peninsula, its large Islamic population, history of terrorist attacks, and the failed state of Somalia all underscore credence to the necessity of prioritizing this sub-region in our Global War on Terrorism. Roughly half of our \$22 million request for FMF funds is for EACTI countries, which will also receive significant ESF funds in the President's 2005 request.

Economic prosperity is another key U.S. goal in Africa. In FY05, the Africa Bureau will continue to encourage African governments to pursue economic reforms,

UNCLASSIFIED

establish sovereign credit ratings, and develop functioning capital markets in order to enhance growth in the private sector. As our trade and commerce with the African region expands, it is critical that economic growth on the continent continue to grow. The President's FY05 budget reflects the Administration's belief that economic growth in Africa is linked to creating opportunities for private sector activities and reinforcing successful government policies.

In three years, the African Growth and Opportunity Act (AGOA) has helped to create more than 190,000 jobs and \$340 million in new investment in Africa, while also spurring broader economic reforms and building favorable political will among Africans toward the United States. AGOA sets high standards for market-based economies and progress on democratization and human rights issues. Some 37 countries in sub-Saharan Africa were AGOA-eligible for 2004, and we hope more will meet eligibility criteria in 2005. The State Department welcomes Chairman Lugar's recently introduced legislation to extend AGOA until 2020, and we look forward to working with Congress to develop the specific provisions of that legislation.

We also welcome Congress's authorization of the Millennium Challenge Account, a performance-based program administered by the newly formed Millennium Challenge Corporation (MCC). The MCA aims to reduce poverty by spurring economic growth. The MCC will provide funding to poor countries around the world that have demonstrated their commitment to governing justly, investing in their people, and encouraging economic freedom. We expect the MCC Board in May of this year to identify countries to participate in MCA, and anticipate that some African countries will qualify for support. The total FY05 MCC request is \$2.5 billion.

Promoting regional stability is one of our top priorities in FY05, and this budget request will help advance our diplomatic initiatives in Liberia, Sierra Leone, Sudan and elsewhere continue moving those countries toward a more promising future. Over the years we have learned that regardless of location, in anywhere in the world chaos breeds more chaos, and that stability promotes more stability in neighboring countries. At the Liberia Reconstruction Conference last month, we heard the same message again and again from our allies, UN Secretary General Kofi Annan, and Liberia's leaders themselves: Liberia's successful transition to peace and democracy depends on stability in Guinea, Sierra Leone, and Cote d'Ivoire. Instability spills over borders, triggers fighting among African governments, their proxy forces, and rebel groups, putting their populations at risk and creating millions of refugees and internally displaced persons. Problems persist in Africa, with some long-time conflicts simmering just below the point of open hostilities, yet refusing to reach a peaceful conclusion. Ethiopia and Eritrea, to cite one example, remain on the verge of renewing their bloody border dispute, despite the best efforts of the international community and African leaders to outline a path toward peaceful resolution. We have held numerous meetings with Ethiopian and Eritrean representatives in Washington and in the region. In addition to our ambassadors pressing each side to meet their obligations under the Algiers Agreement, I have traveled personally to the region twice to deliver the same message to Ethiopian Primer Minister Meles and Eritrean President Isaias. The United States also publicly supports the efforts

UNCLASSIFIED

of United Nations Secretary General Annan to appoint a Special Envoy to help effect the demarcation of the border. Despite these efforts, the situation remains tense and the prospects of a durable peace uncertain.

But elsewhere on the continent, the pieces of stability are slowly falling into place. Our work to build peacekeeping capabilities with the African Contingency Operations Training and Assistance (ACOTA) Program continues. We have requested \$15 million to support ACOTA in FY05. The nearly \$11 million in IMET funds the President has requested for sub-Saharan Africa will help us train Africa's armies to handle the stewardship of African stability. These funds will help African militaries contribute to the democratic evolution of their societies by thwarting or not conducting coups and avoiding human rights violations.

In West Africa, our work with ECOWAS to increase its conflict resolution and peacekeeping capabilities has led it to become a key player in coping with African crises. ECOWAS troops have been central participants in restoring and maintaining order in Sierra Leone, Liberia, and Cote d'Ivoire. Nigeria has proven itself to be a very helpful partner who is willing to respond to help smooth instability in West Africa. A final, comprehensive peace agreement in Sudan is agonizingly close, and the instability that emerged in Cote d'Ivoire is now largely contained.

In Central Africa, we have seen significant progress toward resolving long-running conflicts in the Democratic Republic of the Congo and Burundi. In Congo, despite continuing violence in the east, former combatants have come together to establish a transitional government of national unity and elections are planned for next year. In Burundi, where elections are planned for this fall, the largest rebel group has joined the government. Only one rebel group in Burundi remains outside of the peace process.

To continue our work mitigating civil strife and violent conflict in Africa, our budget includes funding requests to promote good governance, the rule of law, respect for human rights, and increased democratization. In FY05 and beyond, the Africa Bureau will work to increase the number of states with effective legislatures, independent judiciaries, and active civil societies. In our ESF Africa Regional Fund, we have requested funding for programs to promote democracy and human rights programs in countries that are not included among the 12 focus countries, including those that currently lack a USAID presence, such as The Gambia, Togo, and Niger. These funds also include a request for \$2-\$3 million to increase the capacity of the Rwandan judicial system to prosecute genocide cases transferred from the International Criminal Tribunal for Rwanda and for investigation and prosecution of other crimes against humanity committed in 1994.

The HIV/AIDS crisis affects Africa like no other region in the world today. Of the estimated 40 million people infected with HIV worldwide, more than 25 million live in Africa. The President's Emergency Plan for AIDS Relief (PEPFAR) is the largest international initiative ever dedicated to combat HIV/AIDS-related health issues. The

UNCLASSIFIED

Administration released a five-year strategy to implement the Plan on Feb. 23 and set out how it intends to achieve the Plan's ambitious targets, both in the 15 focus countries, which represent at least 50 percent of HIV infections worldwide, and in more than 100 countries throughout the world. Twelve of these focus countries are in Africa. Moreover, the President has requested a total of \$2.8 billion in FY 2005 to combat global HIV/AIDS, tuberculosis and malaria. Of that, the Administration has requested \$1.45 billion to fund activities in the focus countries under the Plan to expand comprehensive and integrated prevention, care, and treatment programs. The bulk of those resources would be devoted to African countries. Some \$1.2 billion would be used to continue and strengthen HIV/AIDS, tuberculosis and malaria in many other countries throughout Africa and \$200 million is requested to continue our support to the Global Fund to Fight AIDS, Malaria and TB. CSH and DA funds account for more than half of our request for sub-Saharan Africa-related programs, with \$478 million and \$499 million requested in FY05, respectively.

The President's budget supports African efforts to promote improved health systems, build human capacity in the health field, and work to prevent the spread of other infectious diseases. The budget will also support efforts to enhance food security, promote broad-based economic growth, increase access to basic education, primarily for girls, and promote responsible use of natural resources. The centerpieces of the FY 2005 DA/CSH program continue to be the four initiatives launched in FY 2002 – the Initiative to End Hunger in Africa (IEHA), the Trade for African Development and Enterprise (TRADE) Initiative, the Congo Basin Forest Partnership (CBFP), and the President's Africa Education Initiative.

The FY05 request will help the United States support African efforts to protect its rich biological diversity and improve natural resource management in areas such as the Congo Basin. Poor conservation practices and conflict over resources undermine stability and hamper prospects for economic growth. We will use our resources to help Africa achieve more sustainable use of natural resources, protect habitats and species, promote involvement of all stakeholders in decision-making, build local capacity, and create economic opportunities for communities that will promote and reinforce conservation efforts.

Mr. Chairman, I thank you for your and this Committee's ongoing interest in Africa. I would be pleased to discuss our budget request and other issues of concern with you and members of the committee at this time.