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Foreign Policy Studies

U.S. Foreign Assistance to Africa: Claims vs. Reality

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“Over the past four years, we have tripled our assistance to Sub-Saharan Africa.”

President Bush, Press Conference with Prime Minister Tony Blair, the White House

June 7, 2005

The Bush Administration Record

The Bush Administration has significantly increased aid to Africa, but that increase falls far short of what the President has claimed. *U.S. aid to Africa from FY 2000 (the last full budget year of the Clinton Administration) to FY2004 (the last completed fiscal year of the Bush Administration) has not “tripled” or even doubled. Rather, in real dollars, it has increased 56% (or 67% in nominal dollar terms).* The majority of that increase consists of emergency food aid, rather than assistance for sustainable development of the sort Africa needs to achieve lasting poverty reduction.

President Bush has thus far rejected Blair’s call to double aid to Africa, as well as the benchmark set by the OECD and signatories to the Monterrey Consensus, which called on developed countries to devote 0.7% of their gross national income to overseas development assistance by 2015. In declining to commit to either of these targets, President Bush frequently states that his Administration has “tripled” U.S. assistance to Africa over the past four years to \$3.2 billion. On June 7, 2005, the President also announced that the U.S. will spend an additional \$674 million, which consists of previously appropriated emergency humanitarian food aid. The U.S. recently agreed with G-8 partners to cancel the multilateral debt owed by 18 Heavily Indebted Poor Countries, a positive step forward.

The Challenge

As G-8 member states prepare to meet from July 6th to 8th in Gleneagles, Scotland, they will have to confront the challenge posed by their host, British Prime Minister Tony Blair, to double

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aid to Africa, adding \$25 billion annually to the total by 2010. Blair also recommends a further increase of another \$25 billion annually to be achieved by 2015 (bringing the global total to \$75 billion), preferably through the creation of an International Finance Facility. Part of a sweeping agenda set forth by Blair and his Commission for Africa to alleviate poverty and improve prospects for African security, democracy and sustainable development, this proposal includes scaled-up commitments by the G-8 to assist Africa with increased aid, trade opportunities, investment, debt relief as well as conflict prevention, conflict resolution and peacekeeping capacity.

What the U.S. Should Do and Why

The Gleneagles Summit poses an historic opportunity for the United States to lead the international community in providing increased development and other assistance to Africa. The Bush Administration should join the UK, France, Italy and Germany and twelve other developed nations and commit to devote up to 0.7% of U.S. gross national income to overseas development assistance by 2015. This commitment would place the U.S. in the forefront of international efforts to alleviate global poverty.

Global poverty undermines U.S. national security by facilitating the emergence and spread of transnational security threats, including disease, environmental degradation, crime, narcotics flows, proliferation and terrorism. First, poverty substantially increases the risk of conflict, which in turn creates especially fertile breeding grounds for such threats. Second, poverty erodes weak states' capacity to prevent or contain transnational threats.

Key Findings

- **U.S. aid to Africa from FY 2000 to FY 2004, the period to which the President referred, has not “tripled” or even doubled. Rather, in real dollars, it has increased 56% (or 67% in nominal dollar terms).**
- An analysis of actual U.S. appropriations from FY 2000 (the last full budget year of the Clinton Administration) to FY2004 (the last completed fiscal year of the Bush Administration) reveals a different reality about U.S. aid to Africa than President Bush has maintained.
- In nominal dollars, total United States aid to Sub-Saharan Africa increased from \$2.034 billion in FY 2000 to \$3.399 billion in FY 2004.
- In nominal dollars, of the \$1.365 billion overall increase, \$728.9 million, or 53%, consists of emergency food aid rather than overseas development assistance, which contributes to sustainable development. The remainder of the increase is comprised primarily of funding for the President's HIV/AIDS initiative (distributed between two accounts, Child Survival and Global Health) as well as emergency and post-conflict assistance to Liberia and Sudan.
- **Actual development assistance, excluding food aid and security assistance, increased only 33% from FY 2000 to FY 2004 in real dollar terms, or 43% in nominal dollars.**

In nominal dollars, less than \$450 million of the increased foreign aid to Africa is official development assistance.

- Official Development Assistance to Africa (aid programs directed at sustainable development) increased by 43% from FY 2000 to FY 2004. Of these programs (in nominal dollars):
 - Funding for the Child Survival and Health Programs Fund increased by 70%, primarily for HIV/AIDS.
 - Development Assistance funding increased 1% over FY 2000.
 - Global Health and HIV/AIDS Initiative, which did not exist as a separate program in FY 2000, received \$263.8 million for Africa in FY 2004.
 - Peace Corps funding increased by 19%.
 - African Development Bank funding increased by 24%.
 - African Development Foundation funding increased by 31%.
 - African Development Fund decreased by 12%.
 - The newly-created Millennium Challenge Account did not exist in FY 2000, and its entire FY 2004 budget went towards administrative expenses rather than country programs.
 - The Heavily Indebted Poor Countries debt relief funding decreased by 32%.
- The only programs that both existed in FY 2000 and more than doubled by FY 2004 were Foreign Military Financing, which increased by 109%, and emergency food aid (PL 480 Title II), which increased by 159%.
- **From FY 2000 to FY 2005 (estimated), U.S. aid to Africa will have increased by 78% in real dollar terms or 93% in nominal dollars – not quite a doubling, much less a “tripling” of aid. Of this increase, 50% consists of emergency food aid (PL 480 Title II).**
- **Actual development assistance, excluding food aid and security assistance, will have increased an estimated 74% from FY 2000 to FY 2005 in real dollar terms, or 89% in nominal dollars.**

**Table I: Total Foreign Assistance to Sub-Saharan Africa
FY 2000 vs. FY 2004
\$ (thousands)**

Program	FY00 Actual	FY04 Actual	Change	% Change
<i>Child Survival and Health Programs Fund</i>	281,000	477,339	196,339	70%
<i>Development Assistance</i>	446,988	466,716	19,728	4%
Economic Support Fund	62,500	74,061	11,561	18%
Foreign Military Financing	10,000	20,947	10,947	109%
<i>Global Health and AIDS Initiative</i>	0	263,840	263,840	100%
International Military Education and Training	7,543	11,173	3,630	48%
International Narcotics Control and Law Enforcement	0	6,850	6,850	100%
Migration and Refugee Assistance	154,847	226,387	71,540	46%
Nonproliferation, Anti-terrorism, Demining, and Related Programs	16,445	25,845	9,400	57%
Peacekeeping Operations	36,654	30,171	-6,483	-18%
<i>Peace Corps</i>	52,347	62,450	10,103	19%
<i>African Development Bank</i>	4100	5075	975	24%
<i>African Development Foundation</i>	14345	18759	4,414	31%
<i>African Development Fund</i>	127000	112060	-14,940	-12%
Liberia: International Disaster and Famine Assistance - Supplemental	0	200000	200,000	100%
Sudan: IDFA-SUP	0	90000	90,000	100%
International Disaster Assistance	25000	0	-25,000	-100%
<i>Millennium Challenge Account*</i>	0	0	0	0%
<i>HIPC Debt Relief</i>	110,000	74,600	-35,400	-32%
Spigots - Subtotal	1,348,769	2,166,273	817,504	61%
Food Aid - Subtotal	685,500	1,233,143	547,643	80%
PL480 Title II [Emergency]	459,000	1,187,935	728,935	159%
Title III	5,500	0	-5,500	-100%
Other Food Aid [Title I, Section 416(b)]	221,000	45,208	-175,792	-80%
TOTAL AID TO AFRICA (nominal)	2,034,269	3,399,416	1,365,147	67%
TOTAL AID TO AFRICA (real)**	2,208,809	3,441,908	1,233,099	56%

Notes: Official Development Assistance programs in italics; *Millennium Challenge Account: \$994,000 spent total in FY04 were all administrative costs—none of the budget actually went to African country programs; **FY2000 and FY2004 values recalculated in real FY2005 dollars using inflation index data from <http://www1.jsc.nasa.gov/bu2/inflateGDP.html>

Sources: US Department of State, USAID, US Peace Corps, US Treasury – Budget Tables

**Table II: Official Development Assistance to Sub-Saharan Africa
FY2000 vs. FY2004
\$ (thousands)**

Program	FY00 Actual	FY04 Actual	Change	% Change
Child Survival and Health Programs Fund	281,000	477,339	196,339	70%
Development Assistance	446,988	466,716	19,728	4%
Global Health and AIDS Initiative	0	263,840	263,840	100%
Peace Corps	52,347	62,450	10,103	19%
African Development Bank	4100	5075	975	24%
African Development Foundation	14345	18759	4,414	31%
African Development Fund	127000	112060	-14,940	-12%
Millennium Challenge Account	0	0	0	0%
HIPC Debt Relief	110,000	74,600	-35,400	-32%
TOTAL Official Development Assistance to Africa (nominal)	1,035,780	1,480,839	445,059	43%
TOTAL Official Development Assistance to Africa (real)	1,124,650	1,499,349	374,700	33%

**Table III: Total Foreign Assistance to Sub-Saharan Africa
FY 2000 vs. FY 2005 (estimate)
\$ (thousands)**

Program	FY 2000 Actual	FY 2005 Estimate	Change	% Change
<i>Child Survival and Health Programs Fund</i>	281,000	356,774	75,774	27%
<i>Development Assistance</i>	446,988	547,446	100,458	22%
Economic Support Fund	62,500	104,160	41,660	67%
Foreign Military Financing	10,000	26,288	16,288	163%
<i>Global Health and AIDS Initiative</i>	0	781,469	781,469	100%
International Military Education and Training	7,543	10,807	3,264	43%
International Narcotics Control and Law Enforcement	0	10,500	10,500	100%
Migration and Refugee Assistance	154,847	229,351	74,504	48%
Nonproliferation, Anti-terrorism, Demining, and Related Programs	16,445	31,518	15,073	92%
Peacekeeping Operations	36,654	133,192	96,538	263%
<i>Peace Corps</i>	52,347	66,937	14,590	28%
<i>African Development Bank</i>	4,100	4,067	-33	-1%
<i>African Development Foundation</i>	14,345	18,848	4,503	100%
<i>African Development Fund</i>	127,000	105,152	-21,848	-17%
Sudan: IDFA-SUP	0	17,856	17,856	100%
International Disaster Assistance	25,000	0	-25,000	-100%
<i>Millennium Challenge Account*</i>	0	400	10,000	100%
HIPC Debt Relief	110,000	79,336	-30,664	-28%
Spigots - Subtotal	1,348,769	2,524,101	1,184,932	87%
Food Aid – Subtotal**	685,500	1,400,000	666,236	104%
PL480 Title II	459,000	1,400,000	842,736	184%
Title III	5,500	0	-5,500	-100%
Other Food Aid [Title I, Section 416(b)]	221,000	0	-171,000	-77%
TOTAL AID TO AFRICA (nominal)	2,034,269	3,924,101	1,851,168	93%
TOTAL AID TO AFRICA (real)***	2,208,809	3,924,101	1,715,292	78%

*Notes: Official Development Assistance programs in italics; *Millennium Challenge Account: \$400,000 spent on actual country programs as of 27 June 2005, Dugger, Celia, New York Times, June 17, 2005; **FY2005 Food Aid estimate from White House statement, 7 June 2005 <http://www.whitehouse.gov/news/releases/2005/06/20050607-4.html>; ***FY2000 values recalculated in real FY2005 dollars using inflation index data from <http://www1.jsc.nasa.gov/bu2/inflateGDP.html>*

Sources: US Department of State, USAID, US Peace Corps, US Treasury – Budget Tables

**Table IV: Official Development Assistance to Sub-Saharan Africa
FY2000 vs. FY2005
\$ (thousands)**

Program	FY00 Actual	FY05 Estimate	Change	% Change
Child Survival and Health Programs Fund	281,000	356,774	75,774	27%
Development Assistance	461,333	547,446	86,113	19%
Global Health and AIDS Initiative	0	781,469	781,469	100%
Peace Corps	52,347	66,937	14,590	28%
African Development Bank	4,100	4,067	-33	-1%
African Development Foundation	0	18,848	18,848	100%
African Development Fund	127,000	105,152	-21,848	-17%
Millennium Challenge Account	0	400	400	0%
HIPC Debt Relief	110,000	79,336	-30,664	-28%
TOTAL Official Development Assistance to Africa (nominal)	1,035,780	1,960,429	934,249	89%
TOTAL Official Development Assistance to Africa (real)	1,124,650	1,960,429	835,779	74%