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Priorities for US-Africa Commercial Policy in the Biden Administration

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Cover: Then-US Vice President Joe Biden addresses the US-Africa Business Forum in Washington on August 5, 2014. The forum is part of the US-Africa Leaders Summit, bringing nearly fifty African heads of state together for three days of meetings and events. *Photo credit:* Reuters/Jonathan Ernst.

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Introduction

With a renewed focus on multilateralism, President Joe Biden, in his first one hundred days, has actively been reengaging with traditional US allies and partners repeatedly sidelined by the Trump administration. African countries have been included in this effort. When addressing the African Union Summit of African presidents in February, he reaffirmed the United States' commitment to partnering with African nations to address challenges including climate change and erosion of democratic institutions. Biden has gained widespread praise for supporting the appointment of Dr. Ngozi Okonjo-Iweala as the first African head of the World Trade Organization (WTO), nominating officials who have deep experience in African markets to Cabinet positions, such as Linda Thomas-Greenfield as ambassador to the United Nations, and putting together a historically diverse government, including many senior members of the African diaspora. Building on this early progress, Biden has an opportunity to reset US-Africa policy by not only prioritizing it at a level unseen during the last four years, but also changing the long history of siloing Africa policy.

The Biden administration should look to further integrate African nations into broader US foreign policy, acknowledging Africa's increasing importance to US priorities and enhanced standing on the global stage. Doing so will allow the new administration to deepen commercial and people-to-people ties with African nations, benefiting US businesses, furthering US interests, and working to address global challenges, such as public health and climate change. This more multifaceted and nuanced engagement with African states will set a foundation for stronger US-Africa partnerships, support mutual economic growth, and contribute to strengthening US global leadership.

While cooperation with African states is critical to regional stability and global security, this issue brief sets aside security policy and focuses on ways the Biden administration can strengthen its commercial policy and public diplomacy with African nations. This effort includes building on commercial policies started under the Trump administration, facilitating green growth, and deepening people-to-people ties. In doing so, Biden's domestic priorities of promoting diversity and climate responsibility will be reflected in Africa policy and ensure US businesses can take advantage of increasing opportunity in African markets and remain competitive globally.[1]

1 See the domestic priorities in: "The Biden Plan to Build Back Better by Advancing Racial Equity Across the American Economy," Biden-Harris 2020 Presidential Campaign website, accessed March 9, 2021, https://joebiden.com/racial-economic-equity/; and "Fact Sheet: President Biden Takes Executive Actions to Tackle the Climate Crisis at Home and Abroad, Create Jobs, and Restore Scientific Integrity across Federal Government," The White House, press release, January 27, 2021, https://www.whitehouse.gov/briefing-room/statements-releases/2021/01/27/fact-sheet-president-biden-takes-executive-actions-to-tackle-the-climate-crisis-at-home-and-abroad-create-jobs-and-restore-scientific-integrity-across-federal-government/.

Unique Moment

This new decade has created a unique moment to reset US-Africa policy thanks to a combination of two main factors: one, the US government's gradual recognition of the need to facilitate investment and support US companies to effectively do business in emerging markets, and second, the compelling growth and increasing attractiveness of African markets. In terms of demographics, it is clear the continent will only command more attention over the coming decades, not less. While much of the rest of the world's population is aging, Africa's median age is just eighteen with only 3 percent of the population over sixty-five.[2] This stands in contrast to current economic powers including China, where birth rates declined 15 percent in 2020 after already setting record lows in 2019.[3] Africa also is home to the highest urbanization rates in the world, with cities set to absorb two-thirds of the expected doubling of the continent's population between now and 2050.[4] In less than ten years, the continent will be home to seventeen cities with over five million inhabitants; for comparison, Europe is currently home to just four and North America only two. Thanks to millions of easily reachable consumers, these urban centers will become leading commercial hubs.[5]

Africa's young, urban population is increasingly more digitally connected to the world with almost half of the population already subscribed to mobile services and 50 percent using smartphones. By the end of 2025, there will be nearly 680 million smartphone subscribers, including thirty million connected to fifth-generation (5G) networks. While African nations require more investment in digital infrastructure, operators in the region have already committed to investing $52 billion in infrastructure between 2019 and 2025, and studies have shown that faster internet contributes to enhanced employment outcomes in Africa, with little to no job displacement.[6] A similar trend is seen regarding broadband connectivity, with global tech giants such as Google, Facebook, and others investing in undersea cables to expand internet capacity, and Tesla and Alphabet piloting small-satellite and light-beam technology, respectively, to expand and decrease the cost of broadband.[7]

Furthermore, the African Continental Free Trade Area (AfCFTA) is overcoming the long-standing structural challenge of fragmentation on the continent that has discouraged investment. A larger, more integrated market is on the horizon with a combined consumer and business base of $6.7 trillion by 2030.[8] While it will take a decade to implement the details of this agreement, the continent-wide market will better serve US interests, particularly for US companies looking to expand, sell, or invest across the region.

Africa's growing economic importance also is likely to result in more influence and weight in international organizations such as the WTO and the United Nations (UN), where the continent maintains a voting block of forty-four and fifty-four, respectively. Biden administration priorities, such as tackling climate change, will require international collaboration, and the recommitment to multilateralism will continue to elevate African countries' role in global governing bodies. Notably, the United States is rejoining fifty-one African countries in the Paris Agreement.

The continent's growing importance is an opportunity that has not gone unnoticed by US allies and competitors. Today, African nations enjoy a greater choice of partners, including interest from East Asia, Russia, Saudi Arabia, Turkey, Qatar, and the United Arab Emirates, providing African governments greater autonomy in the

2 Jeff Desjardins, "Mapped: The Median Age of the Population on Every Continent," World Economic Forum, February 20, 2019, https://www.weforum.org/agenda/2019/02/mapped-the-median-age-of-the-population-on-every-continent/.

3 Helen Davidson and Martin Farrer, "China Birthrate Slumps as Experts Blame Changing Attitudes," *Guardian*, February 10, 2021, https://www.theguardian.com/world/2021/feb/10/china-birthrate-slumps-experts-blame-changing-attitudes#:~:text=The percent20data percent20released percent20on percent20Monday,China percent20was percent20founded percent20in percent201949.

4 OECD/Sahel and West Africa Club (2020), "Executive Summary" in *Africa's Urbanization Dynamics 2020: Africapolis, Mapping a New Urban Geography* (Paris: Organisation for Economic Co-operation and Development Publishing, 2020), 14, https://read.oecd-ilibrary.org/development/africa-s-urbanisation-dynamics-2020_69e2a9a9-en#page1.

5 Jamal Saghir and Jena Santoro, *Urbanization in Sub-Saharan Africa: Meeting Challenges by Bridging Stakeholders*, Center for Strategic and International Studies, April 2018, https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/180411_Saghir_UrbanizationAfrica_Web.pdf.

6 *The Mobile Economy: Sub-Saharan Africa 2020,* GSMA Intelligence, 2020, https://www.gsma.com/mobileeconomy/wp-content/uploads/2020/09/GSMA_MobileEconomy2020_SSA_Eng.pdf; Jonas Hjort and Jonas Poulsen, "The Arrival of Fast Internet and Employment in Africa," *American Economic Review* 109, no. 3 (2019): 1032-1079, https://www.aeaweb.org/articles?id=10.1257/aer.20161385.

7 Daniel Iyanda, "SpaceX in Talks with South Africa's Communications Authority over Starlink," Space in Africa, February 12, 2021, https://africanews.space/icasa-starlink-licence-south-africa/; Darrell Etherington, "Alphabet's X Partners with Econet Group to Roll Out Project Taara Wireless Light-Beam Broadband in Africa," Tech Crunch, November 10, 2020, https://techcrunch.com/2020/11/10/alphabets-x-partners-with-econet-group-to-roll-out-project-taara-wireless-light-beam-broadband-in-africa/.

8 Aubrey Hruby, "It's Time for an Africa Policy Upgrade," *Foreign Policy*, November 30, 2020, https://foreignpolicy.com/2020/11/30/united-states-africa-policy-biden/?.

The Gabon Special Economic Zone (ARISE), an Africa Finance Corporation-partnered project, exemplifies a globally competitive industrial ecosystem. *Photo credit:* Africa Finance Corporation.

decision-making and conditions of such partnerships. This rise of "South-South" trade and investment has resulted in shifting relationships for the continent; for example, over twelve thousand African businesses are registered with the Chamber of Commerce in Dubai.[9] The year 2021 also marks the next Forum on China-Africa Cooperation (FOCAC), which takes place every three years and serves as an opportunity for China to further strengthen its bilateral ties and announce new initiatives.[10]

Despite the introduction of new partners, African states are generally looking to reengage with the United States as the Biden administration returns to a multilateral posture. African leaders were quick to congratulate the US president in early November through calls and statements, many commenting on prior engagements from his years in the US Senate, and Kenyan President Uhuru Kenyatta crediting then-Vice President Biden's trip to Kenya with renewing US-Kenya ties.[11] The goodwill resulting from Trump's departure and a return to a more traditional tone in Washington with Biden's election, combined with the increasing resilience being shown by African economics (even during the COVID-19 period), requires new thinking on US-Africa policy from the Biden administration. This unique moment in Africa's economic development provides an opportunity for the United States to engage commercially and culturally with the continent at a level unseen before, and in a manner that furthers both US and African interests.

9 Afshin Molavi, "Growing Middle East Ties Vital to Africa's Prosperity," *Arab News*, July 28, 2019, https://www.arabnews.com/node/1532031.

10 Shannon Tiezzi, "China's Africa Diplomacy Starts 2021 on a High Note," *The Diplomat*, January 6, 2021, https://thediplomat.com/2021/01/chinas-africa-diplomacy-starts-2021-on-a-high-note/.

11 "US Election: African Leaders Congratulate Joe Biden," BBC News, November 8, 2020, https://www.bbc.com/news/world-africa-54863237; and Brian Okinda, "What Joe Biden Promised Kenya's President During Phone Call," *The EastAfrican*, December 1, 2020, https://www.theeastafrican.co.ke/tea/news/east-africa/joe-biden-uhuru-kenyatta-phone-call-3215326.

Three Pillars of Opportunity for US-Africa Reengagement

Commercial Opportunity

Since its establishment in 2000, the African Growth and Opportunity Act (AGOA), currently extended until 2025, has long served as the backbone of US efforts to increase trade with Africa. Over the last decade, US-Africa development policy has increasingly shifted its focus to facilitating private US investment into African markets (e.g., the launch of Power Africa under the Obama administration and Prosper Africa under Trump's), a strategy that Biden should continue as Africa's commercial opportunities widen. Under the Trump administration, a number of key policies and initiatives strengthened the government's ability to support US commercial engagement in African markets including the creation of the new US International Development Finance Corporation (DFC), reauthorization of the Export-Import Bank (EXIM), and the launch of Prosper Africa and the initiation of the new Prosper Africa Trade and Investment (PATI) program. Prosper Africa has come to symbolize the US commercial approach to Africa, and African countries support its vision of significantly increasing two-way trade and investment. The Biden administration has considerable ability to improve upon and enhance these initiatives given the slow rollout under the Trump administration.

Despite the effects of the pandemic, Africa's economies are proving resilient and poised for a quick return to growth. The International Monetary Fund (IMF) estimates a return to 3.2 percent growth in African markets in 2021, matching 2019 levels, and a rise to 3.9 percent in 2022.[12] While Nigeria and South Africa, the continent's largest economies, will perform below the average, others such as Kenya are already performing stronger than expected thanks to agricultural exports.[13] This resilience stems from structural changes over the past twenty years with African economies diversifying and decreasing their reliance on commodity exports. Additionally, the relative risk of investing in African markets has decreased as other emerging markets, including those in Latin America and Asia, also experience the economic effects of the COVID-19 crisis and are no longer considered as safer investment destinations.

This economic resilience and growth has positioned African markets as necessary markets for institutional investors in search of yield. Average yields on African sovereign dollar bonds (excluding South Africa) stand at about 11.5 percent over the last year, according to the Standard Bank Africa Sovereign Yield Index, and are some of the highest globally.[14] Strong investor appetite led to a five-fold oversubscription on Côte d'Ivoire's one billion euro ($1.2 billion) bond issuance in October, and Côte d'Ivoire, Ghana, and Kenya are all planning to issue bonds internationally in 2021.[15]

Africa's sovereign debt is poised to play an increasingly critical role in the portfolios of global institutional funds as North American, European, and Asian bond returns remain lower. US pension funds often need to hit rates of return over 7 percent to be able to meet their obligations; for example, the California Public Employees' Retirement System's (CalPERS) target is 7 percent, but it recorded a 4.7 percent return for the fiscal year ending in June 2020, and the Teacher Retirement System of Texas (TRS) has a target of 7.25 percent, but also fell short, hitting only 5.2 percent last year.[16] Both of these pension funds have also invested in Actis energy and/or infrastructure funds which focus on emerging market investments, including in Africa.

International investors also are looking for investment opportunities in African markets and have driven sustained growth in African venture capital (VC), with North American investors accounting for 42 percent of all African VC deals

12 *World Economic Outlook Update: January 2021*, International Monetary Fund, January 26, 2021, https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update.

13 David Herbling, "IMF Sees Surprise Upward Revision of Kenya's Economic Growth," Bloomberg, September 9, 2020, https://www.bloomberg.com/news/articles/2020-09-09/imf-sees-surprise-upward-revision-of-kenya-s-economic-growth#:~:text=Parliament's percent20budget percent20office percent20has percent20also,better percent20than percent20expected percent20agricultural percent20exports.

14 "S&P Africa Sovereign Bond ex South Africa," S&P Dow Jones Indices, accessed March 3, 2021, https://www.spglobal.com/spdji/en/indices/fixed-income/sp-africa-sovereign-ex-south-africa-bond-index/#overview; and Colleen Goko, "Africa's Junk Bonds among Hottest Investments with Big Yields," Bloomberg, June 4, 2020, https://www.bloomberg.com/news/articles/2020-06-04/africa-s-junk-bonds-among-the-hottest-investments-despite-risks.

15 Tom Arnold, "Debt Markets Open Again for Sub-Saharan Africa–Fitch," Reuters, November 30, 2020, https://www.reuters.com/article/africa-bonds-idUSL8N2IG34W.

16 Wes Venteicher, "CalPERS Misses Annual Investment Return Target after Coronavirus Sinks Markets," *Sacramento Bee*, July 15, 2020, https://www.sacbee.com/news/politics-government/the-state-worker/article244249587.html; and Scott Burns, "The TRS Pension Fund Has an Army of Investment Managers. How Is That Working Out for Teachers?," *Dallas Morning News*, July 25, 2020, https://www.dallasnews.com/business/personal-finance/2020/07/25/the-trs-pension-fund-has-an-army-of-investment-managers-how-is-that-working-out-for-teachers/.

between 2014 and 2019.[17] While Africa's VC scene is still nascent, efforts to capture its size over the last five years show sustained growth, with 2020's estimates ranging from $757 million to $1.43 billion, largely concentrated in Nigeria, Kenya, South Africa, and Egypt. Partech, one of the main players tracking Africa's VC deals, reported a 29 percent decrease in total funding in 2020, but a 44 percent increase in deals, with 359 equity rounds.[18] An increase in deal volume speaks to both strong global interest and the resiliency of African start-ups during an international economic crisis.

Fintech accounted for 25 percent of VC investment in 2020, followed by agricultural technology and enterprise services; health tech, logistics, and mobility tech also saw fundraising boosts.[19] Acknowledging future growth potential in African markets, Jeff Bezos, founder of Amazon, invested in a Series B round for Chipper Cash, primarily a peer-to-peer (P2P) mobile-based app in seven African countries, and San Francisco-based Stripe acquired Lagos-based Paystack, Nigeria's biggest start-up acquisition to date.[20] In private equity (PE), health care, information technology, and financials accounted for about $380 million or 54 percent of total deal value in the first half of 2020; however, overall 2021 PE deals were down 63 percent in the first half of 2020 compared to 2019.[21] Despite the setback in 2020, in the Emerging Markets Private Equity Association (EMPEA) 2020 Limited Partner Survey, limited partners (LPs) ranked Africa fourth in terms of attractiveness for investment, moving up a rank from the 2019 survey and tied with Latin America (excluding Brazil, which ranks lower).[22]

African countries also are receiving an outsized number of investments from the impact investing sector. Of the $400 billion in assets under management surveyed in Global Impact Investing Network's 2020 survey, 21 percent went to sub-Saharan Africa, or roughly $84 billion, the largest of any region, and likely to increase. TPG Rise Fund and LeapFrog Investments, some of the largest private equity impact funds, closed fundraising rounds in 2017 and 2019, respectively, intending to invest a significant portion of their funds in African markets.[23]

To the United States' advantage, the same sectors attracting investments in African markets reflect sectors of US competitiveness, opening avenues for both US investors and for US companies on the continent.[24] A variety of sectors are ripe for catalytic support from government agencies to mobilize additional investment and deepen development impact, including financial services, agribusiness and renewables, specialized oil and gas services, technology, and media and entertainment.[25] While foreign direct investment (FDI) has lagged in recent years, a 2019 Ernst & Young (EY) report notes that between 2014 and 2018 the United States was Africa's largest investor by project volume at 463, but China invested the most capital, $72 billion, compared to the United States' $31 billion.[26]

China's commercial footprint has evolved significantly since 2000, first focusing on infrastructure companies, and then pivoting to telecommunications and manufacturing, with telecoms players such as Huawei, Tecno, and ZTE establishing sizable market share alongside Chinese media groups like China Global Television Network (CGTN) and StarTimes.[27] Chinese institutional, VC, and PE investors are increasing their activity, often able to reap the benefits of or invest alongside the larger Chinese conglomerates supported by China Exim Bank financing. US companies and investors have clear interest in Africa's growing market, but without targeted outreach, support, and incentives, American investors could miss out on attractive opportunities in the region in the next few decades. As the Biden administration works to ensure that the United States remains

17 *Venture Capital in Africa: Mapping Africa's Start-Up Investment Landscape*, African Private Equity and Venture Capital Association, June 2020, https://www.avca-africa.org/research-publications/data-reports/venture-capital-in-africa-mapping-africa-start-up-investment-landscape/.

18 *2020 Africa Tech Venture Capital Report*, Partech Partners, February 2021, https://cdn-website.partechpartners.com/media/documents/2021-02_Partech_Africa-2020_Africa_Tech_VC_Report_1.pdf.

19 *2020 Africa Tech Venture Capital Report*, Partech Partners.

20 Jake Bright, "African Fintech Start-up Chipper Cash Raises $30M Backed by Jeff Bezos," Tech Crunch, November 19, 2020, https://techcrunch.com/2020/11/18/african-fintech-startup-chipper-cash-raises-30m-backed-by-jeff-bezos/; and Ingrid Lunden, "Stripe Acquires Nigeria's Paystack for $200M+ to Expand into the African Continent," Tech Crunch, October 15, 2020, https://techcrunch.com/2020/10/15/stripe-acquires-nigerias-paystack-for-200m-to-expand-into-the-african-continent/.

21 *2020 H1 African Private Equity Data Tracker*, African Private Equity and Venture Capital Association, September 2020, https://www.avca-africa.org/media/2646/avca-data-tracker-2020-final-version.pdf; and Yomi Kazeem, "Private Equity Deals in Africa Are on Pace for a 60% Drop This Year," Quartz Africa, October 1, 2020, https://qz.com/africa/1911724/private-equity-deals-slow-down-in-africa-in-h1-2020/.

22 *Global Limited Partners Survey 2020: Investor Perspectives on Private Capital in Emerging Markets*, EMPEA, June 2020, https://www.empea.org/app/uploads/2020/06/FINAL-2020-EMPEA-Global-LP-Survey-06.25.20-web.pdf.

23 Dean Hand, Hannah Dithrich, Sophia Sunderji, and Noshin Nova, *2020 Annual Impact Investor Survey,* The Global Impact Investing Network, June 11, 2020, https://thegiin.org/research/publication/impinv-survey-2020.

24 Aubrey Hruby, "Making the Most of Prosper Africa: Leveraging US Competitiveness in African Markets," Atlantic Council issue brief, March 27, 2020, https://www.atlanticcouncil.org/in-depth-research-reports/report/making-the-most-of-prosper-africa-leveraging-us-competitiveness-in-african-markets/.

25 Hruby, "Making the Most of Prosper Africa."

26 *EY Attractiveness Program Africa*, EY, September 2019, https://assets.ey.com/content/dam/ey-sites/ey-com/en_gl/topics/attractiveness/ey-africa-attractiveness-report-2019.pdf.

27 Aubrey Hruby, "In Africa, China Is the News," *Foreign Policy*, August 13, 2019, https://foreignpolicy.com/2019/08/13/in-africa-china-is-the-news/.

Women inspect pigeonpea at flowering time in East Africa. *Photo credit:* Flickr/ICRISAT (International Crops Research Institute for the Semi-Arid-Tropics).

competitive globally vis-à-vis China, it will need to support a range of investment opportunities and bring America's small and medium enterprises (SMEs) into the fold.

Climate and Green Growth

As the Biden administration aims to prioritize climate change in foreign policy, it is crucial that development and commercial policy toward African nations are aligned in this effort. Although climate change is a global problem, its effects will not be equally distributed across countries. The United States is the greatest per capita contributor to greenhouse gas emissions and two-thirds of the total greenhouse gas emissions are produced by only seven countries,[28] none of which are in Africa. African countries, with underdeveloped manufacturing industries and comparatively smaller carbon footprints, are projected to be among the most affected by climate change. In particular, agricultural production, which accounts for 52 percent of African employment, is expected to be significantly damaged by increases in extreme weather events, prompting accelerated desertification in the Sahel, locust swarms in the Horn of Africa, and an increase in the frequency and intensity of droughts and heat waves across the continent.[29]

Actualizing African countries' commitments to climate change mitigation through the Paris Agreement, among other accords, will require the support of international partners. Countries need to implement climate adaptation measures, which aim to reduce the impact of climate change on communities, and mitigation measures, which focus on reducing greenhouse gas emissions. According to the World Bank, sub-Saharan Africa would need $14 billion to 17 billion annually between 2010 and 2050 to implement climate adaptation measures, and this falls on top of a gap separately estimated at $68 billion to 108 billion in

28 "Global Emissions," Center for Climate and Energy Solutions, accessed March 3, 2021, https://www.c2es.org/content/international-emissions/.

29 "Employment in Agriculture (% of Total Employment) (Modeled ILO Estimate)–Sub-Saharan Africa," World Bank, accessed March 5, 2021, https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=ZG; and Andreas Anhäuser et al., *Weathering the Storm: Extreme Weather Events and Climate Change in Africa, Greenpeace*, April 2020, https://www.greenpeace.org/africa/en/weathering-the-storm-extreme-weather-events-and-climate-change-in-africa/.

annual infrastructure financing.[30] The constrictive impact of the pandemic on government revenues and the resultant increased debt levels of African nations means that raising these funds internally will be difficult and additional financing for green projects will need to be mobilized externally.

As the point of irreversible damage to the global climate draws nearer, there is a growing sense of urgency about redirecting public and private finances to climate mitigation and adaptation measures. Increased mainstream awareness of the impact of climate change has led to a rise in impact investing, where investors are looking for both financial and social returns on their investments. As a result, new mechanisms for financing climate projects have developed since 2000 and their use in African markets needs to be expanded. Some of these climate finance sources include green bonds, dedicated climate funds from multilateral development institutions, and debt-for-climate swaps.

Green Bonds

The green bond market has continued to grow since the first issuance by the World Bank in 2008. In 2020, $269.5 billion of green bonds were issued globally, an increase of $3 billion from a year earlier, pushing the total amount issued since their inception above $1 trillion.[31] These bonds are designated for projects with positive climate impacts, and the use of the funds generated from these bonds are monitored to ensure they are used for green projects. Like all bonds, green bonds can be issued both privately and publicly, and at all levels of government. Massachusetts issued the first state-level green bond in 2013, while companies such as Apple and Toyota issued the first green bonds in their industries in 2014 and 2017, respectively. However, these bonds have not become as commonplace in Africa, despite the popularity of similar instruments including diaspora bonds in Ethiopia, Nigeria, and other markets.[32] Total green bonds issued on the continent amount to $2.7 billion, accounting for less than 0.01 percent of total green bonds issued worldwide.[33] The leader, at $2.2 billion of the green bonds issued, was South Africa, with Nigeria, Morocco, Namibia, and Kenya making up the rest.

Dedicated Climate Funds from Multilateral Development Institutions

Financial commitments from industrialized countries through the Kyoto Protocol and the Paris Agreement have spurred the creation of dedicated funds that aim to invest resources from developed nations in climate-specific projects in developing nations. The Green Climate Fund (GCF), the world's largest climate fund, which was established by the United Nations Framework Convention on Climate Change (UNFCCC), has approved $7.2 billion in projects, with 38 percent of projects linked to African countries. The GCF has funded mitigation projects such as the Embedded Generated Investment Programme (EGIP), which channeled $537 million to a 330-megawatt renewable energy project in South Africa. Smaller-scale adaptation projects such as improving early warning systems in Malawi have also been funded through the GCF.[34]

However, the long project life cycle from funding to project implementation does not encourage African countries to build the institutional capacity necessary for long-term success in fighting climate change on the continent. About 78 percent of all GCF-funded projects are implemented by International Access Entities (IAEs).[35] Multilateral and bilateral institutions such as the International Finance Corporation (IFC) and Japan International Cooperation Agency (JICA) serve as IAEs, which are responsible for developing proposals and managing and monitoring climate change projects. The long-term success of climate change efforts on the continent requires that African countries build up the institutional capacity to implement climate mitigation and adaptation measures, and this will not be achieved with a heavy reliance on foreign management of climate projects.[36] International partners can help African countries build this capacity internally.

Debt-for-Climate Swaps

Nearly twenty out of the fifty-four countries in Africa have exceeded the 60 percent debt-to-gross domestic product threshold prescribed by the African Monetary Cooperation Programme (AMCP), and five more have crossed the 55

30 "Economics of Adaptation to Climate Change: Country Case Studies," World Bank, June 6, 2011, https://www.worldbank.org/en/news/feature/2011/06/06/economics-adaptation-climate-change-country-case-studies; and *African Economic Outlook 2019*, African Development Bank Group, 2019, https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2019AEO/AEO_2019-EN.pdf.

31 Liam Jones, "Record $269.5BN Green Issuance for 2020: Late Surge Sees Pandemic Year Pip 2019 Total by $3BN," Climate Bonds Initiative, January 24, 2021, https://www.climatebonds.net/2021/01/record-2695bn-green-issuance-2020-late-surge-sees-pandemic-year-pip-2019-total-3bn.

32 Jay Benson, "How Bonds Aimed at the Diaspora Can Raise Crucial Funds for Africa," African Arguments newsletter, July 10, 2019, https://africanarguments.org/2019/07/how-bonds-aimed-at-the-diaspora-can-raise-crucial-funds-for-africa/#:~:text=Nigeria's%20first%20diaspora%20bond,and%20was%20oversubscribed%20by%20130%25.&text=Ethiopia's%20first%20diaspora%20bond%20was,fell%20well%20short%20of%20expectations.

33 "Interactive Data Platform as of H1 2020," Climate Bonds Initiative, accessed March 3, 2021, https://www.climatebonds.net/market/data/.

34 "Project Portfolio," Green Climate Fund, accessed March 5, 2021, https://www.greenclimate.fund/projects.

35 "Portfolio Dashboard," Green Climate Fund, accessed March 5, 2021, https://www.greenclimate.fund/projects/dashboard.

36 Climate mitigation is the process of adjusting systems to limit the increase in global warming. Climate adaptation is the process of adjusting systems to assuage the effects of current and expected climate change.

percent threshold set by the International Monetary Fund.[37] Increases in debt levels limit government funding capacity for climate mitigation and adaptation measures as debt repayments consume a larger proportion of government revenues. One mechanism aimed at freeing up finances for climate measures is a debt-for-climate swap. Through this process, developing countries can trade debt for significantly smaller investments in climate actions. In Argentina, the United States employed this tool to effectively cancel $38 million of debt in exchange for $3.1 million of environmental projects developed by the Argentine government.[38] Seychelles also secured a swap with The Nature Conservancy, Global Environment Facility, and the UN Development Programme to buy back $22 million of its debt in exchange for marine conservation measures.[39] The DFC also has been involved in the utilization of this mechanism. The Nature Conservancy, a nonprofit organization, aimed to replicate its results in Seychelles with projects in Kenya and Saint Lucia, and the US DFC provided $350 million in political insurance for this effort.[40]

While finance for climate change measures has become more accessible in recent years, African nations still suffer from a lack of funding due, in part, to foreign currency risk since loans are typically provided in dollars or euros but revenue is generated in local currency. Significant currency depreciations, which are common on the continent, increase the risk of loans structured in this way. Organizations such as the Global Innovation Lab for Climate Finance have developed innovative ways to address currency risk and other challenges such as high-impact monitoring costs and low availability of credit.[41] These efforts should be expanded and replicated.

With the appointment of John Kerry as US special presidential envoy for climate and the issuance of the Executive Order on Tackling the Climate Crisis at Home and Abroad, the Biden administration has expressed clear intentions to increase the flow of climate finance to developing nations. Appointees such as Mark Gallogly, former head of private equity at Blackstone Group, to the international climate team emphasize the importance of mobilizing US private capital in meeting the climate financing needs of the world, including in African countries. Working with John Kerry's team, the DFC can spearhead efforts to innovate in climate finance products, derisk green investments, and promote success stories in African markets.

People-to-People Ties

President Biden's virtual remarks to the African Union in February hinted at an important aspect of US-Africa relations—strong people-to-people ties.[42] While there is no set definition of people-to-people relations, this brief focuses on interactions between citizens of the United States and African countries, formal and informal, commercial and cultural, religious and cause-focused, that government policy may facilitate or support. While the United States cannot currently compete with China on large-scale infrastructure financing, it does have a long history of promoting and encouraging citizen connections and interactions that have boosted US soft power on the continent.

The United States was built on the backs of Africans and their descendants, and the African diaspora continues to play an important role in strengthening people-to-people ties across the Atlantic. Of the more than 46.8 million African Americans, as of 2018, there were about 2.4 million foreign-born Africans in the United States, a dramatic rise from even 2000 when there were fewer than one million.[43] About 40 percent of America's African immigrants hold at least a bachelor's degree, a rate higher than that of the US-born population.[44] The economic strength of the African diaspora is further seen in financial flows back to the continent; Nigeria, for example, received an estimated $6.19 billion in remittances from the United States in 2017, more

37 Chukwuka Onyekwena and Mma Amara Ekeruche, "Is a Debt Crisis Looming in Africa?," Africa in Focus blog, Brookings Institution, April 10, 2019, https://www.brookings.edu/blog/africa-in-focus/2019/04/10/is-a-debt-crisis-looming-in-africa/.

38 Romina Picolotti and Alan Miller, "Debt-for-Climate Swaps Can Help Developing Countries Make a Green Recovery," Climate and Clean Air Coalition, November 6, 2020, https://www.ccacoalition.org/en/blog/debt-climate-swaps-can-help-developing-countries-make-green-recovery#:~:text=As percent20Argentina's percent20environment percent20secretary percent2C percent20one,and percent20reinvested percent20in percent20environmental percent20protection.

39 Merrit Kennedy, "Seychelles Finds a Novel Way to Swap Its Debt for Marine Protections," National Public Radio, February 23, 2018, https://www.npr.org/sections/thetwo-way/2018/02/23/588273709/seychelles-finds-a-novel-way-to-swap-its-debt-for-marine-protections.

40 "DFC Approves Nearly $900 Million for Global Development Projects," US International Development Finance Corporation press release, March 12, 2020, https://www.dfc.gov/media/press-releases/dfc-approves-nearly-900-million-global-development-projects.

41 "The Ideas," Global Innovation Lab for Climate Finance website, accessed March 5, 2021, https://www.climatefinancelab.org/project/?_sfm_status=Endorsed- percent2C-Fire percent20Winner- percent2C-In percent20Development.

42 President Joseph R. Biden Jr., "President Biden's Message to African Union Summit Participants," February 5, 2021, video on the White House YouTube channel, https://www.youtube.com/watch?v=CE3X77YBSN8.

43 Salem Solomon, "African Diaspora Looks to Flex Political Muscle in US Elections," Voice of America, October 16, 2020, https://www.voanews.com/2020-usa-votes/african-diaspora-looks-flex-political-muscle-us-elections; and Monica Anderson, "African Immigrant Population in US Steadily Climbs," Pew Research Center, February 14, 2017, https://www.pewresearch.org/fact-tank/2017/02/14/african-immigrant-population-in-u-s-steadily-climbs/#:~:text=There percent20were percent202.1 percent20million percent20African,up percent20from percent200.8 percent25 percent20in percent201970.

44 Carlos Echeverria-Estrada and Jeanne Batalova, "Sub-Saharan African Immigrants in the United States," Migration Policy Institute, November 6, 2019, https://www.migrationpolicy.org/article/sub-saharan-african-immigrants-united-states-2018.

Participants at the Young African Leaders Initiative (YALI) 2015 Presidential Summit in Washington, DC. *Photo credit:* Flickr/D.A. Peterson/US Department of State.

than from any other country.[45] The Biden administration has taken an important first step by involving people of African descent in US policy making through various administration appointments, including as co-lead for international development on the transition team, the acting director of the US Trade and Development Agency (USTDA), and the deputy secretary of the Treasury. He also rightfully ended Trump's travel ban largely targeted at Muslim-majority and African countries, once again providing the opportunity for legal migration to the United States.[46] These early successes can be built upon and institutionalized.

One area the US government has long promoted, but faced setbacks under the Trump administration, is opening the American education system to international students.[47] Since 1950, the United States has welcomed an estimated 1.6 million African students to colleges and universities adding diversity to classrooms and communities.[48] Today, Nigeria is ranked eleventh for the number of students in the United States based on country of origin, ahead of countries including the United Kingdom, Germany, and France.[49] Additionally, in 2010, the Obama administration launched the Young African Leaders Initiative (YALI), a set

45 Andrew S. Nevin and Omomia Omosomi, "Strength from Abroad: The Economic Power of Nigeria's Diaspora," PricewaterhouseCoopers, 2019, https://www.pwc.com/ng/en/pdf/the-economic-power-of-nigerias-diaspora.pdf.

46 President Biden, *Proclamation on Ending Discriminatory Bans on Entry to the United States,* The White House, January 20, 2021, https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/proclamation-ending-discriminatory-bans-on-entry-to-the-united-states/.

47 Immigration and Customs Enforcement Bureau, US Department of Homeland Security, *Establishing a Fixed Time Period of Admission and an Extension of Stay Procedure for Nonimmigrant Academic Students, Exchange Visitors, and Representatives of Foreign Information Media,* September 25, 2020, https://www.regulations.gov/document/ICEB-2019-0006-0001.

48 "International Students: All Places of Origin," Open Doors report data, Institute of International Education, accessed March 8, 2021, https://opendoorsdata.org/data/international-students/all-places-of-origin/.

49 Yomi Kazeem, "Nigerians Are Spending Half a Billion Dollars to School in the United States," Quartz Africa, November 25, 2019, https://qz.com/africa/1755266/nigerians-spend-half-a-billion-dollars-to-school-in-the-us/.

Snapshot of US-connected Creative Sector Expansion 2020-2021

- **April 2020:** Apple Music expands services to seventeen new African countries up from thirteen.[1]
- **May 2020:** Netflix introduces its *Made in Africa* collection, which includes its first African-originated Netflix originals, *Queen Sono* and *Blood & Water*, both of which debuted in 2020. Netflix has since announced more African-originated content including *JIVA!*, a TV series based in Durban, to premier in 2021.[2]
- **May 2020:** Universal Music Group launches a new division, Def Jam Africa, based in Johannesburg and Lagos focused on "hip-hop, Afrobeats and trap talent in Africa."[3]
- **December 2020:** Disney announces *Iwájú*, a science fiction series set in Lagos and produced by Kugali, a pan-African creative company founded by Nigerians and Ugandans, will debut globally on Disney+ in 2022.[4]
- **February 2021:** Westwood Studios, owned by Jada Pinkett and Will Smith, signs a deal with EbonyLife Studios, a leading Nigerian content company, to co-produce at least two series and one film connected to the African continent.[5]
- **February 2021:** StarNews Mobile, an Ivorian video-on-demand start-up, is one of eight companies to join Snap Inc.'s Yellow Accelerator. In 2020, StarNews closed a $1.8 million financing round and signed partnerships with Sony Entertainment, Universal Music Group, and US entertainment network Black and Sexy TV.[6]

1 Yomi Kazeem, "Apple Is Expanding the Availability of Its Music Streaming Service Across Africa," Quartz Africa, April 21, 2020, https://qz.com/africa/1842216/apple-music-opens-in-more-african-countries-over-spotify/.

2 Mokgadi Seabi, "Netflix Celebrates Africa Month With Made in Africa Collection," Netflix press release, May 4, 2020, https://about.netflix.com/en/news/netflix-celebrates-africa-month-with-made-in-africa-collection; and Alexandra Wexler, "Netflix Ups the Ante in Africa," *Wall Street Journal*, December 22, 2020, https://www.wsj.com/articles/netflix-ups-the-ante-in-africa-11608642001?mod=djem_Frontiers.

3 Robert Levine, "Universal Launches Def Jam Africa as Its Latest Big Bet on the Continent," *Billboard*, May 26, 2020, https://www.billboard.com/articles/news/international/9390124/universal-music-def-jam-africa-launch-expansion/.

4 Farai Shawn Matiashe, "Disney Is Partnering With a Nigerian-Ugandan Animation Studio for an African Sci-Fi Series," Quartz Africa, December 12, 2020, https://qz.com/africa/1945435/disney-ups-african-sci-fi-animation-with-nigerian-ugandan-studio/.

5 Andreas Wiseman, "Will Smith and Jada Pinkett Smith's Westbrook Teams With Nigeria's EbonyLife on Film and TV Slate," Deadline news site, February 16, 2021, https://deadline.com/2021/02/jada-pinkett-smith-will-smith-westbrook-nigeria-ebonylife-film-tv-slate-1234694457/.

6 StarNews Mobile, "StarNews Mobile Fills the Gap of Income Generation for Content Creators, Provides Community Development Opportunities and Offers Insight to Africa's Streaming Ecosystem," press release distributed by GlobeNewswire, February 17, 2021, https://www.globenewswire.com/news-release/2021/02/17/2177104/0/en/StarNews-Mobile-Joins-Snap-Inc-s-Yellow-Accelerator-2021.html.

of programs focused on supporting young African leaders; to date, 4,400 fellows have traveled to the United States to participate in leadership courses and build connections with US private, public, and nonprofit sector leaders.[50] Notably, China too has embraced this model, and has in fact eclipsed the United States and the United Kingdom as the top destination for English-speaking African students.[51]

US universities, and people-to-people exchanges such as YALI, thus serve as essential mechanisms for developing close relations with future African decision makers. More than 20 percent of current African leaders studied in the United States, including the leaders of Côte d'Ivoire, Ethiopia, Ghana, and Kenya—some of America's strongest economic and security partners in the region. Studying or living in the United States unquestionably deepens one's understanding of the country, and while this does not mean future African leaders will agree with all US policies, it often does predispose them to an openness and familiarity with American policy and business ties.

Building on educational ties, two sectors that highlight the importance of people-to-people ties and cross-cultural collaboration are sports and the creative industries. The National Basketball Association (NBA) has particularly benefited from the strong exchange between the United States and African nations, as African stars in the NBA, many who played at US universities, have raised the profile of professional basketball in the region. As a result, in 2019, the NBA announced the launch of the Basketball

50 "The Young African Leaders Initiative," US Agency for International Development, accessed March 8, 2021, https://www.usaid.gov/yali.

51 Victoria Breeze and Nathan Moore, "China Has Overtaken the US and UK as the Top Destination for Anglophone African Students," Quartz Africa, June 30, 2017, https://qz.com/africa/1017926/china-has-overtaken-the-us-and-uk-as-the-top-destination-for-anglophone-african-students/.

East African music group Sauti Sol perform at TEDxNairobi in October 2013. African music and creative industries have seen a big boom in recent years, even beginning to reach audiences in the United States. *Photo credit:* Flickr/Joshua Wanyama.

Africa League (BAL), its first professional league outside of North America, launching in May 2021 after a delay due to the coronavirus pandemic.

The NBA is not the only US business looking for growth opportunities in Africa. Leading companies in the creative industries, from film and music to fashion, all see opportunities for expansion on the continent. A young, digitally connected population is proving a lucrative new market for major players including Netflix investing in African-originated content and Apple Music expanding from from thirteen to thirty countries. While the commercial opportunities are evident, personal ties between artists also are boosting Africans' popularity and name recognition in global markets, including collaborations between Beyoncé and the Nigerian artist Burna Boy and Nicki Minaj and Nigerian Afro-pop star Davido. The brilliance of African cultural products and creations is reaching far beyond the diaspora, bringing African culture, history, and art to the United States and thereby enhancing the American experience and shifting the prebaked and skewed negative perception of the region into one of open opportunity. These initiatives and industries that drive personal connections provide the Biden administration an opening to rebuild the American brand in African markets and position American policy makers and businesses for future success.

Recommendations and Conclusion

President Biden was elected on a campaign promising to build back better. This same vision speaks to African growth aspirations. The question is how can the United States help African countries build back better, greener, and with closer ties to the United States after an unprecedented year of economic dislocation due to the global COVID-19 crisis. A robust Biden administration US-Africa policy would prioritize commercial engagement, efforts to mobilize climate finance, and programs that strengthen the cultural and personal relationships between Americans and Africans. This includes establishing bold, new flagship Africa initiatives, just as each president has done since Bill Clinton. Policy recommendations follow:

Double-down on Existing Programs and Tools

Unlike past administrations, the Biden administration is starting out with considerably more tools and programs with a commercial angle aimed at improving access and growing African markets and their underlying infrastructure. With this foundation in place, the administration now needs to focus on implementing and enhancing this set of programs and tools. This starts with the important step of working with Congress to ensure the DFC is allocated its full equity budget and is thus able to fully realize its new equity authorities as intended by the Better Utilization of Investments Leading to Development Act (BUILD Act), which was passed in 2018.[52] Congress also should consider an expansion of personnel for the DFC.[53] While the BUILD Act provided the DFC new authorities, increased responsibility, and significantly more funding, it provided very few new personnel. The limited staffing may result in decisions to make only larger investments, which are harder in African markets given the smaller average transaction size.

In its first year, the administration should also prioritize establishing a robust way ahead for Prosper Africa and the Prosper Africa Trade and Investment (PATI) initiative, including a clear sector-specific approach that will enable Washington to reach out to and mobilize the correct private-sector entities and individuals.[54] While Prosper Africa has been effective in structuring coordination among seventeen government agencies, its general and unfocused public profile has limited its impact, unlike Power Africa, which from inception focused on the energy sector and could therefore pinpoint the exact players and partnerships needed to advance the policy objective. Sectors that are growing in US and African markets, matching US innovation with the aspirations of African youth, and more broadly supporting the administration's overarching foreign-policy priorities should be targeted, including technology, agribusiness and renewables, and media and entertainment. Working with national and global industry associations, the Prosper Africa secretariat should organize awareness campaigns and roadshows around sectors rather than publicizing the interagency coordination mechanism that undergirds Prosper Africa thereby making the value proposition clearer to African partners and potential US investors.

Prosper Africa initiatives should include a special focus on digital infrastructure, a particularly critical need for African markets to further integrate with global markets. The Biden administration should look to expand the 2018 Overseas Private Investment Corporation's (which has since become the DFC) $1 billion Connect Africa initiative in an effort to close the digital infrastructure funding gap, including $100 billion needed to reach universal broadband connectivity by 2030, by mobilizing new technology players.[55] This could include investments and partnerships with SpaceX's Starlink, a satellite-based internet service that has already set its sights on South Africa; Alphabet's Project Taara, which is working with Econet to expand its wireless light-beam broadband capability across sub-Saharan Africa; and Facebook and Google, which have both invested in new undersea cables to expand network capacity.[56] Furthermore, Prosper Africa could look to build

52 Gayle E. Smith, "Development Depends on More Than Aid," *Foreign Affairs*, March 1, 2021, https://www.foreignaffairs.com/articles/united-states/2021-03-01/development-depends-more-aid; and An Act to Provide Protections for Certain Sports Medicine Professionals, to Reauthorize Federal Aviation Programs, to Improve Aircraft Safety Certification Processes, and for Other Purposes (The BUILD Act), H.R. 302, 115th US Cong., 2nd session (2018), https://www.dfc.gov/sites/default/files/2019-08/BILLS-115hr302_BUILDAct2018.pdf.

53 Aubrey Hruby, "Congress Must Invest Properly in the Development Finance Corporation," *The Hill*, opinion piece, June 3, 2019, https://thehill.com/opinion/finance/446580-congress-must-invest-properly-in-the-dfc.

54 Bureau for Management, US Agency for International Development, "Federal Contract Opportunity: Prosper Africa Trade and Investment (PATI)," GovTribe platform, accessed March 8, 2021, https://govtribe.com/opportunity/federal-contract-opportunity/prosper-africa-trade-and-investment-pati-7200aa21r00012#.

55 Broadband Commission for Sustainable Development Working Group on Broadband for All, *Connecting Africa through Broadband: A Strategy for Doubling Connectivity by 2021*, October 2019, https://www.broadbandcommission.org/Documents/working-groups/DigitalMoonshotforAfrica_Report.pdf.

56 Iyanda, "SpaceX in Talks with South Africa's Communications Authority"; Etherington, "Alphabet's X Partners With Econet Group to Roll Out Project Taara"; and Toby Shapshak, "Google and Facebook to Build Own Undersea Cables around Africa," *Forbes*, July 3, 2019, https://www.forbes.com/sites/tobyshapshak/2019/07/03/google-and-facebook-to-build-own-undersea-cables-around-africa/?sh=69a38094de16.

partnerships with data center giants such as Microsoft and Amazon, both of which have established facilities in South Africa, to expand services across a continent that is estimated to need seven hundred more data center facilities.[57] Such advances to Africa's digital backbone could prove critical in supporting smart city approaches in Nairobi, Kigali, and Lagos, among others. By amplifying the success stories of US tech companies in African markets, Prosper Africa can help to adjust the often-inflated perception of risk associated with investing in the region.

Properly prioritizing key sectors, ensuring PATI is fully funded and robust, and the DFC is operating at maximum capacity will position the administration to better communicate with the private sector and African governments, build and recruit internal expertise, and effectively convey the benefits of potential investments to US companies and the American people.

Make Good on the Biden Plans for Leadership in Climate Finance

Through the Executive Order on Tackling the Climate Crisis at Home and Abroad, the Biden administration has commissioned the State and Treasury Departments and the special presidential envoy for climate to develop a plan to improve flows of climate financing to developing nations.[58] A US plan should include three elements:

1. **Expand Contributions to Climate Funds:** The United States committed $3 billion to the Green Climate Fund (GCF) in 2014, the largest of any nation. However, the Trump administration negated the pledge and withheld the final $2 billion payment to the fund. Thirteen countries, which include the United Kingdom, Germany, and France, doubled their initial contributions in the new round of funding for 2020-2023 projects to fill the void left by the United States.[59] The Biden administration needs to meet the initial obligation of $3 billion made by the Obama administration to the GCF. The United States can also strengthen its multilateral standing by contributing to the other global climate funds that prioritize investments in African markets. The Adaptation Fund has pioneered the Direct Access Entity format for local management of climate projects on the African continent, while the Global Environment Facility (GEF) has enjoyed broad bipartisan support historically, so the administration can hopefully find support in Congress for efforts to increase current contributions.[60]

2. **Explore Debt-for-Climate Swaps:** Overall, 35 percent of Africa's external debt is owned by multilateral institutions while 32 percent is owned by private creditors.[61] The revenue of African countries is tied up in making debt repayments and needs to be freed and redirected toward pandemic recovery and climate adaptation and mitigation measures. Freeing up fiscal space for African governments to combat and recover from the pandemic through debt relief has been a defining issue of 2020 and 2021 with the Group of Twenty (G20), working with China, leading the way with the Debt Service Suspension Initiative (DSSI).[62] The United States, as a major shareholder of many multilateral institutions and the largest funder to twenty-four out of fifty-three multilateral institutions, has considerable influence in the multilateral development world and can encourage the use of debt-for-climate swaps in the DSSI process and in separate negotiations with private creditors, many of which are US entities or have ties to US financial centers.[63]

3. **Appoint a Managing Director for Climate Finance at DFC:** Over the past year, the DFC has financed a few climate mitigation projects, providing finance and political risk insurance for marine conservation "blue bonds" in Kenya and Saint Lucia, as well for a biomass power plant in Côte d'Ivoire.[64] In order to continue to

57 "Amazon Launches Data Center Operations in South Africa," Reuters, April 22, 2020, https://www.reuters.com/article/us-safrica-amazon-com-cloud/amazon-launches-data-centre-operations-in-south-africa-idUSKCN2241X3; and Dan Swinhoe, "Report: Africa Needs 1000 MW & 700 Data Center Facilities to Meet Demand," Data Center Dynamics, February 10, 2021, https://www.datacenterdynamics.com/en/news/report-africa-needs-1000mw-700-data-center-facilities-meet-demand/.

58 The White House, Executive Order on Tackling the Climate Crisis at Home and Abroad, January 27, 2021, https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/.

59 Sophie Yeo, "Green Climate Fund Attracts Record US$9.8 Billion for Developing Nations," *Nature*, November 1, 2019, https://www.nature.com/articles/d41586-019-03330-9.

60 "Direct Access," the Adaptation Fund, accessed March 8, 2021, https://www.adaptation-fund.org/about/direct-access/; regarding GEF, see Leonardo Martinez-Diaz and Joe Thwaites, "A Key Week for the Future of the Global Environment Facility as Countries Re-Up Its Funding," World Resources Institute, April 24, 2018, https://www.wri.org/blog/2018/04/key-week-future-global-environment-facility-countries-re-its-funding.

61 *Africa's Growing Debt Crisis: Who Is the Debt Owed To?*, Jubilee Debt Campaign, October 2018, https://jubileedebt.org.uk/wp/wp-content/uploads/2018/10/Who-is-Africa-debt-owed-to_10.18.pdf.

62 "COVID 19: Debt Service Suspension Initiative," the World Bank, accessed March 8, 2021, https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative.

63 John W. McArthur and Krista Rasmussen, "Who Funds Which Multilateral Organizations?," *Global Views* 8 (December 2017), Brookings Institution, https://www.brookings.edu/wp-content/uploads/2017/12/globalviews_who_funds_which_multilaterals.pdf.

64 "Our Work: Africa and the Middle East," US International Development Finance Corporation, accessed March 8, 2021, https://www.dfc.gov/our-work/africa-and-the-middle-east.

A $23 million project, the solar field at the Agahozo Shalom Youth Village outside of Kigali, Rwanda, was the first utility-scale, grid-connected, commercial solar field in East Africa. *Photo credit:* Flickr/Sameer Halai/USAID/Power Africa.

drive innovation and scale up efforts in green investing, the DFC board and incoming chief executive officer should appoint a head of climate finance to engage with Kerry's international climate team and lead the agency's efforts to mobilize US capital for green projects in emerging markets. This approach is similar to the 2X program launched at OPIC (now the DFC) in 2018 to mobilize investments toward addressing the unique challenges women face globally in accessing finance and is led by a managing director.[65]

Launch Flagship Initiatives

Beyond strengthening the existing tool kit and making good on climate commitments, this unique moment in African markets, coupled with a US foreign policy more rooted in domestic policy, presents the Biden administration with an ideal opportunity to launch flagship new initiatives to define the next decades of US-African relations.[66] This includes launching a "Commercial Corps" as a corollary to the Peace Corps, creating a network of US honorary consuls in African markets, and establishing a creative industry partnership initiative.

Looking to deepen people-to-people diplomacy and advance US commercial interests on the continent, the Biden administration should create a Commercial Corps to send young Americans and retired volunteers to work in emerging markets, incentivized by student debt forgiveness or a small stipend and meaningful work. Modeled similarly to the Peace Corps, and not exclusive to African markets, such a corps could deploy individuals with some professional experience or Master of Business Administration graduates to support embassy deal teams and DFC investment advisers with market scoping, deal origination, initial due diligence, and post deal monitoring. This initiative would serve immediate benefits, including a need for more US personnel with business acumen on the ground,

65 "2x Women's Initiative," US International Development Finance Corporation, accessed March 8, 2021, https://www.dfc.gov/our-work/2x-womens-initiative.

66 President Biden's February 4, 2021 remarks at the State Department highlighted an intent to draw greater connection between domestic and foreign policy, stating: "There's no longer a bright line between foreign and domestic policy. Every action we take in our conduct abroad, we must take with American working families in mind. Advancing a foreign policy for the middle class demands urgent focus on our domestic . . . economic renewal." See: "Remarks by President Biden on America's Place in the World," The White House, February 4, 2021, transcript, https://www.whitehouse.gov/briefing-room/speeches-remarks/2021/02/04/remarks-by-president-biden-on-americas-place-in-the-world/.

and long-term benefits by creating a cadre of business professionals with working experience in emerging markets to enhance long-term US competitiveness.

Beyond a formal Commercial Corps, the administration also should appoint honorary consuls in African countries, a powerful form of citizen diplomacy especially well-suited to African markets and already used by nations all around the world, including African countries with honorary consuls in the United States. Appointing honorary consuls—American citizens already living and working in African markets—would provide a boost to embassy personnel on the ground with relevant, in-demand professional backgrounds. US embassies and consulates in African markets are often small and do not have the staff to focus on identifying commercial opportunities, and instead are more focused on efforts related to security, elections, and foreign aid.[67] These consuls could serve to fill this gap and perform duties not well-suited for rotational government officials such as working with US Chamber of Commerce chapters to identify opportunities between African and US businesses, dispelling perceived risks, and educating businesses on the realities of doing business in the market. Additionally, without formal job duties, honorary consuls would be able to dedicate time to new market entrants and be a trusted, senior adviser operating with a level of independence from political and embassy priorities.

In addition, the Biden administration should establish an advisory council for the creative industries modeled on the Presidential Advisory Council on Doing Business in Africa, with the aim of furthering commercial interests in a sector that provides both soft power and economic advantages to the United States. Under the banner of Prosper Africa, this council would bridge the gulf between Los Angeles, Washington, DC, and New York City, bringing executives from the music, film, fashion, and finance industries together with government leaders that traditionally do not regularly interact. The council could look to forge new financing partnerships and platforms, including providing better financing for Nollywood films (as Nigeria's film industry is dubbed), increasing venture capital and private equity investment in Africa's creative industry, and working with African governments to identify and solve pressing policy matters such as intellectual property protection that could help accelerate growth. This would not only advance a sector of US competitiveness and influence, but also support African priorities, as the African Union has embraced "Arts, Culture, and Heritage" as its 2021 agenda.[68]

Having reversed the divisive and off-putting tone of the Trump administration, the Biden administration has made early progress in deepening high-level engagement with African nations and putting the United States on solid footing in terms of outlining a mutually beneficial vision of US-African relations. Now, the challenge will be in institutionalizing these gains, prioritizing strategic sectors, programs, and projects, and ensuring that the American dream and the African dream can intersect and deliver shared prosperity.

67 The US Commercial Service, a trade-promotion arm of the US Department of Commerce's International Trade Administration, does provide some services; however, its presence in many African markets is still quite limited, despite efforts under the Obama administration to expand the number of officers and offices across the continent.

68 "Thirty-fourth AU Summit Strives to Leverage and Valorize African Arts, Culture, and Heritage," African Union, press release, January 26, 2021, https://au.int/en/pressreleases/20210126/34th-au-summit-strives-leverage-and-valorise-african-arts-culture-and.

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Hruby has led CEO-level delegations to African countries, coordinated presidential visits to the United States, and consistently works to ensure Africa is kept on the US foreign policy agenda. She has advised the US Chamber of Commerce's Africa Division and has worked on the Congressional renewal of the African Growth and Opportunity Act four times.

She speaks and writes regularly on African business issues for the *Financial Times* and *Axios*, and has been interviewed by outlets including the *New York Times*, the *Wall Street Journal*, *National Public Radio*, *Al Jazeera*, *Bloomberg Radio*, *CNBC*, *CCTV*, *Africa24*, and *Voice of America Business*. Hruby sits on the board of Invest Africa USA, the private sector advisory board of the Millennium Challenge Corporation, and the boards of two dynamic Nigerian companies. She is a term member of the Council on Foreign Relations and is a Young Leader at the Milken Institute.

Hruby teaches at Georgetown University and is the co-author of award-winning *The Next Africa: An Emerging Continent Becomes a Global Powerhouse* (New York City: Macmillan, July 2015). She earned an Executive MBA from the Wharton School at the University of Pennsylvania, an MA from the School of Foreign Service at Georgetown University, and BAs in economics, political science, and international relations from the University of Colorado. She was a member of the President's Leadership Class and a Rhodes Scholarship finalist.

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