

Michael: Good afternoon and thanks for having me here. Thanks for all the work that you do as a coalition. This is one of the most effective coalitions of any sort in Washington and the fact that it is so diverse. It represents so many different interests and brings together people who appreciate the importance of development in so many perspectives, makes it all the more powerful.

It's been a pleasure to work with you over the last four years. In my previous job, you're getting me freshly confirmed. I mean, literally, excuse me, I was freshly sworn in. I was sworn in by the Vice President about a half hour ago before coming over here. I think it's important and noteworthy that I wanted to make the first public appearance I have as a USTR about development policy. In my view, and more importantly in President Obama's view, trade and investment are a key part for our development policy. As he had said multiple times, "To achieve sustainable development we need trade not just aid, we need investment not just assistance."

Tomorrow, President Obama will go to Africa. I wanted to take this opportunity to talk a little bit about his trip, how it fits into our broader development agenda and our larger economic agenda, including promoting growth and jobs here at home. We all know the good news, there's been a step change in growth in Africa in recent years and the potential for future growth, particularly outside the resource sectors, is greater than it has been in generations. Trade within Africa is up, as is trade between Africa and the United States. There is still tremendous upside potential.

Today, private investment flows to Africa substantially exceed foreign aid flows. Africa wants investors, particularly American investors. They like the fact when American investors invest, they hire, train and promote local staff. They invest in the communities. They're focused not just on taking resources out of Africa, but also in investing human resources in Africa as well. American investors are beginning to hear that call. They're investing in Africa and they're investing in Africans \$39.5 billion in U.S. FDI in sub-Saharan Africa by the latest figures.

On the ground, in more and more places, entrepreneurs are finding paths to prosperity and stability for their families and communities including through exports. I'm talking about people like GM East Africa's Rita Kavashe, the first non-expat to become Managing Director of a major multinational business in sub-Saharan Africa. She inspires young people across the continent to achieve even higher aims. I'm talking about the woman in Dar who has successfully turned her single sewing machine into a global fashion business that supports her family and many other families in her community. Or the family I met in Addis, who grew their local salt business into a major supplier of nutritional supplements, actually a competitor to MANA that you just saw pumping on, and provides jobs and a more secure future for their children and countless others. In

villages, towns, and cities across the continent success stories like these are emerging every day especially among the young people who President Obama hopes to speak with directly during his trip.

Many respects the stars are aligned in Africa for sustained economic growth and substantial reductions in poverty. More leaders are investing political capital in their countries' economic futures, mobilizing their own resources to put behind education, economic development, and transforming public health. Investors, foreign and domestic, are showing more interest in putting capital to work as the enabling environment improves. There's renewed and serious focus on regional integration and expanding intraregional trade to speed trade flows to, from, and within Africa. In fact, there is increased consideration of linking the existing free-trade areas into a tripartite or continent-wide free trade area, creating larger markets and economies of scale that can improve Africa's global competitiveness.

In country after country where PEPFAR is doing its work, the tide of HIV and AIDS is receding. We're seeing gains in democracy, transparency, anti-corruption and the rule of law – all key ingredients to the enabling environment for investment. There's a long way to go, but we're seeing progress in more and more countries around the continent.

Indeed, much of what the President will be doing on this trip, from meeting with jurists about the rule of law and governance to conferring with leaders about some of Africa's key security challenges, is tied back to trade and investment as key drivers of Africa's economic growth story, and how it helps not only Africans, especially the continent's surging young population, but also creates jobs and exports and growth back here in the United States. Keeping that context in mind, I just wanted to talk you to a few of the key areas that the President will be focusing on.

Let me begin with food security. As the President's first stop in Africa will be Senegal, a key partner in our Feed the Future Initiative and one of the countries preparing to join the New Alliance for Food Security and Nutrition, which President Obama launched last year at the G-8 Summit in Camp David. There, he'll meet with Ministers of Agriculture, NGOs and agricultural entrepreneurs to discuss what needs to be done, including through Feed the Future and the New Alliance, to spur greater agricultural productivity.

Feed the Future focuses on smallholder farmers, particularly women, and supports partner countries in developing their agricultural sectors to spur economic growth that increases income and reduces hunger, poverty and under-nutrition. This program reflects the President's commitment to achieving concrete results. In Senegal and the 18 other Feed the Future countries, more than seven million strong smallholder farmers have adopted improved

agricultural technologies or practices. Nearly four million hectares of land are under improved cultivation and management practices.

The New Alliance aims to achieve sustained and inclusive agricultural growth and raise 50 million people out of poverty over the next ten years. It combines the commitment of the countries in the regions to reform their agricultural sector with the commitment of donors to provide both the assistance and the tools mobilize private capital. That, in turn, leverage significant private sector investments. The New Alliance has already raised more than \$3.7 billion in private sector investments in the priority countries, and more than a billion dollars in NGO commitments and has expanded from three countries to nine with more, like Senegal, poised to join later this year.

Now let me be clear. These commitments are not generally philanthropy, they're not corporate social responsibility, as important as those are. These are hard-headed, for-profit, market-oriented, risk-adjusted return-oriented investments. In our view, if we are to achieve sustainable economic development, investment must be the driver. In Africa, we want to seed the next generation of BRICS, the emerging economies which will not only be able to lift their own people out of poverty, but contribute to global growth as well.

In many respects, the New Alliance is a model for our development policy, combining government reform, donor commitments and private investment. It's an approach that can inform other sectors as well, and I'll say more about the energy and power sector in a moment. Its animating spirit is to mobilize capital. We've taken that to heart in the Obama Administration. In the last four years, we've committed more than \$7 billion in supporting private investment and trade, \$3 billion in investments from the Overseas Private Investment Corporation, or more than \$4 billion in trade finance from the Export-Import Bank.

This weekend, in Johannesburg, Valerie Jarrett and I, together with Fred Hochberg and Elizabeth Littlefield and Lee Zack, will convene leaders from the business and investment community from Africa and from around the world, to talk about how to mobilize a capital and approve the business investment climate. Building on this meeting and his meetings in Senegal, the President will convene a CEO roundtable in Dar es Salaam and give a major speech to a Business Forum on how trade and investment fits into our overall development and into Africa's rise. In Tanzania, the President will outline the Administration's comprehensive strategy to promote trade and investment between Africa and the United States. The East Africa Community will be the preliminary focus of this strategy, but we will seek to work with the other regional organizations as well, and ultimately to support their efforts to create a continent-wide market.

Right now, red tape, roadblocks and redundant border procedures create lengthy transit times, which can cause trade within Africa and between Africa and the rest of the world, to be highly uncompetitive. To compete globally and to grow through trade, African countries need to work together and with their international trading partners, to break down barriers to the free flow of goods and services. The EAC has already made the difficult decision to create a customs union, now comes implementation.

Under our strategy, we'll work to help integrate the EAC market, moving towards single border crossings, harmonized customs systems, better border infrastructure. Having access to markets is of little value if you can't get your products there on a competitive basis. We'll work to increase EAC competitiveness, including by providing targeted technical assistance and capacity building at the local level. We'll transform our trade hubs into trade and investment centers to provide information, advisory services and tools to encourage investment and two-way trade. As Africa becomes a more attractive market, we expect to increase our exports and the jobs associated with them at home.

When we think strategically about development policy, we look for force multipliers, cost effective initiatives that can have an outsized impact on economic growth. Clearly, trade and investment are force multipliers, so too is access to power. Right now, more than two-thirds of the population of sub-Saharan Africa is without reliable access to electricity and more than 85 percent of the rural population lacks access. Yet the region is discovering vast reserves of oil and natural gas as well as the significant potential to develop clean geothermal, hydro, wind and solar energy.

Imagine the impact that widely available power would have on education, for children to be able to read at night, on health, for caregivers to be able to refrigerate vaccines, and on productivity, if farmers can charge their cell phones and get real-time access to market prices for commodities. While in Tanzania, the President will visit the Ubongo power plant. There, he'll discuss our efforts to work with these African governments that are willing and ready to make reforms in their energy sector to attract private investment and to ensure that their energy resources are developed, responsible and effective manner. This isn't just about big power plants. It's about innovative ways to deliver power through mini-grid and off-grid solutions as well.

As with trade, this is a sector that links Africa's economic fortunes with our own. There are U.S. companies poised to help Africa develop its energy resources responsibly, to build their power plants, to sell them turbines and other equipment promoting jobs, exports and growth here at home. This is a win-win situation for all involved. Two generations ago the United States made rural

electrification a priority and helped to power the growth and development of communities across our country. Today, America can help Africa seize the energy potential of the 21st century and beyond.

Finally, any discussion of U.S.-Africa trade has to be grounded in the African Growth and Opportunity Act or AGOA. AGOA is the centerpiece of our trade policy with sub-Saharan Africa. It reflects both Congress' critical role in formulating U.S.-Africa trade policy, as well as the value we all place on strong economic relations with our African trading partners. Since its inception in 2001, we've seen a three-fold increase in non-oil exports from beneficiary countries to the United States. Those exports are estimated to have created as many as 1.3 million jobs in Africa. More broadly, AGOA has enhanced African economic growth and stability, improved the business environment to the benefit of both African and U.S. firms and investors.

Yet we know there is much more that we can do to build on AGOA. That's why the Administration committed earlier this year to intensifying discussions with Congress and our trading partners, as well as U.S. and African stakeholders, on how to ensure that AGOA achieves its potential as we look forward to its seamless renewal before it expires in 2015. We'll have a great opportunity to discuss our shared goals for AGOA in August at the AGOA Forum in Addis Ababa.

Let me leave you with this final thought about why the President is returning to Africa this week. A decade ago, The Economist declared Africa a "hopeless continent." More recently, they published a cover on an Africa Rising. In this Administration, we believe in Africa's progress and its potential, but we know that it is fragile and uneven. We know that today's gains could be lost tomorrow without adequate support and institutionalization. We want to be on the side of those working to make those gains irreversible. We're on the side of that woman in Dar. We're on the side of that family in Addis. We're on the side of every government official and civil society activist promoting good governance and striving to make democratic institutions work.

There is much to do to keep Africa on the rise. This is a long game. President Obama and his Administration are very much committed to this effort. I know the US Global Leadership Coalition Council will do its part as well. Thanks very much.