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Prosper Africa at Four: Successes, Questions, and Next Steps

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KEY TAKEAWAYS

Prosper Africa deepens U.S. bilateral relationships and provides African countries an alternative to China's Belt and Road Initiative.

Since Prosper Africa's launch, U.S. exports to Africa, home of more than half of the world's 15 fastest-growing economies, improved to more than $30 billion in 2022.

Despite its outward accomplishments, Prosper Africa faces difficult organizational issues that have begun to undercut its effectiveness and that require attention.

This month, Prosper Africa, the United States' whole-of-government two-way trade and investment initiative, celebrates four years since its public launch in Maputo, Mozambique. Prosper Africa mobilizes the services and resources of the U.S. government to accelerate two-way commercial engagement between the United States and Africa. After four years, this anniversary finds success, challenges, and an opportunity to resolve issues to ultimately strengthen its ability to continue serving U.S. commercial diplomacy goals.

Why Was Prosper Africa Established?

Created from President Donald Trump's *Africa Strategy*[1] in 2018 as a pivot away from trying to alleviate poverty in Africa through foreign aid, Prosper

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Africa focused on strengthening the U.S. private sector's competitive advantage in African markets through increasing investments, improving the business environment, and expanding a middle class. By building commercial relationships, the whole-of-government initiative also deepens bilateral relationships to reinforce U.S. diplomacy and security goals, while providing African countries an alternative to China's trillion-dollar Belt and Road Initiative.

To accomplish this, Prosper Africa began by improving how public agencies work with one another. The initiative introduced greater awareness and connectivity between the many interagency roles facing Africa from the U.S. Agency for International Development's (USAID's) trade capacity building, to U.S. Trade and Development Agency due diligence support, to Department of State deal teams to facilitate trade and investment projects supported by the Department of Commerce and Development Finance Corporation. An interagency secretariat, staffed by government officials and contractors, was set up to coordinate the 17 participating government agencies. Prosper Africa is funded through USAID that, in turn, is charged with supporting the activities of the other member agencies. The secretariat is headquartered in Washington, DC, with overseas offices in Johannesburg, South Africa, and Rabat, Morocco.

The Africa market boasts more than half of the world's 15 fastest-growing economies[2] and over one billion consumers—albeit a marketplace with traditionally low U.S. participation. Prior to Prosper Africa, U.S. trade and investment steadily decreased from its 2014 peak with exports declining by 32 percent from $38 billion to $26 billion in 2018 and investment declining by 31 percent from $69 billion to $46 billion during the same period.[3] These drops coincided with a decade-long trend, where the U.S. now finds itself in second place to China by a 4-to-1 ratio in both categories,[4] as well as in job creation.[5]

Since Prosper Africa's launch in 2019, however, total U.S. exports to the continent improved to more than $30 billion in 2022, continuing a four year-trend that was momentarily disrupted by 2020's pandemic.

Prosper Africa as a Difference Maker

After four years, Prosper Africa cites 1,100 trade and investment deals[6] in sectors like energy, health care, agriculture, and communications completed across 49 African countries for a total estimated value of $65 billion—marking a turnaround in economic activity. Prosper Africa supports American businesses by leveraging U.S. government agency services, including business intelligence, political risk insurance, direct investment, and in-country deal facilitations.

Acknowledging Prosper Africa's value, the current Administration requested $100 million in program funding appropriation for 2022,[7] and in December a $170 million spending plan[8] was announced, though it remains unclear how these funds would be used. This represents a fraction of the roughly $10 billion in grants and foreign aid Africa receives from the U.S. government annually. This represents less than one percent of U.S. funding for Africa and a small portion of USAID's $1.835 billion total development assistance[9] budget for Africa.

Prosper Africa's convening power was featured during last December's African Leaders' Summit. More than $15 billion in new commitments[10] were announced by companies like GE Healthcare, Ford, and John Deere plus businesses from states such as Georgia, Ohio, and Pennsylvania. These deals represent projects that have been years in the making and that, given the complex challenges of working in developing markets, were moved forward with Prosper Africa's direct assistance. Efforts like this also complement U.S. leadership visits to the continent, such as visits by U.S. Secretaries of State Mike Pompeo and Antony Blinken, former U.S. Commerce Secretary Wilbur Ross, current U.S. Treasury Secretary Janet Yellen, and, most recently, U.S. Vice President Kamala Harris.

Current Issues Undermine the Mission

Prosper Africa would then appear to be doing well. But, despite its outward accomplishments, Prosper Africa faces difficult organizational issues that have begun to undercut its effectiveness: the initiative has operated for more than two years absent an appointed coordinator; it lacks a multiyear strategy; interagency staffing is inconsistent; and questions abound concerning USAID's management of Prosper Africa funds.

No Coordinator. For more than two years, this Administration has failed to select a coordinator to lead the initiative's secretariat, relying on temporary managers. This is not a Senate-confirmed position and should be promptly staffed. Absent a longer-term coordinator, Prosper Africa's mission is undercut, and its potential cannot be fully realized.

The absence of a coordinator raises questions about the Administration's genuine commitment to the program and its core mission of leveraging America's private sector to strengthen our geopolitical presence on the continent. The Prosper Africa Secretariat requires a coordinator with private-sector expertise and Africa-specific experience to be a strong voice in senior government policy deliberations.

Transparency and Efficiency. Program dollars for Prosper Africa are managed through USAID's Africa Bureau, which has unilateral control over the initiative's funding decisions,[11] including awarding contracts, but fails to tap into existing interagency resources. Prosper Africa's secretariat, along with its 17 agencies, would benefit from playing a greater role in deciding how and where funds are spent. Congressional oversight hearings may be required to evaluate USAID effectiveness in managing these funds.

Mission Drift. The release of the current *U.S. Strategy Toward Sub-Sahara Africa*[12] raised the question of whether Prosper Africa was advancing political priorities rather than those of American and African entrepreneurs by promoting vague themes like the "just energy transition."[13] This approach conflicts with Prosper Africa's founding principles of responding to private sector–driven initiatives, not imposing their own on them. Furthermore, by limiting the scale and scope of development options, African partners are more inclined to turn to China and other actors to finance their economic priorities. Invariably this weakens the initiative's value to U.S. *and* Africa business sectors and benefits America's adversaries.

Recommendations

Prosper Africa functions best by following its original mission, leveraging the convening power of the U.S. government to facilitate and support commercial diplomatic engagement. The U.S. should:

- **Give the initiative a long-awaited and experienced leader.** The White House should immediately appoint a permanent, experienced coordinator to run Prosper Africa's secretariat and signal to American and African business communities that the U.S. government's commitment to Africa remains firm.

- **Ensure an efficient use of taxpayer dollars.** To avoid creating unnecessary programs or relying on contractors, USAID's funding decisions to support Prosper Africa should include input by the initiative's other participating agencies. Reallocating spending to existing government capacities, such as the Foreign Commercial and Agriculture Services, would strengthen a currently understaffed U.S. commercial presence on the continent. Redirected funding could also reinforce government tools that directly assist U.S. businesses, like project financing and assistance for planning and development activities.

- **Consider a legislative solution to organizational issues.** Finally, Congress should reconsider legislation to make Prosper Africa more effective. Introduced by Representative Michael McCaul (R–Texas), H.B. 6455,[14] the Prosper Africa Act, addresses lingering transparency and accountability problems and better defines how Prosper Africa's funds should be spent.

Conclusion

Prosper Africa functions best when it adheres to its core mission: advancing private sector–driven two-way trade and investment between America and Africa. Given Africa's economic and population growth in an era of great-power competition, Prosper Africa can help U.S. companies gain a competitive edge over its competitors. Prosper Africa's ability to serve U.S. firms would be greatly enhanced by adjustments like urgently filling the coordinator position with someone with a business background, publishing program targets and progress, proper staffing, and a more efficient use of taxpayer resources.

Prosper Africa opens more than markets. This valuable convening tool must be reinforced to meet its original strategic purpose and ultimately strengthen American relations with African countries.

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Endnotes

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