

American

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President Obama on Terrorist Attack in Khar, Pakistan.....	1
Improved Business Climate Can Boost Afghanistan, Report Says	1
2010 Census Data Show Population Shift to South, West Continues.....	2
Coca-Cola and Partners Focus on Water Projects in North Africa.....	3

President Obama on Terrorist Attack in Khar, Pakistan

THE WHITE HOUSE
Office of the Press Secretary
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Statement by the President on the Terrorist Attack in Pakistan

"I strongly condemn the outrageous terrorist attack in Khar, Pakistan. Killing innocent civilians outside a World Food Program distribution point is an affront to the people of Pakistan, and to all humanity. The United States stands with the people of Pakistan in this difficult time, and will strongly support Pakistan's efforts to ensure greater peace, security and justice for its people."

Improved Business Climate Can Boost Afghanistan, Report Says

By Andrzej Zwanecki
Staff Writer

Washington — The private sector in Afghanistan has great potential for growth under improved business conditions, according to a new report.

The November 2010 report, authored by Jake Cusack and Erik Malmstrom and published by the Kauffman Foundation and the Center for a New American Security, cites food production, mining, light manufacturing and services as particularly promising sectors. Cusack and Malmstrom are graduate fellows at Harvard Business School.

Based on 130 interviews with business owners and experts in Afghanistan, the study concludes that business energy in that country is stifled more by uncertainty and unpredictability than by physical insecurity. Afghan entrepreneurs can and already do manage security risks effectively as long as the level of violence remains low, Cusack said in an interview with America.gov.

"The bigger problem for them is the predictability of the political and business environment, including local and national laws and regulations, government commitments and plans of allied forces," Cusack said.

As an example of business-climate uncertainty, the report cites manufacturers whose tax-break guarantees from a minister of finance were rescinded by his successor. Poor infrastructure, government corruption, companies from other nations that sell their products below cost to drive out competition, and an inability to buy insurance and borrow money are other areas of concern.

According to another measure, the 2011 World Bank index of the ease of doing business, Afghanistan ranks low: 167th of 183 countries.

Despite the challenges, some mid-sized businesses — such as Zarang Motorcycle Company and several beverage companies — have been able to thrive. Afghan businesses adapt by integrating transportation, logistics and other functions with core operations to minimize dependence on untrustworthy partners or the government, according to the Cusack/Malmstrom report. They tend to stay away from long-term ventures and invest instead in highly flexible and liquid enterprises that can be started quickly.

Such lines of business "allow them to hedge uncertainty in a way in which they can still make money but don't have to tie up investment in enterprises," Malmstrom told America.gov.

The Obama administration and the Afghan government have taken steps to improve the business environment in Afghanistan. Attendees at a December conference in Kabul, which brought together representatives of the Afghan government, the U.S. Agency for International Development (USAID), multinational banks and a nongovernmental group, urged legislative and regulatory reforms that would make it easier to start and run a business. In October, the Afghanistan government signed a trade agreement with Pakistan that promises to boost cross-border trade and improve cross-border transportation.

Private-sector development is essential to the long-term viability of the Afghan economy and state, according to many experts; now, the country relies more heavily on foreign aid than any other nation, according to the Organisation for Economic Co-operation and Development.

Cusack and Malmstrom credit U.S. and other international donors for progress in rebuilding infrastructure and restoring some basic services in Afghanistan. But they offer criticism also. Specifically, they fault country donors for only rarely coordinating their business-development efforts and for sometimes backing ventures based on political biases rather than on economic feasibility.

The report recommends better coordination of all business-related assistance efforts and more efforts to attract private-sector experts and mentors to the country. It urges establishing private-public partnerships to improve the country's business environment. And it suggests creating enterprise funds that would lend to the most viable ventures through transparent bidding.

Similar funds helped revive small and mid-sized businesses in Central and Eastern Europe after the fall of communism, according to the report. Explaining why a bidding system that recognizes sound business models is best, Cusack said that free money tends to distort business incentives. Free money, he said, "pushes out private-sector lending and draws people who try to game the system rather than produce goods or services."

2010 Census Data Show Population Shift to South, West Continues

By Stephen Kaufman
Staff Writer

Washington — The first results from the 2010 U.S. census reflect a modest overall population growth over the past 10 years, with continued population shifts toward Southern and Western states. These data will be used to determine how the 435 seats in the U.S. House of Representatives are apportioned to U.S. states, an exercise the United States has undertaken every 10 years since 1790.

In Washington, U.S. Census Bureau Director Robert Groves announced December 21 that as of April 1, 2010, the resident population of the United States was 308,745,538. The data show that since the 2000 census, the U.S. population has grown by 27.3 million, or 9.7 percent.

The United States continues to be the third most populous country in the world. According to the Population Reference Bureau, the 10 countries with the largest populations are China (1.338 billion), India (1.189 billion), United States (309 million), Indonesia (235 million), Brazil (193 million), Pakistan (185 million), Bangladesh (164 million), Nigeria (158 million), Russia (142 million) and Japan (127 million).

The U.S. census does more than simply count people. It also collects information on ages, occupations, family size, race, ethnicity, income and a wide range of other data.

The newest data will cause changes in the location of congressional districts. Under the "Great Compromise" of the 1787 Constitutional Convention, the U.S. Senate is made up of an equal number of representatives (two) from each state, while the U.S. House of Representatives satisfies the desire of big states to have a legislature apportioned by population.

Early in the 20th century, legislation was enacted that fixed the number of members of the House of Representatives at 435. Since then, data from each census have been used to fairly divide those 435 seats among the states according to where Americans are living.

Groves said the new data will reapportion congressional districts so that each member of the House represents 710,767 people as reported in 2010. This determination means that 12 congressional seats will move to different states in the 113th Congress, which convenes in January 2013.

The actual boundaries of each district will be determined by the governors and legislatures of the affected states prior to the 2012 elections.

"Those states gaining seats include Arizona, Florida, Georgia, Nevada, South Carolina, Texas, Utah and Washington. ... Those losing states are Illinois, Iowa, Louisiana, Massachusetts, Michigan, Missouri, New Jersey, New York, Ohio and Pennsylvania. For 32 states, there is no change," Groves said.

The reapportionment and latest census data reflect a 70-year-old population trend that has resulted in "a growth in seats for Western and Southern states, and a tendency to lose seats from the Midwest and the Northeastern states," Grove said. "In fact, since 1940 there's been a net shift of 79 seats to the South and West."

"This movement south and west is really a very simple way to note how we as a population have changed and how we've moved over the decades," he said.

Under the reapportionment, Texas will gain four seats, Florida will gain two and six other states in the South and West will gain one each. Ohio and New York will each lose two seats, and eight other states, most of which are in the Northeast and Midwest, will lose one each.

Observers have pointed out that many of the fastest-growing states have a significant Latino population. Among its questions, the 2010 census form asked residents to list their ethnic or racial affiliation. Groves said the U.S. Census Bureau will be releasing those and other American demographic statistics in 2011.

The 2010 census is the 23rd tally of Americans since the U.S. Constitution first mandated the decennial count in 1790. At that time, there were 3.9 million people living with U.S. borders.

Acting Deputy Secretary of Commerce Rebecca Blank, who spoke to reporters with Groves, said that by mandating a census to determine representation in Congress, the U.S. Founding Fathers had changed world history by taking a tool of government and using it to empower the citizenry.

"There had been censuses before, but they had been used mainly to collect taxes or to confiscate property, or to conscript residents into military service," Blank said.

"That is not what the U.S. census is about."

To maintain itself as a representative institution of government, the U.S. House of Representatives must be apportioned "in a way that reflects the changing nation of the past two centuries," she said. "And that requires us to know who lives where."

MORE THAN CONGRESSIONAL SEATS

Speaking with Groves and Blank, Commerce Secretary Gary Locke said the census results affect more than U.S. congressional districts.

The data also will "determine how more than \$400 billion is allocated every single year by the federal government, and for the next 10 years, to local communities for everything from education to senior services to housing to law enforcement and transportation," he said.

Businesses as well will "benefit enormously" from the findings. "This data will provide vital information that the business community will use to identify new markets, to decide where to make major capital investments and ultimately create more jobs and grow our economy," Locke said.

Coca-Cola and Partners Focus on Water Projects in North Africa

By Sue Kovach Shuman
Staff Writer

Washington — In North Africa, Coca-Cola Company wants to make a little water go a long way. Partners for a New Beginning will help make that happen.

This year in Morocco, 50 farmers with small properties for the first time were able to count on obtaining water for their crops, with the assistance of Coca-Cola. And about 1,100 people in rural areas there got drinking water and improved sanitation facilities, as well as training on better hygiene. All benefited from a private-public partnership on water resources that will be expanded in 2011.

That's because the world's largest beverage maker has formed a partnership with the U.S. Agency for International Development (USAID) and the U.N. Development Programme (UNDP) to launch or expand water projects across North Africa.

In North Africa, where arid land and little water is the norm, irrigation is mandatory for crops to thrive. In new projects, Algerian and Moroccan farmers will learn about methods of drip irrigation, a way to get water directly to plant roots without wasting a drop. In Tunisia, women will be shown methods to manage the water supply in

their communities. In Egypt, neighborhoods will get safe drinking water to help children stay healthy.

The reason? The World Health Organization says 2 million people die every year due to diseases such as cholera, with most victims younger than 5 years (see the WHO website). WHO estimates that 1.1 billion people — including more than 300 million Africans — do not have access to clean water, plus about 2.4 billion people do not have good sanitation facilities.

Coca-Cola's expansion of water projects is part of Partners for a New Beginning (PNB), announced in June 2009 as President Obama's vision of "a new beginning" for the United States and Muslim communities across the globe. Obama called for relationships based on "mutual interest and mutual respect."

PNB, chaired by former U.S. Secretary of State Madeleine Albright, seeks to build those bonds. A nonpartisan, nonprofit collaboration among the U.S. Department of State, Coca-Cola Company, the Aspen Institute, and 13 other leading American businesses and nongovernmental organizations, PNB aims to strengthen opportunities in Muslim countries, touching as many as 500,000 lives over the next five years.

This isn't the only, or the first, effort by Coca-Cola to address water access in Africa. Coca-Cola Company's Replenish Africa Initiative (RAIN) was created in 2009 to change people's lives by providing clean water and better sanitation (see the RAIN website). Part of the Coca-Cola Africa Foundation, it aims to help at least 2 million Africans by 2015. Last year, RAIN had water projects in 18 African countries, reaching more than 300,000 people. Projects in Algeria, Tunisia, Morocco and Egypt, where 155 million people live, are expected to have an even wider impact.

Coca-Cola has committed almost \$30 million over six years to provide sustainable, clean water sources, hygiene education and sanitation services to Africa to combat preventable waterborne diseases.

Jeff Seabright, vice president for environment and water resources at Coca-Cola, explained that RAIN is the company's contribution to helping Africa achieve the U.N. Millennium Development Goal on clean water and sanitation access — plus, it's good business.

"The Africa water crisis is a threat to the prospects for economic growth on the continent," he said. "To be a sustainable business, we need strong and healthy communities, and water is a key building block for community health and development. It makes business sense for us to focus efforts on initiatives like RAIN."

Coca-Cola spokesman Lisa Manley, whose specialty is sustainability efforts, said, "Under our CEO's leadership we are focused on better engaging and supporting Muslim communities."

In Coca-Cola Company's 2010 Replenish Report, Chairman and CEO Muhtar Kent states: "Our business can only be as healthy as the local communities where we operate; access to clean water is one of the most important barometers of a community's health."

Some of the projects that will be launched or expanded include small investments – such as a pump or a toilet – that are expected to have a big impact.

In Algeria, for example, the Coca-Cola Africa Foundation is assessing the need for a dependable water supply in one community, as well as how to use less water on farmland. In Tunisia, Coca-Cola is working with UNDP on training women to manage water supply systems. Both projects are slated to begin in 2011.

Some will launch sooner. In November 2010, Coca-Cola coordinated with USAID and UNICEF to increase access to safe water in communities in Upper Egypt, along both sides of the Nile River. They also plan to bring Egyptian ministry officials to the United States to study water management.

In the city of Beni Suef, an agricultural center about 72 miles (116 kilometers) south of Cairo, Coca-Cola began working in 2010 with CARE International to bring drinking water to more households, as well as to develop sanitation facilities.

In southern Morocco, trees will be planted by palm oases in a few weeks to help stave off the encroaching desert. Local residents will be trained to use drip irrigation.

And in El Haouz province, in central Morocco near Marrakech, a \$743,000 project that will give 1,100 people a safe water supply began in September 2010 through the Water and Development Alliance, a public-private partnership between USAID and Coca-Cola. Implemented by CARE International, the project also includes training small farmers in the Doukkala-Abda region in ways to increase crop yield.

Partnerships on water resources are not new to Coca-Cola. "We've been working on water with a multitude of partners," Manley said. "The thing that is unique about our work with USAID is that it is matched funds, dollar for dollar." That means that USAID contributes an amount equal to what Coca Cola spends, doubling the resources invested in projects.

"We are working to secure matching funds for every

dollar our company contributes, with matches already secured for 2009 and 2010," Seabright said. "To date, RAIN has partnered with 30 funding and implementing partners."

USAID is a formidable partner for Coca Cola. USAID partnerships in the Middle East and North Africa include projects as varied as renovating a polluted 700-year-old cistern in the village of Thula, Yemen, using traditional methods and natural stone, to increasing Jordan's water supply by treating and recycling wastewater.

Three USAID-funded projects in Morocco include introducing innovative farming and irrigation methods to prevent soil erosion near Tetouan, in the north, and building a wastewater treatment plant in Draga, in the south. In Dokkarat, in the Fez region, a chromium-recovery plant recycles chromium that tanneries once dumped into the Sebou River. Today, river water is less contaminated and tanneries can reuse the raw material.

The UNDP has worked with Coca-Cola on water projects since 2005, when they formed a partnership to rebuild tsunami-affected communities. Andrew Hudson, head of UNDP's International Waters Programme, said UNDP is currently partnering with Coca-Cola through two programs, Every Drop Matters.

The first initiative covers water supply and sanitation solutions in Central Europe and Central Asia but is being expanded to cover 30 countries, including the Middle East and North Africa.

The second initiative addresses Arab states. UNDP launched the water governance program last year after determining that stress on the water supply is accelerating because of demand from an ever-growing population, and that climate change compounds the problem. In North Africa, both the Mediterranean Sea in the north and the Sahara Desert in the south affect climate. It's more common to have longer, drier periods punctuated with brief periods of violent rain than in past decades.

The United Nations calls water a basic human right. Its Millennium Development Goals set a target of reducing by half the proportion of people without access to safe drinking water by 2015. But some Arab states will miss the target by 27 years, according to the UNDP's 2006 Global Human Development report.

Hosny Khordagui, director of the Water Governance Program for Arab States, is tasked with helping to meet the target. He said funding is coming from a variety of sources. UNDP allocated \$1.4 million over five years and Coca-Cola contributed \$150,000 last year and \$250,000 this year. The program's priority is on decentralization and

raising awareness of resources, he explained from Cairo – that is, getting people in communities involved in managing their water.

Seabright said Coca-Cola is involved because it “has the global network, knowledge and influence to help make a positive difference on some of the world’s most pressing issues, but it can’t do it alone. ... It is critical for everyone to realize that we can accomplish far more working together than we can alone.”

“RAIN aims to have at least one community water project in every African country by 2015,” he added.

Coca-Cola Company has had a presence in Africa since 1928. It operates in all 56 countries and territories, employing more than 60,000 people.

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