New State Department Africa Bureau "development strategy" By Yinka Adegoke, Editor, Semafor Africa, 27 July 2026

For years, the case for US investment in Africa has run into the same wall: Companies and financiers argued the regulations, infrastructure, and technical capacity needed to make projects bankable simply weren't there.

The US State Department thinks it finally has the answer: The Bureau of African Affairs' new US-Africa Strategic Investment Program invites businesses, nonprofits, and international organizations to compete for grants — up to $50 million each, out of a budget of $500 million overall — that "de-risk and catalyze" private investment, particularly in critical minerals and what State calls "commercial diplomacy."

This is not development finance. Instead, Washington is funding the work that often determines whether investments happen at all: geological mapping, customs modernization, regulatory reform, and workforce training. The office administering the program is made up of the remnants of USAID's Africa portfolio, folded into State after the agency's dismantling in 2025.

One African entrepreneur I spoke with said he had already invested several million dollars of his own money in an industrial project, but still needed up to $10 million more for engineering and environmental reviews, workforce training, and feasibility studies before investors would even consider it. The entrepreneur, who asked not to be named while weighing an application for the new grants, said African innovators had little access to such funding available elsewhere.

The initiative embodies the Trump administration's pledge to prioritize "trade over aid," using development dollars to create the conditions for private investment.

Critics argue the administration has the sequence backwards. Daniele Nyirandutiye, who headed multiple departments at USAID over her career, contends that trade follows development, not the other way around; dismantling the institutions that strengthen governance and markets risks undermining the investment Washington hopes to attract. The goal, she told me, should be "trade through development," not trade instead of development.

The new program's importance extends beyond that debate. It recasts the State Department as a market-maker, using diplomacy to shape investment opportunities rather than simply deliver assistance. If it succeeds, US influence in Africa may increasingly be measured by the private capital it unlocks. If it fails, Washington will have learned that markets cannot simply be de-risked into existence.