

February 16, 2024

Mr. Joseph R. Biden, Jr. President of the United States The White House 1600 Pennsylvania Avenue, NW Washington, DC 20500

Dear Mr. President:

Petition for Timely Re-Authorization and Enhancement of the African Growth and Opportunity Act (AGOA) Beyond 2025

We, the undersigned members of the AGOA Civil Society Organization (CSO) Network and other stakeholders from across the United States and AGOA-eligible countries, committed to sustained U.S.-Sub-Saharan Africa trade and economic cooperation, hereby petition for your support for the timely re-authorization/extension and enhancement of the African Growth and Opportunity Act (AGOA) by the 118th Congress.

The AGOA Civil Society Organization (CSO) Network is a consortium of nongovernmental organizations (NGOs), small- to medium-sized businesses, chambers of commerce, and other groups from the United States and Africa interested in the successful application of AGOA for the benefit of the American and African people.

The AGOA CSO Network Secretariat was established at the conclusion of the AGOA Civil Society Forum in Phoenix, Mauritius, by 102- member organizations from the United States, Mauritius, South Africa, Nigeria, Kenya, Namibia, Mali, Lesotho, and the Democratic Republic of Congo on January 17, 2003. The Foundation for Democracy in Africa (FDA) and the Mauritius Council of Social Services were elected as co-chairs and empowered to establish and manage the Secretariat for the AGOA CSO Network. Additionally, the Secretariat was mandated to make all the necessary preparations for subsequent AGOA Civil Society Sessions of the annual AGOA Forum.

### About the African Growth and Opportunity Act (AGOA)

The African Growth and Opportunity Act (AGOA) was signed into law in 2000 and has been the cornerstone of U.S. economic policy and business-related engagement with the countries of Sub-Saharan Africa (SSA) since its enactment.

In 2002, 2004, and 2006, with bi-partisan support, Congress passed, and the Executive Branch implemented legislative enhancements of AGOA. In 2015, Congress passed the

Trade Preferences Extension Act (TPEA), updating and extending the program to September 30, 2025. AGOA trade preference benefits continue to help lower the cost of trade, encourage investment in the region, and help create valuable opportunities for U.S. businesses, workers, and consumers.

AGOA has played an integral role in creating sustainable economic growth and development, poverty reduction, democracy, the rule of law, and stability in Sub-Saharan Africa and helped create 120,000 jobs in the United States and about one million direct and indirect positions across Sub-Saharan Africa.

U.S. total goods imports under AGOA (including GSP) totaled \$6.7 billion in 2021 compared to \$8.4 billion in 2019. This decline was the result of the lower value of oil imports. However, non-oil imports under AGOA, a key source of new investment and jobs, increased to \$4.8 billion in 2021 from \$3.8 billion in 2019. South Africa (the largest non-oil AGOA beneficiary) has exported the widest selection of products under AGOA, ranging from passenger vehicles to citrus products, yachts, and frozen sorbet.

	202	24 A	GOA Eligible Cou	intrie	s
1	Angola	12	The Gambia	23	Namibia
2	Benin	13	Ghana	24	Nigeria
3	Botswana	14	Guinea-Bissau	25	Rwanda (AGOA apparel benefits suspended by POTUS effective July 31, 2018)
4	Cabo Verde	15	Kenya	26	Sao Tome & Principe
5	Chad	16	Lesotho	27	Senegal
6	Comoros	17	Liberia	28	Sierra Leone
7	Republic of Congo	18	Madagascar	29	South Africa
8	Democratic Republic of Congo	19	Malawi	30	Tanzania
9	Cote d' Ivoire	20	Mauritania	31	Togo
10	Djibouti	21	Mauritius	32	Zambia
11	Eswatini				

Today, only 32 of 49 Sub-Saharan countries are eligible for AGOA benefits.

Non AGOA Eligible Countries 2024							
1	Burundi	7	Ethiopia	13	Somalia***		
2	Burkina Faso	8	Gabon	14	South Sudan		
3	Cameroon	9	Guinea	15	Sudan		
4	Central African Republic	10	Mali	16	Uganda		
	Equatorial Guinea**	11	Niger	17	Zimbabwe		
6	Eritrea	12	Seychelles **				

\* Not reviewed for eligibility because Sudan has not requested designation as an AGOA beneficiary country. \*\* Equatorial Guinea and Seychelles graduated from GSP, so are not eligible for consideration for AGOA benefits. \*\*\* Somalia first expressed interest in consideration for AGOA eligibility in 2023.

## **U.S. Support for Africa**

Mr. President, we acknowledge your administration's and the U.S. Congress's economic and political support, including the following:

- 1. African Union's membership in the G20
- 2. Africa's Permanent seat in the United Nations Security Council
- 3. Support for regional supply chains in Africa and implementation of the African Continental Free Trade Agreement (AfCTA)
- 4. Financial support and development assistance across Sub–Saharan Africa, including:
  - \$14.2 billion in new two-way trade and investment between the United States and African countries.
  - International Development Finance Corporation (DFC) committed over \$2 billion across forty-six (46) transactions in Africa.
  - U.S.-Trade and Development Agency (USTDA) funded fifteen project preparation grants designed to help leverage more than \$3.4 billion in infrastructure finance for projects across the continent.
  - Over \$17.2 billion in food security assistance since the beginning of the Biden-Harris Administration
  - Prosper Africa mobilized \$274 million in long-term financing for West Africa's rapidly growing housing sector, opening new opportunities for U.S. investment in Africa's emerging markets and providing an avenue for West Africans to gain greater access to homeownership.

#### **Geo-Economics**

The U.S. has been instrumental in aiding the economic recovery of the African region during the recent COVID-19 pandemic. However, Putin's war on Ukraine and the global rise in interest rates have made it difficult for nations in Sub-Saharan Africa to finance development, resulting in economic and security instability, food insecurity, limited access to social goods, unemployment, and a declining standard of living. All of these issues pose a threat to strong US-Africa relations and strategic alliances.

We strongly believe that renewing and enhancing the African Growth and Opportunity Act (AGOA) benefits by the 118th Congress can help increase AGOA exports, create new jobs, and alleviate the suffering of the underprivileged due to current currency fluctuations and inflation across the region.

According to the World Bank, African public debt was \$1.8 trillion in 2022, almost double a decade ago. Listed in the table below are African countries currently at a heightened risk of over-indebtedness:

	Country	Region	Debt-to GDP Ratio
	Angola	Sub-Saharan Africa	107.2%
2	Cabo Verde	Sub-Saharan Africa	126.5%
3	Cameroon	Sub-Saharan Africa	47.7%
4	Chad	Sub-Saharan Africa	49.4%
5	Republic of Congo	Sub-Saharan Africa	86.7%
6	Djibouti	Middle East & North Africa	71.8%
7	Eritrea	Sub-Saharan Africa	127.3%
8	The Gambia	Sub-Saharan Africa	82.6%
9	Ghana	Sub-Saharan Africa	76.1%
10	Guinea	Sub-Saharan Africa	49.6%
11	Guinea-Bissau	Sub-Saharan Africa	98.3%
12	Lesotho	Sub-Saharan Africa	52.7%
13	Mauritania	Middle East & North Africa	97.7%
14	Mozambique	Sub-Saharan Africa	113.5%
15	São Tomé and Príncipe	Sub-Saharan Africa	100.9%
16	Senegal	Sub-Saharan Africa	58.4%
17	Sierra Leone	Sub-Saharan Africa	62.5%
18	Sudan	Sub-Saharan Africa	200.2%

Please note that the debt-to-GDP ratio measures a country's debt relative to its economic output. A high debt-to-GDP ratio indicates that a country may have difficulty repaying its debts.

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# Under Utilization of AGOA and U.S. Interest in Africa

It is the interest of the United States to engage and compete in emerging markets in Sub-Saharan African countries and to use the renewal of AGOA beyond 2025 to address underutilization of AGOA benefits and reverse the decline of AGOA imports from \$78.01 billion in 2013 to 28.19 billion in 2022, particularly in target sectors in non-energy industries to reduce inflation across the United States and help create good-paying jobs on both sides of the Atlantic Ocean. Furthermore, fostering strong commercial and political ties with Sub-Saharan Africa can only enhance the long-term economic security of the United States since the region is a substantial consumption hub of the future and one of the fastest-growing economies in the world.

## **Specific Ask**

Mr. President, we respectfully request your support for the following:

- 1. Timely Extension/Re-Authorization of AGOA: By the118th Congress to push back the program expiration from September 30, 2025, to September 30, 2035, or beyond, to include funding for Civil Society Organizations and tax incentives for U.S. businesses to attract necessary investment and technology transfer to support economic growth and development in the region.
- 2. Expand AGOA benefits to all fifty-five(55) member states of the African Union from the current forty-nine Sub-Saharan African countries.
- 3. Deliver on commitments made to Africa during the U.S.-Africa Leaders Summit, including a \$55 billion pledge to support the African Union's Agenda 2063 and the creation of a new Digital Transformation with Africa (DTA) initiative intended to invest more than \$350 million in financing Africa's digital transformation.
- 4. Support the AGOA CSO Network's \$5Billion **Special Purpose Investment Fund for Africa (SPIFA)** initiative for the following purpose:
  - a. Organize mandated annual civil society organization sessions of the AGOA Forum and our AGOA Civil Society Organization Network Spring Conference.
  - b. Provide eligible countries training and technical assistance in developing AGOA Country strategy plans and preparing annual eligibility reviews and others.
  - c. Support developing critical path analysis for AGOA -eligible countries as they prepare to graduate from AGOA benefits.
  - d. Conduct training and capacity building for Diaspora-owned and small, women, and disadvantaged businesses on opportunities in targeted sectors to help create desperately needed good-paying jobs.

Below and attached are signatories to the petition for Timely Re-Authorization and Enhancement of the AGOA Beyond 2025. We thank you for your time and support and look forward to working with your administration and the 118<sup>th</sup> Congress on a robust and sustained U.S.-Sub-Saharan Africa trade and economic cooperation legislation.

Sincerely,

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Fred O. Oladeinde, Chairman AGOA CSO Network Secretariat

Rev. Dr. Milenge Mwenelwata, Vice Chair AGOA CSO Network, DRC

Adeniyi Adebowale, Oyo State Chairman Nigeria Association of Small -Scale Industrialist, Nigeria

Sagar Diouf, Advisory Board Member AGOA CSO Network, Senegal

Dr. Florence Edwards, National President Ginger Growers Processors and Marketers Association of Nigeria

Jose Gonzalez, Cabo Verde Think -Tank, USA

Rev. Jesse L. Jackson, Founder Rainbow Push Coalition, USA

Dr. Olivier Kamanzi, Chairman Africa Global Chamber of Commerce

Pierre-Justin Kouka, Advisory Board Member, AGOA CSO Network, Ethiopia

Nkareng Letsie, Executive Director Consumer Protection Association, Lesotho

Malikhabiso Cicily Majara, Secretary General Lesotho Textile Exporters Association James Mwenya , Programme Coordinator Zambia Honey Partnership Platform, Zambia

> Leonard Mwanza, CEO Bankers Association of Zambia

Peace Mutuwa, Communication and Knowledge Management African Union Commission, Ethiopia

Matthew Obogbaimhe Nigerian- American Chamber of Commerce Nigeria

> Edgar Odari, Executive Director Econews Africa, Kenya

Eva Razafimandimby, Executive Director Madagascar Export Processing Zone Association

Amadu Sorogho, Managing Director Socrat -Multi Ventures Ltd., Ghana

Herb Wallen, Commercial Director The Boeing Company

Alan Winde, Premier Western Cape Government, South Africa

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