

Communiqué
3rd Annual AGOA Civil Society Organization Network Spring Conference
April 20-21, 2017
Washington, DC, U.S.A

AGOA Civil Society Organization Network Secretariat
Washington, D.C. U.S.A.
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The 3rd Annual AGOA Civil Society Organization Network Spring Conference under the theme “*The Future of AGOA under the Trump Administration and 115th Congress of the United States*” took place on April 20, 2017 at the Embassy of the Republic of Senegal, in Washington DC, and on April 21, 2017 in the historic Library of the House Ways and Means Committee in the Longworth House Office Building, on Capitol Hill, in Washington, DC.

The 2017 AGOA CSO Network Spring Conference brought together Ambassadors representing AGOA eligible countries, leaders from civil society, government, business, members of the press from the USA and Sub-Saharan Africa (SSA) and a Cabinet Minister to focus on how civil society organizations can support government and business in reversing the current trend of declining US-Africa trade volume and economic engagement and strengthen the implementation of AGOA with the view of creating sorely needed good paying jobs on both sides of the Atlantic Ocean under the Trump administration.

The Session at the Embassy of Senegal on "The Future of AGOA under the Trump administration" on Thursday April 20, 2017 addressed the following issues:

- AGOA as the cornerstone of US policy on Africa
- Elements of AGOA
- U.S government policies supporting economic development in Africa
- Challenges and Opportunities in the Textile and Apparel sector
- Poverty Reduction and Food Security
- Youth Empowerment
- Women Empowerment
- Micro, Small, and Medium Enterprises
- 2017 AGOA Forum, including the Civil Society Organization and African Women’s Entrepreneurship (AWEP) Session of the 16th Annual U.S.-Sub-Saharan Trade and Economic Cooperation Forum (also known as the AGOA Forum) in Lomé, Togo.
- Current trend of declining US-Africa trade volume and economic engagement
- Trump administration tax policy and US-Africa trade and investment

The Congressional Briefing on “The Future of AGOA under the 115th Congress of the United States” was led by the Chief Trade Counsel and Trade Subcommittee Staff Director, the Ways & Means Committee of the US House of Representatives on Friday, April 21, 2017 in the historic Library of the Ways and Means Committee. The meeting focused on the following:

- Historical bi partisan support for AGOA since its passage in 2000
- Trade Preferences Extension Act (TPEA) of 2015, the longest extension of AGOA since inception
- Negotiation of future free trade agreements to succeed AGOA in 2025
- Technical assistance and capacity building under TPEA of 2015
- Poverty reduction and food security

- Political significance of holding the briefing in the Library of the Ways and Means Committee
- World Trade Organization (WTO) Trade Facilitation Agreement
- U.S. tax reform and US-Africa trade and economic cooperation

Discussion Highlights:

In his opening remarks, the Chairman of the AGOA CSO Secretariat presented data from the US Trade Representative's, 2016 AGOA implementation report to the US Congress. The data showed a significant decline in trade volume in U.S.-Africa trade from 2008 to 2015. The Secretariat expressed its concerns regarding the decline, and requested intervention from the Trump administration, the 115th Congress and executive and the legislative branches of government from the 38 SSA countries currently eligible under AGOA, as well as, the 11 non AGOA eligible countries in SSA. The Chairman also called upon AGOA eligible countries to put AGOA Country Utilization Strategies in place in an effort to reverse the negative trends in trade volume.

In the course of the conference a number of participants, including members of the African Diplomatic Corps and a Cabinet Minister expressed their concerns in regards to the future of U.S.-Africa trade and economic cooperation.

During the *Opening Ceremony* of the conference, the Acting Director, Economic and Regional Affairs, Bureau of African Affairs, US Department of State in addressing participant's concerns underscored the fact that AGOA is the U.S. government's signature trade initiative with Sub-Saharan Africa, AGOA is an Act of the U.S. Congress and that plans are under way for the 16th Annual U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum (also known as the AGOA Forum) in Lomé, Togo, later this year, as mandated by Congress; and the dates and theme for the 16th AGOA Forum will be announced by the Department of State, shortly.

Participants also expressed their concerns regarding the following:

Budget cuts - The effect of proposed across the board budget cuts by the Trump administration on the work of the Department of State, USAID, USTR and other Federal agencies in Africa, and how the proposed cuts will affect the implementation of the TPEA of 2015 and humanitarian assistance to Africa.

Textile and Apparel -The issue of a Border Adjustment Tax (BAT) was raised. BAT is viewed by some as a possible threat to importers of textile and apparel under AGOA from SSA, because it could discourage import of textiles and apparel, and U.S. importers may move to lower cost producers from other regions.

Capacity Building and Technical Assistance -The slow pace of delivery of capacity building and technical assistance by USAID'S Trade and Investment Hubs as related to trade capacity building, trade facilitation and AGOA Country Utilization Strategies in SSA and urged the Trade and Investment Hubs to include civil society organizations and small and medium enterprises on both sides of the Atlantic in the procurement and implementation process in an effort to increase trade volume before the 2025 deadline.

Participants commended the Secretariat for convening the 3rd annual AGOA CSO Network Spring Conference and providing the administration and Congress with a platform for engaging stakeholders from civil society, government and business to discuss the future of AGOA under the Trump administration and 115th Congress of the United States.

The Congressional Briefing by the Ways and Means Committee on Trade took place inside the historic Ways and Means Committee Library where every decision on trade and taxes, (including passage of AGOA Act from 2000, through the TPEA of 2015) has been discussed since 1789 by members of the

Ways and Means Committee of the US Congress, and currently under the leadership of Chairman Kevin Brady (R Texas 8th District)

AGOA has always received bi partisan support in the US Congress since inception in 2000, including the passage of the historic ten-year renewal of AGOA to 2025 by the 114th Congress in July 2015. It was noted that Congress is looking forward to working with the administration in convening and participating in the 16th AGOA Forum in Lomé, Togo and addressing ways to strengthen U.S.-Africa Trade and Economic Cooperation.

On the subject of US tax reform and the discussion on the flat consumption tax, and how it affects imports under AGOA, particularly, the textile and apparel sector, the Ways and Means Committee, Chief Trade Counsel, explained that the flat consumption tax, as misconceived by many, will not result in “tax at the border,” she also opined that Africa should be insulated from loss of orders given the preferential treatment of textiles and apparel under AGOA. The issue of moving to the lowest cost producer is out, because of the duty-free access enjoyed by textile and apparel importers under AGOA. Congress is expected to discuss the administration’s proposed budget cuts now that it has returned from recess.

The Trump administration’s position on trade preferences is not yet known, but the General System of Preferences (GSP) is due to expire at the end of this year, so some clarification should be forthcoming. Congress has not yet made a decision on whether it may be possible to extend AGOA beyond 2025.

Recommendations:

The Conference hereby makes the following recommendations:

1. The AGOA CSO Network Secretariat increases its advocacy efforts in advancing U.S.-Africa trade and economic cooperation with the Trump administration, the 115th Congress, and including the Congressional Black Caucus; the Women Caucus and other groups in Congress to advance a coherent agenda on how to reverse the current trend of declining U.S.-Africa trade volume and economic engagement in concert with the African Diplomatic Missions in the United States.
2. The AGOA CSO Network Secretariat increases its advocacy work in all 38 AGOA eligible countries through its Network members on the ground to advance a coherent policy agenda for the implementation of the TPEA Act of 2015, including full compliance with the eligibility provisions that require countries to provide more economic freedom for women, youth and the vulnerable to address poverty and food security; increase access to finance for micro, small, and medium enterprises; and technical assistance and training for small holder farmers and artisans in rural communities in the agriculture sector
3. The AGOA CSO Network Secretariat coordinate with State Department, and other inter agency groups for the planning of a successful 16th AGOA Forum for Civil Society Organization and AWEP members in Lomé, Togo.
4. The AGOA CSO Network Secretariat to work closely with USAID and the Trade and Investment Hubs in West, East, and Southern Africa to accelerate the delivery of technical assistance pertaining to AGOA Country Utilization Strategies in SSA and capacity building for the implementation of Trade Facilitation Agreements, and intra-regional trade in SSA, with the view of increasing the competitiveness of AGOA imports and U.S. exports to SSA, with full engagement and participation of CSO Network/AWEP members and other MSMEs.
5. The AGOA CSO Network Secretariat to work with members and other stake holders in SSA to expand eligibility to eleven countries in Sub-Saharan Africa not currently eligible under AGOA.

6. The administration is encouraged to initiate FTA negotiations with those AGOA countries that are ready and willing to do so.

Furthermore, the Secretariat thanks H.E. Babacar Diagne, the Staff of the Embassy of Senegal to the United States, and the people of the Republic of Senegal for allowing us to use its conference center in Washington, DC. We thank the Honorable Mansour Elimane Kane, the Minister of Infrastructure and Transportation of the Republic of Senegal for representing the Cabinet Ministers of AGOA eligible countries at the conference;

Express our gratitude to the US Department of State, Delegation to the conference and the Congressional Briefing

Express our thanks to the Chief Trade Counsel and Staff of the Ways and Means Committee for hosting us for the briefing in the historic Ways and Means Committee Library.

Pledge the commitment of the AGOA Civil Society Organization Network members support to President Donald J Trump administration and the 115th Congress in the implementation of the Trade Extension Act (TPEA) of 2015, and in strengthening and enhancing U.S.-Africa trade and economic cooperation.

Welcome Rex Tillerson as the 69th Secretary of State of the United States and look forward to working with him and his African Team to reverse the current trend of declining U.S.-Africa trade volume and economic engagement.