



9th Annual AGOA Civil Society Organization Network Spring Conference

Communiqué

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The AGOA Civil Society Organization (CSO) Network Secretariat and The Foundation for Democracy in Africa (FDA) hosted the 9th Annual AGOA CSO Network Spring Conference under the theme: Timely Reauthorization and Enhancement of AGOA Beyond 2025 on April 18, 2024, at the Rayburn House Building on Capitol Hill in Washington, DC, U.S.A.

The conference was a hybrid event that brought together civil society organizations, business, and government leaders from across Africa and the United States virtually and in person. The purpose of the gathering was to advocate for the following:

- A minimum ten (10) year reauthorization of AGOA from 2025 to 2035 or beyond
- The African Union’s Agenda 2063 - including implementation of the African Continental Free Trade Areas (AfCFTA) and African Customs Union
- Extending AGOA benefits to all African Union member States with full access for U.S. companies to participate and benefit in the Free Trade Areas and Customs Union
- Funding for civil society and non-governmental organizations to provide technical assistance on eligibility requirements and AGOA country strategy.
- Creating tax incentives for U. S. companies to catalyze U.S. investment, innovation, and technology transfer in targeted sectors highlighted in AGOA Country Strategies and to strengthen AGOA benefits utilization and removing outdated requirements.

The agenda for the event included the following:

- Welcome and Opening Remarks
- Civil Society Organization Perspective on AGOA Reauthorization and Enhancement

- Private Sector Perspective on AGOA Reauthorization and Enhancement
- Presentations on AGOA Reauthorization and Enhancement
- African Diaspora Investment and Engagement Roundtable
- Closing Remarks

Background:

Since its passage by Congress on May 18, 2000, and signing into law on October 2, 2000, by President Bill Clinton, the African Growth and Opportunity Act (AGOA) has been the cornerstone of U.S. economic engagement with the countries of Sub-Saharan Africa (SSA).

AGOA is a long-term commitment with broad bipartisan support. On June 25, 2015, Congress overwhelmingly approved the Trade Preferences Extension Act (TPEA) of 2015, and on June 29, 2015, President Barrack Obama signed TPEA into law. TPEA reauthorizes AGOA and the associated "third Country fabric "provision for ten years through 2025. Congress passed, and the executive branch implemented three prior legislative enhancements of AGOA, with significant bipartisan support in 2002, 2004, and 2006.

The African Continental Free Trade Area (AfCFTA) agreement became legally binding on May 21, 2019. Despite the global COVID-19 pandemic, the AfCFTA Secretariat officially opened in Accra, Ghana, on January 1, 2021. AfCFTA is the largest free trade area regarding population and geographic size, covering 1.3 billion people across the second-largest continent.

AfCFTA offers African countries many opportunities for sustainable development and economic growth. AfCFTA plans to boost intra-Africa trade by making Africa a single market of 1.3 billion people with a cumulative GDP of more than \$3.4 trillion. One of the core objectives of AGOA, when enacted by the U.S. Congress and signed into law by President Bill Clinton more than two decades ago, was to support Africa's regional integration. Therefore, the U. S. as a stakeholder in AGOA should fully utilize the opportunities that AfCFTA, the largest free trade area since the establishment of the World Trade Organization in 1995, has to offer by developing trade agreements under AfCFTA with Sub-Saharan African countries and expanding trade and economic cooperation with this single market of 1.3 billion Africans.

On January 21, 2021, the day after the U.S. Presidential Inauguration, the AGOA CSO Network Secretariat sent a letter to the Biden-Harris Administration, advocating for support of AfCFTA, among other U.S. – Africa-related trade issues.

The United States and Kenya launched the United States -Kenya Strategic Trade and Investment Partnership (STIP) on July 14, 2022, to increase investment, promote sustainable and inclusive economic growth, benefit workers, consumers, and businesses, and support African regional economic integration.

Discussion Highlights:

The AGOA CSO Network Secretariat:

- Commended Senators Chris Coons and James Risch for introducing the AGOA Renewal and Improvement Act of 2024 and welcomed further discussions and support for the bill in Congress. The bill addresses the reauthorization and enhancement of AGOA and reflects bipartisan support for AGOA in Congress.
- Commended the Biden-Harris Administration for initiating the United States (U.S.) -Kenya Strategic Trade and Investment Partnership (STIP) and anticipates the successful implementation of this bilateral trade agreement.
- Acknowledged and thanked the Subcommittee on Trade of the Committee on Ways and Means for their continuing support and cooperation and looks forward to collaborating closely with the Subcommittee on the timely reauthorization and enhancement of AGOA for at least ten years.
- Detailed its AGOA renewal initiatives, including advocacy on Capitol Hill, conducting outreach events, and establishing an electronic petition platform to garner support for AGOA reauthorization and enhancement. The Secretariat also underscored the following:
- Noted its support for modifying AGOA’s rule of origin to allow inputs from North African AfCFTA members to count toward the requirement that 35% of a product’s value originate in the region to support the development of intra-African supply chains.
- Emphasized the role of AGOA in creating sustainable economic growth and development, poverty reduction democracy, the rule of law and stability in Africa. AGOA has created hundreds of thousands of new direct jobs and millions of indirect jobs in Africa in the textile, agricultural, and automotive industries and more than 500,000 jobs in the U.S. AGOA’s cost to U.S. taxpayers is nominal, especially compared to U.S. investment in Development Aid to Africa, and AGOA remains a transformative success story.
- Underscored the decline in African exports to the United States - African exports to the U.S. under AGOA declined from USD 78.01 billion in 2013 to USD 28.19 billion in 2022, resulting in a setback for Africa. The issue of low utilization rates of AGOA benefits needs addressing. Studies show that nations with AGOA Country Strategies have higher utilization rates than nations without country strategies, and these countries have seen success and use AGOA benefits to create good-paying jobs.

The private sector reaffirmed the importance of renewing AGOA promptly to prevent further adverse financial impacts on African economies and American buyers and the

enormous potential of the African Continental Free Trade Area (AfCFTA) in stimulating economic growth and increasing trade opportunities. Other significant issues include:

- Eliminating outdated textile visa requirements
- Better handling of graduation issues to avoid unintended consequences and negative impact on regional value chains
- Changing the annual review of eligibility requirements for AGOA-eligible countries to every three (3) years,

There is interest in Congress in exploring ways AGOA benefits can be widely distributed and used to create good-paying jobs across Sub-Saharan Africa (SSA) and understanding how investment can be coupled with trade to address poverty reduction and advancement in targeted sectors.

Civil Society emphasized the need for more climate-resilient agricultural practices to adapt to changing climates and the importance of supporting conservation efforts and a just energy transition in alignment with U.S. strategies towards Sub-Saharan Africa and AGOA.

African countries should create conducive environments for SMEs to access U.S. markets, including streamlining regulatory processes, reducing bureaucratic barriers, and enhancing business support services.

Encouraging industrialization, access to finance, and investment will drive economic growth in African economies. Targeted incentives and policies are essential to attracting investment in targeted sectors, such as manufacturing and technology.

The issue of Gabon's recent suspension from AGOA due to political change surfaced. Conferees called for a pragmatic assessment of sanctions and highlighted the importance of dialogue and engagement to resolve such issues. During the discussion, conferees expressed their solidarity with AGOA Civil Society Organization Network members in Gabon, and the Network offered to work with stakeholders to address reinstatement of Gabon's AGOA eligibility through constructive engagement and support for democratic processes.

The African Diaspora plays a unique role in driving development initiatives. Participants shared experiences and success stories of Diaspora-led projects and initiatives that fostered economic growth and empowerment in their home countries. The discussion also underscored the need for increased collaboration and coordination among African Diaspora organizations to advocate for policies and initiatives that support Diaspora engagement and investment in Africa and the U.S. to maximize the effectiveness and outcomes of development efforts in Africa.

Collaboration and advocacy efforts are crucial in maximizing the potential of AGOA and ensuring its continued relevance in a rapidly evolving global economy. At the event, civil society, government representatives, and private sector stakeholders pledged to work together to ensure the successful renewal and improvement of AGOA.

Recommendations:

During the event, delegates made the following recommendations:

1. Reauthorize AGOA promptly and extend the program from its current expiration date of September 30th, 2025, to September 30th, 2035, or beyond, with enhancements to improve its effectiveness. Proposed enhancements include the following: Providing funding for civil society organizations and tax incentives for U.S. businesses to attract the required investment and technology transfer to support economic growth and development in the region; Eliminating outdated textile visa requirements; Changing the annual review requirement for continued eligibility in the program to every two (2) years; More effectively handling graduation issues to avoid unintended consequences and negative impact on regional value chains; and Supporting conservation efforts and a just energy transition in alignment with U.S. strategies towards Sub-Saharan Africa.
2. Expand AGOA benefits to all 55- member states of the African Union from the current 49 Sub-Saharan African countries.
3. Support the African Union Agenda 2063, including establishing an African Continental Free Trade Area (AfCFTA) and African Customs Union - tools essential to utilizing trade to strengthen U.S.-Africa strategic alliances.
4. Provide support for the AGOA CSO Network's \$5 Billion Special Purpose Investment Fund for Africa (SPIFA) initiative for the following purposes:
 - a) Assisting small, medium, and Diaspora-owned businesses to catalyze U.S investment, innovation, and technology transfer in targeted sectors in Africa
 - b) Conducting training and technical assistance for AGOA-eligible countries to assist in developing AGOA Country Strategy Plans and preparing for annual eligibility reviews and others.
 - c) Supporting developing critical path analysis for AGOA-eligible countries as they prepare to graduate from AGOA benefits.
 - d) Conducting education campaigns, training, and capacity building for small, women, disadvantaged, and Diaspora-owned businesses to navigate AGOA's requirements and maximize its benefits to strengthen AGOA benefits utilization and help create desperately needed good-paying jobs.
 - e) Organizing mandated annual civil society organization sessions of the AGOA Forum

5. Deliver on commitments the U.S. made to Africa during the US-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.