



January 21, 2021

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

Dear President Biden:

The AGOA Civil Society Organization (CSO) Network would like to join the world in congratulating you and Vice President Kamala Harris on your historic victory in being elected the 46th President and the 49<sup>th</sup> Vice President of the United States (U.S.). Your election inspires hope for the kind of change that our country needs at this moment. We strongly believe that you have ascended to this global leadership position at a pivotal point in our nation's history. And that you are uniquely positioned to drive home solutions that will change our approach to the COVID 19 pandemic, economic recession, civil and racial unrest, and development in Africa while restoring the United States' standing in the world and ensuring our global prosperity.

Africa is strategically important to the United States because of its vast reserves of precious and strategic metals, crude oil, uncultivated arable land, and potential as a destination for U.S. investment, tourism, and cultural exchanges. A non-stop flight from Miami, Florida to Dakar, Senegal takes approximately 6 hours, 30 minutes, about the time it takes a non-stop flight from Miami to San Francisco (6 hours, 35 minutes); demystifying the existing mindset that Africa is too far from the United States. And Africa's population is projected to reach 2.8 billion by 2060 from the current population of 1.26 billion. Currently, sixty-percent (60%) of Africa's populace is below 35 years old with a growing middle class.

Strengthening trade and economic cooperation with Africa can only result in job creation on both sides of the Atlantic Ocean, embed American economic interest, values, and goodwill in a region that is poised to take center stage of the world economy in the next two decades. Given Africa's resources, its proximity to the United States, growing population and the existing cordial relationship between the American and African people, this is a deal that's good for both America and Africa.

Since its enactment more than two decades ago, the African Growth and Opportunity Act (AGOA) has been the cornerstone of U.S. economic engagement with the countries of Sub-

Saharan Africa and has helped to increase two-way trade between the U.S. and Sub-Saharan Africa.

AGOA is a long-term commitment with broad bi-partisan support. On June 25, 2015, Congress overwhelmingly approved the Trade Preferences Extension Act of 2015 (TPEA), and on June 29, 2015, President Obama signed TPEA into law. TPEA re-authorizes AGOA along with the associated “third-country fabric” provision for ten years. Previously, Congress passed, and the executive branch implemented, three prior legislative enhancements of AGOA, with significant bi-partisan support, in 2002, 2004, and 2006.

The AGOA Civil Society Network is a consortium of non-governmental 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.

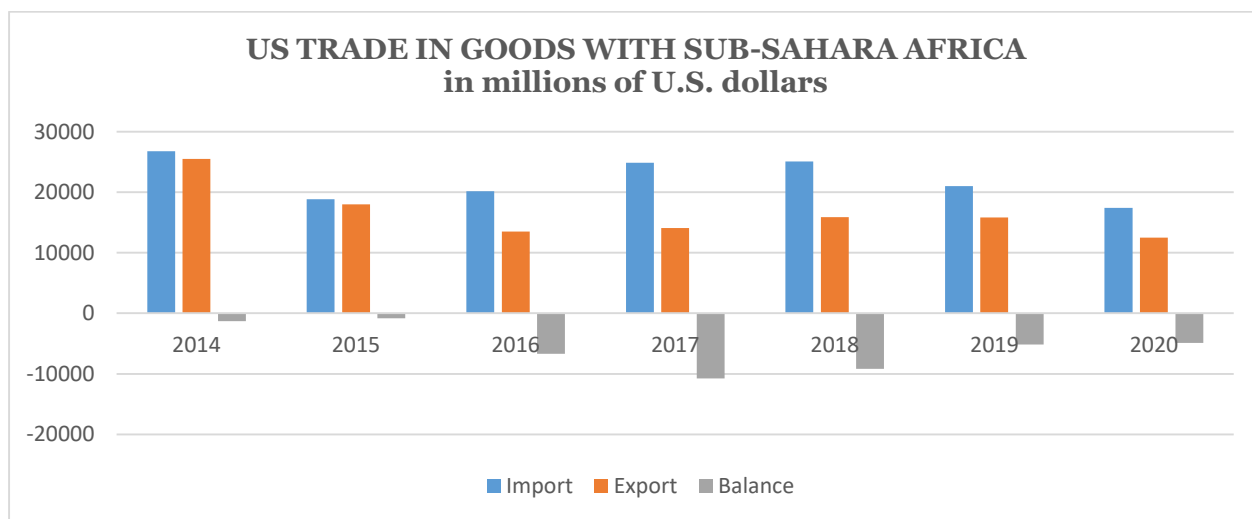
The AGOA Civil Society Organization (CSO) Network Secretariat was established by 102 member organizations from the United States, Mauritius, South Africa, Nigeria, Kenya, Namibia, Mali, Lesotho, and the Democratic Republic of Congo on January 17, 2003 at the conclusion of the AGOA Civil Society Forum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

Mr. President, we believe that there is an urgent need for the U.S. to strengthen its engagement with Africa and reverse the current trend of declining trade and investment expansion with Africa.

## U.S. Trade with Sub-Saharan Africa

From 2014- 2020, trade between the U.S. and Africa has been showing downward trends, see graph below:

2014-2020 data in graph US-Sub-Saharan Africa Trade

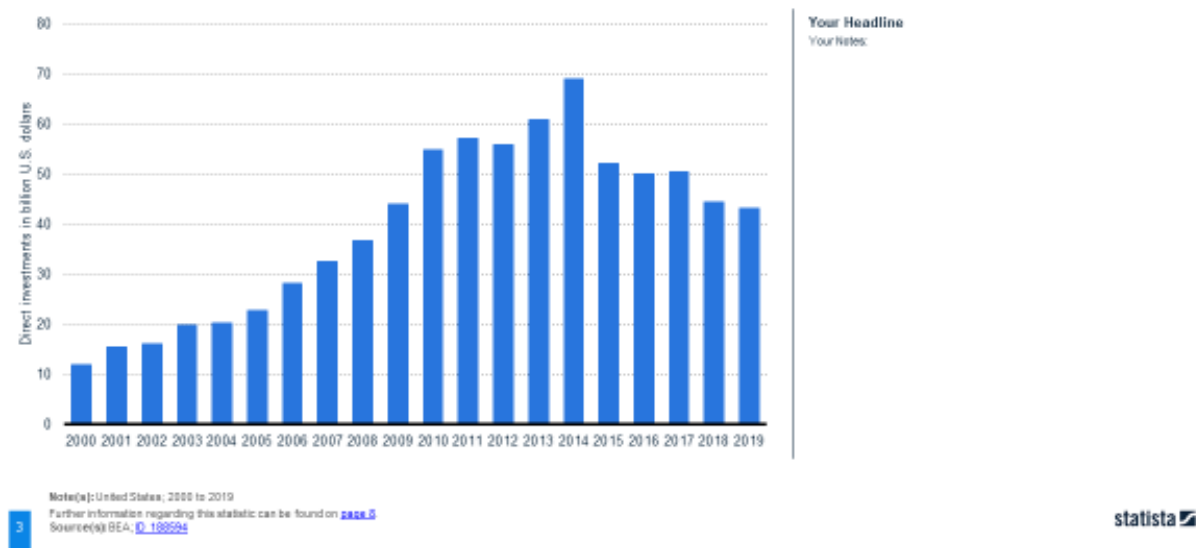


## U.S. Investment in Sub-Saharan Africa

After a peak in 2014 of 69.03 U.S. Billion Dollars, foreign direct investment (FDI) in Africa from the United States dropped to 43.19 Billion U.S. Dollars in 2019. Africa receives lower FDI inflows than any other region.

Direct investment position of the United States in Africa from 2000 to 2019 (in billion U.S. dollars, on a historical-cost basis)

Direct investment position of the U.S. in Africa 2000-2019



## COVID-19 Pandemic Impact on US-Sub-Saharan Relations

Unlike any economic downturn that we have faced since the end of World War II, the impact of the COVID-19 pandemic is felt in real-time in every country, by every citizen across the globe. COVID 19 resulted in emergency lockdowns and almost brought global economic activity to a standstill, as public health experts, policymakers, and civil society struggle to put in place programs and legislation to curtail the spread of the disease and reduce the loss of life.

African countries face many challenges, underdevelopment, inadequate infrastructure, insufficient health care, environmental degradation, and debilitating conflicts coupled with the impact of COVID 19. These social, political, and economic problems require immediate attention.

COVID-19's economic impact on AGOA eligible countries in the Sub-Saharan region of Africa presents a threat to U.S.-Africa relations and strategic alliances. Progress made over the last two decades using the benefits of AGOA to strengthen US-Africa trade and economic cooperation; incentivize market-based economies that protect private property rights, the rule of law, political pluralism, and the right to due process; increase the

availability of health care and educational opportunities; expand infrastructure; promote the development of private enterprise, and encourage the formation of capital markets through micro-credit or other programs; protect internationally recognized worker rights, including the right of association is at risk.

For the purpose of our work, we wish to bring to your attention three major focus areas that the AGOA CSO Network Secretariat would like to work on with your administration with respect to Africa, they are: COVID-19 debt relief, fiscal stimulus and humanitarian aid; democratic rule of law; and expansion of US-Africa trade and economic cooperation.

### **COVID-19 Debt Relief, Fiscal Stimulus and Humanitarian Aid:**

The COVID-19 pandemic has prompted an unprecedented fiscal response worldwide to support health systems and provide lifelines to vulnerable households and businesses. Fiscal measures announced are estimated at \$11.7 trillion globally, or approximately 12 percent of global GDP.

The size and composition of monetary support have varied vastly by country due to the countries' available fiscal space. The U. S. and other advanced and large emerging economies made up the majority of the global financial response as they were the first to be hit by the health crisis. Also, U.S. central banks and banks from other developed economies could provide the required massive monetary stimulus to mitigate a financial crisis, and they could finance the deficits at lower interest rates.

The debt build-up in several countries added to global debt vulnerabilities that existed before the pandemic. The United States should support Sub-Saharan Africa countries' call to provide budget support; extend credit facilities; grant waivers for public debt, and interest payments on sovereign bonds to multilateral financial institutions, i.e., the World Bank, International Monetary Fund (IMF), other partner institutions and regional development banks to ensure financial viability, delivery of public goods, and peace and security.

COVID-19 has severely affected African economies, and as a result, the IMF expects Sub-Saharan Africa's GDP to contract by 3.2% in 2021.

The COVID-19 pandemic poses a grave threat to food security and nutrition in Africa and could have long-term effects on the well-being of hundreds of millions of children and adults. The pandemic could potentially double the number of people suffering acute hunger, propelling the number of those hurting to 265 million by the end of 2020.

Action needs to be taken now to avoid spiraling into a global food emergency. We must designate food and nutrition services as essential. Countries must strengthen social protection systems for nutrition, safeguarding access to safe, nutritious foods for at-risk groups.

In our opinion, the U.S. should continue to support Sub-Saharan Africa countries' efforts to assist refugees and victims of conflict, provide emergency food aid, funding for

promoting vaccinations in Sub-Saharan Africa, COVID-19 in particular, and for research and development of renewable energy and energy-efficient technologies.

We commend the U.S. Congress' passage of a law to provide 2 billion dollars for AIDS relief; 1 billion dollars to assist refugees and victims of conflict worldwide; 1.5 billion for emergency food aid, overseas; and 4 billion in U.S. funds to support international vaccination efforts, including 2 billion dollars for scientific research, and 241 million dollars in economic support for countries across the globe.

### **Democratic Rule of Law**

The U.S. must continue to support efforts to democratize Sub-Saharan Africa countries by providing training, technical assistance, and capacity building in strengthening democratic institutions. The United States must continue to lead the world in the advancement of democratic principles and ideals, liberty, and the rule of law, which are necessary to uphold human rights, good governance, accountability, and free and fair elections. We must link our investments in democracy, good governance, the rule of law, and human rights to the expansion of US-Africa trade and economic cooperation.

### **Expansion of US-Africa Trade and Economic Cooperation**

The African Continental Free Trade Area (AfCFTA) was officially launched on the 1st of January 2021. AfCFTA offers African countries many opportunities for sustainable development and economic growth. The objectives of AfCFTA are to boost intra-Africa trade by making Africa a single market of 1.2 billion people with a cumulative GDP of more than \$3.4 trillion. Experts estimate that the implementation of the AfCFTA trade agreement could increase intra-African trade by 52% by 2022 and double the share of intra-African trade by the start of the next decade.

One of the core objectives of the 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 exploit 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 1.2 billion Africans.

Mr. President, we wish you and Vice President Kamala Harris a highly successful presidency and look forward to the opportunity to work with your administration on issues related to U.S. –Africa engagement. Thank you for your time and consideration.

Sincerely,

*Fred O. Oladeinde*

Fred O. Oladeinde  
Chairman, the AGOA CSO Network Secretariat and  
President, The Foundation for Democracy in Africa