

A/DAS Matt Harrington Participation in AGOA Civil Society Network Spring Conference
Panel Topic: “Utilizing AGOA Eligibility Criteria to Strengthen U.S.-Africa Trade, Economic Cooperation and Cultural Ties”

Introduction/Context

- I would like to thank the AGOA Civil Society Network, and its president, Fred Oladeinde, for organizing this conference and inviting me to participate.
- I also want to thank the Nigerian Embassy and Ambassador Sylvanus Nsofor for hosting this event.
- This conference is timely, as it is taking place during a period of increasing U.S. engagement in Africa with economic issues front and center.
- I’m very interested in hearing from you, but first I’d like to do four things. First, give a brief overview of Secretary Tillerson’s recent trip to Africa. Second, underscore the crucial role AGOA continues to play in the trade relationship between Africa and the United States. Third, I’ll describe how AGOA proved to be a very effective tool in nudging one country in the right direction on governance and rule

of law issues. And, last, I want to highlight the critical role that civil society plays.

Secretary's Trip

- After President Trump met with 10 African leaders in New York on the margins of the UN General Assembly, Secretary Tillerson last November hosted senior leaders from 37 African countries and AU Chairman Faki for a broad-ranging discussion of how best to bolster our partnerships across the continent. Strengthening trade and investment was one of the key themes of those discussions.
- Determined to build on that ministerial and high-level dialogue with the African Union, Secretary Tillerson then followed up with his first visit to the continent as Secretary of State in March. Although the Secretary's departure from office at the end of that trip garnered a lot of attention, his visits to five countries – Ethiopia, Djibouti, Kenya, Chad, Nigeria, and the African Union commission – was very productive and advanced our partnerships and key priorities, which are 1) countering violent extremism; 2) bolstering trade and investment; 3) strengthening democratic institutions and good governance and 4) improving peace and security.

- Just a quick word about Nigeria, since we are here at the embassy. President Buhari will be the first African president to be hosted by President Trump for an official working visit on April 30. Expanding trade and investment, and our other three overarching priorities on the continent, will feature prominently in those bilateral discussions.
- In a sign of how much high-level attention our partnerships in Africa are receiving in Washington, including our desire for expanded economic engagement, Secretary of Commerce Wilbur Ross will be leading a delegation of the Presidential Advisory Council on Doing Business in Africa to the continent soon. PAC-DBIA is meeting with Secretary Ross and senior U.S. government officials today to finalize recommendations to expand commercial ties between the United States and Africa.
- Our economic partnerships will of course also receive a great deal of attention at this year's AGOA Forum, which will take place in Washington July 9-12. The agenda is being developed, and we hope to be able to share details soon.

AGOA

- AGOA remains a pillar of U.S.-Africa relations. Since 2000, AGOA has provided concrete economic benefits for Africa, through the direct creation of more than 300,000 jobs; a four-fold growth in non-oil exports, and the building of new, value-added export-oriented industries, including apparel, food processing, and automotive products.
- Recent commercial trends have been positive. For example, trade between the United States and Africa was 13.5 percent higher in 2017 than in 2016.
- As African countries redouble their efforts to increase their utilization of AGOA, we are encouraged that many are also focusing on making their economies more attractive for foreign investment.
- Meeting AGOA eligibility criteria will help strengthen the environment for trade and investment.
- It's worth reminding ourselves what those criteria are. Beneficiary countries must establish or make continual progress toward establishing:
 - a market-based economy;

- the rule of law, political pluralism, and the right to due process;
- the elimination of barriers to U.S. trade and investment;
- economic policies to reduce poverty;
- a system to combat corruption and bribery; and
- the protection of internationally recognized worker rights.

In addition, the country may not engage in activities that undermine U.S. national security or foreign policy interests or engage in gross violations of internationally recognized human rights.

- All these issues also affect the decisions of international investors exploring commercial opportunities in Africa.

Lesotho

- AGOA eligibility criteria can also be an effective tool in nudging governments to address concerns about governance and rule of law. I discovered that in Lesotho, where I recently served as Ambassador for three years.
- Lesotho has been a remarkable AGOA success story – a small country of two million people that is the second largest exporter of textiles to the United States under AGOA. The largest private sector employer in the country, Lesotho's garment sector employs 40,000 workers whose livelihoods are tied directly to AGOA.

- Several years ago, Lesotho began to face challenges in maintaining rule of law, including the fundamental issue of civilian control over the military. The army was essentially a para-military force closely aligned with certain senior politicians, and the army commander was tied to serious human rights allegations.
- The Southern African Development Community (SADC) established a commission of inquiry under Cyril Ramaphosa, which developed a series of recommendations for Lesotho to support rule of law and ensure accountability in the Lesotho Defense Forces. One of those recommendations was that the army commander, General Tlali Kamoli, be dismissed.
- The Government was extremely reluctant to dismiss Kamoli, who they saw as a protector and political ally. We then stressed, both in private conversations and public messaging, that implementation of the SADC recommendations would be critical to Lesotho maintaining its AGOA eligibility.
- It took a while for this pressure campaign to work, but the government ultimately decided that

maintaining AGOA eligibility – and the 40,000 jobs tied to it – was more important than keeping General Kamoli in his job. In fact, at the General’s retirement ceremony, he delivered remarks portraying himself as magnanimous, claiming that he had decided to retire for the good of the country, because he did not want to see Lesotho lose 40,000 jobs.

- Not all countries in Africa will have the same conditions we saw in Lesotho. In fact few other countries are as dependent on AGOA.
- But this example helps to illustrate how the AGOA eligibility review process can encourage African countries to make tangible progress on governance and rule of law challenges that have an impact on the investment climate.

The Role of Civil Society

- Civil society organizations have long played a vital role in shedding light and encouraging progress on governance, rule of law and human rights challenges.
- It is partly for this reason that the U.S. Congress, when it authorized AGOA legislation, specifically

envisioned an important role for civil society in providing their perspective to the annual AGOA Forum.

- When Congress extended AGOA for ten years in 2015, it took several steps to encourage participation and increase transparency of the AGOA eligibility review, including through a public hearing process.
- I appreciate your participation and commitment to AGOA, so well demonstrated by today's event.
- I look forward to seeing your recommendations at the AGOA Forum in July.
- With your support and participation, we will continue using AGOA to encourage progress in strengthening the enabling environment for trade and investment in Africa, as well as promote prosperity in both Africa and the United States.