

**SUMMARY/RECOMMENDATIONS FROM THE 8th
ANNUAL AGOA SPRING CONFERENCE: SESSION ON
EXTENDING AGOA TO 2035**

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1.0 Introduction: The Session moderator opened the session by stressing the importance of the Session on Extending AGOA to 2035. He indicated that As Agoa Civil Society Organizations Network, we're lobbying for the reauthorization of AGOA from 2025 to 2035 in resonance with the African Unions Agenda 2063.

2.0 Presentations

He invited Ambassador Hilda Suka-Mafudze, the Permanent Representative of the African Union to the United States of America to give her remarks on the session.

2.1 Ambassador Hilda Suka-Mafudza

Ambassador Hida Suka-Mafudza indicated that she saw the synergy between the African Commission FTA and the AGOA programme. Both The AC FTA and AGOA were pushing to provide the enhancement of trade and job creation in both Africa and the United States of America. Among many important objectives, AGOA was striving to address one of the key issues on the African continent ie employment of Women and the Youth.

She said the ushering in of AGOA in 2,000 ushered in a new mindset in the relations between Africa and the US.

She also indicated that AGOA provided a significant opportunity for the enhancement of Africa's competitiveness through Technological Advancement. In order for this to be achieved, the private sector needs to be in the forefront.

In addition, Ambassador Hilda Suka-Mafudza stressed the need for predictability as a pre-requisite for continued development. If AGOA were extended for another 10 years, it would create a more predictable business environment for development.

As such the African Union looks forward to working with all members of the AGOA Civil Society Organizations Network, and other interest groups who are championing the same cause.

2.2 Rev. Dr. Ambassador Milenge Mwenelwata-Secretary General , Syndicat D'Entraide Chretienne and Advisory Board Member , AGOA Civil Society Organizations Network.

In his remarks, Reverend Dr. Mwenelwata pointed out that AGOA will be expiring in 2025, which is just two years from now, but yet the goals of AGOA are still far from being realized. He made special reference to his home country the Congo D.R which he said

badly needed an extended AGOA because of the conditions of life there, especially in the Eastern part of the country where there has been instability.

He said beneficiaries of the AGOA program have just started seeing the benefits of the AGOA program.

He further said people will have jobs and food to eat if the AGOA program is extended, emphasizing that lack of employment contributes to some people getting involved in acts of instability. Peace can be assured if people have something economically meaningful to do. He said we therefore ask the US Government to actually extend AGOA not just to 2035 but to 2036.

He further requested that the US Government should not turn its face away from the African continent, especially in the face of the situation in Ukraine which poses a threat to taking up all the attention and focus of the US government.

2.3 Dr. Pierre Justine Kouka-Advisory Board Member-AGOA Civil Society Organizations Network.

Dr. Kouka started by saying the fact that AGOA needs to be extended is not in question, what should be discussed is the form that the extended AGOA will need to take. There's no question of going to the phase of AGOA but , what form should the next phase of AGOA take. As Africans , we have already risen and we need to come to the table as equal partners. We need to be innovative, creative and pragmatic if we have to achieve our intended goals. We need to ensure that all AGOA eligible countries have equal access to the AGOA investment fund. In addition Intra African trade will need to improve to give impetus to increased trade with the US. Given the global experiences we've seen, the next round of AGOA will need to be designed as one which can absorb shocks like pandemics and climate change. We will need to put systems in place like Smart Agriculture to reduce the risk of program failure.

Some of the questions from the Audience included: While agriculture is important, manufacturing is even more economically rewarding. An example was given about the fact that 65% of the world's cocoa is produced in Africa, we used to only receive 15% of value from cocoa as the big foreign manufacturing companies of chocolate in Europe and the Americas got the largest share of the profits from this value chain. The percentage of African beneficiation has gone up a bit now from 15% because of some local manufacturing initiatives of chocolate, in some West African countries , but still Africa receives the minute share of financial benefits from this value chain despite being the largest producer of cocoa in the world.

A question was asked about what Africa should do since China is now growing a lot of cocoa. A response was given that Africa will need to invest in quality to stay in the game, otherwise competition will not just go away.

A conference participant , Ms. Mercy Mukupa Chewetu indicated that AGOA needs to be extended as most people , especially women and also SMEs are just beginning to know about AGOA when the current phase is about to run out. She said, the extension will help as it will improve technology and quality of African products. She stated that we will need to ask ourselves why most of the manufacturing is not happening in Africa. Africa has abundant labour, land and raw materials , but is not proportionately developing the manufacturing sector. She urged African entrepreneurs to learn from those who have succeeded in order to see how they have done it.

The session was closed after the above contribution.

3.0 Conclusion

All speakers and the conference participants who spoke were agreed on one issue that the AGOA will need to be extended for another period of ten (10)years from 2025 to 2035 in order to create the desired impact upon African entrepreneurs and economies. That said, the form of design and implementation will need to take cognizance of the lessons learnt in the past 23 years in order to make the new round of AGOA more impactful on the target countries, business and populations.

4.0 Recommendations:

Based on the presentations made, and questions asked as well as responses given to the questions, the following recommendations would naturally follow in order to make the next round of AGOA program much more impactful.

4.1 Foster closer collaboration between the African Union Secretariat , the AGOA eligible African Governments and the AGOA Civil Society Organizations Network in order to coordinate the implementation at continental level as well as the initiatives of the Civil Society Organizations and the Private Sector Associations in the individual AGOA eligible countries.

4.2 All AGOA eligible countries to have equal access to the AGOA investment Fund. Some form of moderation to be undertaken by the US government to avoid a lopsided implementation where for instance 90% of the AGOA investment fund goes to 10% of the eligible countries while only 10% goes to the remaining 90% of the African countries, due to disparity in infrastructure development and business climate.

4.3 The next AGOA program should be innovative about the form that it takes and should have inbuilt resilience and shock absorbing mechanisms in order to protect it from climate change, pandemics and other unplanned negative externalities.

4.4 Build capacity of AGOA Civil Society Organization Network members in the AGOA eligible countries in order to supplement government initiatives to provide extension services to SMEs and other private sector players in awareness raising about AGOA, Technical capacity building, including raising technical standards of products targeted to be exported under AGOA etc. It has been practically demonstrated that Civil Society and Private Sector organizations tend to be more effective in sensitizing and galvanizing the private sector players. This capacity building could take the form of establishing AGOA support offices in terms of:

4.4.1 Office Rent

4.4.2 Basic Office Equipment/furniture

4.4.3 Country Liaison Officer or Program Officer/Manager

4.4.4 Research and Extension Officer

4.4.5 Accountant

4.4.6 Documentation Officer/Personal Assistant

4.4.7 Office Cleaner/Messenger

4.4.8 Driver

4.4.9 Field motor vehicle/fuel/maintenance

4.4.10 Any other support relevant to the proper functioning of the AGOA office and field operations. Such support could be budgeted for a period of 5 years , while the remaining period, the Civil Society organizations and private sector Associations in each country could start picking up the bills as they see the benefits of AGOA.

4.5 The US government should consider the prospect of establishing a Trade and Enterprise Support Facility on the lines of the European Union Private Sector Development Plan. The essential component is to establish a matching grant facility for SME s to apply to the fund or the facility for financing of Technical assistance to upgrade the technical , or other standards, or business competence in order to make it easier for them to enable their products to get to a level where they are able to fulfil the requirements to enter the US market, increase their production capacity, obtain market

intelligence, prepare business plans or access loans. In short , this facility should build technical, financial and other business aptitude in African SMEs to be AGOA ready.

4.6 Provide programs and mechanisms to stimulate manufacturing amongst African businesses to go beyond low value primary production, especially agriculture. One example is the Cocoa farming which should be taken to the higher value addition of chocolate manufacturing.

4.7 While on the US side, there is the plan to establish a US \$55 Billion Investment facility to enable American entrepreneurs to invest in Africa, a smaller component of an investment fund on the African side eg US \$5 billion should be considered to be administered even on a matching fund basis where an African entrepreneur can be lent for example US\$ 500,000 if they can demonstrate that they will put in on their own the other US\$ 500,000. This should be lent to those who want to expand or diversify their existing business.