



Remarks by Fred Oladeinde
Opening Session
9th Annual AGOA Civil Society Organization Network Spring
Conference
April 18, 2024
Rayburn House Building, Room 2020

Vice Chair Milenge Mwenelewata, thank you for the Welcome Remarks.

Mr. Josh Snead, Chief Trade Counsel, Subcommittee on Trade of the House Ways and Means Committee (R); Ms. Alexandra Whittaker, Chief Trade Counsel, Subcommittee on Trade of the House Ways and Means Committee (D); Mr. Robert D. Telchin, Director for African Affairs, Office of U.S. Trade Representative, Executive Office of the President; Ms. Florie Liser, President and CEO, Corporate Council on Africa, AGOA CSO Advisory Board members, members, distinguished ladies and gentlemen- good morning.

Welcome to the 9th Annual AGOA CSO Network Spring Conference.

The theme for this year's conference is Timely Reauthorization and Enhancement of AGOA Beyond 2025

The Secretariat has assembled seasoned experts and thought leaders from civil society, the private sector, academia, and activists from both sides of the Atlantic Ocean to address:

- Reauthorization and Enhancement of AGOA Beyond 2025
- AGOA Eligibility
- Expansion of U.S. Africa Trade and Economic Cooperation
- Targeted Sectors for Investment by Diaspora-Owned Businesses

Please let me reiterate the Secretariat's commitment to sustained U.S.-Sub-Saharan Africa trade and economic cooperation and the timely reauthorization and enhancement of the African Growth and Opportunity by the 118th Congress.

The Secretariat commends Senators Coons and Risch for their leadership in introducing the AGOA Renewal and Improvement Act of 2024

The Secretariat commends ongoing talks by the Biden-Harris Administration and the Government of Kenya regarding the U.S.-Kenya Strategic Trade and Investment Partnership (STIP) agreement, and we anticipate the successful implementation of this bilateral trade agreement.

Please let me share some highlights from the last spring conference as background for our discussion today,

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.

AGOA's non-oil imports have risen 307% to \$5.7 billion in 2022, while AGOA's apparel imports have increased by more than 280% -we need to do more.

AGOA has played an integral role in creating sustainable economic growth and development, poverty reduction democracy, the rule of law, and stability.

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 in the U.S. – we must do more.

Under-utilization of AGOA benefits has caused African exports to the U.S. under AGOA to decline from USD 78.01 billion in 2013 to USD 28.19 billion in 2022, resulting in a setback for Africa – this must be reversed.

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 use AGOA benefits to create good-paying jobs.

Africa is the considerable consumption hub of the future. The general population is young and increasing, the African middle class is also growing, and demand for industrial goods is 1.5 times higher than the global average.

Stringent requirements from the various U.S. trade regulatory authorities and the limited industrialization capabilities in Africa are factors for the exceptionally low utilization of AGOA benefits. As a result, only a few product lines, such as fossil

fuels, vehicles, clothing, textiles, and currently, Beef, are exported from Africa under AGOA.

African countries are devising methods to improve export diversification, growth, and industrialization, including developing regional and continental value chains. These efforts present a tremendous opportunity for U.S. companies to take advantage of the market provided by the African Continental Free Trade Area.

The economic impact of the COVID-19 Pandemic and Putin's conflict in Ukraine poses a threat to US-Africa trade and investment, US-Africa strategic alliances, and gains made over the last two decades using the benefits of AGOA. AGOA has incentivized market-based economies that safeguard private property rights, the rule of law, political pluralism, and the right to due process. It has also enhanced healthcare and education access while protecting globally acknowledged workers' rights. All these achievements are now at risk.

Succeeding in the African Continental Free Trade Area (AfCFTA), a market with enormous growth potential requires investments—American Investment.

Targeted U.S. investment conducted in partnership with businesses and institutions in each AGOA-eligible country, and per their respective utilization/transition plans, will catalyze American investment and technology, encourage innovation, instill American values and best practices throughout Africa, create more jobs for youth on both sides of the Atlantic Ocean, and fill in gaps in markets across the continent in preparation for the African Continental Free Trade Area and the African Customs Union.

Under the African Continental Free Trade Agreement, each state participating in the trade agreement retains its national external tariffs. Exporting into this market will generate tariff charges.

Creating an African Customs Union will allow for a shared external tariff and pave the way for Africa to establish free trade agreements with trading partners, including the United States. American companies can enjoy duty-free exporting from their home bases, and Africa is in a better position to grow US-Africa trade with the African Customs Union in place.

Page 4

Remarks by Fred Oladeinde

During the event, the following recommendations were made:

AGOA CSO Network Secretariat • c/o The Foundation for Democracy in Africa (FDA)
1200 G Street, NW • Suite 800 • Washington, DC 20005 • Tel: 202.331.1333
Email: agoacsonet@democracy-africa.org • Website: www.agoacsonetwork.org

The Biden-Harris Administration and the 118th Congress enhance and extend AGOA benefits for ten years from its current September 2025 sunset to September 30th, 2035, to support the African Union Agenda 2063 and the creation of an African Continental Free Trade Areas and African Customs Union - critical tools necessary to utilizing trade to strengthen U.S.-Africa strategic alliances.

Congress Expand AGOA benefits to all 55- member states of the African Union from the current 49 Sub-Saharan African countries.

The U.S. deliver on commitments made to Africa during the U.S.-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.

Congress support the AGOA CSO Network \$5 Billion Special Purpose Investment Fund for Africa (SPIFA) initiative with tax incentives to catalyze U.S. investment, technology, innovation, shared values, and best practices throughout Africa for the following purposes:

- a) Organizing mandated annual civil society organization session of the AGOA Forum
- b) Providing eligible countries training and technical assistance in developing AGOA country strategy plans and preparing annual eligibility reviews and others
- c) Supporting development critical path analysis for AGOA-eligible countries as they prepare to graduate from AGOA benefits.
- d) Conducting training and capacity building for Diaspora-owned and small, women, and disadvantaged businesses on opportunities in targeted sectors to help create desperately needed good-paying jobs.

Following the last year's annual conference, the Secretariat developed an advocacy framework that included:

1. Educating network members and other stakeholders on the need for Timely reauthorization and enhancement by the 118th Congress, using the AGOA Civil Society Organization Network Portal and members' websites on both sides of the Atlantic Ocean

2. Meetings with staffers and members on Capitol Hill on recommendations.
3. Establishing an electronic petition platform to collect signatures.
4. Conducting outreach through conferences and events across the United States and in Africa on the cost and benefits of timely renewal of the TPEA, including at the 20th AGOA Forum in South Africa and our AfrICANDO 2023 - U.S. -Africa Trade and Investment Conference/Expo in Miami Florida
5. Advocacy/ outreach to President Joseph Biden and the 118th Congress on February 16th, 2023, for support for the timely renewal of TPEA by the 118th Congress.
6. Presenting AGOA Civil Society Organization Network recommendations on the Roundtable with the Subcommittee on Trade
7. Presenting AGOA Civil Society Organization Network recommendations on the Roundtable with USTR

It is the interest of the United States to engage and compete in emerging markets in Sub-Saharan African countries and to use the renewal of AGOA beyond 2025 to address underutilization of AGOA benefits and reverse the decline of AGOA imports from \$78.01 billion in 2013 to 28.19 billion in 2022, particularly in target sectors in non-energy industries to reduce inflation across the United States and help create good-paying jobs on both sides of the Atlantic Ocean. Furthermore, fostering strong commercial and political ties with Sub-Saharan Africa can only enhance the long-term economic security of the United States since the region is a substantial consumption hub of the future and one of the fastest-growing economies in the world.

The AGOA Civil Society Organization (CSO) Network is a consortium of nongovernmental 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 CSO Network Secretariat was established after the AGOA Civil Society Forum in Phoenix, Mauritius, by 102- member organizations from the United States, Mauritius, South Africa, Nigeria, Kenya, Namibia, Mali, Lesotho, and the Democratic Republic of Congo on

Page 6
Remarks by Fred Oladeinde

January 17th, 2003. The Foundation for Democracy in Africa (FDA) and the Mauritius Council of Social Services were elected as co-chairs and empowered to establish and manage the Secretariat for the AGOA CSO Network. Additionally, the Secretariat was mandated to make all the necessary preparations for subsequent AGOA Civil Society Sessions of the annual AGOA Forum.

This year, The Foundation for Democracy in Africa is celebrating two important milestones - 30 years of sustained commitment to Cultivating the Pathway for Peace and Prosperity in Africa through Democratic Capitalism and 25 years of sustained efforts to strengthen U.S.-Africa trade, investment, and Diaspora engagement-our Silver Jubilee celebration.

I look forward to your consultations today and working closely with you for the timely reauthorization and enhancement of AGOA by the 118th Congress and signing into law by President Biden.

I thank you.