

2018 Communiqué
4th Annual AGOA Civil Society Network Spring Conference

May 1, 2018
Washington, DC, USA

The 4th annual AGOA Civil Society Organization Network Spring Conference took place April 18-19 2018, under the theme “**How CSOs Can Help to Expand Exports, and Economic Cooperation under AGOA.**” Day one of the conference was held in the auditorium of the Embassy of the Federal Republic of Nigeria, and day two took place at the Rayburn Office Building on Capitol Hill in Washington, DC, USA.

The conference focused on President Trump's policy on Africa; and reviewed, the Administration's recent visit to Africa; the score card for AGOA over the past twelve months under the Trump administration; and the critical role that bi-annual AGOA Utilization Strategies can play in increasing exports and advancing economic cooperation under AGOA. The conference brought together more than 100 delegates from the United States and AGOA eligible countries to address the following topics:

- *U.S. Trade and Investment with Sub-Saharan Africa: Recent Developments and the Way Forward*
- *Utilizing AGOA Eligibility Criteria to Strengthen U.S. Trade, Economic Cooperation and Cultural Ties*
- *Civil Society’s Contribution to the Expansion of Micro, Small and Medium Enterprises (MSME’s) Enterprises*
- *AGOA Civil Society Network Agenda for the 2018 AGOA Forum*
- *African Geopolitics and Trade Facilitation*

The event also afforded delegates the opportunity to meet with **Foreign Affairs Committee Chairman, Ed Royce.** Chairman Royce is the architect of AGOA I, which was passed in 2000, as well as, subsequent amendments, and renewals including: Trade Preferences Extension Act (TPEA) of 2015; .During the meeting with Congressman Royce, the Chairman of the AGOA Civil Society Organization (CSO) Network expressed his member’s appreciation to Chairman Royce for his commitment to US-Africa trade and economic cooperation, and the recent passage of the AGOA and Millennium Challenge Act (MCA) Modernization Act. Chairman Royce encouraged civil society to remain committed to the expansion of free enterprise, human rights, economic and political freedom, and the rule of law. Furthermore, he called on the AGOA CSO Secretariat to establish an independent radio and TV station to promote core democratic values across Africa.

After the meeting with Chairman Royce, delegates participated in an Exchange on *U.S.-Africa Trade, Investment, Cooperation and Cultural Ties.* The following experts were on hand for the dialogue: **Angela Ellard**, Chief Trade Counsel Ways & Means Committee and Trade Subcommittee Staff Director of the U.S. House of Representative; **Joshua Snead**, Trade Counsel to the Committee on Ways and Means, U.S. House of Representatives; **Katherine Tai**, Chief Trade Counsel, Democratic Staff, U.S. House of Representatives Committee on Ways and Means; and **Katherine F. White**, Brookings Legis Congressional Fellow, U.S. House of Representatives Committee on Ways and Means

Discussion Highlights:

In his opening remarks, **H.E. Ambassador Sylvanus Nsofor**, Ambassador of Nigeria to the United States, recapped his government’s commitment to strengthening US-Nigeria trade and economic cooperation, and support for AGOA. His H.E. also reminded the gathering of: Nigeria’s contributions to the political, economic and cultural transformation of Africa; efforts by Nigeria’s current administration to address corruption and strengthen the Judiciary with the view of improving the environment for doing business in Nigeria and attracting direct foreign investment in partnership with Civil Society and the Diaspora.

Connie Hamilton, Assistant U.S. Trade Representative (USTR) for Africa, Office of the President of the United States in addressing delegates during the spring conference, called on Sub-Saharan countries “to think strategically about AGOA and develop utilization plans to maximize benefits.” She reminded the audience of the significant decision made in 2015 to extend AGOA by 10 years, the longest extension ever to 2025, by Congress. Assistant USTR Hamilton also noted, “That window is already closing, and we have only seven years left for countries to take advantage of one of the most generous U.S. trade preference programs.” Additionally, she welcomed Gambia and Swaziland back to the program. and addressed the decision by the East African Community to restrict imports of used clothing which resulted in an out-of-cycle AGOA eligibility review for Kenya, Uganda, Tanzania, and Rwanda, as well as, a pending 60 days’ notice to Rwanda of the U.S.’ intention to withdraw AGOA apparel benefits, with the hope of finding an acceptable solution in the coming days.

Ms. Hamilton applauded the signing of the Framework for Continental Free Trade Agreement (CFTA) for Africa by 44 members of the African Union, last month in Kigali, Rwanda; and stated that she looks forward to learning more regarding the new agreement and its impact on U.S.-African trade and economic cooperation. Ms. Hamilton also mentioned the recent passage of the Millennium Challenge Act (MCA) Modernization Act by Congress. The law authorizes the Millennium Challenge Corporation (MCC) to grant regional compacts rather than just single country compacts, this she believes will likely have an impact on infrastructure development in Africa, by allowing MCC to pursue broader regional projects that are necessary to support expansion of free enterprise, and economic cooperation at regional level.

During her presentation, **H.E. Arikana Chihombori-Quao**, Ambassador, the African Union Representational Mission to the U.S, underscored the importance of African Diaspora to the success of the expansion of exports under AGOA, and the progression of U.S. economic cooperation and cultural ties. Ambassador Chihombori-Quao, commented on the fact that by 2060, Africa’s population is projected to reach 2.8 billion, from the current 1.26 billion; with sixty percent of the population currently below the age of 35. H.E. remarked that the African Union considers AGOA benefits and CFTA regional approaches critical to regional integration, intra Africa trade and investment, and quite necessary to advance industrialization and GDP growth in Africa to support the population growth rates and economic growth on the continent

James M. Roberts, Research Fellow, Economic Freedom and Growth, Center for International Trade and Economics, The Heritage Foundation; **Jenai Cox**, Senior Program Manager for Sub-Saharan Africa Programs, Freedom House; and **Anne M. Zollner**, Division Chief, Trade Policy and Negotiations, Bureau of International Labor Affairs, U.S. Department of Labor contributed to the discussions on *Utilizing AGOA Eligibility Criteria to Strengthen U.S. Africa Trade, and Economic Cooperation*. Each of the distinguished panelists outlined best practices and varied tools that are available to civil society and government in maintaining AGOA eligibility criteria, attracting foreign direct investment, and expanding AGOA exports.

Ambassador Matthew Harrington, Acting Deputy Assistant Secretary (DAS) for Southern Africa and Public Diplomacy/Public Affairs, U.S. Department of State announced that “trade between the U.S. and Africa was 13.5 % higher in 2017 than 2016. He noted that since 2000, AGOA has been and remains a pillar of US-Africa relations. Moreover, 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 creation of new, value-added export-oriented industries, including, apparel, food processing, and automotive products. DAS Harrington further referenced the Trump administration’s high-level attention as related to Africa, i.e., the meeting between President Trump and 10 African leaders in New York, last November which led to Secretary Tillerson’s successful visit to Ethiopia, Djibouti, Kenya, Chad, Nigeria and the African Union Commission. The Secretary’s visit to Africa was for the purpose of advancing partnerships on countering violent extremism; bolstering trade and investment; strengthening democratic institutions and good governance; and, improving peace and security. Additionally, Secretary of Commerce Wilbur Ross, will be leading a delegation of the Presidential Advisory Council on Doing Business in Africa in the coming months to Africa for the purpose of increasing commercial ties with Africa, as preparations are being made by the U.S. to host the 17th US-Africa Trade and Economic Cooperation Forum (also known as the AGOA Forum) from July 9-12, 2018 in

Washington DC, and there is also the anticipated trip to the U.S. by President Buhari of Nigeria for an official working visit with President Trump on April 30, 2018.

To leverage this increased engagement, African countries must redouble their efforts to comply with AGOA eligibility criteria and increase utilization of AGOA benefits to make their economies more attractive for trade and foreign investments. To illustrate the importance of this point, Ambassador Harrington, shared his experience as Ambassador to Lesotho, a country with population of 2 million, the second largest exporter of textiles and apparel to the U.S. under AGOA and with more than 400,000 jobs directly tied to AGOA exports. Lesotho faced challenges concerning good governance and rule of law, specifically the fundamental issue of civilian control over the military. The Southern African Development Community (SADC) established a Commission of Inquiry under Mr. Cyril Ramaphosa. The Commission developed a series of recommendations for Lesotho to support rule of law and ensure accountability in the Lesotho Defense Forces. One of the recommendations from SADC was that the army commander be dismissed in the interest of political and economic stability of the country and to save 400,000 jobs that were directly linked to AGOA eligibility. The army commander, agreed to step down, and today Lesotho continues to successfully utilize the benefits of AGOA.

During the Question and Answer period, participants stressed the need for eligible countries, the United States and multilateral institutions to coordinate and increase financial support for and investment in civil society institutions. Civil Society organizations, including institutions that focus on human, and labor rights, gender equality, transparency, democracy, good governance, anti-corruption, and civic engagement; are crucial to improving and strengthening the environment for doing business in Africa, accelerating growth, developing free enterprises and attracting both the financial and human capital required to accelerate industrialization in free markets in Africa. Efforts should be made to make compliance with eligibility criteria transparent and inclusive of stakeholders, specifically, civil society organizations.

For civil society to effectively contribute to the expansion of micro, small, and medium enterprises (MSMEs) in Africa, policy, as well as, a culture of good governance must be made a priority at ALL levels of government with civil society institutions providing the advocacy capital required for success. The ecosystem for MSMEs must provide training, access to credit, and counseling, including counseling for financing, and micro lending, in an effort to empower diverse voices, and underserved groups, i.e., women, and youth. African Governments must embrace technologies that can build a digital economy, and there is also a need to establish Women Business Centers that empower women and level the playing field for small businesses. Transparency and deregulation are critical to ensuring that complex and unnecessary regulations do not stand in the way of progress – The best MSME's ecosystems must be broad, inclusive and welcome new ideas.

Both delegates and speakers expressed profound concern regarding the inaction on the part of eligible countries in publishing their country bi-annual utilization plans that provide them with a strategy for making the most of “one of the most generous U.S. trade preference programs.” To date, only 15 AGOA Country Utilization Plans have been published, including that of Burundi. Nigeria, the largest economy in Africa has not published its AGOA utilization plan, despite ongoing plans to diversify exports from oil and gas to other sectors. Participants from Nigeria expressed disappointment with the Nigerian government agencies, the United Nations Economic Commission for Africa (UNECA) and the African Union Secretariat for failing to provide the required technical assistance and coordination to support civil society in this effort, despite promises and the significant amounts of tax payer dollars that have been spent on this initiative with little or no results. At this juncture in the discussion, the AGOA CSO Network Secretariat restated its commitment to provide technical support and coordination to each and every African country that requests its assistance, including its ongoing efforts to bring stakeholders together to publish a country utilization plan in Nigeria. [Click here for list of SSA countries with AGOA utilization strategies](#)

During the Congressional Exchange with the Ways and Means Committee, congressional staffers reaffirmed that AGOA continues to receive bi partisan support, including the passage of TPEA in 2015 which includes

updated eligibility criteria, and the recently passed AGOA and MCA Modernization Act. The MCA Modernization Act, just signed into law by President Trump provides additional resources for capacity building and allows the Millennium Challenge Corporation to issue regional compacts to support regional infrastructure development and help strengthen regional integration and trade.

The Ways and Means Committee staffers also shared information on ongoing trade agreements and trade enforcements that they were currently working on, i.e., NAFTA renegotiations, enforcement of section 232 tariffs in respect to China and unfair trading. And, the staffers welcomed recommendations from CSOs on how to successfully implement policy to achieve the Committee's desired goals and objectives with the view of strengthening U.S.-Africa trade and economic cooperation.

The session on African geopolitics focused on China's trade with and investment in Africa, as well as, areas of concern as related to strengthening the institutions that are critical to improving the environment for doing business in Africa; namely, human rights; anti-corruption; transparency; democracy; gender equality; labor rights; and women's empowerment. Also discussed, were efforts to expand economic and political freedom. Economic and political freedom must not be eroded and civil society organizations should work to foster Free Market principles and ideals. The use of technology is also required to level the playing field and seamlessly integrate MSMEs into the supply and value chains in domestic regional markets and export markets, i.e., the AfrICANDO Digital Market Place which was presented during the conference. This technology needs to be embraced, encouraged and adopted into the policy objectives and development ecosystems for MSMEs across Africa.

Recommendations:

We the delegates from the 4th Annual AGOA Spring Conference affirm the following:

1. Welcome the passage of the AGOA and MCA Modernization Act passed by both houses that was designed to help expand AGOA and MCC benefits across regions in Africa; and call on the Trump administration to unfold its new plan of engagement with Sub-Saharan Africa before the 2018 AGOA Forum in Washington, D.C.
2. Congratulate the African Union on the signing of the Framework for its Continental Free Trade Agreement (CFTA) which encompasses free movement of business persons and investment, establishment of custom unions, harmonization and coordination of trade liberalization, trade facilitation and instruments across regional economic communities (RECS)
3. Call for the Trump administration and the African Union Commission to establish a working group of government; private sector and civil society leaders to explore the best approaches to moving U.S.-Africa trade and economic cooperation from unilateral AGOA framework to Bi lateral trade agreements, before 2025
4. Urge AGOA eligible countries and the U.S. to provide financial support for the work of NGO's CBO's chambers of commerce; think tanks, and women, and youth organizations at both the federal, state and municipal levels to provide technical assistance to include adult, financial, and, computer literacy; and civic education to MSMEs, with the view of integrating clusters of MSMEs into the value and supply chains to achieve economies of scale that is required to be competitive in domestic and export markets.
5. Call on AGOA eligible countries; the United States and multilateral institution, including the United Nations Economic Commission for Africa to recognize the AGOA Civil Society Organization Network Secretariat as coordinator for technical assistance, training, and capacity building for developing and publishing bi-annual AGOA utilization plan in support of eligible AGOA countries

efforts. The plans which are encouraged by Congress under the TPEA of 2015, once properly created will position their countries to take optimum advantage of the remaining seven-year window remaining for eligible countries to take advantage of the most generous U.S. trade preference program.

6. Request that the “buy America” provisions in U.S. Overseas Development Assistance be eliminated
7. Call for the U.S.-Africa Leaders’ Summit to become a regular event
8. Implore the Trump administration to quickly fill vacant Africa-related posts in the U.S.
9. Welcomes USTR Ambassador Lighthizer on-going efforts to enforce GSP eligibility criteria across eligible countries.