



## **United States-Sub-Saharan Africa Trade and Economic Cooperation Forum (AGOA Forum)**

### **"AGOA and the Future: Developing a New Trade Paradigm to Guide U.S.-Africa Trade and Investment"**

#### **RECOMMENDATIONS FROM 2019 AGOA MINISTERIAL CONSULTATIVE MEETING**

##### **1. CHALLENGES RELATED TO THE DRAFTING OF AGOA STRATEGY**

Out of 39 countries, only 18 have drafted a National AGOA Response Strategy. This raises questions as to Why have the rest of the countries not been so far able to draft a National AGOA Response Strategy. How could the USG jointly with the Regional Economic Communities (RECs) help those countries in writing their National Response Strategies?

##### **2. IMPLEMENTATION OF NATIONAL AGOA RESPONSE STRATEGY**

We note that export towards the U.S. from AGOA eligible countries have been dominated by oil. However, some countries have increased their apparels exports, namely: Lesotho, Kenya and Mauritius.

A National AGOA Strategy would enable countries to identify obstacles hampering effective utilization of AGOA preferences; assess the impact of AGOA preferences on two-way trade with the US as well as other African Countries

The AGOA Trade Ministers should, therefore, address the above and provide the following information:

- Impact of National AGOA Response Strategy on trade with the USA (volume and Value);
- Impact of National AGOA Response Strategy on intra-African trade.
- Actions that need to be undertaken to implement their national strategy has an impact on Countries' exports.

- Countries without AGOA National Response Strategy are invited to draft and adopt one without delay, and countries which already have their Strategy should assist in building the capacity of those in need of assistance.
- Regional Economic Blocs should assist their member states in drafting their National Strategies.
- USAID and Regional Economic Communities (RECs) should provide financial and technical support to countries in the drafting and the implementation of AGOA National Response Strategies.
- USAID and Regional Economic Communities (RECs) should help the eligible countries to obtain the necessary financing to enable effective implementation of their National AGOA Strategies Response.

A National AGOA Strategy would enable countries to identify obstacles hampering effective utilization of AGOA preferences; assess the impact of AGOA preferences on two-way trade with the US as well as other African Countries

### **3. RECOMMENDATIONS FOR BETTER AGOA UTILIZATION**

Meanwhile, AGOA eligible countries identified key challenges they face while implementing their strategy and suggested some recommendations.

- a. **Recommendations to increase knowledge about American markets knowledge of African SMEs, youth and women entrepreneurs about the requirements of the markets**
  - African Union Commission, Regional Trade Hubs, Regional Economic Communities (RECs) and Think Tanks should, under the aegis of the AGOA Bureau and the Economic Development Committee (EDC), set up a Monitoring Committee to organize the African diaspora and help it gather market intelligence with a view to helping African countries penetrate the U-S markets.
  - USAID, U.S. Embassies should organize workshops to increase U.S. importers' awareness about AGOA, GSP and investment opportunities in AGOA eligible countries.
  - With the assistance of the U.S. Customs, U.S. Border Protection (CBP) and USAID, U.S. Embassies and AGOA National Committees should provide African SMEs and exporters with regular and updated information on U.S. market requirements, standards, general importation documentations, technical regulation and US CBP requirements.

- Active steps should be taken in order to create an Executive Committee which would include the AGOA Bureau, Economic Development Committee (EDC), and Corporate Council on Africa (CCA), U.S. Department of Commerce, U.S. Chamber of Commerce and Think Tanks with a view to increasing AGOA utilization rate.
  - Effective linkage, through An AGOA National Strategy Committee, must be established between the Chambers of Commerce of AGOA eligible countries and U.S. SMEs from the U.S. Chamber of Commerce and Industry to increase information flows and enhance partnerships in order to boost exports to the U.S. market. A special US and AGOA eligible countries linkage can be set up for women and youth entrepreneurs.
  - The US Government is invited to use the new trade model to support infrastructures and logistics development projects in AGOA eligible countries to enhance capacity so as to move goods swiftly and efficiently to the U.S. markets. The Investment should go beyond commodities. The AGOA bureau should organize an investment forum in the USA to promote those projects.
  - The AGOA bureau should notify the US of the negative Impact of the out-of-cycle review on predictability and stability of market access and requests a change to this provision.
  - The US should work with central African countries towards the creation of a trade hub in Central Africa;
- b. Recommendations related to Capacity building and compliance with FDA regulation**
- USAID should, in coordination with USFDA, create a coordinating committee with the task of assisting African SMEs to meet the food safety modernization act without carrying higher registration fees.
  - Taking into account the fact that the high standards imposed by the USFDA, it was crucial for SSA countries to address the following: (i) how to produce goods that are FDA compliant and (ii) what kind of institutional structure should be established in to certify FDA compliance. The assistance of the US in this regard was specifically important.
  - USAID, USFDA and U.S. Customs and Border Protection (CBP) should organize workshops for exporters through U.S. embassies in AGOA eligible countries.

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- U.S. Customs and Border Protection should notify database to AGOA eligible countries and assist them in identifying compliance issues affecting their exports and in implementing necessary measures in case of rejection.

African Ambassadors to the US should request more information from the US government on the July 26, 2019 memorandum of understanding on the classification of states under World Trade organization (WTO) classification of countries.

- African Union should partner with the US chamber of commerce, CCA and some US agencies to Identify sponsors to provide funding for training of trainers on relevant standards and regulations.

**c. Recommendations related to non-tariff barriers**

- A Bi-partisan Committee comprised of Congressmen and professional staffers should be established to address all non-tariff barriers (NTBs) affecting AGOA exports, such as lengthy registration process for consignments, cost of delays associated with the container ' security initiative, the U.S. Merchandise Processing Fee (MPF) and Cotton Fee, and the strict compliance to importation and distribution of alcoholic products.
- The United States should consider exempting all AGOA-eligible countries from current and future Section 232 tariffs.
- The U.S. Government should consider prioritizing agricultural products from AGOA eligible countries.
- The U.S. Government should consider the SPS Committees to effectively address market access requests.
- Establish and Build capacity of National quality control laboratories for products certification and inspection

**4. RECOMMENDATIONS ON NEW U.S. - AFRICA TRADE AND INVESTMENT POLICY.**

- AGOA middle and upper-middle income African countries should not be excluded from accessing facilities from the U.S. Development Finance Corporation (DFC).
- Prosper Africa should be a development program mutually beneficial for both Africa and the U.S.

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- The US government should encourage private US investments in sectors with high potential of value chain on raw material.
- U.S Government should consider convening a Summit between the US and African Heads of State/Government to define its economic, trade and investment policy.
- Against the backdrop of an endorsed AfCFTA, the US Government and through the USTR is invited to share views on the model FTA, its scope and coverage, and define once and for all the policy of FTA with one country or a group of countries.
- The US should work with African countries to promote complementarity between the AfCFTA and AGOA, to create new exports opportunities both within and outside Africa.
- The US with the help of AGOA eligible countries should create an AGOA secretariat comprising the Economic Development Committee, the AGOA Bureau, the AU and any REC representatives and any other institutions that could help.
- The African Union should engage with the USA to broaden the scope of AGOA and work toward including all other African countries.
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- There should be no graduation of AGOA eligible countries to ensure predictability and prevent disruption of trade.
- AGOA countries should be able to bid for governmental tenders in the US.
- US government is encouraged to convene a summit between the US and African heads of State to define the future of trade and investment relationships between the USA and Africa

## **5. RECOMMENDATION ON FOLLOW-UP AND IMPLEMENTATION OF RECOMMENDATIONS**

- The trade Ministers agree to set up a Committee comprised of the AGOA Bureau, the Economic Development Committee, and AGOA National Committees with a view to following up on implementation, and monitoring of recommendations made at the AGOA Consultative Group Meeting.