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June 23, 2022

Mr. William Shpiece  
Chair, Trade Policy Staff Committee  
Office of the U.S. Trade Representative  
600 17th Street, N.W.  
Washington, D.C. 20508

**Re: Docket Number: USTR-2022-0004, 2023 AGOA Eligibility Review;  
Comment on Restoration of Eligibility for Ethiopia**

Dear Mr. Shpiece:

Squire Patton Boggs represents the Government of the Republic of Ethiopia (GoE or Government) and is pleased to submit, on behalf of the Government, the following comments seeking restoration of Ethiopia as a beneficiary country under the *African Growth and Opportunity Act (AGOA)*.<sup>1</sup> This submission is in response to a notice in the Federal Register posted by the Office of the U.S. Trade Representative (USTR).<sup>2</sup>

Since before Ethiopia was suspended from the AGOA program in early January, a number of developments have contributed to increased tension and potential destabilization of the country and more broadly throughout the East Africa region. Notable destabilizing factors include the conflict in the northern regions of Ethiopia, continued supply chain challenges related to COVID-19 and the Russia-Ukraine conflict, which has subsequently exacerbated already increasing prices (inflation), and a severe drought that has pushed the southern portion of the country, along with the adjacent countries of Kenya and Somalia, into a famine situation. Terminating Ethiopia's AGOA eligibility this year only further worsened the Ethiopian economy, especially since the AGOA program primarily supports small- and medium-enterprises (SMEs) and vulnerable populations throughout the country that are struggling to feed their families. We therefore request USTR review the progress the GoE has made to address specific concerns that U.S. Trade

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<sup>1</sup> This letter is prepared by Squire Patton Boggs (US) LLP on behalf of the Republic of Ethiopia. Additional information is available at the FARA Registration Unit of the U.S. Department of Justice in Washington, D.C.

<sup>2</sup> 87 Fed Reg 28856 (May 11, 2022).

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Representative Katherine Tai raised in a letter sent to the Government last fall and respectfully request USTR to reinstate Ethiopia's eligibility for AGOA benefits in 2023.<sup>3</sup>

The Government remains committed to addressing the humanitarian crises in the country, including where a conflict for nearly two years has affected the regions of Tigray, Amhara and Afar. Since the Government announced a unilateral ceasefire, momentous progress has been made over the past two months, with the number of trucks and convoys headed to the afflicted regions – an issue of concern for Ambassador Tai and other U.S. officials – significantly increased. The GoE continues to work with U.S. officials and international observers – such as the U.S. Agency for International Development (USAID), the United Nations (UN) and its World Food Programme (WFP), and the International Committee of the Red Cross (Red Cross) – to provide access throughout the country and ensure humanitarian assistance needs are met and disrupted services restored. In the face of threatened and actual violence against technically skilled workers, efforts are underway to re-establish electricity and telecommunications services in the conflict regions

Notably, we were pleased the U.S. Department of State recognized the ongoing ceasefire and efforts to resolve the humanitarian crisis in these regions, with U.S. Secretary of State Antony Blinken issuing a positive statement on June 7.<sup>4</sup> Meanwhile, the GoE remains committed to the National Dialogue to address concerns raised by different groups and parts of the country.

### ***I. Political pluralism***

Historically an ancient kingdom, Ethiopia like many other countries has an extensive history of political tension. Numerous ethnic groups make up the Ethiopian population, which inevitably contributes to divisions within the nation.<sup>5</sup> Notably, the vast majority of Ethiopians belong to the ethnic groups of Oromo and Amhara; in comparison a smaller number are Tigrayans.<sup>6</sup> The Government has taken strong, decisive actions to bring together the people of Ethiopia, despite deep-rooted schisms between and among some ethnic groups.

Since 1994, Ethiopia has had a federal system in which different ethnic groups control the affairs of the ten regions, a system that Tigrayans are credited with establishing. In the 1970's, the Tigray People's Liberation Front, or TPLF, emerged and fought the central Government for 17 years, before coming to power as a dominant member of the Ethiopian People's Revolutionary Democratic Front (EPRDF), which later established the ethnic-based federal system. Despite comprising only six percent of the population, Tigrayans controlled the federal government from 1991 to 2018, when TPLF power weakened following the death of their leader and the start of vast

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<sup>3</sup> Ambassador Tai sent a letter to the GoE dated November 2, 2021, setting forth issues of concern and providing suggested steps for resolving these matters.

<sup>4</sup> *Statement from Secretary Blinken on Humanitarian Assistance to Communities in Northern Ethiopia*, U.S. Department of State (June 7, 2022), available at: <https://www.state.gov/humanitarian-assistance-to-communities-in-northern-ethiopia/>.

<sup>5</sup> Safia Farole, *Ethiopia's Tigray conflict reflects unresolved ethnic tensions*, The Washington Post (November 24, 2020), available at <https://www.washingtonpost.com/politics/2020/11/24/ethiopia-tigray-conflict-reflects-unresolved-ethnic-tensions/>.

<sup>6</sup> *Why is ethnic violence surging in Ethiopia*, Al Jazeera (April 19, 2021), available at <https://www.aljazeera.com/news/2021/4/19/why-is-ethnic-violence-surging-in-ethiopia>.

anti-government protests across the country.<sup>7</sup> Notably, in establishing this federal system, divisions seen today are the result of deliberate actions of the TPLF, which worked to amplify differences rather than unity. Prior to the TPLF, Ethiopians lived mostly in harmony for centuries.

Amid this unrest, the current Ethiopian Prime Minister – Abiy Ahmed – took office, and immediately created a new political party. Prime Minister Abiy worked to institute reforms to address the grievances raised by the protestors. This included addressing corruption and holding individuals responsible, while addressing human rights violations under TPLF rule. His reform efforts resulted in some Tigrayans being removed from office, which diluted the TPLF's hold on government affairs.

Despite amnesty being granted to the ruling elites of TPLF, due to the Abiy Government's inclusive approach, the TPLF sponsored dozens of inter-ethnic conflicts for over two years to destabilize the country. Ultimately, the TPLF attacked the northern Command of the Ethiopian National Defense Forces (ENDF) on the night of Nov. 3, 2020, triggering the civil conflict in the Tigray region.<sup>8</sup> Consequently, in May 2021, the Government designated the TPLF as a terrorist group.<sup>9</sup> When the ENDF withdrew from Tigray in June 2021, the TPLF unfortunately invaded the neighboring Amhara and Afar regions, inflicting damage and heavy atrocities.

On March 24, 2022, after re-securing the Amhara and Tigray regions from the TPLF, the GoE announced an indefinite humanitarian truce, effective immediately and without preconditions.<sup>10</sup> TPLF representatives agreed to the truce, which allowed humanitarian relief efforts to begin to reach those Ethiopians in need in the conflict-afflicted Tigray, Afar and Amhara regions.<sup>11</sup> Despite a history of tension and almost two years of conflict, the Government put the disputes aside to ensure all Ethiopians in the conflict-afflicted regions received the aid they needed. Meanwhile, in mid-June, the Prime Minister declared to the Ethiopian Parliament the establishment of a committee to ensure peace in the country.<sup>12</sup> The committee seeks to solidify further the peace by facilitating negotiations between the Government and the TPLF.<sup>13</sup>

## ***II. Rule of law; Right to due process***

The GoE has been dismayed by the eruption of conflict in its northern regions that led to destruction, pain, and the tragic death of its citizens. Rather than allowing the conflict to continue endlessly, like so many conflicts taking place across the world, the GoE took swift action to regain control of the situation by declaring an indefinite humanitarian truce in March 2022. Meanwhile,

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<sup>7</sup> Declan Walsh and Abdi Latif Dahir, *Why is Ethiopia at war with itself*, The New York Times (March 16, 2022), available at <https://www.nytimes.com/article/ethiopia-tigray-conflict-explained.html>.

<sup>8</sup> *Id.*

<sup>9</sup> On May 6, 2021, the GoE designated the TPLF as a terrorist group for targeting civilians and public infrastructure, seeking to further protect and secure civilians. Simultaneously, the Government also designated the Oromo Liberation Army (OLA) as a terrorist group.

<sup>10</sup> *Ethiopia government declares unilateral truce to allow aid into Tigray*, Reuters (March 24, 2022), available at <https://www.reuters.com/world/africa/ethiopia-government-declares-truce-allow-aid-into-tigray-2022-03-24/#:~:text=Ethiopia's%20government%20on%20Thursday%20declared,how%20it%20would%20enforce%20it>.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Ethiopia's Abiy says body formed to negotiate with Tigray rebels*, Al Jazeera (June 14, 2022), available at <https://www.aljazeera.com/news/2022/6/14/ethiopias-abiy-says-body-formed-to-negotiate-with-tigray-rebels>.

rule of law and the right to due process – transparency and accountability – are guiding principles for the Government as it seeks to resolve alleged human rights violations, whether committed by Government forces, the TPLF, or others.

Prior to the ceasefire, on November 3, 2021, the Ethiopian Human Rights Commission (EHRC) and the Office of the United Nations (UN) High Commissioner for Human Rights (OHCHR) released the findings of a joint investigation into alleged human rights violations and abuses, and violations of international humanitarian law and refugee law committed in the context of the conflict in Tigray.<sup>14</sup> The report covers the period from November 3, 2020, when the armed conflict began, until June 28, 2021, when the Ethiopian Government declared a unilateral ceasefire.<sup>15</sup> The GoE further welcomes efforts to conduct such joint investigations on similar matters from June 28, 2021, to the present day.

The GoE has one principal concern about the commission: neither the former UN investigation, nor the proposed second investigation, address reported abuses by the TPLF in the Afar and Amhara regions. The Government believes the UN should hold all violating parties accountable by thoroughly investigating reported abuses in the Afar and Amhara regions in addition to Tigray. Nevertheless, in response to the findings of the initial UN investigation's report, the Government established inter-ministerial taskforces to address areas of concern and the findings of the joint UN OHCHR and the EHRC investigations report.

Earlier this year, there was an extended period of time when humanitarian aid and relief efforts were unable to get access to the people most in need, largely due to TPLF blockades.<sup>16</sup> Since implementation of the ceasefire, the GoE has worked diligently to cooperate with international organizations toward facilitating humanitarian assistance. The GoE has worked to reduce checkpoints to make humanitarian convoys traveling to the afflicted regions flow as frictionless as possible. Humanitarian organizations have more recently been able to bring over 1,000 trucks in just one week carrying essential relief items and supplies.<sup>17</sup> In acknowledging these tremendous efforts and cooperation, the U.S. State Department stated: "*We particularly appreciate the cooperation of the Government of Ethiopia, Afar regional authorities, and Tigrayan regional authorities to facilitate the delivery of this assistance, as well as the efforts of the United Nations agencies, international organizations, U.S. government partners, and humanitarian organizations across Ethiopia.*"<sup>18</sup>

The Government also worked diligently to facilitate the investigations by both international entities and Ethiopian organizations. Furthermore, the Government remains committed to

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<sup>14</sup> *Report of the Ethiopian Human Rights Commission (EHRC)/Office of the United Nations High Commissioner for Human Rights (OHCHR) Joint Investigation into Alleged Violations of International Human Rights, Humanitarian and Refugee Law Committed by all Parties to the Conflict in the Tigray Region of the Federal Democratic Republic of Ethiopia* (2021), UN Office of the High Commissioner for Human Rights, available at <https://digitallibrary.un.org/record/3947207?ln=en>.

<sup>15</sup> *Id.*

<sup>16</sup> Peter Mwai, *Ethiopia's Tigray crisis: why it's hard getting aid into the region*, BBC (April 7, 2022), available at <https://www.bbc.com/news/57929853>.

<sup>17</sup> *Statement from Secretary Blinken on Humanitarian Assistance to Communities in Northern Ethiopia*, U.S. Department of State (June 7, 2022), available at <https://www.state.gov/humanitarian-assistance-to-communities-in-northern-ethiopia/>.

<sup>18</sup> *Id.*

prosecuting and convicting those individuals found by these investigations to have perpetrated human rights-related crimes. As noted above, in November 2021, the EHRC and the Office of the UN OHCHR released a report detailing the abuses and human rights violations that occurred during the conflict discovered during an investigation that took place from May to August 2021.<sup>19</sup> The GoE has a state-appointed human rights commission that is not only identifying and investigating human rights violations by the TPLF but those committed by the Government as well.<sup>20</sup> This further demonstrates the GoE's continued commitment to transparency and accountability in addressing these serious concerns.

The GoE is actively re-establishing stability, law, and order in conflict areas to restore peace for civilian populations. Thus far, the Government has arrested and brought 31 suspected members of the military to justice. Some are currently being tried, while others have been already sentenced.

### ***III. Market-based economy***

Pursuant to the eligibility requirements under the AGOA program, the GoE continues to implement policies that further the capitalization of its market-based economy. The Government has developed roadmaps towards dramatically improving the economic wellbeing of the country with concrete goals and has begun executing the plan. The GoE recognizes that the extended wellbeing of the people ultimately relies on the Government's ability to cultivate and uphold an environment where the people can succeed financially. As of 2020, Ethiopia has over 115 million people, making it the second most populous country in Africa.<sup>21</sup> Ethiopia is a landlocked nation with a range of climates including deserts, mountains, and rain forests.<sup>22</sup> Sustaining the wellbeing of such a large population in such a dynamic region requires strategic decisions by the GoE and cooperation of partners, both other governments and international organizations.

Prior to recent events, the past 15 years in Ethiopia saw the country emerge as one of the fast growing economies in the world.<sup>23</sup> Despite the COVID-19 pandemic and the civil conflict, in 2020 Ethiopia had the 59<sup>th</sup> largest GDP in the world.<sup>24</sup> Some of the country's exports include oil seeds, gas turbines, and gold.<sup>25</sup> The country primarily exported to key economic partners such as the United States, Somalia and Hong Kong.<sup>26</sup> In 2020, Ethiopia's top export was coffee, which alone grossed \$860 million.<sup>27</sup>

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<sup>19</sup> *Afar and Amhara Regions: Report on violations of human rights and international humanitarian law in Afar and Amhara regions of Ethiopia* published, Ethiopian Human Rights Commission (March 11, 2022), available at <https://ehrc.org/category/report/>.

<sup>20</sup> *Ethiopia rights body says video shows extrajudicial killings* (June 19, 2022), Reuters, available at <https://www.reuters.com/world/africa/ethiopia-rights-body-says-video-shows-extrajudicial-killings-2022-06-19/>.

<sup>21</sup> *About Ethiopia* (last visited June 16, 2022), Embassy of Ethiopia, available at <https://ethiopianembassy.org/overview-about-ethiopia/#:~:text=Ethiopia%20is%20Africa's%20oldest%20independent,over%20the%20past%2015%20years>.

<sup>22</sup> *Id.*

<sup>23</sup> *The World Bank in Ethiopia*, The World Bank (last visited June 16, 2022), available at <https://www.worldbank.org/en/country/ethiopia/overview#1>.

<sup>24</sup> *Ethiopia* (last visited June 16, 2022), OEC, available at <https://oec.world/en/profile/country/eth>.

<sup>25</sup> *Id.*

<sup>26</sup> *The Economy of Ethiopia*, World Atlas (last visited June 16, 2022), available at <https://www.worldatlas.com/articles/the-economy-of-ethiopia.html>.

<sup>27</sup> *Id.*

Ethiopia is a multi-faceted country, with a diverse set of industries that includes food processing, chemicals, textiles, and the leading industry, agriculture, among others.<sup>28</sup> Agriculture is sensitive because so much relies on uncontrollable factors, such as climate changes and droughts. In recent years, Ethiopia has fallen victim to a series of crises that have had devastating effects on Ethiopian citizens, as well as the economy.

In addition to internal strife, Ethiopia has had to navigate the COVID-19 pandemic, Russia-Ukraine conflict effects, a severe drought affecting most of East Africa, and a locust surge that harmed crops in the country.<sup>29</sup> This has resulted in an economic crisis that requires not only the dedication of the Government but also international assistance, including from international financial institutions. Inflation is projected to reach 32.6 percent in 2022.<sup>30</sup> The country's Human Development Index is at a low of 0.38, which is lower than the average for sub-Saharan Africa.<sup>31</sup> The World Bank reports that Ethiopia's "growing workforce (at 2 million per year) puts pressure on absorption capacity of the labor market, necessitates improving current jobs, while creating sufficient new jobs."<sup>32</sup> Restoration of Ethiopia's AGOA eligibility could help stabilize the Ethiopian economy, restoring jobs in non-energy sectors hard hit (see following section) by the decision to suspend the country from the AGOA program.

The GoE's commitment to improving the economic wellness of the country is evident in the many initiatives the Government has created or is working towards achieving. The Government remains focused on infrastructure needs via the "Growth and Transformation Plan II."<sup>33</sup> The GoE continues to seek to uplift Ethiopia and its people into lower-middle-income country status by 2025, which requires significant growth in the manufacturing industry.<sup>34</sup>

In conjunction with the World Bank, Ethiopia has developed a "Country Partnership Framework" in support of the government's "2019 Home Grown Economic Reform Agenda" and the "2020 10-Year Development Plan,"<sup>35</sup> which builds on the growth achieved under the "Growth and Transformation Plans." Furthermore, USAID has committed to making investments in Ethiopia

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<sup>28</sup> *The Economy of Ethiopia*, World Atlas (last visited June 16, 2022), available at <https://www.worldatlas.com/articles/the-economy-of-ethiopia.html>.

<sup>29</sup> *The impact of COVID-19 on children in Addis Ababa, Ethiopia*, UNICEF (December, 2020), available at <https://www.unicef.org/ethiopia/media/4296/file/The%20Impact%20of%20COVID-19%20on%20Children%20in%20Addis%20Ababa.%20Ethiopia.pdf>; *Was in Ukraine exacerbating food crisis in the Horn of Africa*, OCHA (April 4, 2022), Relief Web, available at <https://reliefweb.int/report/ethiopia/war-ukraine-exacerbating-food-crisis-horn-africa>; *'This is the worst drought in forty years': Millions of Ethiopians at risk from failed rains*, United Nations (April 25, 2022), available at <https://news.un.org/en/story/2022/04/1116872>; *Tiksa Negeri, Swelled by rain and COVID curbs, locust swarms ravage Ethiopia*, Reuters (October 20, 2020), available at <https://www.reuters.com/article/us-ethiopia-locusts/swelled-by-rain-and-covid-curbs-locust-swarms-ravage-ethiopia-idUSKBN27515H>.

<sup>30</sup> *Id.*

<sup>31</sup> *The World Bank in Ethiopia*, The World Bank (last visited June 16, 2022), available at <https://www.worldbank.org/en/country/ethiopia/overview#1>.

<sup>32</sup> *Id.*

<sup>33</sup> *Market Overview*, U.S. Department of Commerce's International Trade Administration (September 06, 2021), available at <https://www.trade.gov/country-commercial-guides/ethiopia-market-overview>.

<sup>34</sup> *The Economy of Ethiopia*, World Atlas (last visited June 16, 2022), available at <https://www.worldatlas.com/articles/the-economy-of-ethiopia.html>.

<sup>35</sup> The Home Grown Economic Reform Agenda was "designed to eliminate macroeconomic imbalances and lay the foundation for sustainable and inclusive growth. The reform aims to transition the Ethiopian economy from a public sector led model to one that is driven by the private sector." *Market Overview*, U.S. Department of Commerce's International Trade Administration (September 06, 2021), available at <https://www.trade.gov/country-commercial-guides/ethiopia-market-overview>.

“that enhance the competitiveness of its economy and create more jobs to ensure all Ethiopians are more resilient and can provide their families a better standard of living.”<sup>36</sup>

#### ***IV. Elimination of barriers to U.S.; Trade and investment***

The U.S. Government first designated Ethiopia for AGOA benefits in 2000.<sup>37</sup> From 2000 to 2020, Ethiopia exported over \$700 million worth of garments/textiles under AGOA to the United States,<sup>38</sup> while within the program. AGOA benefits contributed to strong growth in Ethiopia’s footwear and coffee industries.<sup>39</sup> In 2020 alone, these sectors combined were responsible for over \$120 million worth of exports to the United States.<sup>40</sup> Ethiopia’s textile and apparel industry became a dominating industry, accounting for over \$100 million worth of AGOA imports in to the United States each year from 2018 to 2020.<sup>41</sup> Ethiopia achieved significant growth leading to the creation of thousands of jobs for the Ethiopian people.<sup>42</sup>

Not surprisingly, the termination of AGOA benefits has had chilling effects on foreign investors, Ethiopians and the Ethiopian economy, during an already fragile time for the country. PVH Corp – a global clothing company that includes big brand names such as Tommy Hilfiger, Calvin Klein, and True & Co. – announced the closure of its large manufacturing facility in Ethiopia just two weeks after President Biden stated his intention to end Ethiopia’s AGOA benefits.<sup>43</sup> The AGOA information website described PVH Corp’s decision as a major “economic hit” that would only worsen should other prominent companies follow suit.<sup>44</sup>

The loss of AGOA benefits not only has caused the loss of significant revenue to companies with facilities in Ethiopia, but also the loss of tens of thousands of jobs, which has had a ripple effect on thousands of Ethiopians including the most vulnerable populations – women and children.<sup>45</sup> For example, The Children’s Place,<sup>46</sup> one of the most prominent clothing manufacturers in Ethiopia, reported \$15 million in annualized impact since the loss of AGOA trade benefits.<sup>47</sup> Notably, the apparel and leather industries are comprised of approximately 80 percent young

<sup>36</sup> *Economic growth and trade*, USAID (last updated June 16, 2022), available at <https://www.usaid.gov/ethiopia/economic-growth-and-trade>.

<sup>37</sup> *AGOA and Ethiopia*, AGOA.info (last visited June 20, 2022), available at <https://agoa.info/images/documents/15558/ethiopiainfofinal.pdf>.

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

<sup>41</sup> *Bilateral Trade by Sector: United States – Ethiopia*, AGOA.info (last visited June 20, 2022), available at <https://agoa.info/profiles/ethiopia.html>.

<sup>42</sup> Rick Helfenbein, *AGOA rests on Ethiopian life support as retailers flee and china rushes in*, Forbes (December 5, 2021), available at <https://www.forbes.com/sites/rickhelfenbein/2021/12/05/agoa-rests-on-ethiopian-life-support-as-retailers-flee-and-china-rushes-in/?sh=4723ff066a4b>.

<sup>43</sup> Carlos Mureithi, *The US has removed three African countries from tariff-free trade program*, Quartz Africa (January 4, 2022), available at <https://qz.com/africa/2109230/us-removes-three-african-countries-from-agoa-program/>.

<sup>44</sup> *Ethiopia’s economy hit as major clothing maker closes shop*, AGOA.info (November 19, 2021), available at <https://agoa.info/news/article/15933-ethiopia-s-economy-hit-as-major-clothing-maker-closes-shop.html>.

<sup>45</sup> *U.S. to end duty-free access for Ethiopia, Mali, Guinea*, Reuters (November 2, 2021), available at <https://www.reuters.com/world/africa/us-end-duty-free-access-ethiopia-mali-guinea-2021-11-02/>.

<sup>46</sup> The Children’s Place is a specialty retailer of children’s apparel and accessories headquartered in New Jersey. It markets apparel under the Children’s Place, Place, Baby Place, and Gymboree brand names.

<sup>47</sup> *Company Overview as of Q4 FY 2021*, The Children’s Place (last visited June 20, 2022), available at <http://investor.childrensplace.com/static-files/29895a9f-f330-48aa-b2cf-59bb78838ba1>.

women employees, who are likely the primary earners in their family.<sup>48</sup> International policy advisors have predicted the end of AGOA benefits would cause lasting damage to Ethiopia's efforts to address poverty and "deal a serious blow to the welfare of millions of low-income workers".<sup>49</sup> In other words, the loss of AGOA benefits is harming vulnerable Ethiopians' livelihoods and further sowing instability in a historically stable country.

Troublingly, the vacuum created by the end of AGOA benefits for the country is creating further opportunities for the People's Republic of China to secure a strategic expansion of its relationship with Ethiopia.<sup>50</sup> Following the U.S. termination of AGOA benefits, China announced its plan to purchase \$300 billion worth of African goods and sent its Foreign Minister to Ethiopia in an effort to show support.<sup>51</sup> As recently as mid-June 2022, China gathered with key leaders in the Horn of Africa, including delegates from Ethiopia, Sudan, Somalia, and others. China more recently tabled an offer to serve as a peace mediator for conflicts in the region, seeking to further serve as a facilitator for increasing cooperation among these nations and in return gaining increased recognition.<sup>52</sup>

## V. *Combatting corruption and bribery*

The 2021 Corruption Perceptions Index reflected that Ethiopia falls in the middle of the list, with a rank of 87 out of 180; Ethiopia ranked 94 in 2020 and 96 in 2019.<sup>53</sup> The improved score reflects efforts by the GoE to tackle corruption over the reporting period. The Federal Police Commission, in partnership with the Federal Attorney General, investigates and prosecutes crimes of corruption.<sup>54</sup> To further efforts to combat corruption, the GoE established a Federal Ethics and Anti-Corruption Commission (FEACC), which reports directly to the Office of the Prime Minister.<sup>55</sup>

Ethiopia is also a member state of the African Union Convention on Preventing and Combating Corruption, along with being a member of the East African Association of Anti-Corruption Authorities.<sup>56</sup> The GoE's Country Partnership Framework with the World Bank also promotes institutional accountability and "assists in combating corruption by focusing on improving governance and promoting social accountability."<sup>57</sup>

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<sup>48</sup> Mamo Mihretu, *Don't remove Ethiopia's AGOA trade privileges*, Foreign Policy (October 12, 2021), available at <https://foreignpolicy.com/2021/10/13/ethiopia-agoa-trade-biden-abi-dont-remove-eligibility/>.

<sup>49</sup> *Id.*

<sup>50</sup> Rick Helfenbein, *AGOA rests on Ethiopian life support as retailers flee and china rushes in*, Forbes (December 5, 2021), available at <https://www.forbes.com/sites/rickhelfenbein/2021/12/05/agoa-rests-on-ethiopian-life-support-as-retailers-flee-and-china-rushes-in/?sh=4723ff066a4b>.

<sup>51</sup> *Id.*

<sup>52</sup> Nicholas Bariyo, *China seeks to expand Africa trade dominance with role as peace mediator*, The Wall Street Journal (June 21, 2022), available at <https://www.wsj.com/articles/china-seeks-to-expand-africa-trade-dominance-with-role-as-peace-mediator-11655830326>.

<sup>53</sup> *Corruption Perceptions Index*, Transparency International (last visited June 16, 2022), available at <https://www.transparency.org/en/cpi/2021>.

<sup>54</sup> *2021 Investment climate statements: Ethiopia*, U.S. Department of State (last visited June 16, 2022), available at <https://www.state.gov/reports/2021-investment-climate-statements/ethiopia/>.

<sup>55</sup> *Id.*

<sup>56</sup> *Id.*; *Member States*, African Union (last visited June 16, 2022), available at [https://au.int/en/member\\_states/countryprofiles2](https://au.int/en/member_states/countryprofiles2); *Ethiopia*, EAAACA (last visited June 16, 2022), available at <https://eaaca.com/index.php/countries/ethiopia>.

<sup>57</sup> *Market Overview*, U.S. Department of Commerce's International Trade Administration (September 06, 2021), available at <https://www.trade.gov/country-commercial-guides/ethiopia-market-overview>.



The GoE remains committed to a Government free of corruption. In early 2020, amid a push by Prime Minister Abiy to crack down on corruption in the public sector, several senior government officials, including the minister of communications of more than 15 years, were arrested and convicted on corruption charges.<sup>58</sup> In 2019, 59 government officials were arrested under corruption charges, just one year after Prime Minister Abiy took office.<sup>59</sup> Prime Minister Abiy promised “to clean up” the government, state-owned firms and the military.<sup>60</sup> The Prime Minister intends to keep his promise.

## **VI. Economic policies to reduce poverty**

The GoE has placed poverty reduction efforts at the forefront of its domestic agenda. Although work remains, a press release by the World Bank in April 2020 headlined: “Ethiopia has Made Major Strides in Poverty Reduction ... .”<sup>61</sup> The World Bank’s report was finalized prior to the devastating effects of the global COVID-19 pandemic, but it still highlighted the significant efforts and determination by the GoE to address poverty.<sup>62</sup> The press release also stated: “*Strong poverty reduction in urban areas was tightly linked to positive labor market developments over the period.*”<sup>63</sup> The GoE’s determination to continue efforts to reduce poverty remains a top priority.

Reinstatement of AGOA benefits would help further drive economic invigoration for Ethiopians. Furthermore, AGOA creates incentives for American corporations to invest in Africa. These American private sector investments increase job opportunities, which in turn helps to reduce poverty in the country.

The “Ethiopia Rural Productive Safety Net Project” began in 2018; it is just one example of the efforts by the GoE to address poverty-inducing issues prevalent within the country.<sup>64</sup> As described by the World Bank, the project “is to support the Government of Ethiopia in improving the effectiveness and scalability of its rural safety net system.”<sup>65</sup> The safety net refers to the GoE’s efforts to transfer resources and financial assistance systematically to food insecure households in Ethiopia’s rural areas.<sup>66</sup>

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<sup>58</sup> Dawit Endeshaw, *Ethiopia jails former minister for corruption*, Reuters (May 8, 2020), available at <https://www.reuters.com/article/us-ethiopia-corruption/ethiopia-jails-former-minister-for-corruption-idUSKBN22K1PV>.

<sup>59</sup> *Ethiopia arrests 59 officials over corruption, economic sabotage*, Reuters (April 12, 2019), available at <https://www.reuters.com/article/us-ethiopia-corruption/ethiopia-arrests-59-officials-over-corruption-economic-sabotage-idUSKCN1RO1TB>.

<sup>60</sup> *Id.*

<sup>61</sup> *Ethiopia has made major strides in poverty reduction but disparities, inequality remain*, The World Bank (April 16, 2020), available at <https://www.worldbank.org/en/news/press-release/2020/04/16/ethiopia-has-made-major-strides-in-poverty-reduction-but-disparities-inequality-remain>.

<sup>62</sup> *Ethiopia poverty assessment-harnessing continued growth for accelerated poverty reduction*, The World Bank (last visited June 16, 2022), available at <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/992661585805283077/ethiopia-poverty-assessment-harnessing-continued-growth-for-accelerated-poverty-reduction>.

<sup>63</sup> *Ethiopia has made major strides in poverty reduction but disparities, inequality remain*, The World Bank (April 16, 2020), available at <https://www.worldbank.org/en/news/press-release/2020/04/16/ethiopia-has-made-major-strides-in-poverty-reduction-but-disparities-inequality-remain>.

<sup>64</sup> *Id.*; *Productive Safety Net Program (PSNP)*, The World Bank (last visited June 16, 2022), available at <https://projects.worldbank.org/en/projects-operations/project-detail/P163438?lang=en>.

<sup>65</sup> *Id.*

<sup>66</sup> *Id.*

The GoE actively seeks out opportunities to collaborate with trusted partners and international organizations, such as the World Bank, to benefit its citizens. In March 2022, USAID announced an investment of \$60 million to assist the GoE in ensuring Ethiopian access to essential services.<sup>67</sup> In May 2022, the Government negotiated and signed an agreement with the World Bank to receive \$300 million for reconstruction and recovery efforts to further address the needs of the people and alleviate the effects of poverty and displacement.<sup>68</sup> The GoE remains committed to improving the lives of Ethiopians in all regions of the country.

## VII. *Protecting internationally recognized worker rights*

Consistent with AGOA's requirement to protect worker rights, the GoE has ratified the eight core International Labor Organization (ILO) conventions.<sup>69</sup> To ensure the further protection of workers, the GoE, under the leadership of Prime Minister Abiy, passed the 2019 Labor Proclamation that outlawed hazardous work in accordance with the ILO convention.<sup>70</sup> The GoE also implemented the Confederation of Ethiopian Trade Unions (CETU) that has hundreds of thousands of members and seeks to protect the working community.<sup>71</sup> CETU as well as the Ministry of Labor and Social Affairs' Directorate of Harmonious Industrial Relations provides and assists with labor dispute resolution services.<sup>72</sup>

The GoE has also ratified the ILO convention focusing on child labor. The Government implemented further precautions by implementing a National Action Plan for the Elimination of the Worst Forms of Child Labor.<sup>73</sup> The GoE enforces labor policies through the Ministry of Labor and Social Affairs, a ministry that conducts targeted inspections to ensure compliance.<sup>74</sup> In 2020, the Ethiopian Parliament approved the "Anti-Human Trafficking and Smuggling Criminal Proclamation," which establishes clear guidelines regarding anti-trafficking efforts and penalties for those who violate the provisions.<sup>75</sup> This proclamation works in conjunction with the Overseas

<sup>67</sup> *U.S. launches Kefeta, a \$60 million investment to lift up Ethiopia's youth*, Relief Web (March 4, 2022), available at <https://reliefweb.int/report/ethiopia/us-launches-kefeta-60-million-investment-lift-ethiopia-youth#:~:text=U.S.%20Launches%20Kefeta%2C%20a%20%2460%20Million%20Investment%20to%20Lift%20Up%20Ethiopia's%20Youth,-News%20and%20Press&text=Addis%20Ababa%2C%20March%204%2C%202022,of%20vulnerable%20youth%20across%20Ethiopia>.

<sup>68</sup> *Ethiopia, World Bank agree \$300 million grant for reconstruction*, Reuters (May 17, 2022), available at <https://www.reuters.com/world/africa/ethiopia-world-bank-sign-300-mln-grant-agreement-reconstruction-2022-05-17/>.

<sup>69</sup> *Ratifications for Ethiopia*, International Labour Organization, available at [https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200\\_COUNTRY\\_ID:102950](https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102950).

<sup>70</sup> *Proclamation No. 1156/2019*, Federal Negarit Gazette (September 5, 2019), available at [https://www.mtalawoffice.com/images/upload/Labour-Proclamation-No\\_-1156-2019.pdf](https://www.mtalawoffice.com/images/upload/Labour-Proclamation-No_-1156-2019.pdf).

<sup>71</sup> *About: Confederation of Ethiopian Trade Unions*, DBpedia (last visited June 16, 2022), available at [https://dbpedia.org/page/Confederation\\_of\\_Ethiopian\\_Trade\\_Unions](https://dbpedia.org/page/Confederation_of_Ethiopian_Trade_Unions); *2021 Investment climate statements: Ethiopia*, U.S. Department of State (last visited June 16, 2022), available at <https://www.state.gov/reports/2021-investment-climate-statements/ethiopia/>.

<sup>72</sup> *Id.*

<sup>73</sup> *Id.*

<sup>74</sup> *Ethiopia – ministry of labor and social affairs, MOLSA*, SocialProtection.org (last visited June 16, 2022), available at <https://socialprotection.org/connect/stakeholders/ethiopia-ministry-labor-and-social-affairs-molsa#>; *2021 Investment climate statements: Ethiopia*, U.S. Department of State (last visited June 16, 2022), available at <https://www.state.gov/reports/2021-investment-climate-statements/ethiopia/>.

<sup>75</sup> *New Ethiopian law on human trafficking and migrant smuggling*, UNODC (last visited June 16, 2022), available at <https://www.unodc.org/easternafrika/en/Stories/new-ethiopian-law-on-human-trafficking-and-migrant-smuggling.html>; *2021 Investment climate statements: Ethiopia*, U.S. Department of State (last visited June 16, 2022), available at <https://www.state.gov/reports/2021-investment-climate-statements/ethiopia/>.

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Labor Proclamation that regulates the migration of Ethiopians to other countries for work.<sup>76</sup> The U.S. Department of State explained that experts in these matters “report that the GoE has increasingly shown the political will to address this issue”.<sup>77</sup> Apart from these GoE efforts, allied organizations, such as the USAID, have committed to working with the Government to improve the economic landscape by deploying the resources of its “Workers Wellness Alliance” to assist in enhancing the workplace environment and quality of life for employees.<sup>78</sup>

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We appreciate this opportunity to submit comments on behalf of the GoE and request that the country be reinstated for benefits under AGOA to further assist Ethiopians in realizing their full economic potential.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Frank Samolis', is centered on the page.

Frank Samolis  
Partner  
Squire Patton Boggs (US) LLP

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<sup>76</sup> *Ethiopia, Migrant Workers*, International Labor Organization (last visited June 16, 2022), available at [https://www.ilo.org/dyn/natlex/natlex4.detail?p\\_lang=en&p\\_isn=103965&p\\_count=1&p\\_classification=17](https://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=103965&p_count=1&p_classification=17).

<sup>77</sup> *Id.*

<sup>78</sup> *Economic growth and trade*, USAID (last updated June 16, 2022), available at <https://www.usaid.gov/ethiopia/economic-growth-and-trade>.