



AGOA Mid Term Review Meetings 17-18 July 2017, Conclusions and Recommendations

Introduction

In line with the request of the African Union Ministers of Trade at their last Ministerial meeting held in Niamey, Niger from 15 - 16 June 2017, the AUC, organized the Africa Growth and Opportunities Act (AGOA) Mid Term Review Meetings in Washington DC on the 17-18 July 2017.

The Mid Term Review meeting brought together the African Ambassadors Group to the US and experts of the AGOA eligible member states and representatives of the RECS to:

- Deliberate and prepare the African inputs to the AGOA Forum to be held in Lome, Togo in August, 2017
- Strategize on the best approaches to protect and advance Africa's economic interests and address the various opportunities and challenges while engaging with the new US administration.

The 2017 AGOA Mid-Term Review also provided an opportunity for the African Ambassadors Group to meet with key members of the US administration, representatives of the private sector, as well as the civil society.

Recommendations arising from discussions

1. Noted the emphasis by the United States to enforce AGOA-eligibility criteria in line with the provision of Section 104 of AGOA Legislation (Public Law 106/200) and use AGOA as leverage to open markets for US exports.
2. Stressed that AGOA eligible countries should ensure that the benefits of economic growth lead to improvement of quality of lives of our peoples through adherence to Public Health Principles as well as through prosperity brought by the trade.
3. AGOA countries remain a large exporters for primary agricultural products. However, we must encourage industrialization to promote value chain addition so as to be able to process our agricultural product to overcome challenges that come with trade in food and other agricultural related product in as far as issues of pest, hygiene and sanitary control is concerned in global trade.
4. There is demand for various products in the U.S. However, AGOA countries cannot easily be ex-port into the U.S. market under its stringent standards. AGOA beneficiaries need to undertake thorough market research and produce high quality products required by U.S. consumers. Further, the United States is encouraged to continue to provide capacity building to meet these stringent standards.



5. Ensure that Intellectual property laws provide necessary policy space that support industrialization and local production of patented goods including pharmaceuticals for our peoples.
6. Undertake to promote African clinical research while protecting our own people often used as subjects of trials to ensure local solution is sought for clinical challenges specific to Africa.
7. Promote the organization of regular workshops to ensure that best practices for AGOA utilization are followed. These workshops should be financed by institutions working in Africa's interest including collaboration with USAID and other US institutions.
8. Encourage the US Government not to cut budget to USAID in a bid to facilitate resources for countries in maximizing their AGOA utilization Strategies.
9. Encourage the setting up of a consultative committee comprising of representatives from the African Ambassadors Group (AAG), USTR, US Department of Commerce, US Department of Agriculture, US Civil Society and NGOs in Washington, D.C. to monitor all AGOA related issues. The committee will meet on a quarterly basis.
10. Strengthen African Regional Integration agenda through initiatives such as the Continental Free Trade Area (CFTA) which will help reduce Intra-Africa trade costs and help build Regional Value Chains that can better utilize AGOA preferences and expand benefits across a greater number of African countries.
11. Africa should start thinking of Trade and Investments beyond AGOA as we look to 2025 and build infrastructure and system that will propel trade to another level.
12. Each AGOA eligible African country needs to do a complete mapping of what it requires to do to export effectively to the US such as, inter-alia: building knowledge of rules and standards, developing market intelligence about the US market, identifying niches, developing domestic infrastructure and promoting trade facilitation; among others.
13. On the low rate of utilization, UNECA stands ready to organize a training workshop for eligible countries. The workshop will be based on the national utilization template that ECA has developed that takes into account the best practices of successful African AGOA exporters.
14. African countries need to make use of the leverage of negotiating as a Continent rather than individual countries in trade negotiations with larger trading partners like the US and EU. There a need for African countries through the AUC to develop common position on trade and investment relationship with the United States.
15. Africa should highlight the importance of security in order to enhance trade.
16. Strengthen the focus on:
 - (i) Linkages between investment and trade and;



- (ii) Efforts to attract US investors and broaden US investment beyond the current concentration in the Mining Sector.

17. Encourage AGOA countries to:

- (i) submit their National AGOA utilisation strategies,
- (ii) provide a structure approach to exploiting AGOA preferences that have proven successful in countries like Ethiopia,
- (iii) planned approach to support programmes, linkages with US Institutions,
- (iv) accompanying policies and complementary investments,
- (v) Follow market analysis and stakeholder consultations to target key sub-sectors with high AGOA potential,
- (vi) Target specific AGOA trade bottlenecks and incorporate investment promotion to attract FDI to priority sectors.

Recommendations from dialogue with the US Administration on the effective utilization of AGOA and the perspective of U.S.-Africa Trade and Investment under the new U.S. Administration

1. U.S.-Africa engagement is broad and is expected to remain as such. There is expectation that the President's Advisory Council in Doing Business in Africa (DBIA) will play a key role in scaling up U.S. engagement in Africa.
2. Critical need to put emphasis on non-oil exports to diversify exports under AGOA and to support a long term engagement. Eligibility requirements are expected to continue to be a major component of the future engagement.
3. Strategic Planning which requires that AGOA eligible members complete the utilization Strategies is essential for scaling up utilization.
4. Ratification of the WTO Trade Facilitation Agreement (TFA) by AGOA beneficiaries will assist, especially land-locked countries to lower trade costs and move goods across borders and into other markets
5. There is need to continue engaging the US Authorities for more support to AGOA:
 - (i) streamline AFT to finance AGOA utilization strategies,
 - (ii) greater support for regional integration to aid intra-African supply chain,
 - (iii) Propose a US zero tax or other incentives on repatriated earnings for US investments in non-extractive sectors in AGOA countries.
6. AGOA beneficiaries are encouraged to take maximum advantage of the presence of the Trade and Investment Hubs located across Africa to diversify their export sectors. The mechanism by which this would be done will be through the U.S. government support and B2B engagement, regional integration and workforce development to assist AGOA beneficiaries.



7. AGOA preferences are not enough. Other mechanisms need to support these preferences. One of the key mechanisms is financing. The U.S. government can assist with Technical Assistance on revenue mobilization as it is currently being carried out in 17 African countries.
8. There is strong recommendation to establish a platform for AGOA eligible Embassies to meet regularly with U.S. partners in Washington D.C. in order to address any AGOA related issues and move the process forward.
9. African countries should further deepen the already existing relationships between AGOA and existing initiatives including but not limited to MCC, Feed the future, Power Africa, etc. These initiatives are instruments to coordinate an “Africa First” agenda.
10. The “ U.S. first agenda” equally means Africa first agenda. Therefore it is important to agree with the present U.S. administration. Since Africa is currently making steady progress towards continental regional integration, the consensus is that these actions will insert the continent even further into global class supply chains and distribution networks.
11. While we recognize that the out of cycle review is a necessary tool within AGOA, however, this instrument should not be used in a way that would be detrimental to the spirit of AGOA itself.