

## **2013 AGOA Forum: Summary of Proceedings**

### **August 12-13, Addis Ababa**

The 2013 U.S.-sub-Saharan Africa Trade and Economic Cooperation Forum, commonly known as the “AGOA Forum,” took place in Addis Ababa, Ethiopia on August 12-13 under the theme, “Sustainable Transformation through Trade and Technology.” The event brought together Ministerial-level delegations from the United States, 35 of the 39 AGOA-eligible African countries, the African Union and other regional organizations for a high-level dialogue on the future of U.S. – African trade and economic cooperation. Twenty four African Ministers attended.

The 2013 AGOA Forum opened with remarks from senior African and United States officials. African Union Deputy Chairperson Erastus Mwencha identified the youth bulge, technology, and declining natural resources as important trends to take into account when considering the future of AGOA. He emphasized the importance of drawing lessons from the past and called for greater U.S. investment in Africa; a more predictable and transparent AGOA with expanded product lines; increased support for U.S. regional trade hubs; and more political dialogue. Ethiopian Minister of Trade Kebede Chane called for all parties to work together in harnessing AGOA’s full potential and suggested a focus on light manufacturing to stimulate growth. While noting AGOA is not a panacea, the Minister said a strong foundation for trade has been established in the last decade. On behalf of the AGOA eligible countries, he called for a 15 year extension of AGOA.

U.S. Trade Representative Michael Froman called trade and technology critical tools for bringing about Africa’s transformation. He highlighted the strong U.S. delegation traveling with him to Addis, including members of the U.S. Congress and senior officials from a wide variety of agencies. Ambassador Froman emphasized the Obama administration’s commitment to partnering with Africa. He stressed the importance of working with the U.S. Congress on a seamless renewal of AGOA beyond 2015 to provide predictability to manufacturers, buyers, and investors both in Africa and the United States; emphasized AGOA’s contribution to increasing jobs, improving the

business environment, and enhancing regional economic progress and stability; and called on all of AGOA's stakeholders to think thoughtfully about how to meet AGOA's untapped potential. Ambassador Froman introduced a video from U.S. President Barack Obama, who pledged continued American partnership in supporting Africa's economic growth. President Obama highlighted AGOA's role in supporting African growth, increasing economic cooperation and trade with the United States, and encouraging vital reforms. Citing the opportunity before us to unleash the next era of African growth, President Obama expressed his commitment to working with Congress to renew AGOA in 2015 and to ensure that the benefits of African growth reach all parts of society.

In his opening remarks, Ethiopian Prime Minister Hailiariam Dessalegn emphasized that structural change in Africa is within reach and declared this century as the African century. He called on U.S. investors to come to Africa and noted his hope that renewed AGOA legislation will examine rules of origin and offer tax incentives to U.S. companies investing in non-oil sectors. He encouraged the next AGOA Forum to be held at the Heads of State level. . He concluded by expressing his hope that the message that comes out of the 2013 AGOA Forum deliberations will send a strong reassuring signal that AGOA's promise will continue to inspire in the next few decades as African countries strive to build a modern economy through trade and technology transfer.

The Ministerial Forum included three policy dialogue sessions discussing U.S.-sub-Saharan Africa trade and economic cooperation and twelve topic-specific concurrent breakout sessions.

*Dialogue Session I: The Future of U.S.-Africa Trade and Economic Cooperation, Part I*

Co-Chair: Ambassador Michael Froman, U.S. Trade Representative

Co-Chair: Dr. Tedros Adhanom Ghebreyesus, Minister of Foreign Affairs, Federal  
Democratic Republic of Ethiopia

During this session, Ambassador Froman highlighted Obama Administration efforts to support economic growth and regional integration throughout sub-Saharan Africa and

[launched a](#) formal comprehensive review the AGOA program. He emphasized the Obama Administration's commitment to a seamless renewal of AGOA that is informed by the lessons of the past thirteen years and reflects the changes in the global trading system. Ambassador Froman also called for a frank discussion of how AGOA can be better used as a stepladder to Africa's future growth, development, and global economic integration.

*Dialogue Session II – The Future of U.S.-Africa Trade and Economic Cooperation, Part II*

Co-Chair: Dr. Arvin Boolell, Minister of Foreign Affairs, Regional Integration and International Trade, Mauritius

Co-Chair: Bob Koopman, Director of Operations, U.S. International Trade Commission

Speaker: Dr. Stephen Karingi, Director, Regional Integration and Trade Division, UNECA

Minister Boolell provided a summary of the African Trade Ministers' Consultative meeting that occurred on August 11. Among other items, African Ministers recommended that AGOA should be extended for 15 years and that additional African countries should be offered eligibility. Dr. Karingi presented findings from an [empirical analysis](#) of possible scenarios for AGOA post-2015, when the legislation is set to expire, conducted jointly by the United Nations Economic Commission for Africa and the Brookings Africa Growth Initiative. The study's scenarios evaluated the trade and income implications of i) not extending AGOA beyond 2015; ii) expanding product eligibility; iii) revising the eligible countries' iv) restructuring AGOA to resemble the European Union's Economic Partnership Agreements (EPAs); and v) the impact of U.S. – EU free trade agreement and an African continental free trade agreement. Dr. Koopman provided commentary on the study, emphasizing that regional integration would help offset losses from EPAs and other similar agreements. He also stressed the need to consider expanding economic engagement with the United States, including how SMEs enter into global supply chains.

*Dialogue Session III – Discussion with Members of Congress*

Co-Chair: Senator Johnny Isakson (R-GA)

Co-Chair: Representative Karen Bass (D-CA)

Moderator: Florizelle Liser, Assistant U.S. Trade Representative for Africa

Senator Isakson and Representative Bass highlighted bi-partisan support for AGOA legislation and noted their extensive previous work on AGOA and other African issues. Senator Isakson referenced the challenges of justifying foreign assistance in an austere budget period, cited a need for clear monitoring and evaluation benchmarks for AGOA, and called corruption an inhibiting factor in AGOA's success. Representative Bass cited lack of power as a key constraint to economic growth and commented frankly that securing the votes in Congress for the 15-year renewal requested by African leaders could be a challenge. Assistant U.S. Trade Representative Liser urged African countries to ensure that an extended AGOA is fully utilized.

*Concurrent Session I – Regional Integration through Trade Facilitation*

Co-Chair: Donald Kaberuka, President, African Development Bank

Co-Chair: Xavier Carim, Deputy Director General, International Trade and Economic Development, Department of Trade and Industry, South Africa

During this session, discussants agreed that regional integration is key to move Africa up the global value chain. While reducing tariffs is essential, investments in both hard and soft infrastructure are also critical to advancing the integration agenda, particularly by harnessing the power of technology and creating intra-regional transportation corridors. Speakers noted that progress on regional integration is challenged by the proliferation of non-tariff barriers and the complexity of establishing regional norms while respecting national sovereignty. Participants noted that richer, disaggregated data on intra-regional trade flows and better market information could bolster regional commerce.

*Concurrent Session II – The Role of African Women Entrepreneurs for Sustainable Transformation in Trade*

Co-Chair: Fatima Haram Acyl, Commissioner for Trade and Industry, African Union Commission

Co-Chair: Cynthia Akuetteh, Deputy Assistant Secretary for African Affairs, U.S. Department of State

This session stressed the importance of investing in women-owned enterprises and supporting their efforts to take advantage of AGOA benefits. The main challenges for women entrepreneurs seeking to export under AGOA include: i) limited access to capital; ii) an inability to scale up production; iii) difficulties meeting requirements to export to the U.S. market; iv) limited access to markets; and v) weak information and communications technology (ICT) infrastructures in their home countries. Panelists suggested that governments, donor organizations, and NGOs consider best practices to help women entrepreneurs overcome these challenges. Panelists further noted a role for African governments to invest in women-owned enterprises, which could include land grants, loans, business development policies, and training. Other helpful programs by governments and donors could include advisory services, marketing information, technology access and training, and access to tools, equipment and warehouses. Potential exporters were encouraged to take a long view when starting and building businesses and were urged to research and understand target markets, including best prospects and expectations for quality control and compliance.

*Concurrent Session III – Business Ethics and the Construction/Engineering Sector: The Benefits of U.S. – African Public Private Partnerships*

Co-Chair: Rosa Escórcio Pacavira de Matos, Minister of Commerce, Republic of Angola

Co-Chair: John Andersen, Acting Assistant Secretary, U.S. Department of Commerce

During this session, the co-chairs emphasized how public-private sector collaboration on business ethics and governance issues can strengthen efforts to develop infrastructure projects across Africa. They discussed how a focus on ethics and

compliance issues should be part of the broader discussion on attracting investment in infrastructure projects in Africa -- particularly if these projects are going to move forward in a sustainable manner. Discussants also noted that collective action is more effective than individual company reform efforts and that the cost for implementing such ethics compliance programs -- even for smaller companies and governments with limited resources -- need not be expensive.

*Concurrent Session IV – Inclusive Economic Growth and Sustainable Development  
Strategies: Labor Perspectives and Best Practices*

Co-Chair: Axel Addy, Minister of Commerce and Industry, Liberia

Co-Chair: Karen Hanrahan, Deputy Assistant Secretary, Bureau of Democracy, Human Rights, and Labor, U.S. Department of State

Co-Chair: Anne Zollner, Division Chief for Trade Policy and Negotiations, U.S. Department of Labor

This session presented recent studies and best practices from Ghana, Costa Rica, and elsewhere showing how targeted training and effective protection of worker rights can result in positive returns on investment, increasing both productivity and household incomes and encouraging innovation. Discussants viewed AGOA as an essential tool to increase economic activity on the continent and to support diversified, niche markets. Speakers called for inclusive economic growth, such that all segments of society contribute to and benefit from increased economic activity and job creation. Speakers noted the protection of fundamental labor rights is not antithetical to – but in fact an integral part of - achieving inclusive economic growth. Increased enforcement of labor laws can lead to lower unemployment rates, higher consumer buying power, increased investment, and increased productivity. Creative government policies that promote labor laws can help achieve this kind of sustainable growth.

*Concurrent Session V – Trade Opportunities and Financing for Clean Energy  
Development*

Co-Chair: Dr. Olusegun Aganga, Minister of Trade, Nigeria

Co-Chair: Earl Gast, Assistant Administrator for Africa, U.S. Agency for International Development

This session explored ways in which the United States and African governments, together with the private sector and financial institutions, can partner to facilitate trade and investment in clean energy in Africa. The U.S. co-chair highlighted Power Africa, a new initiative by President Obama to double access to electricity across sub-Saharan Africa and address the lack of financing and affordable power as barriers to economic growth. Clean energy has tremendous potential to power Africa's growth, by bringing business, new jobs, and improving quality of life, as well as reducing greenhouse gas emissions. Discussants addressed the need to diversify sources of power and invest in geothermal, hydro, solar, and wind energy. The Nigerian co-chair shared lessons learned in Nigeria's experience privatizing the energy sector, including key factors such as launching a public roadmap, establishing a strong regulator, and implementing cost-reflective tariffs.

*Concurrent Session VI – Building Sustainable and Innovative Infrastructure to Spur Economic Development*

Co-Chair: Don DeAmicis, Vice President and General Counsel, Overseas Private Investment Corporation

Co-Chair: Dr. Abdallah Kigoda, Minister of Trade, Tanzania

This session highlighted the positive role of private sector participation in African infrastructure projects. USG programs like those of OPIC and President Obama's new Power Africa initiative support the involvement of American companies. Discussants emphasized the positive benefits U.S. private sector participation offers including human capacity development of local partners, cutting edge technology and design concepts, and competitive project life cycle costs. The Tanzanian co-chair stressed the critical challenges posted by lack of infrastructure for trade, particularly for landlocked countries. Discussants also addressed questions on the merits of competitive tendering versus sole-source procurement, the importance of investing in soft infrastructure such

as training and computer equipment, and ways to increase the level of U.S. investment in Africa.

*Concurrent Session VII – Institutional Support for the Diaspora: Accelerating Economic Transformation through Creating an Attractive Environment for Investment, the Cases of Ethiopia and Senegal*

Co-Chair: Andrew O'Brien, Special Representative for Global Partnerships, Department of State

Co-Chair: Alioune Sarr, Minister of Commerce, Industry and Informal Sector, Senegal

This session included a discussion of how countries can harness financial flows from migrants and their descendants. African diaspora communities in the U.S. and Europe often represent a substantial portion of a country's population and play a significant role in increasing trade and investment between their countries of residence and their home country. Institutional support can be provided to support remittance investment from diaspora communities. Discussants shared examples of how Senegal and Ethiopia have institutionalized investment and other policies around diaspora communities in order to increase investment and support a more favorable business environment. Panelists acknowledged challenges in harnessing diaspora investment, including limited access to investors, lack of favorable land and property rights regulations, and insufficient outreach on investment opportunities.

*Concurrent Session VIII – Africa on the Move: Health as a Driver of Sustained and Accelerated Trade and Investment*

Co-Chair: Shari Berenbach, President, U.S. African Development Foundation

Co-Chair: Dr. Kesetebirhan Admasu, Minister of Health, Ethiopia

Keynote Speaker: Dr. Richard Sezibera, Secretary General, East African Community

This session explored the trend of African health improvements, as many negative health factors are declining. There has been a decline in HIV/AIDS and malaria across the continent. As health indicators rise there is an increase in life expectancy and

economic productivity. Economic productivity has a profound impact on competitiveness and trade. The presentations highlighted the crucial importance of health for economic development and trade expansion. Historical data suggests that improvements in health precede a surge in economic growth, while growth leads to improved health and quality of life. However, past experience suggests that enhancing levels of economic activities in mining and border towns, without proper health systems and prevention measures, carries the risk of the spread of epidemics such as HIV/AIDS. Discussants stressed the need to prioritize disease prevention efforts, particularly in areas of high economic activity and mobility.

*Concurrent Session IX: Creating an Enabling Environment for Scaling Up Innovative Agriculture Technologies*

Co-Chair: Luc Magloire Mbarga Atangana, Minister of Commerce, Cameroon

Co-Chair: Suzanne Heinen, Deputy Under Secretary, U.S. Department of Agriculture/Farm and Foreign Agricultural Services

This collaborative session on agriculture recognized the importance of reducing barriers to regional trade and investment, and emphasized creating an enabling environment for adopting innovative agricultural production technologies. These elements are key drivers for long-term economic transformation and food security in Africa. To achieve these goals, attention must be placed on: i) developing predictable, transparent, science and risk-based input and trade policies that would enable the development, commercialization, and broad dissemination of improved inputs to smallholders to increase productivity and incomes; ii) establishing effective institutional arrangements to develop sustainable agricultural systems; iii) creating policy to stimulate transformative and sustainable private investments; iv) building necessary infrastructure to facilitate safe, functional and cost-efficient food distribution channels; and v) making a budgetary commitment to agricultural development as encouraged by the Comprehensive African Agricultural Development Program (CAADP) compacts.

*Concurrent Session X – The Rise of Africa’s Digital Economy: Entrepreneurship and Innovation in the ICT Sector*

Co-Chair: Phyllis J. Kandie, Cabinet Secretary for the Ministry of East African Affairs  
Commerce & Tourism, Kenya

Co-Chair: Holly Vineyard, Deputy Assistant Secretary, U.S. Department of Commerce

This session focused on the rapidly growing information and communication technology (ICT) sector and its potential to provide broad opportunities to bolster economic development and job creation. ICT linkages to the AGOA objectives of investment promotion and export growth/diversification are strong, and the sector offers particular value in realizing the promise of Africa’s youth. Discussants stressed the critical role African governments play in ICT development through infrastructure investment and support for incubators and technology parks. They also highlighted the importance of establishing regulatory environments that encourage competition and intellectual property protection. Speakers highlighted examples of exciting African ICT developments, including the growth of mobile technology and affordable broadband infrastructure and emerging African technology brands. A Cape Verde speaker described an integrated, online eGovernment platform that has allowed the government to quickly and efficiently process citizens’ requests (e.g., for birth registration, marriage, education) and to manage business start-up procedures. Speakers also stressed the importance of political will and government vision in harnessing the power of ICT, citing the example of the Government of Kenya which provides strategic, regulatory, and infrastructure support for technology development.

*Concurrent Session XI– Linking Producers to the Global Value Chain - From Grassroots to International Trade: How Africa and the U.S. can Harness the Power of SMEs and Smallholders*

Co-Chair: Shari Berenbach, President, U.S. African Development Foundation

Co-Chair: Fidele Mengue Me Engouang, Minister of Small Enterprises, Handicrafts and Trade, Gabon

This session explored how increased trade linkages between international and regional markets can build wealth, create jobs, and empower marginalized segments of society. Discussants agreed that even small holders, when grouped together through cooperatives and other forms of producers associations, are well positioned to participate in international and regional trade – thereby positively contributing to increases in both their own household income and the trade objectives of their countries. Given their economic potential, both the public and private sector should work to increase linkages between producers associations and the markets of developed countries. Small and medium enterprises that bring together small holders need continued support from their governments as well as from the U.S. and Europe to increase production and to export their products. Local small and medium enterprises also need access to financing mechanisms and support to add value to their products, instead of just exporting local natural resources. Panelists with experiences in Ethiopia, Tanzania, and Namibia shared best practices on how to link smallholder producers associations to global markets.

*Concurrent Session XII - Using Advanced Transportation Technologies to Optimize the Movement of Goods and People*

Co-Chair: Susan Kurland, Assistant Secretary, U.S. Department of Transportation

Co-Chair: Honorable Tjekero Tweya, Deputy Minister of Trade and Industry, Namibia

Panelists in this session discussed the role of transportation as a prerequisite for economic development. Through the use of Intelligent Transportation Systems (ITS), technology can be used to more efficiently move goods and people, increasing a country's ability to trade. As countries seek to enter the global market, speakers highlighted how regional trade could also benefit from the use of technology to improve the efficiency in the movement of goods. The global deployment of ITS across all the modes of transportation offers AGOA eligible countries and regional economic communities an exciting opportunity to leapfrog developmental hurdles to current best practices in the management of freight and passenger movement. ITS supports increased mobility, safety, security, supply chain management, and environmental

gains. Much of this new technology is already available for direct implementation in Africa. Participants also discussed the role of government in addressing non-tariff barriers to the efficient transportation of goods. Deputy Minister Tweya shared Namibia's experience in implementing "One Stop Border Posts" to synchronize activities of multiple government agencies dealing with trade.

The Closing Ceremony provided an opportunity to reflect on the two days of dynamic Ministerial proceedings. Ethiopian Deputy Prime Minister Dr. Debretsion GebreMichael praised the increasing business-to-business linkages between the United States and Africa and said Africa's current economic growth is the beginning of a true transformation. He encouraged countries to develop AGOA national response strategies and called on Washington to ensure a seamless extension of the legislation. Ethiopian Minister of Foreign Affairs Dr. Tedros Adhanom called regional integration a critical vehicle for promoting greater trade and economic development. Deputy Chairperson of the African Union Erastus Mwencha emphasized that AGOA is a win-win program for Africa and the United States and noted the hard work begins now to ensure both a timely reauthorization and successful implementation. Principal Deputy Assistant Secretary of State Ambassador Donald Yamamoto lauded the success of this year's Forum and stated the hard work of determining AGOA's future begins. He encouraged African Ambassadors in Washington to work closely with the U.S. government on the re-authorization process and called on each and every AGOA country to evaluate how to realize the full potential of AGOA.