

AGOA panel talking points: “How to ensure compliance with eligibility requirements to broaden benefits from AGOA”

Wednesday, August 26th, 2:00-3:30 pm

- **Welcome, and thank you for attending this afternoon’s workshop on how to ensure compliance with eligibility requirements.** I’m happy to be here in Libreville at the annual AGOA Forum. I’d like to thank my colleagues, Eric Biel of the US Department of Labor, Connie Hamilton from USTR and Senegalese Trade Minister H.E. the Honorable Alioune Sarr for co-chairing this panel with me. I look forward to taking your questions and discussing how countries can work toward full compliance with AGOA eligibility.
- In particular, I look forward to engaging with you about the intersection of human rights and economic prosperity. Very simply, strong human rights protections coupled with transparent, effective governance are essential ingredients for sustainable growth. This is why the AGOA eligibility criteria include benchmarks related to the rule of law, political pluralism, due process, fair trials, and equal protection.
- We know that, as countries and exporters and leaders, you face numerous challenges in accessing international markets. For 14 years, AGOA has been one of the United States’ primary tools to develop active partnerships and push for greater trade and investment in Africa. And AGOA has been a clear success.
- As a Deputy Assistant Secretary in the bureau for Democracy, Human Rights, and Labor, I focus on Africa and international labor issues. I am here today to tell you bit more about why we think upholding human rights standards and advancing effective governance are such important parts of AGOA eligibility.
- I think a good starting point is to delve a bit deeper into what AGOA specifically says about human rights and democracy. The legislation references four areas that are of immediate concern. First, it provides that countries should be making progress to establish the rule of law, political pluralism, the right to due process, a fair trial, and equal protection for all citizens.

- Second, it emphasizes that countries should have or be making progress to establish a system in place to combat corruption and bribery.
- Third, it strongly upholds internationally recognized labor rights, including freedom of association – which my colleague Eric Biel discussed in his remarks.
- Finally, it also prohibits any country that has engaged in gross violations of human rights from eligibility.
- **I'd like to underscore that concerning AGOA eligibility, human rights and democracy are key components.** The reason these standards are included is that respect for human rights and effective democratic governance go hand-in-hand with a prosperous, sustainable economic sector. For example, businesses will not believe they have a reliable place to invest if they do not have recourse to a credible court system when disputes arise. Companies will not feel assured that their investments will be protected if they lack confidence in the rule of law and the willingness of governments to enforce contracts.
- I'd also like to make a special point on corruption, one of the four areas that I mentioned. Combatting corruption is a critical part of AGOA and the key to growing a strong, sustainable economy. It takes courage and political commitment and sometimes assuming risks to curb this problem.
- As President Obama said in his recent trip to Kenya and Ethiopia: “Nothing will unlock Africa’s economic potential more than ending the cancer of corruption...here in Africa, corruption drains billions of dollars from economies that can't afford to lose billions of dollars -- that's money that could be used to create jobs and build hospitals and schools...It undermines the dignity of the people you represent.”
- Fighting corruption lifts more than a country's balance sheet. Transparency and accountability attract greater investment. Transparency and accountability create a more competitive marketplace, one where ideas and products are judged by the market and by their merits, and not by a backroom deal or a bribe.

- In this context, extractive form the largest component of African exports to the U.S. under AGOA. That is why we are emphasizing multilateral efforts like the Extractive Industries Transparency Initiative (EITI) and the Voluntary Principles, which bring together civil society organizations, private sector companies, and governments to fight corruption and stop abuses in the oil, gas and mineral sector.
- **A number of countries in Africa strongly illustrate the mutual reinforcement of strong human rights protections and economic prosperity.**
- **Benin** is a testament to the importance of transparency and accountability in creating a good investment environment. Benin scores very well on a number of democracy indicators: it is rated “free” by Freedom House, and undertook significant reforms between 2014-2015 that made starting a business, trading across borders, enforcing contracts, and protecting minority investors easier.
- In 2012, Benin consulted with over 1,000 representatives of civil society, women’s organizations, businesses, and local and national government to better understand how to harness its economy and foster economic growth. As a result, the Government of Benin and the U.S. development agency MCC prepared a program focused on the energy sector, which included a significant policy reform component. Due to its strong commitment to pursuing these reforms, in June the MCC Board approved a \$375 million compact for Benin.
- The key lesson: by practicing transparency, government accountability, and political inclusiveness, Benin was able to make the appropriate reforms and bring about a large development partnership that will have a positive impact on its future.
- Since the establishment of AGOA, some countries have lost eligibility due to human rights abuses and poor rule of law. Other countries such as Niger, Cote d’Ivoire, and Guinea have lost and then regained eligibility. I believe that AGOA eligibility criteria reflect principles and values that are essential to sustainable development—transparency, accountability, democracy, and the rule of law. That is why these principles underpin our mutual goal of

enhancing Africa's export-led economic growth—because economic growth cannot happen in a vacuum.

- We are committed to supporting strong democratic institutions, advancing human rights protections and supporting internationally recognized workers' rights throughout the continent.
- Because that is what AGOA's about: partnerships. As a direct result of AGOA, Ethiopia's exports to the United States have increased almost 150%. Lesotho, which had a small manufacturing sector before AGOA, has become a leading African apparel exporter to the United States. That is in both Africa's and America's interest. We want AGOA to create active partnerships here in Gabon and across Africa. That's how we, as partners, will continue to grow and prosper together.