

3rd AGOA Civil Society Organizations'
Network Session of the 4th U.S.-
Sub Saharan Africa Trade and
Economic Cooperation Forum

REPORT



The Africa Growth and Opportunity Act (AGOA)



CIVIL SOCIETY NETWORK



JULY 18TH-20TH 2005

DAKAR, SENEGAL

LE MERIDIAN HOTEL

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I. Introduction

The following is a summary of key events and findings of the 3rd AGOA Civil Society Session, of the Fourth US-Sub Saharan Africa Trade and Economic Forum that took place in Dakar, Senegal, between July 18th and July 20th, 2005.

The Fourth US-Sub Saharan Africa Trade and Economic Forum presented an opportunity for U.S. and African Governments, the private sector and civil society to present a unified front on how to tackle new global challenges to US- Sub Saharan Africa trade, under the Africa Growth and Opportunity Act (AGOA).

On January 1, 2005, the Agreement on Textile and Clothing (ATC) also known as the "Multi-Fiber Agreement" expired, removing all existing quotas regulating textile and clothing imports to the United States, the European Union and others. On one hand, some believe this bold step will accelerate the emergence of a global free-market system under the World Trade Organization rules. On the other hand, others believe that such change will erode the gains made by sub Saharan African countries under the African Growth and Opportunity Act. With the expiration of the Multi-Fiber Agreement, many fear that China and others will dominate the global textile and apparel market and take from African countries such as Lesotho and Malawi and others, the gains made in the US textile and apparel market since 2000, when AGOA was signed into law.

Since the introduction of AGOA, total bilateral trade between the US and Africa have increased exponentially, with Sub-Saharan African exports to the United States growing by 72 per cent over the past three years up to US\$ 26.6 billion in 2004.

During the same period, many investors and manufacturers, particularly from China, India, Pakistan and other countries with strong textile and apparel sectors invested and or relocated operations in Africa because of the quota free benefits available through AGOA for eligible Sub Saharan African manufacturers. Today, with the end of the MFA, under the World Trade Organization rules to end the use of quotas for textile and apparel trade, many foreign investors and manufacturers that relocated are withdrawing their investments and closing factories in Africa, leading to loss of jobs, tax base, and drop in market share, all gains made between 2000-2004 under AGOA.

China, India, Pakistan and others stand to benefit from the end of the Multi Fiber Agreement and with their strong competitive edge over the Sub-Saharan African producers, in areas such as: transportation, supply of power to run their growing industrial bases, established global distribution networks, and others, erode the gains made by African manufacturers.

These challenges calls for a decisive and collective plan by AGOA eligible countries to mitigate individual loses through cooperative efforts at improving competitiveness, by working together to address the infrastructure, distribution, input, and technology deficiencies the social and political reforms necessary to attract investments. Civil Society Organizations working with government and the private sector on both side of the Atlantic Ocean have an important role to play.

The ending of the third country fabric provision of AGOA in 2007, will be another important milestone in US-Sub Saharan Africa trade relations under AGOA, again civil society organizations must work with governments and private sector on both sides of the Atlantic for a "soft landing".

The Dakar Forum brought the government, private sector and civil society sessions under the same "roof" for the first time. The opportunities that the forum presented needs to be further exploited in future forums to increase interactions and joint presentations.

Fred Oladeinde
Coordinator, AGOA Civil Society Network, Secretariat
President, The Foundation for Democracy in Africa

II. Preparatory Activities for the 3rd AGOA Civil Society Session of the US-Sub Saharan Africa Trade and Economic Forum (February – July 2005)

The preparatory activities for the Third AGOA Civil Society Forum began on February 17th, 2005, with the Planning Meeting for the Civil Society Session of the U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum, held at the White House Conference Center.

The AGOA Civil Society Network, members and other NGO groups formed a Planning Committee, supported by the AGOA Civil Society Network Secretariat. The Committee overviewed all the planning activities for the Dakar Forum, and provided an effective venue for the discussion of major organization issues.

The **first meeting** of the Planning Committee was held on March 3, 2005 at the American Bar Association in Washington, D.C. Chaired by Ms. Vernice Guthrie, Co-chair of the AGOA Civil Society Network, the meeting discussed lessons learned from previous AGOA Civil Society Forums held in Mauritius and Washington, D.C. Both Forums were described as a success, but they also showed the importance of a collaborative and proactive role of the host governments, as well as the importance of having a definite set of participants from both the NGO and the Private sectors. The Planning Committee also recommended that NGOs and Private Sector's members should have a clear commitment to the success of the event both in terms of capacity of translating the Forum's results into reality, and of guaranteeing adequate sponsorship. Among the impediments that prevented previous AGOA Civil Society Forums from fulfilling their full potential, the Committee indicated: 1) Misunderstandings on U.S. import/export standards; 2) Visa-related problems for visitors from Africa.

The **second meeting** of the Planning Committee took place on March 15, 2005 at the office of the Foundation for Democracy in Africa in Washington, D.C. Chaired by Dr. Patrick Wilson, Administrator of Blacks in Government (BIG)-Africa Partnerships Secretariat, the meeting stressed once again how visa-related issues might serve as a hindrance for future AGOA Forums. The meeting also highlighted the importance of having matching partners in Senegal, the host country, for all Forum-related organizational issues. Mr. Fred Oladeinde, President of the Foundation for Democracy in Africa and Coordinator of the AGOA Civil Society Secretariat, communicated that Dr. Oumar Makalou, Chair of the AGOA Civil Society Network and President of CERDES, and him were working towards identifying Senegalese Co-chairs. Mr. Oladeinde also stated that the Senegalese government agreed to ensure the participation of ECOWAS and other civil society organizations to the Forum, and that the African Union also promised to work towards ensuring the participation of other sub-regional organizations.

The **third meeting** of the Planning Committee took place on April 5, 2005, at the D.C. office of Bread for the World. Chaired by Ms. Vernice Guthrie, the meeting concentrated on issues of fundraising, agenda setting, African and US-based NGOs' involvement, the launch of a web site including AGOA success stories by the Office on Public Diplomacy, and the level of involvement and responsiveness of the Senegalese government.

The **fourth meeting** of the Planning Committee was held on April 26, 2005, at the D.C. offices of Bread for the World. Mr. Fred Oladeinde chaired the meeting, which discussed the Forum agenda, the speakers' list, and progress made on civil society involvement. The Secretariat updated the Planning Committee on relevant discussions carried out with USAID, the U.S. Public Diplomacy Office, and the Senegalese Government on various issues, including financial support to the Civil Society session of the Forum. Upcoming assistance on organizational matters from the Senegalese NGO CONGAD was also discussed.

The **fifth meeting** of the Planning Committee took place at the D.C. office of the American Bar Association. Chaired by Ms. Vernice Guthrie, the meeting discussed the agenda and content of the Civil Society session, the possibility to organize videoconferences, spaces provided by the Senegalese government to host the Forum's guests, and related financial needs. The Planning Committee acknowledged the great work and commitment of Mr. Fred Oladeinde and Patrick Wilson in preparing for the Forum.

The **sixth meeting** of the Planning Committee was held on July 6, 2005 at the Office for Public Diplomacy in Washington, D.C. The meeting highlighted problems related to the lack of adequate financial support for the participation of Senegalese civil society organizations. Mr. Fred Oladeinde highlighted that during his fact-finding mission in Dakar he was able to verify first-hand that the Senegalese government had not yet delivered on the promised logistical support for the Forum.

Overall, the preparatory activities for the Civil Society session of the AGOA Forum in Dakar highlighted the following organizational issues:

- 1) There should be more activities both in the U.S. and Africa in order to promote AGOA goals and recruit new members;
- 2) There should be constant consultation between AGOA Civil Society Network Secretariat, the private sector and the government.
- 3) Increased fund-raising efforts are necessary in order to support the programs and activities of the AGOA Civil Society Network Secretariat.

The AGOA Civil Society Secretariat recommends the following steps in order to guarantee a smooth organizational process for future AGOA Forums:

- 1) The planning of AGOA Forums needs to start as early as possible (at least six months or more before the opening date of Forum);
- 2) All stakeholders, government, private sector and civil society sessions need to be hosted at the same venue, when possible;
- 3) Joint sessions in areas of common interest should be encouraged.

III. July 18th - First Plenary Session

The Role of Civil Society in the evaluation of eligibility criteria for AGOA

On Monday, July 18, 2005, the Forum commenced its activities at the Hotel Meridien with a plenary session on the role of Civil Society to further the objectives of AGOA. The theme was the role of civil society in the evaluation of and compliance assistance with eligibility criteria for AGOA.

At the beginning of the session, Mr. Fred Oladeinde, Civil Society Coordinator for the AGOA Network and President of The Foundation for Democracy in Africa, Professor Oumar Makalou, President of CERDES-Mali, and Professor Babacar Diop, President of CONGAD-Senegal, welcomed all the participants to the 4th Forum.

The moderators reviewed the creation and purpose of AGOA, as well as its composition, regulations, and administrative structures. The moderators emphasized AGOA's important role in the fight against poverty and the efforts to achieve good governance necessary for the harmonic development of Sub-Saharan states.

Subsequent to the introduction, the Honorable Ms. Connie Hamilton, Senior Director for African Affairs at the US Trade Representative Office and Ms. Voré Gana Seck of CONGAD presented an outline of eligibility criteria for AGOA and the procedures related to eligibility. Ms. Hamilton emphasized that the fundamental principle for eligibility is a nation's respect of the rule of law, as the adherence to rule of law promotes protection of human rights and prohibitions against child labor.

Ms. Hamilton also cited examples of countries that have been suspended from their AGOA membership, such as the Republic of the Ivory Coast and Eritrea. However, she emphasized that the objective of the United States is not to exclude states from AGOA, but rather to encourage them to adopt reforms that protect human rights.

Ms. Voré Gana Seck, the first President of CONGAD – Senegal, after a short reminder of the admission criteria to AGOA, elaborated upon the role of civil society in promoting state compliance with AGOA's eligibility criteria. She argued that civil societies, in addition to providing technical support and promoting increased awareness among citizens, should actively lobby and monitor government action to encourage the recognition of and adherence to the rule of law.

Finally, Mr. Fred Oladeinde sought suggestions and recommendations for better management of the strategies to promote AGOA eligibility. Participants asked for clarifications about the applicable fiscal regime for exports to the U.S., about standardization, the realization of an information system, and American policies vis à vis the issue of peace.

In answering to all these questions, Ms. Connie Hamilton presented the necessary clarifications for a better understanding of the eligibility criteria.

The establishment of indicators to measure eligibility conditions took place.

This session was led by Dr. Cindy Courville, Special Assistant to the President and Senior Director of African Affairs, Mr. Robert P. Jackson, Deputy Chief of Mission at the U.S. Embassy in Dakar, Mr. Leon Louw, President of the Free Market Foundation - South Africa, Dr. Oumar Makalou, Taoufik Ben Abdallah of the African Social Forum, and Amacodou Diouf, Second Vice-President of CONGAD.

The respective presentations focused on the roles of civil society, the definition of the indicators for eligibility criteria, the mechanisms for measuring and evaluating with respect to these indicators and the performance and progress achieved by the eligible countries.

It was recognized that civil society plays a central role in the promotion of people's rights in the political, economic, social and cultural spheres, by reminding governments of their own responsibilities. Civil society needs to be the voice of the community and should express and promote the opinions and concerns of the community on political and economic matters.

It is important to formulate the best available methodology in order to accurately measure the respective countries' conformity to the criteria defined by AGOA. Certain countries already use such indicators, especially those concerning the political process, the rule of law and government transparency. evaluated with respect to economic policy.

Left to right: Babacar Diop, Dr. Cindy L. Courville, H. Robert P. Jackson

Recommendations formulated by the panelists are as follows:

- 1) To review performance tools designated by the World Bank and similar institutions to determine to what extent they can be incorporated;
- 2) To establish new working instruments to implement AGOA;
- 3) To compile reliable statistics, taking into account the relevant macroeconomic, microeconomic, political, social and cultural conditions: civil society has a painstaking work to carry out in these areas of concern;
- 4) To formulate a national level index system involving all the eligible countries;
- 5) To promote the collaboration of the Government, the private sector and civil society within AGOA through the organization of annual meetings aimed at producing recommendations and evaluations;
- 6) To place a team of experts in each country in order to monitor their progress;
- 7) To assist in the sharing of existing frameworks of bilateral and multilateral agreements between and among member nations.

Afterwards, there were questions regarding the reciprocity of trade liberalization between the United States and the eligible countries in order to secure fairness and protection of the comparatively weak economies. According to the participants to the forum, openings of the markets and protection are compatible.

The role of micro finance in the promotion of exports and entrepreneurship.

The Senegalese Minister for Women Entrepreneurship and Micro Finance, Ms. Maimouna Ndir Sourang presided over this session. In order to frame the debate over the role of micro-finance, she described the importance of micro-finance in the economies of sub-Saharan states and the problems of small businesses (e.g. access to credit, short life expectancy of small and medium enterprises - SMEs).

Ms. Henriette Viviane Matteko Attah from Ghana spoke of States' political engagement in micro-finance development. She argued that SMEs face serious problems that force them to look for the support of

other non-governmental organizations. Ms. Matteko Attah also described the case study of Ghana, wherein the support of NGOs assisted disadvantaged structures, and in Uganda, wherein NGOs have worked to help orphans and victims of HIV/AIDS.



Left to right: Mr. Fred Oladeinde, Leon Louw, Taofik Ben Abdallah, Dr. Oumar Makalou

Furthermore, Ms. Matteko Attah argued for reorganization of structures in order to obtain World Bank support. Finally, she suggested that, given the need to reinforce the capacities of SMEs, judicial statutes regarding micro-finance structures should be revised.

Ms. Soukeyna Ndiaye Ba, former Minister for Decentralized Cooperation and President of the non-Governmental organization FDEA (Women, Development, Entrepreneurship), complimented the massive participation to the AGOA workshops. She emphasized that the key to African countries benefiting from AGOA is the quick implementation of AGOA itself. She also suggested that micro-finance has an important role in this process. However, she has also highlighted its constraints, namely:

- 1) Incapacity of credit infrastructures to finance for the long term;
- 2) Economic rules established by property developers, which remain restrictive (e.g., machinery bought in the U.S.);
- 3) The financing of training for entrepreneurs (especially women);
- 4) Issues that require a sophisticated managerial support;
- 5) Within the area of exports, SMEs are not well equipped to cope with competition and counterfeiting.

Mr. Anthony Okonmah, FDA Executive Director, underlined the need for AGOA countries to control their growth, using the examples of Japan and China in the domain of counterfeiting.

The debate that followed focused on:

- 1) The difficulties facing micro-enterprises which do not favor their access to export markets and more specifically to AGOA (small scale production, respect of the rules, access to technology, mutual responsibility, the issue of the rules of origin, the inexistence of commercialization networks);
- 2) The risks tied to the purchase of new equipment (insurers' reticence);
- 3) The relation between micro-finance and female entrepreneurship;
- 4) The mechanisms that need to be installed to favor the extension of micro-credit to the entrepreneurs;
- 5) The weakness of the decentralized financial structures' portfolios, which need to evolve into a network;
- 6) Excessive interest rates;
- 7) Excessive rigidity of the necessary guarantees to obtain credit;

- 8) The need to create bigger markets.

Conclusions:

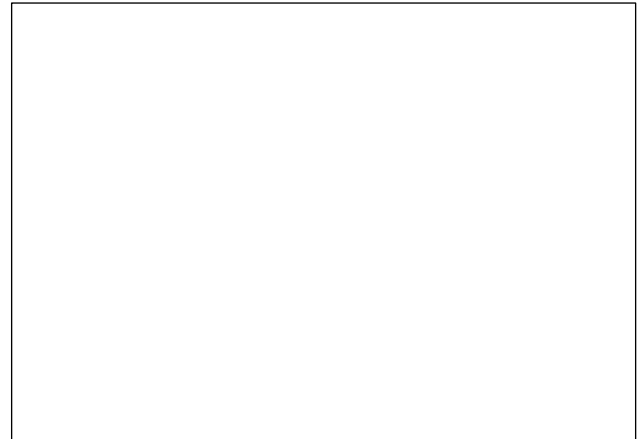
In order to guarantee the participation of the institutions of micro-finance to further AGOA objectives, it is necessary to:

- 1) To reinforce entrepreneurs' capacity;
- 2) To create a cooperation network among banks;
- 3) To create a consultation mechanism to promote SMEs' exports.

IV. July 19-20, 2005 - Reading of and Amendments to the reports from Days 1 and 2

On July 19th, a digital videoconference linked the participants in Dakar with civil society members in Los Angeles, California, and Washington, D.C. The moderator in Washington, DC, was Dr. Hypolite Fofack from the World Bank, and the moderator in Los Angeles was Mr. Agrippa Ezozo from the University of California - Los Angeles (UCLA), while in Dakar, the proceedings of the session were coordinated by Mr. Fred Oladeinde, President of the Foundation for Democracy in Africa and Coordinator for the AGOA Civil Society Network. Dr. Fofack presented a discussion paper, while recommendations on how to improve the AGOA network were presented by the Los Angeles' group.

July 19th luncheon speaker H.E. Dr. Cheikh Ghadio, Foreign Minister of the Republic of Senegal, commended members of civil society organizations for their contribution to the success of AGOA, and challenged the gathering to do more. The Civil Society Session's gala soiree was graced with the presence of H.E. Madam Viviane Wade, First Lady of the Republic of Senegal, who gave a keynote speech on the role of civil society organizations in addressing poverty reduction, particularly in rural areas in Africa. Mrs. Wade also congratulated the AGOA civil society network for organizing the event and said she was looking forward to receiving the proceedings of the conference. World-renowned Senegalese artist Baba Maal and his group entertained the distinguished guests, and additional drama performance and entertainment were provided.



Her Excellency Viviane Wade, First Lady, Republic of Senegal at the AGOA Civil Society Gala

On July 20th the plenary session reviewed the reports from Days 1 and 2, and a draft report and recommendations were adopted.

Reading of the July 18th, 2005 Report

After reading the first report, the plenary session proposed the following amendments:

- f* To take into consideration the employment of disabled people in the criteria of AGOA;
- f* To encourage civil society to promote citizen-entrepreneurs;
- f* To assist in refinancing for Institutions of Micro-finance (IMFs) and the creation of networks;
- f* To better explain the contents of AGOA programs;
- f* To harmonize the intervention criteria for IMFs, especially in terms of credit grants and interest rates;
- f* To demand that Civil Society is consulted during the process of excluding a member country from AGOA;
- f* To publicize all laws relative to AGOA throughout civil society and the private sector;
- f* To install a team of experts composed of civil society and the private sector members for the implementation of AGOA;
- f* To integrate an effective communication process at the level of the different countries of the network to clearly demonstrate the roles of civil society;

In conclusion, the plenary session proposes:

1. To demonstrate the importance of civil society and the necessity of recognizing its identity;
2. To create an involved partnership before, during, and after the policy-making process;
3. To improve the policy-making process through a participative approach and by eliciting opinions of African and U.S. citizens
4. That civil society:
 - a) Reinforce the capacities of its members and populations
 - b) Reinforce the dialogue with the private sector and the state
 - c) Work for the informing and educating of populations

Reading of the July 19th, 2005 Report

The plenary session formulated corrections and amendments to complete the contents of the report of July 19, 2005

1. 250,000 American cotton farmers endanger the lives of 11,000,000 African cotton farmers.
2. The CEDEAO countries have decided to install a policy of protection of varied and diversified markets. Civil society therefore proposes that the accords of AGOA do not call into question bilateral and multilateral accords of African countries, concluded with international institutions and in the framework of their policy of integration. Civil society ought to engage in partnership with the workings of West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS);
3. In the measures taken in relation to agricultural grants, there is still a lot to do;
4. The Trade-Related Aspects of Intellectual Property Rights (TRIPS) provision forbidding the manufacture of generic medicines should be erased. In effect, this clause is in opposition to the policy of promoting generic medicines, favoring the accessibility and availability of medicines in poorer nations;
5. The gender dimension needs to be taken into account by AGOA's policies and strategies in order to:
 - a. Contribute to the reduction of gender disparities;
 - b. Promote the effective participation of women in this process;
 - c. Favor the development of female-owned SMEs and SMIs (small and medium industries).
6. Concerning the panel on education, there were presentations on the stakes involved, the problem of giving children a sense of responsibility from elementary school on up. The problems of pertinence and of efficacy were raised. However, there were no real debates, because of a lack of time;
7. In relation to the issue of brain drain, the plenary session highlighted concluded that the mobility of students and educators should not happen to the detriment of Africa;
8. The session on agriculture, health, education, and energy issues emphasized the connections among these different sectors. In effect, one must be in good health to produce; one must be well educated to produce better. It was noted that research must accompany and complement these three sectors. Energy sources need to be diversified and readily available;

9. On ecotourism, the plenary session insisted upon the importance of preserving Africa's natural patrimony, which unfortunately is now endangered. Ecotourism can contribute in a significant manner to the GNP of African nations (for example, Kenya and South Africa) and to the creation of thousands of direct and indirect jobs. In the arena of ecotourism, populations must be informed and educated on how to embrace this opportunity, as it has the potential of creating jobs and reconciling Africans to themselves and to the rest of the world.

The very real connections existing between ecotourism, the environment, and sustainable development were highlighted. Africa possesses specific, very competitive and unique resources. For example:

- Natural ecosystems of high value;
- Rare and endemic plant and animal species, like the mountain gorilla, the okapi, etc.;
- Sites and landscapes of an exceptional beauty like Victoria Falls and the Cofei Falls.

Unfortunately, ecotourism is confronted by numerous constraints, including the following:

- Security constraints, because of the many wars that shake Africa;
- Financial and material constraints;
- Insufficient or non-existent infrastructure;
- Lack of training for qualified staff.

AGOA can be an opportunity for Africa because it will help to re-activate this sector as a viable economic resource throughout the continent.

On July 20th, at the Joint Closing Session, recommendations from the Private Sector and the Civil Society sessions were presented to the Plenary Session. Prof. Oumar Makalou, Chairman of the AGOA Civil Society Network, Prof. Babacar Diop, President of CONGAD, and Mr. Fred Oladeinde, President of the Foundation for Democracy in Africa and Coordinator of the AGOA Civil Society Network, made their presentations to the plenary session on the proceedings and recommendations from the Civil Society session for their adoption by the Forum.

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