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Recalibrating U.S. EcmnAnDr. Joy Kategekwa

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The Africa for which the 2000 African Growth and Opportunity Act (AGOA) was promulgated does not exist. This is the case for at least three reasons. One, the emergence of China's development cooperation model which has left behind roads, rails, bridges and airports, and investments in mining, fishing, and manufacturing[1] has opened the eyes of African policymakers and leaders to the possibility of an alternative way that is characterized less by sharing best practices and developing strategies, and more by something that Africans can see and touch. This factor significantly changed the psyche of African leaders and will determine how Africa values and shapes partnerships with the rest of the world—including the United States. The second major shift is the birth of the African Continental Free Trade Area Agreement

What these developments mean for a post-AGOA dispensation is that the African Union (AU), which has consistently defended an extension of AGOA on its existing non-reciprocal preferential terms, will insist on this position. But they should also do more.

With the opportunity for AGOA renewal in 2025, the United States has a chance to establish a truly solid development-oriented partnership emphasizing industrial and trade capacity development and collaboration to overcome the foundational bottlenecks that hinder the realization of AGOA's potential. This paper seeks to demonstrate how this can be done.

The paper argues for an AGOA- package that does two things:

One: extends the non-reciprocal AGOA preferences.

Two: adopts a strong U.S. commitment in partnership with the African Union, that sets the parameters of U.S. support for the AfCFTA, especially to build African productive capacity in the value chains that are emerging out of AfCFTA State Party commitments. This partnership should advance technology, financing and investment for industry initiatives linked to sectors included in both AGOA and the AfCFTA—especially for women and young entrepreneurs.

The above components of an AGOA- package are in the strategic interest of the United States to ensure AGOA's stated objectives to promote economic growth through good governance and free markets are met.[2] The landscape in which the U.S.-Africa partnership is unfolding has drastically changed in the 22 years since AGOA was enacted and does not lend itself to an outcome that is predetermined externally and gifted to Africa. The AGOA- package will therefore need to be co-created with African States and perhaps have a stronger role for U.S. agencies focused on finance, investment, and industry to ensure that experimentation with traditional aid models (projects and pilots) goes to scale.

AGOA offers Sub–Saharan African countries duty-free access in 5,240 tariff items if the goods are wholly obtained or sufficiently manufactured in an AGOA country (the latter requiring third-country materials to have beate are whTboTEMC /P ⁄Lang (ep0f)27spse to Practice

Aligning AGOA to Africa’s Preferred Development Approach

A U.S.-Africa partnership must, as a core design issue, center around accelerating industrialization in

Where Next? A Recalibrated Agenda for a Reinvigorated U.S.-Africa Trade, Industry, and Investment Partnership

There is a unique opportunity to create a stronger U.S.-Africa partnership. An AGOA- model answers, at least in part, that important question on the minds of Africa's leaders: how to build resilience—in production and supply chains—using the AfCFTA as the core lever.

This paper shared some insights on what the U.S. government should consider in approaching discussions on this partnership. Below is a summary of five key policy options and recommendations that would frame a recalibrated U.S.-Africa trade partnership in light of the implementation of the AfCFTA and the final months of the current AGOA authorization.

Policy Options and Recommendations

1. **Place mutual respect at the heart of deliberations.** The U.S. government should come to the table with a demonstrable interest in listening to and exchanging with Africa, and an openness to be guided by the views of Africa (on issues concerning the approach to capacity building that will work for developing value chains for example). The conversation should be about an effective U.S.-Africa partnership for sustainable development. Getting this right is requisite because the discussions are

1. According to McKinsey, there are over 10,000 Chinese firms in Africa, 90% of which are privately owned. See How Chinese firms have changed Africa. Kartik Jayaram, Omid Kassiri, and Irene Yuan Sun, “The Closest Look yet at Chinese Economic Engagement in Africa,”

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