2018 BIENNIAL REPORT ON THE IMPLEMENTATION OF THE AFRICAN GROWTH AND OPPORTUNITY ACT

Prepared by the Office of the
United States Trade Representative

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2018 BIENNIAL REPORT ON THE IMPLEMENTATION OF THE AFRICAN GROWTH AND OPPORTUNITY ACT

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Office of the United States Trade Representative

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Foreword

Section 110 of the Trade Preferences Extension Act of 2015 ("the Act"), 19 U.S.C. § 3705 note, states that the President[1] shall submit a report to Congress on the trade and investment relationship between the United States and sub-Saharan African countries no later than one year after the enactment of the Act, and biennially thereafter. The U.S. Trade Representative, on behalf of the President, submitted the first report under this provision in June 2016. The current report covers the period since then. It provides a description of the status of trade and investment between the United States and sub-Saharan Africa, changes in country eligibility for AGOA benefits, an analysis of country compliance with the AGOA eligibility criteria, an overview of regional integration efforts in sub-Saharan Africa, and a summary of U.S. trade capacity building efforts.

[1] This reporting function was delegated to the U.S. Trade Representative in Executive Order 13720 of February 26, 2016.

Chapter I: The Trade and Investment Relationship between the United States and Sub-Saharan Africa

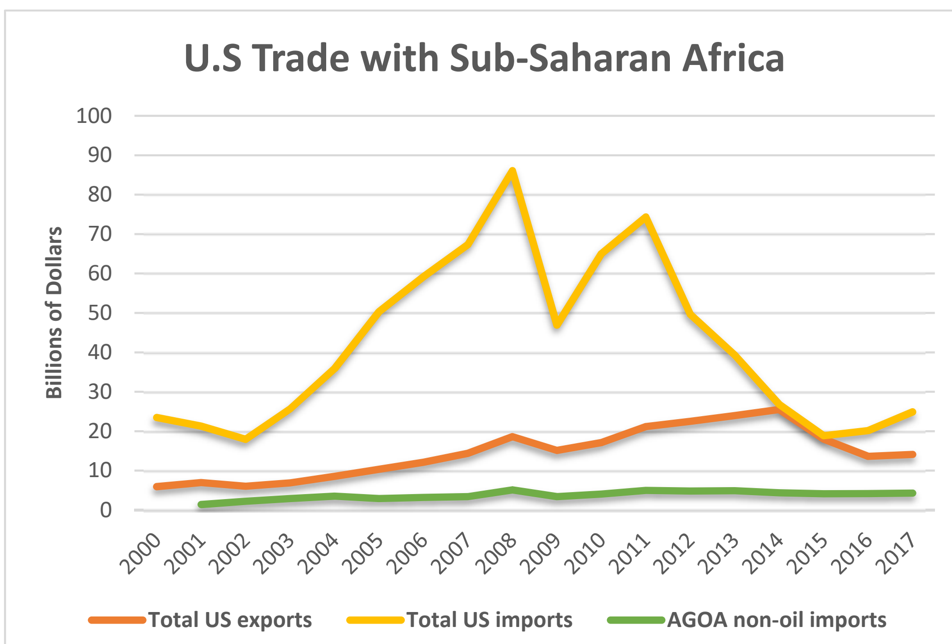
The United States has a long-standing trade and economic partnership with sub-Saharan Africa, and is committed to accelerating economic growth across the region, including through free, fair, and mutually beneficial trade. The African Growth and Opportunity Act (AGOA) has been a key element of U.S. economic policy in, and engagement with, sub-Saharan Africa since it was first enacted in 2000. In addition to AGOA, the United States also works to promote and enhance the U.S.-sub-Saharan Africa trade and investment relationship through sustained engagement in a range of other initiatives.

This chapter describes the status of trade and investment between the United States and sub-Saharan Africa since the 2016 Report on AGOA Implementation, which reported on trade and investment data up to 2015. This chapter also provides information on initiatives from 2016 and 2017 that enhanced the trade and investment relationship.

Trade and Investment Overview

Trade

Total two-way goods trade with sub-Saharan Africa was $39 billion in 2017, up 5.8 percent compared to $36.9 billion in 2015. U.S. goods exports were $14.1 billion, down from $18.0 billion in 2015 (partly due to lower aircraft sales), while U.S. goods imports were $24.9 billion, up from $18.8 billion in 2015 (primarily due to rising commodity prices).



Refer to Appendix 6 for actual values.

Top U.S. goods exports in 2017 were machinery ($2.3 billion), vehicles ($1.6 billion), aircraft ($1.5 billion), mineral fuels ($1.4 billion), and electrical machinery ($864 million). Export growth in some of these sectors was due to rising incomes in the region, growing urbanization, and the need for improved infrastructure. The top U.S. export markets in the region in 2017 were South Africa ($5.0 billion), Nigeria ($2.2 billion), Ghana ($886 million), Ethiopia ($873 million), and Angola ($810 million). Additionally, in 2015 (the latest data available), U.S. goods exports by small and medium enterprises (SMEs) to sub-Saharan Africa totaled approximately to $5.8 billion. SMEs primarily exported machinery and manufacturing equipment, transportation equipment, and chemical manufacturing equipment. Over 40 percent of 2015 exports by SMEs were concentrated in South Africa and Nigeria.

Total U.S. goods imports from sub-Saharan Africa increased from $18.5 billion in 2015 to $24.9 billion in 2017. Top U.S. imports in 2017 were oil ($11.2 billion), precious metals ($4.1 billion), cocoa ($1.2 billion), vehicles ($1.2 billion), and iron and steel ($950 million). In 2017, the top sub-Saharan African suppliers to the United States were South Africa ($7.8 billion), Nigeria ($7.1 billion), Angola ($2.6 billion), Cote d'Ivoire ($1.2 billion), and Botswana ($772 million).

Total U.S. goods imports from sub-Saharan African (SSA) countries under AGOA (including Generalized System of Preference, or GSP) totaled $13.8 billion in 2017 compared to $9.3 billion in 2015. Sub-Saharan African non-oil exports to the United States under AGOA equaled to $4.3 billion in 2017, up from $4.1 billion in 2015, mainly due to increases in exports under AGOA in apparel, iron and steel, fruits and nuts, cocoa paste and cocoa powder, and footwear.

In 2017, the top five SSA exporters under AGOA were Nigeria ($6.1 billion), South Africa ($2.9 billion), Angola ($2.3 billion), Chad ($590 million) and Kenya ($408 million). As discussed below, some SSA countries have taken advantage of AGOA to increase and diversify their exports to the United States. The Trade Preferences Extension Act of 2015 (TPEA), which extended AGOA through 2025, encouraged SSA countries to develop AGOA utilization strategies to further diversify their goods and engage in markets in which they may have an advantage due to AGOA. Fifteen out of the 40 AGOA eligible countries have developed public AGOA utilization strategies.

In terms of trade in services, U.S. exports of commercial services to Africa as a whole dropped 2.8 percent from $13.4 billion in 2014 to $13.0 billion in 2016 (latest data available). Large or emerging U.S. services export sectors include air transport, education-related travel, finance, insurance, and information and communications technology services. *See Appendix 7 for more info on trade in services.*

Investment

U.S. investment stock in sub-Saharan Africa stood at $29 billion in 2016 (latest year available), down 23 percent compared to $37.5 billion in 2014.[2] The three largest destinations for U.S. investment in SSA countries were Mauritius ($6.7 billion in 2016), South Africa ($5.1 billion), and Nigeria ($3.8 billion).

SSA foreign direct investment (FDI) stock in the United States stood at $4.2 billion in 2016, up 164 percent compared to $1.6 billion in 2014.[3] FDI from South African firms accounted for the majority ($3.1 billion) of the increase.

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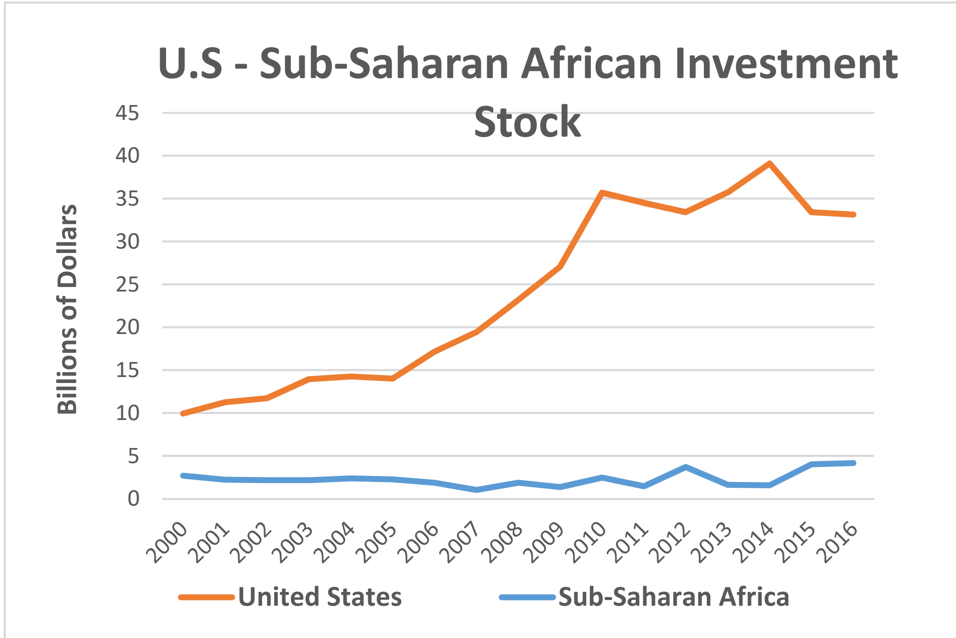
[2] Bureau of Economic Analysis, *Balance of Payments and Direct Investment Position Data*
[3] Ibid.



Refer to Appendix 8 for exact values

Since 2016, the U.S. Agency for International Development's Trade and Investment Hubs in Africa, further described in chapter four, have facilitated more than $140 million of U.S. investment across a range of key sectors, including agribusiness production and distribution, apparel, and light manufacturing, as well as financial and technology services, supporting nearly 50,000 jobs in sub-Saharan Africa. Additionally, in terms of facilitating inward investment from sub-Saharan Africa, the U.S. Department of Commerce's investment promotion program, SelectUSA, worked closely with current and potential African investors, from over half a dozen markets on the Continent.

Enhancing the Trade and Investment Relationship through AGOA

Since its enactment in 2000, AGOA has been at the core of U.S. economic policy and commercial engagement with Africa. AGOA provides eligible sub-Saharan African countries with duty-free access to the U.S. market for over 1,800 products, in addition to the more than 5,000 products that are eligible under the GSP program. The additional products include value-added agricultural and manufactured goods, such as processed food products, apparel, and footwear. Forty countries are eligible for AGOA benefits in 2018. *See Appendix 1 for list of AGOA beneficiary countries.*

In order to remain eligible for AGOA, countries must meet the eligibility criteria set forth in: (1) section 104 of AGOA (19 U.S.C. 3703); and (2) section 502 of the Trade Act of 1974 (19 U.S.C. 2462) (hereinafter 1974 Act). The eligibility requirements set forth in Section 104 of AGOA include requirements that the country establish or be making continual progress toward establishing, *inter alia*: a market-based economy; the rule of law, political pluralism, and the right to due process; the elimination of barriers to U.S. trade and investment; economic policies to reduce poverty; a system to combat corruption and bribery; and the protection of internationally recognized worker rights. In addition, the country may not engage in activities that undermine U.S. national security or foreign policy interests or engage in gross violations of internationally recognized human rights.

Section 502 of the 1974 Act includes bases for ineligibility for benefits as well as factors that the President shall take into account in determining whether to provide benefits under the GSP. According to the 1974 Act, in order to be eligible for benefits, a country: (1) may not be a Communist country, unless it receives Normal Trade Relations treatment, is a member of the General Agreement on Tariffs and Trade and the International Monetary Fund, and is not dominated or controlled by international communism; (2) may not be a party to an arrangement of countries and participate in actions the effect of which is to withhold supplies of vital commodities or raise the price of such commodities to an unreasonable level and cause serious disruption of the world economy; (3) may not afford preferential treatment to products of a developed country that has, or is likely to have, a significant adverse effect on United States commerce; (4) may not have nationalized, expropriated, or otherwise seized property of U.S. citizens or corporations without providing, or taking steps to provide prompt, adequate, and effective compensation, or submitting such issues to a mutually agreed forum for arbitration; (5) may not have failed to recognize or enforce arbitral awards in favor of U.S. citizens or corporations; and (6) may not aid or abet, by granting sanctuary from prosecution, any individual or group that has committed an act of international terrorism. A beneficiary GSP country must also have taken or be taking steps to afford internationally recognized worker rights.

The factors that the President shall take into account under section 502 to assess eligibility include: (1) an expression by the country to be designated as a beneficiary; (2) the level of economic development; (3) whether or not other major developed countries are providing preferential treatment; (4) the extent to which the country has assured the United States that it will provide market access and refrain from unreasonable export practices; (5) the extent to which the county is providing adequate and effective protection and enforcement of intellectual property rights; (6) the extent to which the country has taken action to reduce trade distorting investment practices and policies and reduce or eliminate barriers to trade in services, and; (7) whether or not the country has taken or is taking steps to afford workers with internationally recognized worker rights. *The full AGOA and GSP eligibility criteria are included in Appendices 2 and 3, respectively.*

AGOA has helped beneficiary countries expand and diversify their exports to the United States. By providing new market opportunities for African exports, AGOA has helped bolster African economic growth and alleviate poverty on the continent. Additionally, AGOA has helped create a more conducive environment for American investment and business interests as African markets continue to expand.

TPEA extended AGOA through 2025, including the third-country fabric provisions. The TPEA also enhanced AGOA in a number of other ways, such as promoting greater regional integration by amending the rule of origin; encouraging the development by AGOA beneficiaries of better utilization strategies to improve AGOA's effectiveness and use; and outlining a path for deepening and expanding trade and investment ties with AGOA-eligible countries.[4]

[4] Countries with AGOA strategies are listed in Appendix 4.

Through activities such as the annual AGOA country eligibility review process, the annual U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum ("the AGOA Forum"), and ongoing dialogue with African trading partners, AGOA provides incentives to promote economic and political reform, as well as trade expansion in beneficiary countries.

2017 AGOA Forum

The annual United States-Sub-Saharan Africa Trade and Economic Cooperation Forum, informally known as the "AGOA Forum," is a ministerial meeting with high-level dialogue to promote closer economic ties between the United States and sub-Saharan Africa. On August 9-10, 2017, United States Trade Representative Robert Lighthizer led the U.S. delegation to the 2017 Forum in Lomé, Togo. The Administration shared the foundation of its trade policy approach to the sub-Saharan African region and the United States' "interest in deepening commercial ties with Africa."

Ambassador Lighthizer speaking at 2017 AGOA Forum, Lomé, Togo
Source: U.S. Department of State

With a theme of "The United States and Africa Partnering for Prosperity through Trade," the 2017 Forum highlighted the role of the private sector in expanding trade to support economic growth and poverty reduction. Through a number of the sessions, Forum participants discussed policies and measures that can help African countries maximize the benefits of AGOA. Sessions on regional integration, investment, and the Trade Facilitation Agreement reviewed how regional trade policy, the investment climate, and customs reforms can help to facilitate the flow of goods and investment in Africa to better support a balanced trade relationship with the United States. The Forum challenged African delegations to explore further how their economies can harness private sector innovation and adapt to the evolving U.S. market to expand trade as an engine for inclusive economic growth. The Forum also highlighted how AGOA has played an important role in supporting American priorities in Africa by advancing economic growth that reinforces regional stability and other common priorities such as youth employment, migration policies, and regional security.

Ambassador Lighthizer stressed "the United States is committed to Africa" and welcomed the opportunity for dialogue on ways to develop more opportunities for reciprocal trade relations and reduce impediments to U.S. trade and investment. He noted that the United States wants both to address balance of payments deficits and support African development, since the United States and its African partners have a shared interest in ensuring that trade brings benefits to workers. Ambassador Lighthizer indicated that this Administration believes that efforts by African countries to improve their investment climates will have more impact than anything the

U.S. Government could do. He stressed that, "Africa has never been more important to the U.S.," and added "AGOA is just a step in this process."

AGOA Eligibility Review

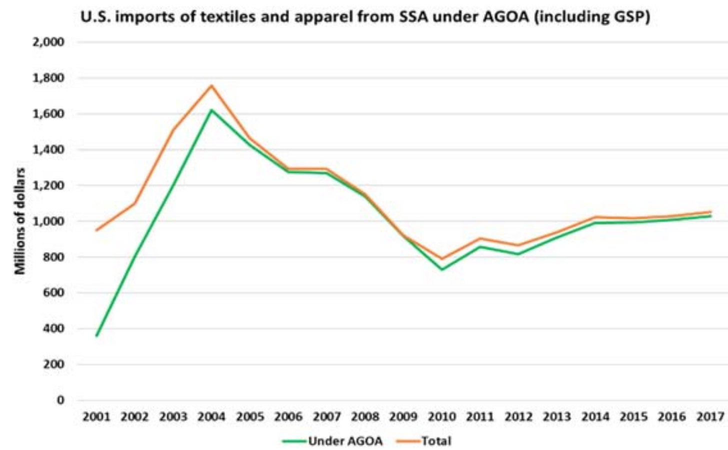
AGOA requires the President to determine annually which of the sub-Saharan African countries listed in the Act are eligible to receive benefits under the Act. These decisions are supported by an annual interagency review, chaired by the Office of the U.S. Trade Representative (USTR). This review examines whether each designated AGOA beneficiary country continues to meet the eligibility criteria and whether circumstances in ineligible countries have improved sufficiently to warrant their designation as a beneficiary country.

The 2017 country eligibility review resulted in the reinstatement of The Gambia's and Swaziland's AGOA eligibility, both effective January 1, 2018. The government of The Gambia lost its AGOA eligibility in 2015 due to human rights abuses and the deterioration of the rule of law. Following democratic elections in December 2016, The Gambia took steps to meet the eligibility criteria by strengthening the rule of law, improving the protection of human rights, and supporting political pluralism. Swaziland lost AGOA eligibility in 2015 due to concerns over restrictions on the freedoms of peaceful assembly, association, and expression. The U.S. Government set a series of benchmarks related to these concerns that Swaziland needed to meet to regain AGOA eligibility. Swaziland met the last of these benchmarks in November 2017 in fulfilment of the eligibility criteria related to internationally recognized worker rights.

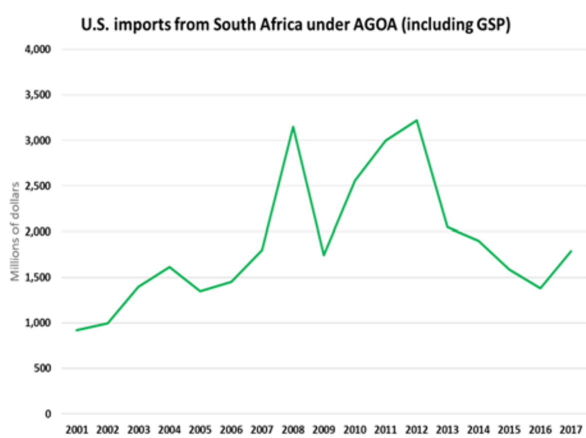
The TPEA also provided additional tools to support compliance with AGOA eligibility criteria, including by providing greater flexibility to withdraw, suspend, or limit benefits under AGOA if it is determined that such action would be more effective than termination of AGOA eligibility. The TPEA improved transparency and participation in the AGOA review process and created a public petition process to review countries' AGOA eligibility. In addition, the TPEA authorized the initiation of out-of-cycle reviews of a country's eligibility.

On June 20, 2017, USTR initiated an out-of-cycle eligibility review of Rwanda, Tanzania, and Uganda in response to a petition filed by the Secondary Materials and Recycled Textiles Association (SMART). The SMART petition asserted that a March 2016 decision by the East Africa Community (EAC), which includes Kenya, Rwanda, Tanzania, and Uganda, to phase in a ban on imports of used clothing and footwear imposed a significant economic hardship on the U.S. used clothing industry. SMART alleged that this ban violated the AGOA statutory eligibility requirement that beneficiary countries make continual progress toward establishing a market based economy and eliminating barriers to U.S. trade and investment. USTR determined that an out-of-cycle review of Kenya's AGOA eligibility was not warranted at that time, due to actions Kenya took, including reversing tariff increases, effective July 1, 2017, and committing not to ban imports of used clothing through policy measures more trade-restrictive than necessary to protect human health. Tanzania and Uganda made similar commitments during the course of the out-of-cycle review. On March 29, 2018, the President determined that Rwanda was not making sufficient progress toward the elimination of barriers to U.S. trade and investment, and therefore was out of compliance with the eligibility requirements of AGOA. As a result, the President notified Congress and the Government of Rwanda of his intent to suspend duty-free treatment for all AGOA-eligible apparel products from Rwanda after 60 days.

AGOA Success Stories[5]



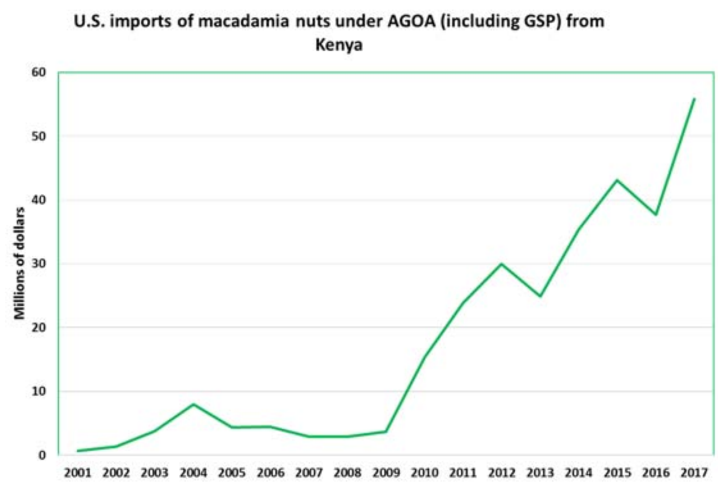
Apparel: Many AGOA beneficiary countries have taken advantage of AGOA benefits related to the program's tariff preferences and liberal rules of origin for apparel. AGOA beneficiaries' utilization of these AGOA benefits led to an increase and diversification of sub-Saharan African exports of apparel to the United States. Kenya, Lesotho, Madagascar, and Mauritius have been the leading exporters of apparel under AGOA, accounting for almost 90 percent of AGOA apparel exports in 2017. Increased apparel exports under AGOA have also led to improved productivity and employment opportunities. For instance, in Kenya, UAL Apparel Factory is a leading exporter that supplies many large retail chains, including Levi Strauss and H&M. Since the extension of AGOA in 2015, UAL has added thousands of jobs, and currently employs nearly 10,000 Kenyans. Overall, 40,000 Kenyans are employed in the apparel export industry.



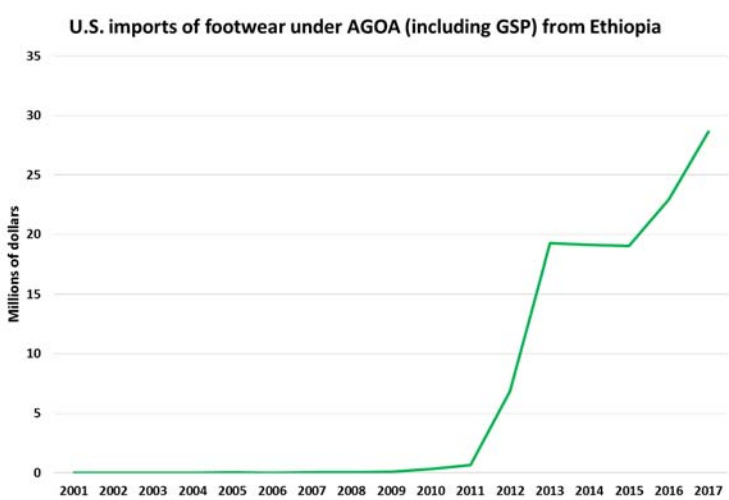
South Africa: South Africa is the largest non-oil beneficiary of AGOA by value. The country accounts for 68 percent of non-oil AGOA exports to the U.S. South African exports to the U.S. under AGOA have increased three-fold since its enactment in 2000, primarily from industry and agricultural sectors. Transportation equipment increased from $76 million in 2001 to $1.3 billion in 2017, adding over 30,000 jobs. South African exports of agricultural products increased nearly seven-fold since 2001 to $278 million in 2017. South Africa's citrus industry attributes its success to AGOA's market access opportunities, supporting up to 85,000 jobs. South Africa also exported $49 million worth of macadamia nuts, an industry which supports 3,800 jobs and an additional 7,000 jobs during harvest season.

[5] Success stories from the USTR report: *U.S. Trade Preferences: Reducing Poverty and Hunger in Developing Nations Through Economic Growth*

Kenya: Kenya is the second-largest exporter by value of non-oil products under AGOA, including apparel, cut flowers, nuts, and vegetables. Over 70 percent of Kenya's exports to the U.S. market enter under AGOA and GSP. The agricultural sector is the largest employer in Kenya, contributing approximately 36 percent of GDP. Kenyan exports of macadamia nuts to the United States under AGOA totaled $72,000 in 2000, and then rose quickly to $8 million by 2004 and to $52 million in 2017. Exports of these products support over 100,000 farmers with an average of six to twelve trees per grower, typically as part of a diversified agricultural smaller-holder operation. Sales of macadamia nuts under AGOA can add thousands of dollars to these farmers' income, improving their livelihoods. Additionally, macadamia shells and husks can be used for fertilizer, further increasing their value to small-scale farmers.



Ethiopia: Ethiopia is the twelfth-largest user of the AGOA program by value and it has increasingly taken advantage of the program in recent years. Its exports to the United States under AGOA have risen from $10.3 million in 2010 to $92.8 million in 2017. Ethiopia started using the program for footwear in 2007, with exports totaling $33,000. Between 2011 and 2017, Ethiopian footwear exports through AGOA increased over forty-five-fold—from $630,000 to nearly $30 million. The USAID East Africa Trade and Investment Hub, which partners with East African and U.S. businesses to boost trade and investment with and within East Africa, began working with Ethiopian footwear producers in 2012. In just over a year, it facilitated over $1.5 million in sales to the United States. In 2018, Ethiopia's shoe exports continue to grow rapidly compared to the 2017 totals (up 58 percent), making the country the first substantial AGOA footwear supplier to the United States.



Other U.S.-SSA Trade and Investment Initiatives and Engagements

In addition to AGOA, the United States maintains an active program to promote U.S. trade and investment interests across sub-Saharan Africa through a range of events and initiatives described below.

President Trump's Working Lunch with African Leaders

Source: U.S. Department of State

On September 20, 2017, President Trump hosted a working lunch in New York with Heads of State from Cote d'Ivoire, Ethiopia, Ghana, Guinea, Namibia, Nigeria, Senegal, South Africa, and Uganda. At the lunch, the President stated his desire to promote prosperity and peace in the region through a range of economic, humanitarian, and security activities. President Trump affirmed the United States would seek to foster opportunities for job creation in both Africa and the United States, as well as to extend economic partnerships to countries that are committed to self-reliance.

Ministerial on Trade, Security, and Governance in Africa

Source: U.S. Department of State

On November 17, 2017, then-Secretary of State Rex Tillerson hosted a Ministerial on Trade, Security, and Governance in Africa. Senior U.S. Government officials, foreign ministers, and representatives from 37 African countries and the African Union Commission, as well as representatives from the U.S. and African private sectors, discussed efforts to reinforce economic partnerships with Africa to facilitate greater growth and prosperity for both Africa and the United States.

U.S.-Nigeria Binational Commission Meeting

On November 20, 2017, members from the U.S. Government interagency participated in the U.S.-Nigeria Binational Commission (BNC) meeting in Abuja, Nigeria, with several Nigerian government officials, highlighting key concerns and opportunities for cooperation in the bilateral relationship on a number of issues. Specifically related to economic growth and development, the BNC reviewed a broad range of economic issues to diversify the current economy, improve the business climate and further progress on reforms, including lifting import and foreign exchange restrictions that constrain trade and investment. Both the U.S. and Nigerian participants welcomed the establishment of the Commercial and Investment Dialogue for the private sector to strengthen commercial and investment ties.

President's Advisory Council on Doing Business in Africa

The President's Advisory Council on Doing Business in Africa (PAC-DBIA) is a private sector advisory council that advises the President, through the Secretary of Commerce, on ways to strengthen commercial engagement between the United States and Africa. Commerce Secretary Wilbur Ross and other high-level U.S. government representatives met with members of the council in November 2017 and April 2018. The PAC-DBIA adopted a report in late 2017 that outlined the top issues that keep American companies from: 1) approaching African markets, 2) competing successfully in African markets, and 3) operating effectively and efficiently in African markets.

Bilateral Trade Programs

USAID continued to implement the expansion of the Trade Africa initiative beyond East Africa to include Cote d'Ivoire, Ghana, Mozambique, Senegal, and Zambia. These efforts were aimed at enhancing two-way trade, increasing intra-regional trade, and improving the environment for trade and investment. Activities included helping countries implement the World Trade Organization's Trade Facilitation Agreement (TFA), Agreement on Technical Barriers to Trade (TBT), and Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures. Projects also included supporting these governments' development of export and AGOA strategies; strengthening the institutional capacity of trade support institutions, like local export-import banks, investment promotion agencies, and standards bureaus; and working with port authorities and customs agencies to reduce fees, streamline customs procedures, and improve port and border management. Under this initiative, USAID has also been supporting regional capacity building on customs and SPS matters through the Economic Community of West African States (ECOWAS).

Bilateral Investment Treaties

U.S. bilateral investment treaties (BITs) help protect private investment and develop market-oriented policies in partner countries. The United States has BITs with six partners in sub-Saharan Africa: Cameroon, the Democratic Republic of Congo, the Republic of Congo, Mozambique, Rwanda, and Senegal.

The basic aims of a BIT are to: protect investment abroad in countries where investor rights are not already protected through existing agreements (such as modern treaties of friendship, commerce, and navigation, or free trade agreements); encourage the adoption of market-oriented domestic policies that treat private investment in an open, transparent, and non-discriminatory way; and support the development of international law standards consistent with these objectives.

Trade and Investment Framework Agreements

Trade and Investment Framework Agreements (TIFAs) provide strategic frameworks and principles for dialogue on trade and investment issues between the United States and the other parties to the accord. Under the framework of the TIFA Council, the United States and the TIFA partners consult on a wide range of issues related to trade and investment. Topics for consultation and possible further cooperation include market access issues, protection and enforcement of intellectual property rights, labor, the environment, and, as appropriate, capacity building.

The United States has 12 TIFAs with sub-Saharan African countries and regional economic organizations, including with Angola, Ghana, Liberia, Mauritius, Mozambique, Nigeria, Rwanda, South Africa, the Common Market for Eastern and Southern Africa (COMESA), the

East African Community (EAC), the Economic Community of Western States (ECOWAS), and the West Africa Economic Monetary Union (WAEMU). The United States also has a Trade, Investment, and Development Cooperative Agreement with the five countries of the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland).

Based on mutual interests, the United States has held TIFA meetings with partners to improve the trade and investment relationship. Recent TIFA meetings include:

- **U.S.-COMESA Trade and Investment Framework Agreement**: On February 8, 2016, senior officials from the United States and the Common Market for Eastern and Southern Africa (COMESA) held the eighth meeting of the United States-COMESA TIFA in Lusaka, Zambia. Among the topics discussed were the U.S.-COMESA trade and investment relationship under AGOA, deepening U.S.-COMESA trade, enhancing agricultural productivity and trade, and the business climate and investment policies in COMESA.
- **U.S.-EAC Trade and Investment Framework Agreement**: On September 26, 2016, USTR hosted a ministerial meeting with trade ministers and senior officials from the EAC Partner States to identify a strategic way forward on deepening the U.S.-EAC Trade and Investment Partnership beyond AGOA. The United States and the EAC also continued discussions on the possibility of negotiating a U.S.-EAC investment treaty to contribute to a more attractive investment environment in East Africa. On September 27, 2016, senior officials from the United States and EAC held a U.S.-EAC TIFA meeting where they discussed implementation of the EAC-U.S. Cooperation Agreement on Trade Facilitation, Sanitary and Phytosanitary Measures, and Technical Barriers to Trade, as well as efforts to increase two-way trade through the development of regional and national AGOA strategies.

- **U.S.-ECOWAS Trade and Investment Framework Agreement**: On September 27, 2016, USTR hosted officials of the Economic Community of West African States (ECOWAS) for the second meeting of the United States-ECOWAS TIFA Council. Among the topics discussed were a review of current activities in support of shared trade and investment objectives, a vision for the ECOWAS – U.S. trade relationship in the medium to long-term, and broadening ECOWAS – U.S. trade and investment cooperation to new areas.

- **U.S.-Mozambique Trade and Investment Framework Agreement**: On November 8, 2016, senior officials from the United States and Mozambique held the fifth meeting of the United States-Mozambique TIFA in Maputo, Mozambique. Among the topics discussed was the United States-Mozambique Trade Africa partnership, which seeks to help Mozambique meet its WTO obligations and address capacity issues that constrain trade, improve Mozambique’s business and investment climate, and expand and diversify bilateral trade and investment, including under AGOA.

Trade and Investment Hubs

USAID maintains three Trade and Investment Hubs in sub-Saharan Africa that provide extensive support to deepen the U.S.-Africa economic and commercial relationship: the East Africa Trade and Investment Hub in Nairobi, Kenya; the Southern Africa Trade and Investment Hub in Pretoria, South Africa; and the West Africa Trade and Investment Hub in Accra, Ghana. The Hubs work to boost trade and investment with and within each region. Each Hub has been working to deepen regional integration, increase the competitiveness of select regional value chains, and promote two-way trade with the United States under AGOA. *Additional details on each of the hub's activities to build the region's capacity to trade are provided in the third chapter.*

Chapter II: AGOA Eligibility Review and Country Reports

This chapter contains information on the sub-Saharan African countries that were examined in the 2017 annual review of country eligibility for benefits under AGOA. The President may designate a country as a beneficiary sub-Saharan Africa country eligible for AGOA benefits if he determines that the country meets the eligibility criteria set forth in: (1) section 104 of AGOA (19 U.S.C. 3703); and (2) section 502 of the 1974 Act (19 U.S.C. 2462). (See Appendix 2 to review the AGOA eligibility requirements.)

Annual AGOA Country Eligibility Review

To meet AGOA's eligibility requirements, many countries have introduced significant reforms into their policies and practices. Many governments have improved their economic management by reducing their role in the economy, deregulating sectors, and liberalizing trade regimes. These changes have resulted in improved business environments that can also benefit U.S. businesses and investors. Some countries have implemented political reforms to improve governance through elections, improved transparency and accountability, strengthened rule of law, and adopted new anti-corruption measures. Moreover, U.S. consultations with African governments have resulted in greater emphasis on poverty reduction programs through health, education, and infrastructure development initiatives. In some cases, countries have enacted labor laws that protect workers' rights to organize and bargain collectively, discourage discrimination against unionized workers, and improve child labor laws. Importantly, some countries have addressed human rights concerns in order to improve their records and satisfy AGOA standards.

The AGOA country eligibility determination process is rigorous. A comprehensive review is conducted of each country that has requested designation as an AGOA beneficiary and during each annual review, a number of concerns surface for every country. Addressing these concerns is an important aspect of targeted U.S. policy objectives to be pursued with specific governments.

To date, Somalia and Sudan have never been reviewed during this annual process as neither has requested designation as an AGOA beneficiary country. Equatorial Guinea and Seychelles have graduated from the Generalized System of Preferences (GSP) program on the basis of per capita income and therefore are not eligible for consideration for AGOA benefits.

As mentioned in chapter two, in the 2017 country review, The Gambia and Swaziland's eligibility for AGOA was reinstated effective January 1, 2018.

ANGOLA

Status: AGOA Eligible.

Market Economy/Economic Reform/ Elimination of Barriers to U.S. Trade: Angola is the United States' fourth largest trading partner in sub-Saharan Africa. The two countries have a Trade and Investment Framework Agreement. Currently, only oil and a small amount of other Angolan exports benefit from AGOA, but the government is engaged in attempting to diversify the economy. Conversely, the import of U.S. goods such as poultry has been hindered at times through the use of restrictive import licensing rules. While Angola is a party to the World Intellectual Property Organization (WIPO) Convention and other international agreements, intellectual property protection and enforcement remains weak.

Rule of Law/Political Pluralism/Anti-Corruption: The country has made efforts to be more transparent with its budget and has an independent office for mediation of cases between the public and the government and its institutions. According to Transparency International, it remains one of the most corrupt countries in the world (164th on Transparency International Corruption Perceptions Index). The checks and balances system in government is insufficient and faces many bureaucratic struggles. Other concerns include lack of due process.

Poverty Reduction: Angola is working to alleviate poverty through hydroelectric projects to increase electricity capacity, as well as the rehabilitation of railways and roads. A major impediment to poverty reduction is lack of access to education, especially in rural area with high illiteracy rates. Angola ranks 149 out of 188 on the Human Development Index. The country has faced significant challenges in the health sector as it has recently battled to confront two simultaneous epidemics in 2016: yellow fever and malaria.

Labor/Child Labor/Human Rights: The Government of Angola has made efforts to address trafficking in persons and the worst forms of child labor. In 2016, the government issued its first convictions with stringent sentences for three sex traffickers and has referred the majority of trafficking victims to protective services. It has drafted a child labor penal code, launched a national program to engage relevant agencies, and increased child labor inspections. The government also issued a Presidential decree that increases the rights of domestic workers. However, concerns remain with regard to forced labor, freedom of association, child labor, and acceptable conditions of work. Other concerns include condition arbitrary arrest and detention, and limits on freedoms of assembly and expression.

International Terrorism/U.S. National Security: Angola does not support acts of terrorism, nor engage in activities that undermine U.S. national security interests. In 2016, The Financial Action Task Force recognized that Angola made significant progress to combat money laundering and terrorist financing.

BENIN

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Benin is a constitutional democracy led by a strong presidency and has experienced robust economic growth. The government has reformed the agricultural sector and liberalized markets. The legal system recognizes and protects property rights, as well as the rights to private ownership and investment. Benin lacks fiscal transparency and uses price regulation in certain goods, including cement and gasoline.

Rule of Law/Political Pluralism/Anti-Corruption: Benin has an independent judiciary, and democratic processes are well observed, with elections deemed free and fair by international observers. Benin has one of the most open media environments in Africa. Benin's anti-corruption body was founded in 2013 and can bring corruption cases directly to the court for indictment. Problems of judicial passivity, inefficiency, and corruption exist despite the government taking steps to address corruption.

Poverty Reduction: Benin has a Government Action Plan aimed at spurring economic growth and reducing poverty. The government has initiated micro-finance policies for vulnerable women nationwide who may receive loans to combat poverty by setting up income generating activities. Lack of educational opportunity remains a major problem. Only 30 percent of girls and 60 percent of boys graduate from primary school. Benin has introduced a universal healthcare system, but the program is experiencing management and resource challenges.

Labor/Child Labor/Human Rights: The Government of Benin has made efforts to address child labor and trafficking in persons. The government established an inter-ministerial committee to coordinate trafficking efforts and increased training for law enforcement officials. Social protection services were provided to children involved in child labor. While democratic practices and freedom of expression are well-established, concerns remain with regard to restrictions on the freedom of association and the right to organize. Other concerns include treatment of prisoners and prison conditions.

International Terrorism/U.S. National Security: Benin and the United States have excellent diplomatic relations. They have partnered to combat piracy and drug trafficking in the Gulf of Guinea.

BOTSWANA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Botswana has a stable political, fiscal, and macroeconomic environment. Botswana has sub-Saharan Africa's highest sovereign credit ratings and the government's debt is low at 14 percent of GDP. The constitutional and legislative structure affords protections to investors, and the court system is relatively efficient. Yet large, systemic barriers to trade exist in Botswana. The economy is export-driven, with diamonds accounting for 85 percent of export revenue. The country is struggling to diversify its economy in preparation for the eventual depletion of diamond resources and is heavily reliant on the U.S. market. The government is the primary employer in the country, creating an overreliance on the public sector that hampers private-sector growth. Botswana gives procurement preferences for citizens and local businesses over foreign-owned enterprises.

Rule of Law/Political Pluralism/Anti-Corruption: Botswana is a multi-party democracy with free and fair elections and is ranked by Transparency International as the least corrupt country in sub-Saharan Africa. In April 2018, the country inaugurated Mokgweetsi Masisi as its fifth president. He took over from Ian Khama, who retired after reaching a 10-year constitutionally mandated term limit. Elections are scheduled for next year. The government actively enforces intellectual property rights and is working to stop the smuggling of counterfeit goods over its borders. The government has resisted efforts to pass freedom of information act legislation.

Poverty Reduction: About 20 percent of the population lives in extreme poverty. There is high income inequality and a high unemployment rate, especially among youth. Botswana has made strides towards poverty reduction, providing universal access to health care and primary education. While Botswana has greatly reduced the prevalence of HIV/AIDS, these efforts are complicated by capacity restraints and the heavy toll the HIV epidemic has taken on the country's health care system.

Labor/Child Labor/Human Rights: The Government of Botswana has made efforts to address trafficking in persons. In 2016, the government sponsored trainings on trafficking in persons for law enforcement, judiciary, and government representatives. However, concerns remain with regard to freedom of association, the right to organize, child labor, and acceptable conditions of work. In March 2016, The Botswana Court of Appeals (CoA) upheld a previous High Court Ruling ordering the Ministry of Labor and Home Affairs to formally register an LGBTI organization. While the CoA confined the rationale for their judgment to LGBTI groups' fundamental rights of association, the ruling contains passages intimating that in the future the court may be willing to rule the sections of the Penal Code that bar some homosexual activities unconstitutional. Other concerns include alleged excessive use of force and abuse by security personnel and restrictions on freedom of assembly and expression.

International Terrorism/U.S. National Security: Botswana generally supports broad U.S. foreign policy objectives, including the war on terrorism.

BURKINA FASO

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The vast majority of the population is active in the agricultural sector, primarily dependent on cotton and gold, making it vulnerable to climactic and price shocks. The government has privatized and liberalized some elements of the economy to more effectively transition state-owned enterprises to the private sector. State-owned companies dominate large sectors of the economy, including electricity, water, oil and gas imports, and the national lottery.

Rule of Law/Political Pluralism/Anti-Corruption: While the presidential and legislative elections of November 2015 were held peacefully, the municipal elections of May 2016 were marred by violence. Election disputes, ethnic confrontation, and rival party politics led to a number of conflicts, including the ransacking of offices of the electoral commission, damage to public buildings, attacks on political candidates, and multiple casualties and injuries. The recent rise of vigilante groups highlights the resource and human capital deficiency of the judiciary and security services in enforcing the rule of law. Transparency International's 2017 Corruption Perceptions Index indicates that Burkina Faso ranks 74th out of 180 countries. However, private citizens established the National Network to Battle against Corruption to examine the management of private and public sector entities. This Network publishes annual reports on corruption levels within the country. Additionally, the 2015 anti-corruption law requires officials to declare their assets.

Poverty Reduction: In July 2016, the Government of Burkina Faso adopted and started implementing an ambitious national economic and social development plan for 2016-2020. This plan aims to accelerate economic growth, build human capacities, and lower the poverty rate from 40 percent in 2014 to below 35 percent by 2020. The government also invests heavily in education and health, and indicators are improving in both areas. Despite these efforts, there remains limited access to water, poor road conditions, and persistently high rates of malnutrition.

Labor/Child Labor/Human Rights: The Government of Burkina Faso has made efforts to address the worst forms of child labor and trafficking in persons. In 2016, the government revised its hazardous work list, increased the number of trafficking investigations initiated, and provided assistance to 20,000 freed child miners to reduce their vulnerability to trafficking. However, concerns remain with regard to the right to organize, collective bargaining and acceptable conditions of work. The constitution and law provide for freedom of speech, expression, and association. The government enacted a gender quota law requiring political parties to include at least 30 percent of women on their electoral lists. The government has also taken some steps to reduce violence against women. Other concerns include allegations of torture by government security forces, arbitrary detention, and poor detention conditions.

International Terrorism/U.S. National Security: Burkina Faso remains a supporter of the United States in combatting violent extremism and terrorism.

BURUNDI

Status: Not Eligible for AGOA. (Terminated effective 2016)

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Short-term economic outlook is uncertain as political unrest and social tensions threaten structural economic reforms. Unrest has resulted in the suspension of streams of aid, which represents more than half the national budget. Corruption continues throughout police, judiciary, and tax services institutions.

Rule of Law/Political Pluralism/Anti-Corruption: AGOA benefits were terminated in 2016 in response to a lack of political pluralism and significant human rights violations; these conditions persist. During the aftermath of the July 2015 election when the president sought a controversial third term, violent clashes in the capital between protesters and the police plunged Burundi into a crisis a decade after emerging from a civil war. Extra-judicial killings and pre-trial detention of prisoners continue. Opposition parties allege that the government meddles in internal party affairs. The judiciary is widely perceived as a tool of the executive branch. Corruption is widespread.

Poverty Reduction: Two-thirds of the country lives below the poverty line and Burundi ranks 184 out of 188 on the 2016 Human Development Index. Hunger and malnutrition are serious problems and health care facilities are generally overwhelmed. The lack of donor aid has slowed down the delivery of basic services.

Labor/Child Labor/Human Rights: The Government of Burundi has made efforts to address trafficking in persons. The government organized and participated in several workshops to train government officials and coordinated with the Government of Rwanda to repatriate 28 alleged trafficking victims. It also investigated several cases involving the alleged recruitment of Burundian women for exploitation in forced labor in the Middle East. However, concerns remain with regard to the right to organize, freedom of association, and child and forced labor. Sexual violence and discrimination against women are also concerning. The government's overall human rights record remains poor. Concerns remain with regard to allegations of torture, arbitrary arrests, and restrictions on freedoms of expression and association.

International Terrorism/U.S. National Security: During the electoral period, some hardliner party leaders have publicly railed against U.S. policy towards Burundi, but working-level government contacts remain cooperative and professional.

CABO VERDE

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Cabo Verde's political stability, multi-party parliamentary democracy, and support for economic freedoms make it a role model in the region. The economy is service-oriented, with tourism, transport, commerce, and public services accounting for more than 65 percent of GDP, but it is highly vulnerable to related external shocks. Cabo Verde is dependent on development aid, donor assistance, remittances, and FDI, but foreign investors receive the same treatment as nationals, leading to few regulatory barriers to investment. The government prioritizes private sector investment as a critical engine of economic growth. Over 20 state-owned enterprises have been privatized. Procurement processes are open and transparent. Cabo Verde has copyright laws and has signed intellectual property rights (IPR) treaties, including the World Intellectual Property Organization (WIPO) Convention, but it has not ratified international agreements on IPR protection.

Rule of Law/Political Pluralism/Anti-Corruption: Elections have been free and fair with outcomes respected by both parties. In 2016, Cabo Verde had three major elections that swept the opposition party into the government. The transition has been mostly smooth as the parties assume their new roles. Cabo Verde has an independent judiciary and the constitution guarantees legal rights, but the judicial system is overburdened, leading to lengthy pre-trial detentions and delayed trials. The government is combatting corruption and drug-related crimes through international agreements and security sector reforms.

Poverty Reduction: Cabo Verde has a low percentage of its population living in poverty (26.6 percent) relative to other sub-African countries. HIV/AIDS and child mortality rates are low as well. About 98 percent of school-aged children complete compulsory education; the literacy rate is 88 percent. However, inadequate housing and poor sanitary conditions still exist, especially in urban areas. In 2016, the unemployment rate jumped from 12.4 percent to 15 percent. In April 2016, legislation introducing unemployment benefits came into effect. The fund will be managed by the National Social Security Institute.

Labor/Child Labor/Human Rights: The Government of Cabo Verde has made efforts to address child labor and trafficking in persons. In 2016, the government approved a National Plan to Combat Sexual Violence against Children and Adolescents and expanded the Code of Ethics against the Sexual Exploitation of Children. However, concerns remain with regard to the right to organize, child labor, and trafficking in persons. The government generally respects the human rights of its citizens. However, concerns remain with regarding police use of excessive force. Conditions for inmates at the Central Prison of Praia have improved but some issues related to overcrowding, prison conditions, and lack of resources remain.

International Terrorism/U.S. National Security: Cabo Verde supports U.S. national security policies. The country has passed laws establishing measures against money laundering and terrorism. In February 2017, Cabo Verde's work on fighting money laundering and terrorism financing earned it a place in the elite Egmont Group. The U.S. Department of Treasury and Cabo Verde renewed the terms of reference of a large financial crimes fighting package.

CAMEROON

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Cameroon has a diversified economy although corruption remains a limiting factor for economic development. The government has remained active in the economy through numerous state-owned enterprises, incurring the concern of the International Monetary Fund and the World Bank. Overall bilateral trade between Cameroon and the United States has remained stagnant. A Bilateral Investment Treaty with the United States ensures national treatment for U.S. investors, but some U.S. companies have complained about tax harassment and the government freezing of company bank accounts. Much of the banking sector operates without effective supervision. Revisions to the 2017 Finance Law were aimed at further improvements to the investment climate, particularly the tax code.

Rule of Law/Political Pluralism/Anti-Corruption: While Cameroon has been relatively stable compared to other countries in the region, political power remains concentrated with the president, and Cameroon is currently experiencing armed conflict in the Northwest and Southwest regions. President Biya has been in power for 35 years, and the ruling party holds 80 percent of all elected offices. The government is taking steps to address corruption, including adding mechanisms for systematic payment of state contracts in an attempt to limit civil servant financial interference.

Poverty Reduction: The 2017 budget preparation guidelines addressed improving living conditions in Cameroon, through infrastructure projects and poverty alleviation. The goal is to develop into an emerging economy by 2035, in part, by increasing access to water, electricity, and roads. Currently, 37 percent of all Cameroonians live below the poverty line while 90 percent of the rural population live below the poverty line. Half of the members of poor households are under 15 years of age. Lack of adequate infrastructure remains the primary obstacle to growth, as transportation costs for moving goods remain high.

Labor/Child Labor/Human Rights: The Government of Cameroon has made efforts to address trafficking in persons. The government recently integrated existing anti-trafficking legislation into the new Penal Code and identified fourteen girls who were trafficked for forced labor. However, concerns remain with regard to the freedom of association, the right to organize, the worst forms of child labor, and forced labor. Although it is underfunded, Cameroon's National Commission on Human Rights and Freedoms is relatively independent and dedicated to exposing human rights abuses via reports on a regular basis. However, concerns remain with regard to restrictions on the freedom of expression and assembly, as well as excessive use of force by government security forces.

International Terrorism/U.S. National Security: The government cooperates with the United States on issues pertaining to counterterrorism and transnational crime. Cameroon has taken measures to reduce incidents of piracy in the Gulf of Guinea.

CENTRAL AFRICAN REPUBLIC

Status: Eligible. (Reinstated in 2017)

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The Central African Republic (CAR) is conflict-torn with an economy heavily dependent on donor aid. Infrastructure, including electricity, water, roads, and telecommunications, is severely underdeveloped, especially outside Bangui. CAR ranks 185 out of 190 on the most recent World Bank Ease of Doing Business report, and the private sector has limited access to credit and capital. However, the government seeks foreign investment to create employment and stimulate the economy. There also are significant mineral resources that, if fully captured, would create employment and generate government revenue.

Political Reforms/Rule of Law/Anti-Corruption: The free and fair elections in February 2016 resulted in the first elected leader since a coup in March 2013, as well as a democratically elected legislature. President Touadera initiated a formal disarmament process, began reform of the security forces, and has started to rebuild the justice sector. By early 2017 President Touadera's administration, with support from USAID, was successful in opening five Kimberley Process compliant zones in Boda, Berberati, Nola, Carnot, and Gazdi. In May 2017, the government began the recruiting process for 500 new police and gendarmes, including guidelines for regional balance and participation by women. Corruption is widespread and in areas under state control, the capacity of the government to provide public services is severely limited by capacity and budgetary constraints.

Poverty Reduction: Poor infrastructure, high transportation costs, and limited access to credit constrain the country's poverty reduction efforts. Conflict and displacement has affected education levels and agricultural production. The IMF estimates that the CAR economy grew by 4 percent in 2017, but CAR will require a lengthy period of sustained growth to recover from conflict.

Labor/Child Labor/Human Rights: The Government of Central African Republic has made efforts to address child labor and trafficking in persons. During 2016, the Ministry of Education issued an official directive providing free school admission to children from internally displaced persons camps and 1,526 child soldiers were released from armed groups under the Bangui Forum Agreement. However, concerns remain with regard to child labor, trafficking in persons, and the right to organize. In 2016, the government ratified the UN CRC Optional Protocol on Armed Conflict and launched a National Recovery and Peacebuilding Plan. Other concerns include unlawful killings by government agents, prison conditions, and freedom of movement.

International Terrorism/U.S. National Security: The government cooperates with the United States on a variety of national security-related issues, including efforts to combat the Lord's Resistance Army.

CHAD

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Chad's formal economy is market-based, and the government welcomes foreign direct investment. The government has focused on diversifying the economy through agriculture, livestock, renewable energy, and minerals although efforts to improve domestic economic and social conditions have been hampered by the continued threat of terrorist attacks and the decline in world oil prices. Rising inflation rates in Chad are driven by lower levels of agriculture production, the depreciation of its currency against the U.S. dollar, and increased transaction costs of regional trade caused by the conflict. Limited access to financial services and capital remains a major obstacle to growth. Chad ranks near the bottom of the World Bank's 2018 Ease of Doing Business Report, at 180 out of 190 countries, and its limited infrastructure, high taxes, lack of skilled labor, and corruption hamper private investment.

Rule of Law/Political Pluralism/Anti-Corruption: The April 2016 presidential election was conducted peacefully although some irregularities were noted and there was limited ability of citizens to choose their government. The country is making efforts to professionalize its armed security forces, including through training from the United States. The government is also attempting to promote transparency by joining the African Peer Review Mechanism and is working with the World Bank and the IMF to develop mechanisms to limit corruption. However, Chad's legal system is underfunded, overburdened, and subject to executive interference and there were no investigations or new cases of corruption prosecuted in 2016 and 2017. Judges lack judicial training and corruption remains a challenge in both the public and private sectors. Chad ranks 165 out of 180 on Transparency International's 2017 Corruption Perceptions Index.

Poverty Reduction: Chad remains one of the poorest countries in the world and food insecurity affects 4.3 million people, or approximately one-third of the population. It ranks at the bottom of the Human Development Index with an estimated 62 percent of the population lives in extreme poverty. The country is subject to high rates of illiteracy, malaria and tuberculosis, as well as high rates of maternal and infant mortality. Despite financial constraints, the Government of Chad has attempted to maintain spending levels on priority development sectors, which include health and education.

Labor/Child Labor/Human Rights: The Government of Chad has made efforts to address child labor and trafficking in persons. In 2016, the government implemented some measures to prevent the recruitment and use of child soldiers, including training members of the military and verifying the age of entrants at military centers. It also completed a guide for law enforcement officials on assisting victims of human trafficking. However, concerns remain with regard to acceptable conditions of work, child labor, trafficking in persons, and forced labor. Other concerns include extrajudicial killings by government security forces, and restrictions on freedoms of expression, assembly, and movement.

International Terrorism/U.S. National Security: Chad is a partner of the United States in the fight against terrorism. In 2016, Chad deployed troops to Cameroon and Nigeria in support of regional efforts to fight the Boko Haram group and continues to participate in cross-border counter terrorism operations against Boko Haram and ISIL in West Africa. Furthermore, Chad provides forces for MUNISMA, the United Nations peacekeeping mission in Mali. Chad has invested in internal security, while it continues to maintain security forces along its borders.

COMOROS

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: In total, trade equals about 80 percent of GDP for the Comoros; however, it has not been a large user of AGOA because its main exports – cloves, ylang-ylang, and vanilla – are already duty free in the United States. The newly-elected government in 2016 has stated plans to attract investment in tourism, industrial fishing, and energy. The National Assembly approved a law that will issue a second telecommunications license. However, Comoros' economy is hampered by government ownership of economic assets, as well as a lack of resources, infrastructure, and skilled workers. The economy is heavily dependent on remittances from some 300,000 Comorians living abroad, roughly 26 percent of the GDP. The country also suffers from geographic isolation, a small domestic market, overcrowding, and a shortage of fertile land.

Rule of Law/Political Plurality/Anti-Corruption: Comoros is a parliamentary democracy in which the power of the presidency rotates among its three largest islands. The 2016 elections were considered free and fair by international observers. More recently, the presidential rotation has been disputed with President Azali Assoumani seeking a national referendum to amend the constitution and former President Ahmed Abdallah Mohamed Sambi facing corruption charges. Additionally, the government may face challenges to reduce subsidies for electricity and petrol; the government has fallen into payment arrears to civil servants. Corruption remains a problem.

Poverty Reduction: Provisions of public services for Comorians largely come from remittances from citizens living abroad, or from assistance by UN agencies, NGOs, and bilateral donors. Due to a shortage of jobs at home, many citizens attempt to make the hazardous ocean voyage to Mayotte in search of employment. However, an estimated 2,000 to 3,000 Comorians are lost at sea every year in the attempt. Children in Comoros are required to attend 6 years of primary school, through age 12. Since the minimum working age for children is 15, children between the ages of 13 to 15 may be vulnerable as they are not legally permitted to work.

Labor/Child Labor/Human Rights: The Government of Comoros has made efforts to address child labor. In 2016, the government adopted the National Policy for the Protection of Children and drafted a new action plan to combat human trafficking. However, concerns remain with regard to forced labor and acceptable conditions of work. Comorian law does not prohibit all forms of human trafficking, and penalties are not commensurate with those for other serious crimes. Other concerns include restrictions on the freedom of expression and assembly.

International Terrorism/U.S. National Security: Comoros works with the United States on counter-terrorism and security.

REPUBLIC OF CONGO

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The Republic of the Congo (ROC) is a member of the Central African Monetary Community and adheres to those regional financial rules. Lack of infrastructure and transparency remain the largest barriers to trade and economic growth and key infrastructure projects have languished for years. Government officials make nearly all decisions related to foreign investment, but since April 2016, leadership has prioritized financial diversification, reduced corruption, and an improved business climate in key speeches and decrees. Businesses face unevenly applied regulations on taxes, exporting, and contract enforcement. Established American businesses operating in ROC have encountered obstacles related to lack of transparency and predictability in the application of laws and regulations. Additionally, the three main credit rating agencies lowered ROC's foreign currency rating in July 2017. There is a lack of checks and balances within the budget process, giving the president a great deal of discretion over spending.

Rule of Law/Political Plurality/Anti-Corruption: There is no political plurality in ROC, as the current party has been in power for all but five years since 1979 and appears to dominate the political landscape and power structure. Corruption is prevalent. Many eligible voters have traditionally abstained from voting, citing a feeling of powerlessness, with an estimated five to fifteen percent voter participation rate in 2014. However, voter participation increased to almost 69 percent in the March 2016 presidential election.

Poverty Reduction: The government has largely adhered to its 2012 five-year development plan and has sought to promote employment through Special Economic Zones that strengthen technical and vocational education. Gains in poverty reduction have not taken place, however, as a lack of employment and social mobility persist, along with an underfunded public school system. Government policies on tax and land tenure have stymied private sector job creation. Malaria and cholera have heavily affected the poorest and most rural communities.

Labor/Child Labor/ Human Rights: The Government of the Republic of Congo has made efforts with regard to trafficking in persons and child labor. In 2017, the government issued its first-ever conviction for child trafficking and investigated and prosecuted five suspected traffickers. However, concerns remain with regard to forced labor, the right to organize, freedom of association collective bargaining, child labor and acceptable conditions of work. The government launched a social safety net program to improve access to health and education services for poor families. Concerns remain with regard to arbitrary arrests; lack of due process; and restrictions on the freedom of assembly and association.

International Terrorism/U.S. National Security: The ROC continues to be is a strong supporter of anti-terrorism efforts, and its military cooperation with the United States.

COTE D'IVOIRE

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Cote d'Ivoire has a free-market economy in which financial and capital markets are open and continue to attract domestic, regional, and international capital. The country has ended most non-tariff barriers. While the campaign to attract investment has been successful on the back of strong economic growth, private companies raise concerns over corruption, and recent exogenous impacts on commodity prices have pushed the government to cut spending by ten percent in its new revised budget. The government has achieved notable progress on a broad range of economic reforms targeted at driving growth and improving the business climate through a more transparent and efficient online presence, tax reforms, and infrastructure projects. Despite these efforts, companies doing business in Cote d'Ivoire continue to face difficulties such as constant attention by the tax authorities, levies on tax-exempt businesses, excessive delays in clearing cargo at the Port of Abidjan, and demands for bribes at roadside checkpoints outside of Abidjan.

Political Reform/Rule of Law/Anti-Corruption: Cote d'Ivoire held free and fair presidential elections in 2015. Cote d'Ivoire has addressed corruption by ratifying the UN Convention against Corruption in 2011 and creating the Haute Autorité pour la Bonne Gouvernance in 2013. The Ministry of Economy and Finance also developed anti-corruption and transparency improvement reforms. Entities such as the Independent National Public Procurement Regulatory Agency maintains transparency and fair competition for government contracts. However, weak institutions include the judicial system, local law enforcement, and revenue-collection agencies. The judiciary lacks credibility and efficacy, which the government is struggling to build back up. The government is still struggling to find an effective means of re-integrating approximately 65,000 former rebel fighters. Concerns remain with regard to arbitrary arrests.

Poverty Reduction: Cote d'Ivoire developed a new 2016-2020 National Development Plan, with a $49 billion budget to boost the economy and create opportunities for employment and education. This is a $27 billion increase from the 2012-2016 NDP, largely due to private sector financing. Education spending has also risen notably. Cocoa farmers are receiving higher incomes – they receive 50 to 60 percent of the international cocoa price, up from just 35 percent previously. These benefits have impacted almost a million farmers. Nonetheless, a 2015 survey found that the poverty rate is 46.3 percent, down only 2.7 percent from the 49 percent rate in 2008. Moreover, significant populations of children in cocoa-farming regions are unable to go to school, either to support families or because of sheer lack of access. Moreover, there is a dire humanitarian situation in the western and northern parts of the country, especially related to water, sanitation, shelter, and health care.

Labor/Child Labor/Human Rights: The Government of Cote d'Ivoire has made efforts o address trafficking in persons and child labor. In 2016, the government prohibited human trafficking in its new constitution, passed a comprehensive anti-trafficking law, and adopted a 2016-2020 anti-trafficking action plan. However, concerns remain with regard to forced labor, freedom of association, child labor and acceptable conditions of work. Other concerns include allegations of abuse by government security forces and restrictions on the freedom of expression and assembly.

International Terrorism/U.S. National Security: Cote d'Ivoire cooperates with regional and international security organizations to share information, and is actively engaged in preventing the expansion of terrorist activities or networks in the region. Cote d'Ivoire's borders remain quite porous. The U.S. Coast Guard found in February 2016 that proper anti-terrorism measures were not in place at the country's ports. As a result, the U.S. Coast Guard issued a Port Security Advisory and continued imposing conditions of entry on vessels coming to the United States from Cote d'Ivoire.

DEMOCRATIC REPUBLIC OF THE CONGO (DRC)

Status: Not AGOA eligible. (Terminated 2011.)

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Although the government has taken steps to reduce impediments to foreign investment, the DRC ranks 182nd out of 190 in the World Bank's 2018 Ease of Doing Business Index. The DRC's biggest economic asset is its mining sector, which accounts for about 85 percent of export revenues and 20 percent of GDP. The economy remains heavily dollarized. The Central Bank maintains dangerously low levels of foreign exchange reserves at just six weeks of import coverage. Continued uncertainty about elections (see below) is a deterrent to investment.

Rule of Law/Political Pluralism/Anti-Corruption: The elections scheduled for late 2016, an important consideration for determining DRC's AGOA status, were postponed due to the government's failure to hold timely elections. Corruption remains deeply ingrained in both public resource management and business. DRC ranked 161 out of 180 for Transparency International's Corruption Perception index in 2017. Additionally, in response to the IMF's request for greater transparency in the mining sector, Congolese authorities published all of mining contracts in question. Militia activities in the eastern and central part of the country continue to undermine the DRC's national security. Concerns remain with regard to arbitrary arrests and lack of due process.

Poverty Reduction: Approximately 70 percent of the population lives in poverty with one quarter of children malnourished such that the DRC is unlikely to meet any of the Millennium Development Goals. Government expenditure on poverty alleviation has been low because of the government's high wage bill and emergency reallocation for security expenditures.

Labor/Child Labor/Human Rights: The Government of Democratic Republic of the Congo has made efforts to address child labor and trafficking in persons. During 2016, the government adopted a revision to the Labor Code that raised the minimum age of work to 18 and certified 285 mines as child-labor-free. It also validated standard operating procedures for age verification in military recruitment. However, concerns remain with regard to child and forced labor, including forced child labor, particularly in the mining sector. The government took steps to implement a UN-backed action plan to end the recruitment and use of child soldiers, including by convening national and provincial working groups, appointing a presidential adviser on sexual violence and child recruitment, and arresting several individuals on charges of recruiting and using child soldiers. Lack of an anti-trafficking framework and widespread corruption hindered efforts to combat human trafficking. Other concerns remain with regard to restrictions on freedoms of assembly, association, and expression.

DJIBOUTI

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The government welcomes foreign investment and there are no restrictions on the movement of capital. It has taken steps to liberalize the power generation sector and to create a framework for energy efficiency regulations. In October 2016, the National Investment Promotion Agency simplified business registration, but the commercial code does not fully address mechanisms for handling commercial disputes with Djiboutian companies. Price controls are maintained on bread. In 2017, Djibouti's private banks almost lost access to the U.S. financial system after losing their sole correspondent banking relationship, but most have found other banking partners to provide correspondent banking services. Although Djibouti's Central Bank has made efforts to enhance risk management procedures, it faces challenges with staffing and capacity.

Rule of Law/Political Pluralism/Anti-Corruption: The constitution and penal code provide for an independent judiciary, due process, and fair trial. Djibouti's constitution also prohibits discrimination on the basis of race, gender, or language. Djibouti held peaceful presidential elections in April 2016 and peaceful legislative elections in February 2018 and passed a low increasing the representation of women in the National Assembly from 10 to 25 perfect. However, the most prominent opposition parties were unable to participate and many opposition supporters were arrested and detained over the past year. In 2016, Djibouti passed a new law to give law enforcement agencies and judicial officials the tools they need to convict and imprison traffickers. In 2017, Djibouti passed a law to extend basic human rights coverage to refugees. However, judicial corruption remains an issue, as authorities do not always respect constitutional provisions for a fair trial. Prolonged pretrial detention remains common, and prison conditions can be harsh. Djibouti does not have an independent electoral commission. Elections are administered by a state-appointed commission. Bilateral debt agreements and infrastructure contracts are frequently negotiated privately and are not made widely available. Power remains heavily concentrated with the current president and his family. The government seldom took steps to prosecute or punish officials who committed abuses, whether in the security services or elsewhere in the government.

Poverty Reduction: Djibouti has taken notable steps to reduce maternal mortality rates and continues to increase access to primary school. Gender disparities continue to decrease in primary education. Despite improvements in access to education, the quality of schooling remains low. The health care sector is a leader in Djibouti in terms of implementing decentralization and results-based management practices. Djibouti ranks 172nd out of 188 on the 2016 Human Development Index, below the regional average. This low ranking is due, in large part, to the country's high unemployment, low quality of schooling, and lack of access to potable water. An estimated 23 percent of the population lives in extreme poverty. Government capacity in the provision of quality basic services remains weak, and is donor-dependent to a great extent.

Labor/Child Labor/Human Rights: The Government of Djibouti has made efforts to address trafficking in persons. In 2016, the government passed the Law on the Fight against Trafficking in Persons and Illicit Smuggling of Migrants, which criminally prohibits domestic and international trafficking and addresses all acts in the trafficking process. It increased investigations and prosecutions of trafficking cases and expanded trainings for law enforcement officials. However, concerns remain with regard to forced and child labor and freedom of association. Other concerns remain with regard to use of excessive force, including reports of alleged torture by government security forces; and restrictions on freedoms of speech, assembly, and association

International Terrorism/U.S. National Security: Djibouti hosts the only U.S. military base in Africa, but Djibouti is at risk of a contained Islamist terrorist attack due to its importance as a base for several foreign militaries. It plays a key role in international efforts to combat piracy off the coast of Somalia and supports Somalia's fight against al-Shabaab. Even though Djibouti has limited equipment and training to carry out anti-terrorist efforts, their capacity continues to improve with U.S. and international assistance. Djibouti fully cooperates with the United States and coalition forces against terrorism, and supports U.S. public diplomacy efforts aimed at preventing Islamic extremism.

EQUATORIAL GUINEA

Status: Not AGOA Eligible because graduated from GSP, therefore not reviewed.

ERITREA

Status: Not AGOA Eligible. (Terminated in 2004.)

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Despite recent economic growth, Eritrea remains one of the least developed countries in the world. Eritrea ranks second to last, at 189th out of 190, in the World Bank's 2018 Ease of Doing Business Index. Agriculture is the primary sector that employs more than two thirds of the population. The sector's contribution to GDP, however, has been moderate and declining, reflecting challenges that include recurrent droughts in the Horn of Africa, and rudimentary farming methods. Gold from the mining sector contributed to some growth in GDP and there are prospects in the medium term from mineral resources. The government diverts much of the nation's resources away from productive industries and into the military.

Rule of Law/Political Pluralism/Anti-Corruption: Eritrea is a one-party state in which national legislative elections have been postponed repeatedly. Even though the constitution allows for the existence of multi-party politics, other parties are not allowed to organize. Eritrea has been under UN sanctions, principally an arms embargo, since 2009 over concerns that the government was supporting armed groups destabilizing the region. Freedom of speech, expression, assembly, and association are limited. Concerns remain with regard to arbitrary arrests and lack of due process. Corruption remains a problem.

Poverty Reduction: The Government of Eritrea is investing in food security and agricultural production, infrastructure development, and human resources development but has not published a poverty reduction strategy. The majority of the population is young, and youth unemployment and underemployment is high. Eritrea suffers periodic droughts and chronic food shortages hampering development efforts. In the 2016 Human Development Index, Eritrea ranked 179th out of 188 as much of the population depends on subsistence agriculture for its livelihood. Rural households suffer worse health outcomes and malnutrition is concerning among women and children.

Labor/Child Labor/Human Rights: Eritrea has made no efforts to improve internationally recognized worker rights nor eliminate the worst forms of child labor or trafficking in persons. The government is complicit in the use of forced labor and forced child labor. All citizens are required to serve an indefinite period of national service, and children in grades 9 to 11 participate in a national program called Maetot, where they engage in compulsory labor in public works projects. Eritrea is a source country for men, women, and children subjected to trafficking in persons, specifically conditions of forced labor and, to a lesser extent, forced prostitution. While senior Eritrean officials claimed many Eritrean nationals are currently serving prison sentences in Eritrea for the crime of trafficking, authorities continued to demonstrate a lack of understanding of the crime, regularly conflating it with transnational migration or smuggling. The government has ratified and passed legislation related to gender-sensitive issues such as land legislation, prohibition of female genital mutilation, gender-based violence, and underage marriage. Concerns remain with regard to restrictions on freedoms of assembly, association, and expression.

International Terrorism/U.S. National Security: The United States and Eritrea have no substantive bilateral cooperation on security matters, although international terrorist threats are a significant concern to the Eritrean government. Eritrea's political isolation from its neighbors, whether due to border disputes or otherwise, has hampered the country's integration into multilateral responses to regional security threats.

ETHIOPIA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Ethiopia's economy has grown by close to eight percent per year according to the World Bank. Foreign direct investment has also increased significantly during the last several years. The government has adopted a state-led development approach to pursue more consistent and conservative macroeconomic policies and to invest in large-scale social, infrastructural and energy projects. Ethiopia faces economic challenges including an ongoing drought, inadequate diversification of exports, and a dependence on fluctuating commodities revenues. Other challenges include restrictive land tenure laws that inhibit urbanization and industrialization, low domestic savings rates, and inadequate availability and quality of vocational education. U.S. businesses and investors cite challenges related to land, intellectual property protection and enforcement, government procurement, taxation, telecoms, and financial services, including access to foreign exchange.

Rule of Law/Political Pluralism/Anti-Corruption: Ethiopia's ruling coalition appointed a new Prime Minister, Dr. Abiy Ahmed Ali, and the ruling Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) controls all executive elements of government. The EPRDF's electoral advantages limit the right of citizens to peacefully change their government. The press is subject to restrictions and the government maintains a degree of control over the media. The judiciary is overburdened and subject to influence by the executive branch. Nevertheless, Ethiopia is one of the least corrupt countries in sub-Saharan Africa, ranked 107 out of 180 countries in the 2017 Corruption Perceptions Index. In 2017, the government arrested some officials for corruption in an effort to strengthen accountability to the public. Concerns remain with regard to arbitrary arrests and detention by government security forces and lack of due process.

Poverty Reduction: The government implements the Productive Safety Net Program to decrease the country's dependency on humanitarian assistance and to improve food security for the most vulnerable populations. The program has achieved positive results by increasing beneficiaries' food security, resilience to shocks, and sustainable natural resource improvements. The government has targeted food security, agriculture-led industrialization, health, education, fiscal decentralization, infrastructure development, and capacity building as its poverty reduction priorities. While food security is improving, drought remains a persistent challenge in Ethiopia with a large number of crop failures and livestock losses in 2016 and 2017.

Labor/Child Labor/Human Rights: The Government of Ethiopia has made efforts to address trafficking in persons. In 2016, the government adopted a proclamation to prohibit employment agencies from recruiting employees younger than age 18 and made efforts to combat trafficking in persons through programs and awareness raising. However, concerns remain with regard to freedom of association, the right to organize, and minimum wage. Ethiopia has made efforts to combat trafficking, but its capacity to investigate and prosecute trafficking crimes remains weak. Other concerns include allegations of torture by government security forces; restrictions on freedoms of speech, expression, assembly, and association

International Terrorism/U.S. National Security: Ethiopia plays a key role in stabilizing the Horn of Africa Region, confronting the al-Shabaab terrorist organization in Somalia and helping to mitigate conflict in South Sudan.

GABON

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Gabon's oil production elevates its GDP per capita to one of the wealthiest states in Africa. However oil revenue distribution is skewed, leading to income inequalities. The government is taking steps to diversify and introduce more manufacturing into the economy, including the production of pharmaceuticals, reinforced steel, and furniture. Gabon's budget difficulties, due to falling natural resource pricing, have resulted in delayed payments on its debts to domestic and international firms, as well as to bilateral official creditors. In April 2017, the government introduced a new three-year economic recovery plan. Gabon's burdensome regulatory environment hampers foreign investment and the country ranks 164th out of 190 in the World Bank's Ease of Doing Business index.

Rule of Law/Political Plurality/Anti-Corruption: Since winning his first presidential election in 2009, President Bongo Ondimba has tried to reduce corruption by arresting several high profile officials and conducting an audit of all government ministries. Gabon is ranked 117th out of 180 in Transparency International's 2017 Corruption Perceptions Index. There is little political plurality in Gabon, as the ruling party has dominated all levels of politics since the 1960s. There are currently only three opposition deputies in the 120-member National Assembly. Concerns remain with regard to an inefficient judiciary subject to government influence. The government took some steps to prosecute officials and punish those convicted of abuses.

Poverty Reduction: President Bongo Ondimba has implemented political and economic reforms aimed at accelerating economic growth to reach developed country status by 2025. The "Emerging Gabon" strategy aims to develop processing of primary materials and the export of high value-added products, and to develop into a regional leader in financial services. Gabon has one of sub-Saharan Africa's highest per capita incomes, but life expectancy, 52 years, and other social indicators are lower than what income would suggest. The cost of doing business and of living is high, and the middle class struggles to keep up.

Labor/Child Labor/Human Rights: The Government of Gabon has made efforts to address child labor and trafficking in persons. In 2016, the government established local vigilance committees in all nine regions and initiated eight prosecutions against individuals for using child labor. In 2016, the government identified and provided care to child trafficking victims and conducted awareness-raising campaigns. However, concerns remain with regard to child labor, trafficking in persons, and acceptable conditions of work. Freedom of expression is generally respected. Citizens and journalists often practice self-censorship, however, and the government has temporarily suspended newspapers and television outlets for publishing or broadcasting information that, according to the government, disrupted public order.

International Terrorism/U.S. National Security: Gabon is supportive of U.S. national security and foreign policy interests, and U.S.-Gabonese bilateral security cooperation is strong and growing.

THE GAMBIA

Status: AGOA Eligible. (Reinstated 2018.)

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: President Barrow has begun building a cadre of experts to help solve key challenges facing businesses in The Gambia. The World Bank's Ease of Doing Business Report ranked The Gambia as 146th out of 190 in 2018. The government has vowed to end the petroleum sector monopoly that the former government supported and to open up the sector to investors, thus expanding relations with U.S. businesses.

Rule of Law/Political Pluralism/Anti-Corruption: The April 2017 National Assembly election process was widely described by foreign and local observers as free and fair. President

Barrow has vowed to implement widespread democratic reforms. The Justice Minister announced that the administration will create a Truth and Reconciliation Commission by the end of 2017 to investigate human rights abuses committed during the previous administration. The Gambia ranks 145th out of 180 countries on the 2016 Reporters without Borders' World Press Freedom index. The government took some steps to prosecute or punish some individuals who committed abuses.

Poverty Reduction: The Gambia has been unable to sustain uninterrupted periods of growth due to external (droughts) and internal (economic mismanagement) factors. A high population growth rate and rising food and utility prices have hampered the positive effects of economic expansion, and a majority of Gambians rely on remittance payments from relatives and friends abroad.

Labor/Child Labor/Human Rights: The Government of The Gambia has made efforts to address trafficking in persons and the right to organize. The government: provided services to the first internal trafficking victims identified in four years; trained law enforcement and border officials on identifying and referring cases of trafficking for investigation, and; convicted and sentenced one trafficker to life imprisonment. However, concerns remain with regard to forced labor and arbitrary arrests.

International Terrorism/U.S. National Security: The new administration is committed to working closely with the U.S. Government to combat terrorist activities in the region, and requested U.S. technical assistance to train government staff in anti-terrorist methodologies.

GHANA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Ghana has a market-based economy with few policy barriers to trade and investment relative to other countries in the region. The new government has announced plans to overhaul the regulatory system in order to improve the ease of doing business and increase investment. On industrial goods, almost all of Ghana's tariffs are unbound at the WTO, which contributes to uncertainty for the trading community and potential investors. Ghana has banned the importation of tilapia in order to protect local fishermen, limited the quantity of import permits issued for poultry and poultry products, and imposed a domestic poultry purchase requirement as a condition for importation. The government continues to intervene in the economy, and U.S. firms have expressed concerns about the lack of transparency in government procurement. However, Ghana did ratify the WTO Trade Facilitation Agreement (TFA) in January 2017.

Rule of Law/Political Pluralism/Anti-Corruption: In December 2016, Ghana completed its seventh consecutive peaceful presidential and parliamentary elections. Ghana's institutions are relatively strong. The government has pledged its commitment to ensuring the rule of law, and has passed anticorruption legislation, including government procurement, audit, financial, and whistleblower laws. The government worked to make its courts more efficient by establishing a commercial court and automating high courts authorized to hear cases involving banks, investors, human rights, electoral petitions, and government revenue. The judicial system remains slow and bureaucratic, however, and prolonged pre-trial detention is a problem. Additionally, despite efforts to strengthen its intellectual property (IP) regime, IP enforcement remains weak and unreasonable delays in infringement proceedings discourage right holders from filing new claims in local courts. Corruption, from high-level fraud to police bribes, continues to be a problem. The government took some steps to prosecute and punish officials who committed abuses, whether in the security forces or elsewhere in the government.

Poverty Reduction: The Ghana Shared Growth and Development Agenda aims to restore macroeconomic stability foster higher growth to accelerate poverty reduction. The percentage of people living in extreme poverty has decreased significantly but the problem persists in rural areas. Regional economic disparity is significant between the northern and southern sections of the country. Education and health spending as a percentage of GDP has been flat, and donors contribute about 90 percent of the water and sanitation development budget, which includes infrastructure, training, and capacity building.

Labor/Child Labor/Human Rights: The Government of Ghana has made efforts to address acceptable conditions of work, trafficking in persons, and worst forms of child labor. The government ratified the Minamata Convention on Mercury, began training health workers on mercury's harmful effects and took steps to address child labor in mines. The government created the Inter-ministerial Trafficking in Persons Committee, developed standard operating procedures to refer victims of child trafficking to social service providers, and launched the second phase of its National Plan of Action against Child Labor. However, concerns remain with regard to the right to organize and bargain collectively. The government reconstituted the Human Trafficking Management Board and provided more services to trafficking victims. The Government of Ghana drafted a National Plan of Action for the Elimination of Human Trafficking in Ghana, 2017-2021. However, Ghana continues to be a source, transit, and destination country for men, women, and children subjected to forced labor and sex trafficking. Other concerns include reports of excessive use of force by police, reports of raps by policy, and restrictions on freedom of expression.

International Terrorism/U.S. National Security: Ghana supports the United States in the fight against terrorism. The government has made strong efforts to address financial corruption through anti-money laundering legislation. Ghana's porous land and sea borders make it vulnerable to the trafficking of weapons, narcotics, and people.

GUINEA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The return of political stability and the end of the 2014-2015 Ebola crisis has brought renewed interest from the private sector, but an enduring legacy of corruption, inefficiency, and lack of transparency have limited Guinea's economic progress. Guinea successfully completed its first IMF Extended

Credit Facility (ECF) in late 2016. As a result of meeting international fiscal transparency and responsibility standards, Guinea was granted a second ECF for 2017-2019. Guinea's current physical infrastructure cannot support advanced commercial activities. Guinea's agricultural sector contributed to strong GDP growth in 2016 and 2017.

Rule of Law/Political Pluralism/Anti-Corruption: After more than 50 years of authoritarian rule, Guinea had a democratic presidential election in 2010. Nonetheless, overall rule of law and due process remain weak. Corruption continues to be a significant issue and a small number of government officials and elite businessmen control the majority of economic activity. While Guinea passed a National Anti-Corruption Law in July 2017, the country has yet to conduct an audit of its government finances. Transparency International's 2017 "Corruption Perception Index" ranked Guinea 148 out of 180 countries. Concerns remain with regard to arbitrary arrest and indefinite detention without trial, including of political prisoners.

Poverty Reduction: Guinea has high unemployment rates and the workforce is largely uneducated. Even though a majority of the poor live in rural areas, poverty is increasing in urban areas. In coordination with the World Bank, Guinea drafted a new development plan covering up to 2020. The new strategy outlines Guinea's development focus on energy and agriculture, as well as the need to deliver effective and efficient government services, provide economic opportunities for its citizens, foster inclusive growth and economic diversification, and develop human capital in the education and health sectors, while paying special attention to gender and youth issues.

Labor/Child Labor/Human Rights: The Government of Guinea has made efforts with regard to trafficking in persons, child labor, and the right to organize. The government prosecuted and convicted the first trafficking-related case since 2014. It adopted a new Criminal Code that criminalized debt bondage and strengthened penalties for crimes related to the worst forms of child labor. However, concerns remain with regard to acceptable conditions of work. The recent adoption of the National Plan of Action to Fight against Trafficking in Persons moved the jurisdiction for human trafficking cases from the high court to the country's lower courts, which may expedite the prosecution process. However, implementation of human rights protections has been lagging. Other concerns include reports of use of excessive force against civilians by government security forces, including allegations of torture to extract confessions, and restrictions on freedoms of expression and assembly.

International Terrorism/U.S. National Security: The Government of Guinea is a firm supporter of U.S. efforts to combat international terrorism. Guinea currently provides a battalion as part of the UN peacekeeping mission in Mali.

GUINEA-BISSAU

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The recent restoration of political stability has laid the foundation for a growing economy open to foreign investment. Generally, Guinea-Bissau maintains market-based economic policies with few restrictions on private investment. The new government is working closely with the IMF to develop structural improvements to the business climate. Guinea-Bissau remains highly dependent on subsistence agriculture, the export of cashew nuts, and foreign assistance. Guinea-Bissau has one of the world's weakest economies; infrastructure is poor, and operating a business is challenging. A weak financial system, lack of transparency, and poor access to credit all limit development.

Rule of Law/Political Pluralism/Anti-Corruption: Guinea-Bissau was reinstated to AGOA in 2015 after it made strides in restoring rule of law and political pluralism. In August 2015, the President of Guinea-Bissau dismissed the prime minister and his government, but the country continued to operate within the framework of its constitution. The country has moved toward a democratic political system that allows opposition parties to operate openly. The judicial system remains ineffective and vulnerable to political interference. Corruption remains a problem. Transparency International ranked Guinea-Bissau as 171 out of 180 in 2017 Corruption Perceptions Index. The country also remains vulnerable to organized crime and drug smuggling. Concern remain with regard to lack of due process.

Poverty Reduction: More than two-thirds of Bissau-Guineans remain below the absolute poverty line. Guinea-Bissau ranked 178 out of 188 countries in the UN's 2016 Human Development Index. Life expectancy in the country is only 55 years, while the average amount of education is only 2.8 years. However, school enrollment rates have risen dramatically since the elimination of school fees, from 45 percent in 2006 to 83.5 percent in 2012, and the literacy rate for female youth has increased.

Labor/Child Labor/Human Rights: The Government of Guinea-Bissau has made efforts to address trafficking in persons and child labor. It also actively works with industry and the international community to combat child labor in the cocoa sector. However, concerns remain with regard to collective bargaining, trafficking in persons, forced labor, and child labor. The president's dismissal of two governments created a near vacuum of governance and a steady turnover of top officials in law enforcement and social service ministries. The government did not investigate, prosecute, or convict any traffickers, identify any trafficking victims, or investigate reports of child sex tourism. Religious freedom is legally protected and usually respected. In 2016, Guinea-Bissau approved a Code of Conduct against Sexual Exploitation in Tourism.

International Terrorism/U.S. National Security: Guinea-Bissau has been a vocal supporter of U.S. anti-terrorism actions and does not engage in activities that undermine U.S. national security interests. However, reform within security services has been impeded by a lack of basic training, and Guinea-Bissau's political instability has created a favorable environment for terrorists to seek refuge.

KENYA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Kenya is the largest economy in the East African Community (EAC), with a comparatively open trade regime. Issues with infrastructure, crime, security, terrorism, energy costs, and corruption remain deterrents to investment. Over the past two years, Kenya enacted several business reform laws. In 2015 Kenya signed the Companies Act which simplified and lowered costs for registering a business. Kenya also signed the Insolvency Act, which gave struggling business more flexibility to remain in operation. In 2016, Kenya signed the Bribery Act to heighten the penalties for bribery. Kenya moved up 42 places in the World Bank Group's Ease of Doing Business report over the last two years due to reductions in bureaucracy and simplification of business regulations, ranking 80 out of 190 economies in 2018. However, Kenya maintains complex, non-transparent, and costly requirements for importation of all meat, dairy, and poultry products including a standardized sanitary certification and a "Letter of No Objection to Import Permit" (no-objection letter) from the Department of Veterinary Services (DVS) under the Ministry of Agriculture, Livestock, and Fisheries. Despite efforts to improve intellectual property enforcement, the presence of pirated and counterfeit products in Kenya continues to impede U.S. business interests.

Rule of Law/Political Pluralism/Anti-Corruption: Kenya is a constitutional, multiparty democracy. General elections for national and local offices took place on August 8, 2017, with President Kenyatta declared the winner in the polls. On September 1, 2017, Kenya's Supreme Court ruled the election result invalid, citing voting irregularities, and ordered a new vote to take place within 60 days. Principal opposition candidate Raila Odinga boycotted the repeat election held on October 26, 2017. The Kenyan Supreme Court in November 2017 unanimously upheld the October 26 repeat presidential election results and President Kenyatta's win. There has been some progress on constitutionally mandated judicial reform resulting in modest increased public confidence in the judiciary. The government has taken some modest steps in combatting corruption. In January 2017, the Supreme Court of Kenya launched special anti-corruption courts, which have made some progress in clearing a large backlog of pending corruption cases. Kenya ranked 143 out of 180 countries in Transparency International's 2017 Corruption Perceptions Index. The government took only limited and uneven steps to address cases of alleged unlawful killings by security force members.

Poverty Reduction: In May 2017, the government announced an 18 percent increase in the minimum wage for unskilled workers in the agricultural sector, domestic workers, artisans, and craftsmen. The government increased allocations to the health care sector in each of the last four years, expanding access to health care among the working poor. In 2016 and 2017, the government allocated $59 million for programs to promote entrepreneurship among youth, women, and the disabled, including the Uwezo Fund, the Youth Enterprise Fund, and the Women's Enterprise Fund. However, Kenya is highly dependent on rain-fed crops and is vulnerable to drought-related conflicts, leading to food shortages and malnutrition.

Labor/Child Labor/Human Rights: The Government of Kenya has made efforts to address trafficking in persons, child labor, and labor law implementation. In 2016, Kenya's parliament passed the National Policy on the Elimination of Child Labor and the Kenyan police established a new Child Protection Unit to investigate cases of child exploitation. However, concerns remain with regard to collective bargaining, trafficking in persons, and child labor. Kenya officially established the Counter-Trafficking in Persons Advisory Committee. Despite some progress, Kenya is a source, transit, and destination country for men, women, and children subjected to forced labor and sex trafficking. In August 2016, the government enacted the Access to Information Act, which allows citizens to request government information and requires government entities and private entities doing business with the government proactively to disclose certain information, such as government contracts. Other concerns include restrictions on freedom of assembly and expression.

International Terrorism/U.S. National Security: Kenya actively supports efforts to counter violent extremism. Kenya cooperates closely with the United States in promoting peace and stability in neighboring Somalia. Kenya is one of six African countries participating in the Security Governance Initiative to promote institutional reform and enhance oversight of security agencies. Kenyan Defense Forces (KDF) are participants in the African Union Mission in Somalia (AMISOM) aimed at defeating al-Shabaab.

LESOTHO

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Lesotho has a free-market economy with relatively open capital markets that sometimes attract international investors, though political instability and small market size dampen investor interest. The government periodically intervenes in the market, providing subsidies or imposing price controls for items like food staples. Lesotho maintains a favorable tax environment for the export sector. Difficulties exist in registering property, obtaining credit, and trading across borders. Though the business climate in Lesotho remains challenging, it has improved significantly since 2011 with the introduction of business reform measures and increased protections for investors. Lesotho was ranked 104 out of 190 in the 2018 World Bank's Ease of Doing Business Report. The World Economic Forum's Global Competitiveness Report, however, moved Lesotho down 11 places to 131 in its 2017-2018 report.

Rule of Law/Political Pluralism/Anti-Corruption: In June 2017, Lesotho held a peaceful, credible, and transparent election. The opposition handed over power peacefully, and the current coalition government has repeatedly affirmed the need for wide-ranging democratic reforms that will improve governance. However, political instability is still a major feature of Lesotho's civilian governance – the 2017 elections were the third election and the third transfer of power in five years. Insufficient civilian controls on the military and conflict between the military and police, which led to intervention by the Southern African Development Community (SADC) in December 2017, still impact the political environment.

Poverty Reduction: The fight against poverty and HIV/AIDS remains at the top of the government's policy agenda and is reflected in budgetary allocations. Primary education is free and compulsory. The government also provides scholarships for orphaned and vulnerable children to attend secondary school. However, the government is slow to implement its strategies and policies to reduce poverty. Lesotho failed to meet all eight of its Millennium Development Goals, while the country made substantial progress in fostering a global partnership for development, progress particularly lagged in poverty reduction, combating HIV/AIDS and other diseases, and reducing maternal mortality.

Labor/Child Labor/Human Rights: The Government of Lesotho has made efforts to address trafficking in persons and labor law implementation. In 2016, the government signed a memorandum of understanding (MOU) to support the re-establishment of the one NGO-run shelter for trafficking victims. However, concerns remain with regard to collective bargaining, trafficking in persons, and child labor. Most concerns regarding human rights in Lesotho stem from the 2014 political violence. Other concerns include allegations of torture while detained, poor prison conditions, and restrictions on freedom of expression.

International Terrorism/U.S. National Security: Lesotho does not engage in activities that undermine U.S. national security or foreign policy interests, and does not provide support for acts of terrorism. Lesotho has ratified most of the UN counterterrorism conventions and protocols. Lesotho has passed anti-money laundering legislation that enables citizens and financial institutions to report suspicious activity to law enforcement.

LIBERIA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The Ebola outbreak in 2014 undermined Liberia's already fragile post-war economic recovery. The economic impact of the Ebola crisis was compounded by a steep decline in prices for rubber and iron ore, the country's main exports. The national budget is reflective of the country's post-Ebola economic recovery needs as outlined in the government's Economic Stabilization and Recovery Plan (ESRP) and Agenda for Transformation. High operating costs and poor infrastructure impact competitiveness, and the Ebola crisis weakened the government's capacity to generate needed revenues. Despite reforms, Liberian businesses still have limited access to credit. There are restrictions on the rights of non-Liberians to own land, and certain business activities are restricted to Liberians, a policy that discourages long-term investment by foreign-owned businesses.

Rule of Law/Political Pluralism/Anti-Corruption: Liberia's general elections, held in October 2017, were overall considered peaceful, albeit with some irregularities. When a majority was not reached in October, a runoff election took place in December 2017. The government has been implementing tax and civil service reforms. Despite such advances, concerns about public sector corruption and a lack of transparency for government procurement and timber, mining, and agricultural contracts erode investors' confidence. Transparency International's Corruption

Perceptions Index ranked Liberia 122 out of 180 countries in 2017. Lack of public confidence in the police and judicial system, to include arbitrary arrest and detention, has sometimes resulted in mob violence and vigilantism.

Poverty Reduction: Poverty remains pervasive as basic services including roads, electricity, and safe drinking water, are not available to a vast majority of the population. The official poverty rate in Liberia is 63.8 percent at the national level. In April 2015, the government launched its post-Ebola plan, aimed at restoring basic services in key economic sectors such as education, health, energy, and infrastructure. The government is encouraging new investment in the mining sector. Unresolved land tenure disputes continue to provoke sporadic, violent clashes. Liberia did not meet its Millennium Development Goals of reducing child mortality and improving maternal health.

Labor/Child Labor/Human Rights: The Government of Liberia has made efforts to address child labor and trafficking in persons. The government has launched an awareness-raising project to reduce the use of children for street work, provided emergency funding to temporarily shelter 25 potential child-trafficking victims, and prosecuted one trafficking case. However, concerns remain with regard to trafficking in persons, child labor, the right to organize, and acceptable conditions of work. There was still a lack of investigation and conviction of traffickers. Other concerns include reports of extrajudicial killings and abuse of detainees by police, and harassment of the press.

International Terrorism/U.S. National Security: Liberia does not sponsor terrorism and is a strong proponent of regional stability and democracy. The government lacks strong control over its borders.

MADAGASCAR

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Both the dominant mining and tourism sectors grew more slowly than expected. A series of climatic events, including cyclones, heavy flooding, locust infestations, and drought exacerbated this slow growth. The government is revising legislation governing petroleum and mining sectors to ensure a balance between incentivizing investment and protecting its natural resources. The country struggles to collect sufficient revenue through taxes. Monopolistic state-owned enterprises continue to drain the government’s finances and resist efforts to privatize. Madagascar ranks 155 out of 180 countries in the World Bank’s 2018 Ease of Doing Business ranking.

Rule of Law/Political Pluralism/Anti-Corruption: In the latest bout of cyclical political unrest, the opposition objected to a new electoral code – which was struck down by the High Constitutional Court – and daily demonstrations have raised political tensions in the run-up to elections in late 2018. The country’s independent anti-corruption agency arrested a high-profile presidential advisor in April 2017 and began investigating over 30 charges of corruption against her. Corruption and influence peddling remain pervasive. A paperless administration program for imports was extended in 2016 to combat corruption at customs, reduce fraud, minimize bureaucracy, and save time.

Poverty Reduction: Poverty alleviation through improvement of the business climate and the promotion of rule of law and good governance remains a number one priority for the current administration. Madagascar is one of the world's poorest countries and ranked 158th out of 188 countries in the United Nations 2016 Human Development Report. The government's main objective, articulated in its 2015-2019 National Development Plan (NDP), is the "fight against poverty through inclusive growth." However, since the re-establishment of an elected government, economic recovery has failed to gain momentum. The government's spending on health and education remains low. Climate shocks, such as a severe drought in southern Madagascar, continue to limit progress in reducing poverty.

Labor/Child Labor/Human Rights: The Government of Madagascar has made efforts to address the worst forms of child labor and trafficking in persons. In 2016, over 900 tourist companies signed the Code of Conduct for the Protection of Children in the Tourism Industry to combat the commercial sexual exploitation of children. However, concerns remain with regard to right to organize, freedom of association, trafficking in persons, forced labor, minimum age, child labor and acceptable conditions of work. Progress in establishing an independent human rights commission for Madagascar, mandated by a July 2015 law, appears to be stalled. In 2016, Madagascar adopted a communication code that expands the range of subjects for which journalists may be fined and centralizes media licensing and regulation under the Ministry of Communications. Several journalists and bloggers have been charged under the new law in late 2016 and early 2017. The government decreased efforts to prosecute and convict suspected traffickers. Other concerns include reports of extrajudicial killings by government security forces, and restrictions on freedom of expression.

International Terrorism/U.S. National Security: Madagascar does not engage in activities that undermine the national security or foreign policy of the United States, and does not support international terrorism.

MALAWI

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Malawi has had a market-based economy since independence in 1964, and the role of the private sector continues to grow. Agriculture accounts for about one-third of GDP, makes up almost 75 percent of export earnings, employs nearly 65 percent of those in formal employment, and directly or indirectly supports an estimated 85 percent of the population. However, changing weather patterns drastically hampered production, with forty percent of the population receiving food assistance during the 2016-2017 lean season. The government is making progress on public financial management reforms, in particular, fiscal/budgetary controls, transparency (expenditures and procurement), and accountability for civil servants (as part of the government's public sector reforms). Barriers to economic growth include high transport costs, poor infrastructure and utilities, and limited access to technology and credit.

Rule of Law/Political Pluralism/Anti-Corruption: Malawi has an independent judiciary, but it is inefficient, anemic, and lacking both expertise and finances. Malawi has functioning good governance institutions and free press. The government has increased its focus on anti-corruption measures since the "Cashgate" corruption scandal broke in September 2013. As of May 2017, fourteen individuals who were part of "Cashgate" have been convicted on corruption and theft charges. Regardless, lack of accountability remains a problem, property rights are not protected effectively, and the rule of law is weak. In some cases the government took steps to prosecute officials who committed abuses.

Poverty Reduction: More than half of the population lives below the poverty line, and over 85 percent depend on subsistence agriculture. Inequality remains high in Malawi; poverty is increasing in rural areas (where 85 percent of the population lives) while decreasing in urban areas. The government prioritizes agriculture in its fight against poverty to ensure food security, education, and health services that target the rural poor. However, there is an agriculture subsidy program that has been inadequately targeted, with some legitimate claims of politicization and misuse in both procurement and service delivery.

Labor/Child Labor/Human Rights: The Government of Malawi has made efforts to address child labor, trafficking in persons, and collective bargaining. The government has repatriated a large number of trafficking victims, expanded social programs to address child labor in Malawi's tea sector, and negotiated its first collective bargaining agreement. However, concerns remain with regard to collective bargaining, acceptable conditions of work, and child and forced labor, particularly in the tobacco sector in which labor is firmly rooted in a tenancy system. The government generally respects the human rights of its citizens. In 2015, the Trafficking in Persons Act was passed and officially entered into force but the government continues to lack standardized procedures to effectively identify and refer victims. Other concerns include allegations of torture by government security forces.

International Terrorism/U.S. National Security: Malawi contributes regularly to regional security through its participation in UN peacekeeping missions. The government cooperates with the United States to combat terrorism. Malawi has porous and unmonitored borders, allowing it to be an established transit country for immigrants and refugees traveling to South Africa. Limited government capacity to monitor this flow leaves Malawi vulnerable to extremists in this population.

MALI

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The formal economy consists almost entirely of service industries and the production and export of gold, cotton, and livestock. The Malian government is working with the IMF and international donors to privatize several state-owned enterprises and increase tax revenues. The government has reduced or eliminated export taxes, import duties, and price controls on many goods. The World Bank's 2018 Ease of Doing Business Report ranked Mali at 143 out of 190 economies. Poor infrastructure, administrative inefficiency, and corruption limit economic growth, and the economy is poorly diversified.

Rule of Law/Political Pluralism/Anti-Corruption: Corruption in the executive and judicial branches are a significant obstacle to the rule of law. Reports of political meddling and bribery in the courts are common. However, Mali has made some efforts to combat political and economic corruption. An independent inspector general appointed by the president publishes a thorough annual report on corruption and mismanagement covering a wide range of government ministries. Lack of due process remains a problem.

Poverty Reduction: The Malian government announced a Strategy for Growth and Poverty Reduction from 2016 to 2018 that touches on all sectors essential for stabilization. Mali has made notable improvements in primary school enrollment rates. The government is working with international partners to assist vulnerable populations by increasing household incomes among rural farmers and agricultural processors, focusing on millet, rice, and livestock and adding value to these sectors to increase their competiveness in domestic and regional markets. Despite some progress, Mali's social indicators remain among the lowest in the world and the government's suspension of assistance programs in health and education have stalled progress in these areas.

Labor/Child Labor/Human Rights: The Government of Mali has made efforts to improve internationally recognized worker rights to address trafficking in persons and the worst forms of child labor. The government recently ratified ILO Protocol of 2014 to the Forced Labor Convention, drafted a law that increases the minimum age for work to 15, and obtained its first conviction for child trafficking under the 2012 Trafficking in Persons Law. However, concerns remain with regard to freedom of association, trafficking in persons, child soldiers, debt bondage, and hereditary slavery. Although slavery is illegal in Mali, the practice is not criminalized. Other concerns include allegations of torture, prison conditions, and restrictions on freedom of assembly.

International Terrorism/U.S. National Security: Banditry associated with illicit trafficking of arms, drugs, livestock, and people continues to challenge the security of northern Mali. The United States decided to resume bilateral development assistance immediately following the democratic election of the new Malian President Ibrahim Boubacar Keita. The U.S. Government is supporting the development of strong, transparent, and effective security institutions as a foundation for Mali's future stability and security. An international coalition including Mali's neighbors (Algeria, Mauritania, Niger, and Burkina Faso), the United States, ECOWAS, the AU, and the UN, continues to support the Government of Mali in its effort to implement the June 20, 2015 peace accord between the government and various armed groups.

MAURITANIA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Mauritania's economy attracts significant foreign investment in its mineral, fish, and oil deposits, but more diverse investments were expected in 2017 as a result of economic diversification efforts and promotion of the private sector. That year, the Mauritanian government adopted the Public-Private Partnerships law to increase private sector participation in non-extractives sectors, which the World Bank and IMF expect will reduce reliance on commodities. Despite these changes, however, Mauritanian tax rates remain relatively high regionally, while poor access to credit and insolvency resolution issues continue to hinder the business environment. Moreover, infrastructure remains underdeveloped and restricts economic growth.

Rule of Law/Political Pluralism/Anti-Corruption: Mauritania's presidential elections of 2014 were considered reasonably free, fair, and transparent. Mauritania's parliamentary and local elections are scheduled for September 2018 and the next presidential election is set for 2019. Mauritania's government prioritizes fighting corruption. The Cabinet introduced key anti-corruption legislation in March 2017 that integrates portions of the UN Convention against Corruption. As of 2017, over 30 individuals from both government and the private sector have been arrested for embezzling public funds and some are awaiting trial. Corruption remains a significant issue despite government efforts to counter it. Checks and balances remain weak as the executive branch dominates the legislative branch and judiciary. Protection and enforcement of intellectual property rights remains weak. The government took modest steps to punish officials who committed violations and prosecuted a number of violators. However, concerns remain with regard to arbitrary and politically motivated arrests, and lengthy pretrial detentions.

Poverty Reduction: Major development infrastructure works in the regions of Trarza, Assaba, and Gorgol are almost complete, with the goal of transforming the region from the "Triangle of Poverty" to the "Triangle of Hope." In 2017, the government implemented an education modernization project. On the other hand, unemployment and underemployment remain high. Successive government strategies to combat poverty have largely failed in rural areas. Growth remains poorly distributed and the poverty gap between rural and urban areas is significantly increasing, according to IMF studies. Approximately one fourth of the population faces food insecurity.

Labor/Child Labor/Human Rights: The Government of Mauritania made efforts to improve internationally recognized worker rights with regard to child labor. The government adopted a new General Child Protection Code that expands the number of hazardous occupations or activities prohibited for children and increases the penalties to deter violators of child labor laws. However, concerns remain with regard to freedom of association, the right to organize, acceptable conditions of work, and forced labor, including hereditary slavery. Mauritania has the highest prevalence of hereditary slavery in the world. Concerns remain regarding the government's efforts to address and combat hereditary slavery. Other concerns include allegations of torture by law enforcement officers; restrictions on the freedom of assembly and association, particularly for antislavery organizations and groups not formally recognized by the government.

International Terrorism/U.S. National Security: Mauritania does not engage in activities that undermine U.S. national security or foreign policy interests. Mauritanian authorities have had some success convicting suspected terrorists and, in some cases, successfully reintegrating extremist supporters back into society. Despite this, the justice system is ill-equipped to handle national security cases. Although the rate of conviction of terrorists is high by regional standards, some terrorism suspects referred to the courts have been held without trial or released.

MAURITIUS

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Mauritius has one of the most successful and competitive economies in Africa, with a GDP of $12.6 billion and per capita GDP over $9,700. The economy grew by 3.8 percent in 2017. Its exports to the United States, under AGOA, amounted to $193 million in 2016, approximately 99 percent of which were in textiles/apparel. Consequently, AGOA has played an important role in Mauritius' economic growth. The four main pillars of the economy today are tourism, textiles, sugarcane, and financial services, with ICT emerging as an important sector.

In 2018, for the tenth consecutive year, the World Bank's Ease of Doing Business report ranks Mauritius first among African economies. Additionally, the 2017 Index of Economic Freedom, published annually by The Wall Street Journal and The Heritage Foundation, ranks Mauritius as the 21st freest economy in the world and the first out of 48 African countries. Mauritius operates a streamlined trade regime and has taken steps to liberalize trade by lowering import tariffs on a wide range of products. Property rights are respected and the government has taken steps to reform intellectual property legislation. The government controls key utility services such as electricity, water, waste water, and television broadcasting either directly or through parastatals.

Rule of Law/Political Pluralism/Anti-Corruption: Mauritius is a parliamentary democracy. The country has enjoyed political stability since independence in 1968 with political power peacefully shifting among different parties based on regular, fair elections held every five years. The judiciary retains a good degree of power and independence. The domestic legal system is generally non-discriminatory and transparent. The Mauritius International Arbitration Center is internationally recognized for commercial dispute settlement. Regulations require all government contracts to be allocated after full and transparent tender procedures. Corruption, while existent, is generally not a problem in Mauritius. In the 2017 Corruption Perceptions Index, Transparency International ranks Mauritius 54th out of 180 countries.

Concerns remain with regard to arbitrary arrest.

Poverty Reduction: Mauritius has a wide range of social protection programs including free education, free health services, and subsidies for essential food items. The adult literacy rate (aged 15 and above) is 90.6 percent, while for youth (ages 15-24) it is 98.7 percent. Mauritius has a low rate of poverty; however, poverty and inequality persists for certain vulnerable groups.

Labor/Child Labor/Human Rights: The Government of Mauritius has made efforts o address trafficking in persons and acceptable conditions of work. In 2016, the government prosecuted a trafficking suspect under the anti-trafficking law for the first time in 2017 and opened a new shelter for trafficking victims in 2016. In 2017, the government announced a national minimum wage and hired additional labor inspectors. However, concerns remain with regard to collective bargaining, freedom of association, and forced labor. Other concerns include reports of abuse of detainees while in custody, and harassment of journalists.

International Terrorism/U.S. National Security: Mauritian authorities cooperate with U.S. government law enforcement officials on anti-terrorism matters.

MOZAMBIQUE

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: After the discovery of major government-backed loans made to two state-owned defense and security companies in 2016, the economy suffered greatly as development partners suspended their assistance. The local currency lost more than 40 percent of its value against the U.S. dollar, inflation rates climbed above 25 percent, and staple food prices rose dramatically. Economic growth remained depressed in 2017. Numerous supply-side constraints hamper Mozambique's competitiveness. However, there is a U.S.-led international consortium investing in a major liquefied natural gas (LNG) project in the country that will be one of the largest single infrastructure projects in sub-Saharan Africa to date.

Rule of Law/Political Pluralism/Anti-Corruption: Mozambique is a multi-party democracy under the 1990 constitution. The judiciary comprises of a Supreme Court and provincial, district, and municipal courts, but it is understaffed, inadequately trained, and subject to political influence. Although property rights are recognized by the government, they are not strongly respected, and enforcement of property law is inefficient and uneven. Extortion by police is widespread. Senior government officials often have conflicts of interest between their public roles and their private business interests. Transparency International ranked Mozambique as 153rd out of 180 in the 2017 Corruption Perceptions Index.

Poverty Reduction: Mozambique's National Statistics Institute and Ministry of Economy and Finance's most recent household poverty survey results share overall improvements in living standards. The percentage of the population below the poverty line decreased from 51.7 percent in the 2010 survey to 46.1 percent in the 2016 survey. However, several provinces that were affected by droughts saw their poverty rates increase. Food price inflation hurt household purchasing power. Positively, adult illiteracy also fell from 49.9 percent in 2009 to 44.9 percent in 2015. There was an improvement in water supply and sanitation, more households had access to safe sources of water, and use of electricity also increased sharply. Mozambique's fiscal crisis has had a negative impact on the government's ability to invest in poverty reduction.

Labor/Child Labor/Human Rights: The Government of Mozambique has made efforts to address child labor and trafficking in persons. The government developed a draft national referral mechanism to prevent companies from cheating on social security contributions. However, concerns remain with regard to trafficking in persons, the right to organize, and freedom of association. Mozambique continues to be a source, transit, and destination country for forced labor and sex trafficking due to porous borders. The cessation of hostilities that was declared in December 2016 and extended indefinitely in May 2017 has generally held, and there have been few reports of politically motivated violence since. Other concerns include reports of extrajudicial killings by government security forces and prison conditions.

International Terrorism/U.S. National Security: The government and the Central Bank cooperate with international efforts to counter terrorist activities. Mozambique is working with the United States to enhance its maritime security. The country has limited resources to secure its large coastal and land borders, and money laundering as well as drug and animal trafficking continue to be of concern.

NAMIBIA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Namibia's formal economy produces most of its wealth, although traditional subsistence agriculture supports most of its labor force in the north. The economy is modern and market-based, incorporating a rules-based trading system. The economy is closely linked to South Africa, with the Namibian dollar pegged one-to-one to the South African rand. However, income inequality in Namibia remains among the worst in the world. There is a serious shortage of skilled and specialized workers, especially in the science, engineering, and health sectors. Namibia's international ranking was 108 out of 190 countries in the 2018 World Bank Ease of Doing Business Report.

Rule of Law/Political Pluralism/Anti-Corruption: Both Freedom House and Reporters Without Borders' 2017 Press Freedom Index ranked Namibia's press as one of the most free in Africa, and worldwide ranks 24 out of 180 countries. Nonetheless, the slow pace of justice continues to be an issue, despite the judiciary's introduction of a case management system and alternative dispute resolution for civil matters. Enforcement of enacted legislation remains a challenge in Namibia due to limited law enforcement resources and legal system congestion. Additionally, lack of transparency in government procurements and licensing procedures is considered a source of corruption. However, the Public Procurement Act went into effect in April 2017 and created an independent tender board and review panel. The law was designed to promote governance, accountability, and transparency in the government procurement process.

Poverty Reduction: Income inequality remains among the worst in the world. Unemployment levels are high, especially among women and youth. HIV/AIDS continues to threaten economic growth and social cohesion. President Geingob launched the Harambee Prosperity Plan, with one of its stated key outcomes being a significant reduction in poverty levels.

Labor/Child Labor/Human Rights: The Government of Namibia has made efforts to address child labor and trafficking in persons. The government developed a draft National Action Plan against Child Labor and Domestic Work and restarted the Inter-Ministerial Committee on Child Labor. It identified trafficking victims, drafted a national mechanism to refer victims to care, and established a multi-sectoral steering committee. However, concerns remain with regard to the right to organize, freedom of association, and acceptable conditions of work. Traffickers exploit children in agriculture, cattle herding, and domestic service.

International Terrorism/U.S. National Security: Namibia cooperates with U.S. anti-terrorism and foreign policy efforts. The Financial Intelligence Center of the Bank of Namibia is active combating terrorism finance and implementing anti-money laundering efforts. However, progress in implementing UNSCR 1373 on counter-terrorism has been slow.

NIGER

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Niger has significant mineral resources, including uranium, oil, and gold. Low uranium prices have forced mining firms to cut back on production. A Chinese-built petroleum refinery in Niger makes the country self-sufficient in fuel production and a modest exporter of petroleum products to its neighbors. Niger is ranked 144th out of 190 economies in the 2018 World Bank Ease of Doing Business Index. Budget execution in 2016 was impacted by lower than targeted revenue collection, low commodity prices, and a continuing recession in Nigeria, an important export market. To address this, the government is working with the U.S. Department of Treasury's Office of Technical Assistance to reform its revenue collection agency and processes. Niger lacks the needed infrastructure to accommodate investment and development.

Rule of Law/Political Pluralism/Anti-Corruption: Niger held generally free and fair elections in February and March 2016. Political stability has been maintained in spite of regional insecurity and a changing landscape of political coalitions. Niger has a strong civil society. Freedom of the press is generally respected. High-level government officials, including members of the cabinet, are required to submit asset declarations, which are published in the state-owned newspaper. However, the government has sporadically restricted freedom of assembly and freedom of expression for the press. It has detained and prosecuted journalists, opposition politicians, and civil society activists for criticizing the government. The government has institutional and legal structures to deal with corruption, but they continue to struggle to produce results as corruption remains widespread, especially among the government security and police forces.

Poverty Reduction: Niger remains one of the poorest countries in the world, ranking 187 out of 188 countries in the 2016 UN Human Development Index. Many Nigeriens live in absolute poverty and many are malnourished. The government has set and made progress on various poverty-reduction goals, though it has been constrained by fiscal limitations. Access to primary education (especially among girls), vaccination rates, and life expectancy continue to improve. One of the highest population growth rates in the world makes progress on development extremely difficult as it threatens to cancel out investments in education, health, agriculture, nutrition, and business, and increases vulnerability to food shortages during inevitable droughts. Access to water is a primary constraint to macroeconomic growth in Niger.

Labor/Child Labor/Human Rights: The Government of Niger has made efforts to address trafficking in persons and child labor. The government has trained district and magistrate courts on trafficking in persons and illicit migrant smuggling and conducted awareness campaigns about forced child begging. It also provided funding to NGOs and international organizations to provide shelter to victims of trafficking and participated in a new program to combat child labor in the agriculture sector. However, concerns remain with regard to child and forced labor, including hereditary slavery. The government generally respects freedom of assembly, worship, and expression, although it has restricted these in some isolated incidents. Prison conditions remain poor.

International Terrorism/U.S. National Security: Niger is committed to combatting transnational terrorism, as well as banditry and the trafficking of narcotics and weapons. The government has taken concrete steps to prevent Islamist extremism from taking hold. Nigerien Defense and Security Forces still lack capacity and have difficulty obtaining adequate training and resources. They continue to rely on international assistance, primarily from France and the United States, to supplement their training efforts and facilitate securing Niger's borders.

NIGERIA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Nigeria's economy is the largest in Africa, and recent growth has brought a surge of investor attention. The economy has become relatively well-diversified, with services and agriculture as the two largest sectors. The government has mostly privatized its ailing power sector, but the regulatory environment remains inadequate and additional investment is needed. Nigeria continues to use high tariffs, import bans (beef, pork, sheep, goat meat and edible offal), currency restrictions, and localization requirements to protect a number of industries as part of an import substitution policy. These restrictive trade policies drive trade to the black market and scare off foreign investors. Additionally, while Nigeria submitted its instruments of accession and ratification of several World Intellectual Property Organization (WIPO) treaties, intellectual property enforcement remains weak. Nigeria also maintains a weak position in global business rankings, though it has moved from 169th in 2016 to 145th (out of 190 countries) in the 2018 World Bank Ease of Doing Business Index.

Rule of Law/Political Pluralism/Anti-Corruption: Nigeria experienced a peaceful transition of power in the 2015 presidential elections. The introduction of permanent voter cards and electronic card readers instilled confidence in voters and reduced electoral fraud. Nigeria has made important strides to improve management of public resources. Nonetheless, Nigeria is ranked 148 out of 180 on Transparency International's Corruption Perceptions Index. Only seven of Nigeria's 36 states have implemented the Administration of Criminal Justice Act of 2015. Lengthy pre-trial detention periods are a major impediment to due process in the criminal system. The anti-corruption efforts of the Independent Corrupt Practices Commission remain focused on low and mid-level government officials charged with corruption, without significant oversight on higher officials. However, the Economic and Financial Crimes Commission successfully arrested several officials, including the Minister of State for Finance and a former General Executive Director of the Nigerian National Petroleum Company, associated with accepting bribes. Enforcement of intellectual property laws has not been adequate to stem widespread IP violations.

Poverty Reduction: Nigeria ranks in the bottom 20 percent globally (152nd out of 188 countries) in the 2016 UN Human Development Index. The government has invested in the Social Investment Program (SIP), a program aimed at reducing poverty, which has reportedly reached more than one million beneficiaries as of May 2017. With roughly $130 million so far spent on the SIP, it has helped support unemployed graduates, provided meals for over one million school children, issued stipends for 27,000 extremely impoverished peoples, and extended interest free loans to micro-enterprises (more than half to women). Despite relatively high rates of GDP growth, Nigeria's poverty levels remain persistently high, especially in the north. The development divide between north and south is very large, and it exacerbates religious and ethnic tensions.

Labor/Child Labor/Human Rights: The Government of Nigeria has made efforts to address trafficking in persons. In 2016, the government implemented standard operating procedures for the investigation and prosecution of human trafficking cases, established an anti-human trafficking center, and signed into law the Trafficking in Persons (Prohibition) Enforcement and Administration Bill. In June 2017, the government made several arrests on charges of human trafficking and sexual exploitation. However, significant concerns remain about freedom of association, the right to organize, the worst forms of child labor, and forced labor, including forced child labor and forced recruitment by non-state armed groups. Other concerns include reports of extrajudicial killings and detentions, allegations of torture, and restrictions on freedoms of speech, expression, assembly, and movement.

International Terrorism/U.S. National Security: Attacks by Boko Haram continued in many states in northern Nigeria creating a significant security issue for the country. However, the government continues to combat money laundering and partners with U.S. and international financial institutions to identify and freeze terrorist assets.

RWANDA

Status: AGOA Eligible, but AGOA-eligible apparel products suspended.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Rwanda ranks 41 out of 190 countries globally in the World Bank's Ease of Doing Business score, and ranks second- highest among African countries. Nonetheless, Rwanda has implemented restrictive trade policies. On March 29, 2018, the President determined that Rwanda was not making sufficient progress toward the elimination of barriers to U.S. trade and investment with respect to apparel, and therefore was out of compliance with the eligibility requirements of AGOA. As a result, the President notified Congress and the Government of Rwanda of his intent to suspend duty-free treatment for all AGOA-eligible apparel products from Rwanda after 60 days.

Rule of Law/Political Pluralism/Anti-Corruption: Rwanda has implemented a strong anti-corruption regime. The constitution and law provide for an independent judiciary, and the judiciary operated in most cases without government interference. However, the government has restricted freedoms of speech, expression, assembly, and association.

Poverty Reduction: While donor assistance has declined from 80 percent to 34 percent of the budget, Rwanda still remains a poor and heavily donor-dependent country. Just over 50 percent of Rwanda's budget is dedicated to development and poverty reduction, focusing on health, nutrition, agriculture, education, and human capital development. Over 25 percent of the population lacks access to potable water, and nearly 38 percent of children under five show levels of stunting, an indicator of chronic malnutrition, according to the World Food Program.

Labor/Child Labor/Human Rights: The Government of Rwanda has made efforts to address child labor and trafficking in persons. The government earmarked funds for rehabilitation services for children working on the streets and adopted a ministerial order that imposes sanctions on parents who fail to send their children to school and on individuals who employ children under the minimum age for work. However, concerns remain with regard to child labor, freedom of association, collective bargaining, and acceptable conditions of work.. Rwanda's penal code contains anti-trafficking and other human rights provisions that meet international norms. Over the past year, the government made efforts to prevent, prosecute, and render assistance to trafficking victims. Other concerns include reports of arbitrary killings and politically motivated disappearances by government security forces, allegations of torture by government security forces; and restrictions on freedoms of speech, assembly, and association; and harassment, arrest, and abuse of political opponents and human rights advocates.

International Terrorism/U.S. National Security: Rwanda has one of the most capable and professional militaries in Africa. Rwanda contributes troops to UN and African Union Peacekeeping Operations, and has made efforts to combat terrorist financing and increase border control measures.

SAO TOME AND PRINCIPE

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: São Tomé and Príncipe (STP) export very little to the United States, with cocoa being its main export product. The government has pledged to create a business climate that is more attractive to foreign investment by fighting corruption, lifting of price controls, and liberalizing external trade. The implementation of a single window for external trade has reduced the timeframe to open a business from 100 days to 5 days. Despite this progress, however, STP is highly vulnerable to unpredictable shocks. Investors have trouble identifying viable investment opportunities in STP due to its weak economy, inadequate infrastructure, small market, and physical isolation. The World Bank Ease of Doing Business Report ranks STP as 169th of 190 countries in 2018. STP may potentially hold large offshore oil and gas deposits as it is located in the oil-rich Gulf of Guinea, but no major deposits have been found.

Rule of Law/Political Pluralism/Anti-Corruption: STP has a history of free and fair elections since a multi-party system was introduced in the early 1990's. In May, the government dismissed three Supreme Court judges in what many consider a politically motivated move to consolidate the ruling party's power. The government began comprehensive public finance reforms to modernize the budget process and to make it more transparent. Perception of official corruption is improving as STP ranked 64th out of 180 countries in Transparency International's 2017 index. The judicial system is subject to political influence or manipulation. While the government took some steps to investigate and prosecute officials who committed abuses, authorities rarely punished those officials.

Poverty Reduction: The World Bank notes that STP has improved its human development, especially in education and health outcomes, with recent achievements including a sharp decline in maternal and child mortality rates, progress in the fight against malaria, a low incidence of HIV/AIDS, and a primary education completion rate of close to 97 percent. However, limited coordination and in-country presence by international donors and scarcity of financial resources hinder poverty reduction efforts.

Labor/Child Labor/Human Rights: The Government of Sao Tome and Principe has made efforts to address child labor. In 2016, the government developed a National Action Plan for the Elimination of Child Labor and a National Policy on child protection. However, concerns remain with regard to the right to organize, collective bargaining, and acceptable conditions of work. Other concerns include poor prison conditions, and restrictions on freedom of expression.

International Terrorism/U.S. National Security: STP does not engage in activities that undermine U.S. national security or foreign policy interests. The country has cooperated with the United States on maritime security issues in the Gulf of Guinea region and has responded quickly and effectively to cases of drug smuggling in the Gulf of Guinea. STP has an anti-money laundering law that complies with international standards. However, the country currently lacks the necessary human and financial resources to be effective in defending its borders and in fighting against money laundering and terrorist financing.

SENEGAL

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The government's economic development plan, "Plan Senegal Emergent," focuses on economic reforms, investment in strategic infrastructure projects, and expansion of private investment in key sectors. Senegal has maintained a sound macroeconomic policy framework with support from the IMF under a three-year Policy Support Instrument approved in June 2015. An IMF mission issued a positive report on the program in April 2017. The market-based economy is open to foreign investment, and the investment code provides for equitable treatment of foreign and local firms. Senegal is a member of the World Intellectual Property Organization and the Bern Copyright Convention. The country is ranked 140th out of 190 on the World Bank's 2018 Ease of Doing Business Report, and remains hindered by its inability to effectively enforce contracts and protect investors. Disputes (e.g., judicial, tax, customs, and property) and regulatory decisions are frequently handled in a manner that is inconsistent, tardy, and non-transparent.

Rule of Law/Political Pluralism/Anti-Corruption: Senegal has a pluralistic, democratic political system and is a secular state with a tradition of respect for human rights and protections for religious freedom. Opposition political parties operate freely. Freedom of expression is protected, but the press practices self-censorship on some sensitive issues. Following a constitutional referendum in March 2016, the presidential term has been shortened from seven to five years starting in 2019. Legislative elections in 2017 were largely free and fair. Corruption is perceived to be a persistent problem, ranging from rent-seeking by bureaucrats involved in public approvals to opaque government procurement and corruption in the judiciary, and plans to improve governance are slowed in implementation by the political process. However, President Sall has made good governance a priority and has launched audits of government programs susceptible to misuse of public funds under the previous administration. The government took some steps to investigate, prosecute, and punish officials who committed abuses, whether in the security forces or elsewhere in the government.

Poverty Reduction: Senegal is on track to exceed Millennium Development Goals for reduction of extreme poverty and achieving gender equality in schooling. The country has also made progress in lowering child mortality and reducing malnutrition. Senegal developed a National Strategy for Economic and Social Development to guide economic development and poverty reduction efforts for the 2013-17 period. With a growing population, the country needs higher economic growth to generate employment, raise per capita income, and reduce poverty. Rural areas of Senegal have higher rates of unemployment and are vulnerable to food insecurity and weather shocks.

Labor/Child Labor/Human Rights: The Government of Senegal has made efforts to address trafficking in persons. Recently, the government convicted five sex traffickers and has provided services to trafficking victims. However, concerns remain with regard to the right to organize, freedom of association, trafficking in persons, and the worst forms of child labor, especially with regard to forced begging. Other concerns include reports of arbitrary and unlawful killings and allegations of torture and arbitrary arrests by government security forces; and restrictions on freedom of speech and assembly

International Terrorism/U.S. National Security: Senegal is a strong partner in promoting regional security and countering violent extremism. The country has participated in UN peacekeeping missions in many African countries. Senegal faces some risk of terrorist activity due to the potential for spillover from the conflict in northern Mali. The armed forces and police are ill-equipped to protect Senegal's porous land borders and prevent the trafficking of illicit drugs, contraband, and firearms.

SEYCHELLES

Status: Not AGOA Eligible because graduated from GSP, therefore not reviewed.

SIERRA LEONE

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Sierra Leone has been recovering and rebuilding from the impacts of both a long civil war and the ravages of Ebola. The government has a variety of initiatives to remove constraints on trade and improve the investment climate. Then-President Koroma had set a five-year *Agenda for Prosperity*, released in 2013, which fostered a favorable attitude towards foreign direct investment. Sierra Leone's market-based economy incorporates an open, rules-based trading system. There are no significant barriers to U.S. trade. In recent years Sierra Leone has constructed or rehabilitated a network of trunk and feeder roads, linking agricultural suppliers with markets and district headquarter towns. The government has also prioritized improvements to the country's trade facilitation infrastructure, including simplifying procedures at land borders and the process to clear goods at the ports. Despite this, land tenure inhibits investment, particularly outside of the Freetown area. The economy is heavily dependent on the export of minerals and infrastructure remains a considerable concern.

Rule of Law/Political Pluralism/Anti-Corruption: The Presidential elections in March 2018 were deemed transparent, free, fair, and credible, leading to a transition of power between parties through the inauguration of President Julius Maada Bio in May 2018. The Constitution limits the president to two five-year terms, so former President Koroma was ineligible to run for re-election in 2018. Corruption continues to be a problem while the rule of law is fragile and uneven across the country. Sierra Leone is ranked 130th out of 180 countries in the 2017 Transparency International Corruption Perceptions Index. Sierra Leone's education system is in very poor condition, and adult literacy is estimated at 43 percent. However, the Anti-Corruption Commission has taken on and investigated tough cases, and anti-corruption is now part of every ministry's strategic plan. The government took some steps to investigate, prosecute, and punish officials who committed violations.

Poverty Reduction: The government launched the *Agenda for Prosperity* in July 2015. The program aims to propel Sierra Leone into middle income country status by 2035 and to promote sustainable growth and reduce poverty. Sierra Leone remains one of the poorest countries in the world, ranking 179th out of 188 on the 2016 UN Human Development Index. Child and maternal mortality rates are among the highest in the world. Poverty alleviation programs remain heavily dependent on foreign donors, and Sierra Leone will need prolonged international assistance and private investment to generate economic growth. Foreign partners' assistance in response to the Ebola outbreak has led to a significant influx of assistance funds, but a large portion of the new funding targets health system strengthening and the direct consequences of the Ebola outbreak, rather than broader poverty reduction objectives.

Labor/Child Labor/Human Rights: The Government of Sierra Leone has made efforts to address trafficking in persons and child labor. The government has investigated and initiated prosecutions of trafficking cases. It also has prosecuted several individuals involved with forced child labor and the sexual exploitation of children. However, concerns remain with regard to the right to organize, freedom of association, and acceptable conditions of work. Sierra Leone has both internal and external trafficking problems. The government ratified the Palermo Protocol in 2014 and assembled its Anti-Trafficking-in-Persons Task Force in July 2015. Other concerns include reports of police abuse of detainees in custody, as well as prison conditions.

I**nternational Terrorism/U.S. National Security**: Sierra Leone does not support or engage in acts of international terrorism or pose a threat to U.S. national security interests. Sierra Leone has contributed forces to UN peacekeeping missions. Despite this, Sierra Leone's geostrategic location makes it an inviting site for piracy and drug trafficking. The United States is supporting Sierra Leone's development of coastal security capabilities, but much improvement remains to be made.

SOMALIA

Status: Not AGOA eligible because Somalia has not requested designation to be an AGOA beneficiary country.

SOUTH AFRICA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: South Africa has an advanced and diversified economy with a sophisticated financial sector. The majority of U.S. trade and investment generally takes place without restriction, but an out-of-cycle review related to barriers on U.S. poultry exports initiated in 2015 almost led to a suspension from AGOA. American companies have raised the lack of transparency in the decision-making process for awarding major government tenders as well as concerns over other non-tariff barriers. South Africa's free trade agreement with the European Union enables EU products to enter South Africa at lower tariff rates than U.S. products. It also prohibits the use of certain terms as geographical indications (GIs), which could have an adverse impact on certain U.S. agricultural products. Prices are generally set by the market. The United States and South Africa are committed to economic dialogue, including through the bilateral Trade and Investment Framework Agreement.

Rule of Law/Political Pluralism/Anti-Corruption: The business community welcomed the February 2018 transfer of power from former President Jacob Zuma to the country's Deputy President, Cyril Ramaphosa, who has demonstrated a renewed commitment to transparency and anti-corruption. The independence of the judiciary is widely lauded, and has been demonstrated in the past years through rulings against now former President Zuma or individuals close to him. The Directorate of Priority Crimes tackle white-collar crime in the private sector and the government. Violent crime remains a problem throughout the country. South Africa's free press regularly reports on judicial and government allegations of public corruption. In 2016, South Africa's Independent Electoral Commission held municipal elections generally considered to be free and fair. National elections are next scheduled for mid- 2019. Since assuming power in February 2018, President Ramaphosa has initiated significant anti-corruption reforms.

Poverty Reduction: To address large-scale poverty and a high unemployment rate, South Africa's annual budget allocated significant support for economic development and education programs. The quality of public education at all levels remains uneven.

Labor/Child Labor/Human Rights: The Government of South Africa has made efforts to address child labor and trafficking in persons. The government increased funding for the Child Support Grant, augmented the number of social workers who care for child abuse victims, including child laborers, and increased enforcement efforts to combat the worst forms of child labor. In 2016, the government joined the Global Action to Prevent and Address Trafficking in Persons and Smuggling of Migrants partnership. However, concerns remain with regard to trafficking in persons and acceptable conditions of work. Other concerns include police use of unlawful lethal force, as well as prison conditions.

International Terrorism/U.S. National Security: South Africa contributes approximately 1,200 peacekeepers to UN peacekeeping operations in the Democratic Republic of the Congo. South Africa is a party to a number of UN counterterrorism conventions and protocols as well as the African Union Convention on the Prevention and Combating of Terrorism.

SOUTH SUDAN

Status: Not AGOA Eligible. (Terminated 2015.)

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Although resource-rich, the economy is centered on oil production, and almost all intermediate and consumer goods are imported. The business environment is extremely challenging in South Sudan due to rampant corruption, a weak legal framework, poor infrastructure, and the ongoing conflict.

Rule of Law/Political Pluralism/Anti-Corruption: Fighting between the government and opposition forces broke out in December 2013, stalling any efforts to address corruption, legal reform, or institution building. President Salva Kiir signed a peace agreement with the opposition forces in August 2015, but South Sudanese authorities have failed to implement the accord and have instead expanded the war to more areas of the country.

Security force abuses occurred throughout the country. While government offensives during the year were responsible for the majority of the atrocities, resulting displacement and food insecurity, opposition forces also perpetrated serious human rights abuses.

Poverty Reduction: South Sudan has some of the worst human development indicators in Africa. It ranked 181 out of 188 countries on the UN Development Program's 2016 Human Development Index. About 90 percent of the population lives on less than $1 per day, only 27 percent of the population aged 15 years or older, is literate, and South Sudan has the highest maternal mortality rate in the world. Efforts to address these problems rely completely on aid from foreign donors.

Labor/Child Labor/Human Rights: In January 2015, South Sudan was declared ineligible for AGOA benefits, and remains ineligible, due to flagrant human rights abuses and government-sanctioned political violence, including targeted attacks on civilians, extrajudicial killings, arbitrary arrest and detention, sexual violence, and the recruitment and use of child soldiers. The Government of South Sudan has developed and disseminated a manual and training module covering human trafficking for customs and border officials. However, authorities did not investigate or prosecute forced labor or sex trafficking crimes and made negligible efforts to protect trafficking victims. It also instituted military enlistment procedures that require an age assessment to prevent the future recruitment of child soldiers, but continued to recruit and use child soldiers. However, concerns remain with regard to trafficking in persons, forced labor, child labor, the right to organize, collective bargaining, and acceptable conditions of work. Other concerns include conflict-related, ethnically based targeted killings of civilians; extrajudicial killings, abuse, and mass forced displacement.

International Terrorism/U.S. National Security: South Sudan's security situation makes it a potential source of regional instability. Armed conflict is ongoing throughout the country and includes fighting between various political and ethnic groups. The government's failure to make earnest progress towards peace undermines U.S. foreign policy interests.

SUDAN

Status: Not AGOA Eligible because Sudan has not requested designation to be an AGOA beneficiary country.

SWAZILAND

Status: AGOA Eligible. (Reinstated January 1, 2018.)[6]

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Swaziland suffers from poor policy and administrative coordination, a general lack of procedural

[6] As mentioned in chapter two, the U.S. Government set benchmarks related concerns over restrictions on the freedoms of peaceful assembly, association, and expression that Swaziland needed to address to regain AGOA eligibility. Swaziland met the last of these benchmarks in November 2017 in fulfilment of the eligibility criteria related to internationally recognized worker rights.

transparency, and a lack of clear, up-to-date guidance for business. Due to continued economic decline, Swaziland is no longer aggressively pursuing its formal privatization policy, although some sectors have begun to be privatized and others are being introduced to competition. Swaziland ranked 112th out of 190 economies in the World Bank's 2018 Ease of Doing Business Report. The information and communications technology sector has been deregulated , which allowed new entrants to the Swazi market. Mobile communications and the use of internet-based services have seen substantial growth in recent years.

Rule of Law/Political Pluralism/Anti-Corruption: Swaziland is ruled by an executive monarch in a combined parliamentary and traditional structure with little political pluralism. There is no independent judiciary as government leadership constitutionally chooses the judges of the Supreme Court through the Judicial Service Commission. Although the budget is largely accurate in terms of the gross numbers, corruption and weak internal accounting for funding impacts transparency. The country ranks 85th out of 180 nations in the 2017 Transparency International's Corruption Perceptions Index.

Poverty Reduction: The government is actively engaged in working with development partners on strategies and tactics for combating the country's widespread poverty such as, improving the public financial management, supporting entrepreneurship and decent employment, especially among women and youth, and strengthening social protection schemes and delivery services to vulnerable groups. According to the government, around 63 percent of Swazis live below the poverty line. For budgetary reasons, government spending has been cut in key social services programs, such as HIV/AIDS, free primary education, and support for vulnerable children.

Labor/Child Labor/Human Rights: The Government of Swaziland has made efforts to improve internationally recognized worker rights to regain AGOA eligibility. The government amended the Industrial Relations Act, the Public Order Act, and the Suppression of Terrorism Act. The government also disseminated and implemented the Code of Good Practices on Protest and Industrialization. Although the government states that it respects freedom of religion, in early 2017, it introduced Christianity as a compulsory subject and the only religion to be taught in schools. The government demonstrated little political commitment to combatting trafficking in persons. Other concerns include restrictions on freedoms of speech, assembly, and association.

International Terrorism/U.S. National Security: The Royal Swaziland Police Service cooperates with U.S. law enforcement agencies in counter-narcotics and counter-terrorism programs. The Swaziland Defense Force regularly partners with the U.S. military.

TANZANIA

Status: AGOA Eligible

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Tanzania has experienced high and relatively stable growth rates driven by its mining, telecommunications, tourism, and construction sectors. Tanzania's business environment remains difficult because of a cumbersome bureaucracy, corruption, and poor infrastructure. The World Bank ranks Tanzania 137th out of 190 in the 2018 Ease of Doing Business Index.

Rule of Law/Political Pluralism/Anti-Corruption: President Magufuli has cited anti-corruption efforts as among his top priorities and has directed a number of investigations into alleged corruption. The Tanzanian press has reported freely on high profile cases of alleged corruption. The government has attacked the problem of counterfeit products by confiscating illicit goods. Even though Tanzania has laws and institutions designed to combat corruption and illicit practices, corruption remains a significant issue, especially in the judiciary and the police forces.

Poverty Reduction: Tanzania has made progress in universal primary education, promoting gender equity, and reducing child mortality. Under Tanzania's compact with the Millennium Challenge Corporation, completed in 2013, the United States supported the construction of power lines, the paving of roads, and upgrades to three water treatment plants. Despite robust positive GDP growth, there is little improvement in the overall poverty rate and poor progress on eradicating hunger, maternal health and development. Tanzania's current budget focuses on key infrastructure in the power and transport sectors. Tanzanian growth remains hampered by low agricultural productivity and lack of skilled workers.

Labor/Child Labor/Human Rights: The Government of Tanzania has made efforts to address child labor and trafficking in persons. The government published a National Child Labor Survey and investigated, prosecuted, and convicted more traffickers than in the previous reporting period. The government also conducted an anti-trafficking awareness raising campaign for school students. However, concerns remain with regard to child labor, the right to organize, freedom of association, and acceptable conditions of work. Other concerns include reports of excessive use of force by government security forces, and restrictions on freedom of assembly and expression.

International Terrorism/U.S. National Security: Tanzania has put in place the legal foundation for criminalization of money laundering and terrorist financing, however implementation of the legislation has been slow. Tanzania has ratified the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (the Vienna Convention), and the UN Convention against Transnational Organized Crime (the Palermo Convention).

TOGO

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The Togolese economy is roughly spread across three sectors – agriculture (40 percent of GDP), services (40 percent of GDP), and industry (almost 20 percent of GDP). There is notable foreign direct investment in Togo, with inflows of $255 million in 2016. Togo's modernized infrastructure, which include its deep-water seaport and secure airport, have made it a regional transshipment hub for goods going to markets in landlocked Burkina Faso, Mali, and Niger. In recent years, the government passed pro-business legislation, including adopting a new investment code that prescribes equal treatment for Togolese and foreign businesses and reduces barriers to starting a business. However, road infrastructure is in poor condition in many parts of the country. Togo is in the process of refurbishing most major roadways. Togo has a large informal market in counterfeit and pirated intellectual property, and the judicial system does not protect private property sufficiently.

Rule of Law/Political Pluralism/Anti-Corruption: Togo is undergoing a democratic transition. There have been several elections in recent years deemed free and fair by international observers. The country is in the midst of a debate over constitutional and institutional reforms, with demonstrations demanding presidential term limits. In January 2017, the government staffed a new High Authority to Combat Corruption, an autonomous and independent administrative body exclusively dedicated to the prevention of corruption and for active collaboration with the judiciary. With assistance from the UN, Togo is operating a Truth, Justice, and Reconciliation Committee to investigate government persecution of civilians that occurred from 1958 to 2005, which began victim reparations in December 2017. Prolonged pretrial detention and lack of access to legal representation remain problematic. In practice, the presidency heavily influences the court system, which is overburdened and understaffed. The government took limited steps to prosecute or punish officials who committed abuses.

Poverty Reduction: Following the completion of the 2013-2017 strategy for poverty reduction, Togo adopted the new national development strategy for 2018-2022 in consultation with international development partners. International assistance aided infrastructure development, creating jobs for Togolese in the construction industry. Togo hopes to graduate from the ranks of developing countries and establish itself as an emerging economy by the year 2030. Public primary education is free, and the government has reduced secondary school fees for girls in an effort to encourage attendance. The quality of public primary and secondary education is poor. In many places, classes are crowded; in others, there are no teachers. Budgetary constraints limit social sector investment and key social indicators remain among the lowest in the world. Togo is unable to provide its own resources to sustain education, health and nutrition, sanitation, and other basic services.

Labor/Child Labor/Human Rights: The Government of Togo has made efforts to address child labor and trafficking in persons. In 2016, the government increased the number of labor inspectors and employed a network of "vigilance committees" in nearly every village in the country to provide education on trafficking and report cases to the government. However, concerns remain with regard to trafficking in persons, the right to organize, freedom of association, and acceptable conditions of work. Trafficking in persons occurs primarily in children for servitude, agricultural work, and commercial sexual exploitation. Other concerns include reports of use of excessive force by government security forces and restrictions on freedom of assembly.

International Terrorism/U.S. National Security: Togo has recently become a transit point for wildlife and illicit trafficking. The government response has been strong, with several traffickers arrested. Togo is an important partner in enhancing maritime security in the region. Togo hosted an African Union conference in October 2016 in Lome, as well as the AGOA Forum in August 2017. Togo does not provide support for acts of international terrorism and generally supports U.S. interests on national security and foreign policy.

UGANDA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: With a young, rapidly growing population, abundant natural resources, and a wealth of tourist attractions, Uganda offers great economic potential. Uganda is a member of the East African Community and the Common Market for Eastern and Southern Africa, and trade flows have increased in recent years. Several factors impede foreign investment, however, including pervasive corruption, weak governance, poor infrastructure, high commercial interest rates, high transportation and production costs, and procurement processes that do not meet international standards.

Rule of Law/Political Pluralism/Anti-Corruption: The current government won re-election in February 2016 in a ballot that fell short of key democratic benchmarks. In December 2017, Uganda’s parliament voted to amend the constitution to remove presidential age limits. In the run-up to this vote, security forces denied the political opposition freedom of movement and prevented public demonstrations. The government routinely restricts freedom of expression, assembly, and speech. Corruption remains a significant problem, and the government is working at implementing more robust accountability systems, particularly in improving payment systems and strengthening spending controls.

Poverty Reduction: Although Uganda continues to struggle with increasing poverty rates, the government is pursuing a national strategy that envisions Uganda becoming a middle-income nation by 2020. Uganda has also made strong progress on education, gender equity, and HIV/AIDS prevention and treatment. Uganda is at a high risk for high youth unemployment, and will need to improve its education system and create jobs through economic diversification.

Labor/Child Labor/Human Rights: The Government of Uganda has made efforts to address trafficking in persons and child labor. Recently the government has investigated, prosecuted, and convicted more trafficking cases than in previous years. Uganda approved the Children (Amendment) Act, which criminalizes the use of children for commercial sexual exploitation, and launched a National Social Protection Policy that targets child laborers. However, concerns remain with regard to freedom of association, collective bargaining, and acceptable conditions of work. Other concerns include restrictions on freedoms of expression and assembly.

International Terrorism/U.S. National Security: Uganda's anti-terrorism security capabilities are generally low, but are improving with additional training largely funded by the United States.

ZAMBIA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Zambia has liberalized most aspects of its economy, and almost all prices are now market-driven. Some subsidy programs remain. Many trade barriers have been reduced, direct import and export subsidies have been removed, and the government currently maintains no currency controls. According to the World Bank's 2018 Ease of Doing Business index, Zambia is ranked 139th out of 190 countries. Costs of production are high, primarily due to geographic location, a relatively small local market, and poor infrastructure, which all contributing to the challenge of doing business in Zambia. Zambia made modest economic reforms in tightening tax collection, restricting subsidies and reducing government spending.

Rule of Law/Political Pluralism/Anti-Corruption: In January 2016, the government enacted new constitutional amendments the proscribe conditions for presidential elections. Despite this, the August 2016 general election represented a likely regression in Zambia's political development due to limited speech and assembly freedoms, and political violence. International observers deemed the election result as credible, but the overall election campaign was not deemed fair. Following the election, the government intensified crackdowns on independent media outlets and opposition politicians. Arbitrary arrests, prolonged detention, and long pre-trial or other delays remain serious problems.

Poverty Reduction: The government formulated the Seventh National Development Plan for 2017 to 2021 to promote fiscal prudence while 54.4 percent of Zambians remained below the national poverty level, according to an October 2017 World Bank report. Additionally, the government maintains a Social Cash Transfer Scheme focused on the eradication of hunger and extreme poverty in rural households. Zambia currently has about 800,000 people on HIV treatment due to the U.S.-Zambia partnership under PEPFAR. Malaria also poses a significant challenge, although with donor assistance, Zambia has seen a steady decline in infections.

Labor/Child Labor/Human Rights: The Government of Zambia has made efforts to address trafficking in persons, child labor, and the right to organize. During 2016, the government investigated 23 potential trafficking cases, hired additional labor inspectors, and approved a new development assistance framework that aims to prevent the worst forms of child labor. However, concerns remain with regard to trafficking in persons, child labor, the right to organize, and freedom of association. Other concerns include reports of excessive use of force by police, as well as prison conditions.

International Terrorism/U.S. National Security: In 2015, 2016, and 2017, Zambia deployed battalions to the Central African Republic in support of the UN Multidimensional Integrated Stabilization Mission peacekeeping operation. The government's ability to counter terrorist financing is limited, but it has established a Financial Intelligence Unit to better meet international standards. However, its existing border controls do not provide adequate safeguards against the proliferation of nuclear or radioactive material or the illicit cross-border movement of cash. Zambia is a major hub for illegal ivory products and a transit hub for rhino horns poached in neighboring countries, of which profits may be used in illicit criminal enterprises.

ZIMBABWE

Status: Not AGOA Eligible.

Market Economy/Economic Reforms/Elimination of Barriers to U.S. Trade: Zimbabwe saw its first leadership transition in nearly 37 years in November 2017. Zimbabwe has a number of incentives designed to attract foreign investment, including tax breaks and allowing capital expenditures on new factories, machinery, and improvements to be fully tax deductible. The government recently relaxed its indigenization law to only apply to the platinum and diamond sectors, but investors (especially Western companies) are looking to national elections in the summer of 2018 as a signal on whether to consider investing in Zimbabwe. The financial sector experiences tight liquidity and is not able to offer sufficient medium or long-term financing to rebuild Zimbabwe's economy. The majority of deposits are short-term demand deposits. Zimbabwe has significant arrears to the World Bank Group, the African Development Bank, and bilateral official creditors including the United States. Zimbabwe's Ministry of Industry and Commerce forces importers of certain products to first apply for import licenses from the ministry before bringing goods into the country.

Rule of Law/Political Pluralism/Anti-Corruption: In November 2017 President Robert Mugabe resigned following a military intervention, large public demonstrations demanding his ouster, and the initiation of impeachment proceedings against him by the leadership of his own party. In his place, Vice President Emerson Mnangagwa was appointed President. The next opportunity for the people of Zimbabwe to choose their leader democratically will be elections scheduled for July 30, 2018. Corruption and lack of transparency remain widespread in Zimbabwe. Transparency International's 2017 Corruption Perceptions Index ranks Zimbabwe as 157th out of 180. The government took limited steps to punish security-sector officials and ZANU-PF supporters who committed violations.

Poverty Reduction: The country is still recovering from the economic collapse in the 2000s, when the economy shrank by half. This had an effect on employment, infrastructure, and basic social services, including health and education. Lack of water sanitation has caused sporadic outbreaks of cholera. The HIV infection rate has declined, but a significant proportion of the population lives with HIV/AIDS.

Labor/Child Labor/Human Rights: The Government of Zimbabwe has made efforts to address child labor and trafficking in persons. The government developed a Trafficking in Persons National Plan of Action and launched Phase III of the National Action Plan for Orphans and Vulnerable Children. However, concerns remain with regard to trafficking in persons, child labor, the right to organize, freedom of association, collective bargaining, and acceptable conditions of work. Other concerns include include allegations of government-targeted abductions, arrests, torture, and abuse, prison conditions; and restrictions on freedoms of expression, assembly, and association.

International Terrorism/U.S. National Security: The Government of Zimbabwe does not support activities that undermine U.S. national security and has been cooperative on counter-terrorism issues.

Chapter III: Status of Trade Capacity Building Assistance to Sub-Saharan Africa

This chapter provides an overview of the trade capacity building (TCB) programs conducted by the U.S. government in sub-Saharan Africa. TCB refers to any program or initiative that increases the amount of goods that a country can trade, improves the quality of those goods, or increases market access for the people in that country. Most TCB programs focus on building human capital and infrastructure. For example, such projects can include the construction of roads and bridges, eliminating food insecurity through agricultural investment, and improving the businesses climate through training programs that help eliminate bureaucratic red tape. Through bilateral and multilateral channels, the United States has invested or obligated more than $6.7 billion in trade-related projects in sub-Saharan Africa since 2001 to spur economic growth and alleviate poverty.

U.S. Agency for International Development

The U.S. Agency for International Development (USAID) is the U.S. government agency primarily responsible for implementing U.S. trade capacity-building activities in sub-Saharan Africa. The TCB programs provided by USAID expand Africa's ability to trade by improving the efficiency and transparency of cross-border transactions; harmonizing safety and quality standards; and reducing the time and cost of doing business through the implementation of international and regional protocols in trade facilitation, technical barriers to trade and sanitary and phytosanitary standards. USAID's initiatives that promote regional integration and remove cross-border trade barriers unlock the advantages brought about by economies of scale, reduce the cost of doing business, and expand market access for American companies while contributing to increased regional resilience, food security and inclusive economic growth.

East Africa Trade and Investment Hub

EATIH's AGOA Preparedness Workshop in Kampala, Uganda
Source: USAID

The East Africa Trade and Investment Hub (EATIH), based in Nairobi, Kenya, aims to encourage the diversification of exports beyond natural resources, and promote broader, more inclusive growth which will lead to more food secure and resilient East African communities. The EAITH raises awareness of opportunities for African and U.S. firms to increase trade, expand business partnerships, and invest in East Africa. The goals of the EATIH are to double the value of intra-regional trade in the

East African Community, increase non-oil exports to the United States by 40 percent, and facilitate $100 million of new investments, thereby fostering the creation of 10,000 new jobs. Between 2016 and 2017, the value of intra-regional exports in targeted agricultural and non-agricultural commodities increased by $289 million while the value of AGOA exports from eligible countries to the United States increased by $753 million. In 2017, the EATIH facilitated the cross-border trade in staple grains of 1.21 million metric tons with an estimated value of $278 million, contributing to the food security of 14.9 million East Africans.

West Africa Trade and Investment Hub

The West Africa Trade and Investment Hub (WATIH), based in Accra, Ghana, works with national and regional associations and regional economic communities to help them serve as leaders in adopting improved practices, attract buyers and investors, and promote implementation of regional trade agreements. WATIH also works to improve transport constraints and trade barriers. The goals of WATIH are to increase the value of West African regional and global trade by over 50 percent by facilitating over $100 million in new investment, and spurring the creation of 23,000 jobs in WATIH-assisted firms. In 2016 and 2017, the WATIH promoted regional trade in agricultural commodities, including cereals and livestock, and global trade in apparel, cashew, mango, and shea products. In 2016 and 2017, the WATIH facilitated $74 million of exports and $64 million in investment, and worked with the Economic Community of West African States (ECOWAS) to advance the ECOWAS Trade Liberalization Scheme, including support to government officials in Cote d'Ivoire, Burkina Faso, Togo, Benin, Mali, and Guinea, to abolish requirements for Certificates of Origin for regional trade in raw agricultural products. This increased food security and enhanced safety for smallholder traders, who are predominantly women.

Southern Africa Trade and Investment Hub

In Malawi, SATIH engaged with international financiers, agribusiness and farmers to develop a unique methodology to finance the expansion of warehouse capacity Source: USAID

The Southern Africa Trade and Investment Hub (SATIH), based in Pretoria, South Africa with a satellite office in Gaborone, Botswana and resident advisors in Malawi and Zambia, engages with partners across Southern Africa to deepen regional economic integration, promote two-way trade with the United States under AGOA, and attract investment that drives commercial expansion of Southern African companies into global markets. The SATIH works with the five Southern African Customs Union (SACU) countries – Botswana, Lesotho Namibia, South Africa and Swaziland – and Malawi, Mozambique, Zambia, and Zimbabwe, in collaboration with governments and the private sector to advance international trade. By building a vibrant, broad-based and export-oriented private sector, and promoting an attractive business environment, the SATIH fosters resilience among Southern African economies, fueling demand for U.S. goods and services. From 2013 to 2017, the SATIH facilitated $41 million in private sector investment, reduced the time it takes to trade by 20 percent across Southern Africa, and promoted $40 million in intra-regional trade.

Global Shea Alliance

With a rapidly expanding shea market in West Africa, the Global Shea Alliance (GSA) was established in 2011 to help build a more competitive, sustainable, and profitable shea industry and improve the livelihoods of rural African women and their communities. USAID partners directly with the Global Shea Alliance (GSA) to increase market linkages for women shea collectors, improve parkland management, increase plantation size, and pilot conservation projects. One such activity was a partnership with the private sector to construct 16 warehouses for women pickers, enabling them to aggregate their nuts to command higher prices from buyers. Through these actions, the GSA facilitated 139,000 metric tons of shea exports with a value of $43 million, leveraged $860,000 in private sector investment, and increased income for women beneficiaries by $222,000 in 2016 and 2017.

Bilateral Trade Capacity Building Programs

Cote d'Ivoire: USAID's program develops and facilitates regional trade and investment in selected value chains through credit guarantees and the adoption of sanitary and phytosanitary standards. In March 2016, a start-up in Cote d'Ivoire, the "Ivoirienne de Noix de Cajou" (INC), benefited from a 5-year, $8 million loan through USAID's credit guarantee program. This enabled it to construct a new factory in Abidjan and purchase equipment for processing cashews. In addition, following on the government's trade facilitation assessment, USAID developed a truck-tracking database system to provide real time information for transport planning and traffic management. USAID also facilitated the signing of an MOU between the American Society for Testing Materials and National Standards Body of Cote d'Ivoire to promote U.S. standards, which facilitates U.S. investment in West Africa. USAID is working with the government to review its phytosanitary policy and pest risk assessment.

Ghana: USAID support includes trade facilitation, adoption of sanitary and phytosanitary standards, and investment promotion. USAID and the Government of Ghana (GOG) are engaged in a dialogue concerning issues of market access and supply chain limitations, with input from the private sector, to generate employment and workforce skills development, attract investment, and build value chains that are most likely to benefit from AGOA utilization. This includes support to the American Chamber of Commerce to promote U.S. investment in Ghana. USAID also facilitated the passing of the Ghana International Trade Commission Bill, development of a national AGOA


The Ghana Apparel Manufacturing Expansion program works with WATIH to provide training, create jobs, and export to the U.S. under AGOA. Source: USAID

utilization strategy, and ongoing trainings to ensure AGOA accessibility by exporters.

Senegal: In partnership with the Senegalese government, USAID supported trade capacity building programs to improve compliance with WTO rules on trade facilitation, sanitary and phytosanitary measures, and technical barriers to trade while fostering an improved business climate for broad-based economic growth and trade. Activities include improving trade-related information, streamlining trade-related fee structures and compliance with trade laws and regulations, and, in collaboration with the American National Standards Institute, training for public and private organizations on the development of trade standards and norms. In addition, USAID supported activities to increase transparency and efficiency in customs operations, improve phytosanitary inspection capacity, and enhance the enabling environment for trade and investment in the agriculture sector.

Mozambique: USAID supports the Government of Mozambique to improve trade facilitation, reduce technical barriers to trade and enhance sanitary and phytosanitary standards, as well as strengthen policies to promote regional trade and attract investment. This includes assistance to ratify the WTO Trade Facilitation Agreement, categorize its provisions, and begin implementation. USAID supported the creation of a National Trade Facilitation Committee, drafting a strategy to stop Pre-Shipment Inspections, reduce fees and charges, and improve the authorized economic operator scheme. One concrete result was the revocation of the mandatory nature of the Nacala Special Export Terminal, which had been adding approximately $500 per container to Mozambican exports leaving by the Port of Nacala, totaling over $6.5 million in unnecessary costs to the private sector annually. In addition, in partnership with the American National Standards Institute, USAID held a workshop to advocate for private sector participation in standards setting. Finally, the program assisted the government to develop a national trade policy and AGOA utilization strategy.

Zambia: The USAID trade program in Zambia provides technical assistance to the government, including implementing Category C Measures of the WTO Trade Facilitation Agreement, and provides capacity building to private sector firms to meet sanitary and phytosanitary standards for export. In addition, the program provides assistance to address technical barriers to expand Zambia's trade and investment capacity within the region and with the United States. In 2017 the program helped establish the Zambia Trade Information Portal and the National Trade Facilitation Committee, draft a border management and trade facilitation bill, and develop a national AGOA utilization strategy. In addition, USAID worked with the private sector to establish a national grain Market Information System and facilitate $20 million in investment.

Feed the Future

Feed the Future is the U.S. Government's Global Food Security Strategy (GFSS) to combat global hunger, with a primary focus on smallholder food producers and their markets. Feed the Future efforts aim to improve market access and expand trade for small and medium-sized farmers in domestic, regional, and international markets, which are key drivers of agriculture-led growth, food security, food availability, and poverty reduction. Feed the Future is working to increase job creation, expand market access, and promote agricultural growth. In the process, Feed the Future facilitates local partnerships to help integrate trade into broader development objectives. In addition to its support of agricultural trade through the USAID Trade and Investment Hubs, Feed the Future supports capacity building and policy harmonization through regional economic communities and regional private sector organizations.

Global Alliance for Trade Facilitation

USAID and five other donors formed the Global Alliance for Trade Facilitation in 2016. The alliance partners with the private sector to support comprehensive implementation of the WTO Trade Facilitation Agreement. The partnership includes the United States, Australia, Canada, Germany, Denmark and the United Kingdom, and is supported by a secretariat hosted by the World Economic Forum, the International Chamber of Commerce, and the Center for International Private Enterprise. It also draws on the resources and expertise of the private sector. In Africa, the alliance has projects underway in Ghana and Kenya and a recently announced expansion will add Malawi, Nigeria, Rwanda, and Zambia in future years.

U.S. Department of Agriculture

The U.S. Department of Agriculture (USDA) implements agricultural technical assistance, training, and research programs in sub-Saharan Africa. USDA's TCB program objectives are to increase agricultural trade both regionally and with the United States, help African countries develop trade policies based on sound science, support agricultural sector growth in partner countries, and promote food security.

Food for Progress

Under this USDA program, U.S. agricultural commodities are donated to foreign governments, private organizations, non-profit organizations, or intergovernmental organizations in African countries committed to introducing and expanding free enterprise in the agricultural sector. Active programs provide assistance valued at approximately $464 million to the following AGOA countries in sub-Saharan Africa: Benin, Burkina Faso, Cameroon, Cote D'Ivoire, Ethiopia, The Gambia, Ghana, Guinea Bissau, Kenya, Malawi, Mali, Madagascar, Mauritania, Mozambique, Senegal, and Tanzania.

Students in Cote D'Ivoire, enjoy school meals provided by USDA FAS McGovern–Dole International Food for Education and Child Nutrition Program.
Source: USDA Foreign Agricultural Service (FAS)

Cochran Fellowship Program

The Cochran Fellowship Program provides mutually beneficial, short-term training in the United States to help countries develop market-driven food systems and increase trade links with U.S. agribusinesses. The program provides two to three weeks of agricultural training in the United States for mid-level and senior-level public or private sector professionals in agricultural trade, marketing, management, policy, food safety, and technology transfer. Knowledge and skills gained by the participants can help countries develop their capacities to trade and strengthen trade links regionally and with the United States. Over 1,655 fellows from 29 countries in sub-Saharan Africa have been trained since 1984. Examples of trade capacity-building activities include training in cotton classification, facilitating trade agreements, adhering to international standards, and sanitary and phytosanitary issues relating to trade.

Norman E. Borlaug International Science and Technology Fellows Program

Established in 2004, the Borlaug Program provides short-term collaborative research training for early to mid-career agricultural research scientists and policymakers from developing and middle-income countries. Participants are hosted at U.S. land grant universities, USDA, and other government agencies, international agricultural research centers, private companies, and not-for-profit institutions. Since 2005, approximately 400 Borlaug Fellowships, with some funding from USAID and the U.S. Department of Defense, have supported research partnerships to strengthen scientific capacity in 21 countries in sub-Saharan Africa. Examples of trade capacity building activities include research in trade policy development and animal diseases that affect trade.

Borlaug fellow, Kwame Ogero, from the International Potato Center in Tanzania conducts research on virus prevention in sweet potatoes with his Louisiana State University mentor Arthur Villordon.
Source: USDA FAS

Sanitary and Phytosanitary Projects

Under an agreement with USAID, USDA provides sanitary and phytosanitary (SPS) advisors in East and West Africa to coordinate and implement regional capacity building activities and policy reform efforts in plant and animal health and food safety systems. This work helps African countries to harmonize their SPS regulations with international standards to become stronger trading partners. Recent activities include training on phytosanitary border inspections, food safety laboratory assessments, food safety policy reviews, aflatoxin sampling protocols, and pest surveillance. The focus countries in 2018 are the members of the East African Community and Economic Community of West Africa States. Additionally, through a complementary program, USDA funds technical engagements with the Intra-Africa Bureau for Animal Resources to support the African technical experts for the international standards setting bodies of Codex Alimentarius (Codex) for food safety and the World Organization for Animal Health

(OIE). The USDA's activities increase African experts' understanding and engagement in the standard setting processes of these organizations.

Kenyan veterinarian, Jesse Thuo, in the lab at Iowa State University with his U.S. mentor, Dr. Yuko Sato. Collaboration with African veterinary schools help improve production quality via the prevention of animal diseases. Source: USDA FAS

Agricultural biotechnology

USDA provides targeted technical capacity building for science-based approaches to agricultural biotechnology to address trade restrictions and support domestic technology developers. Africa-wide, disparate biosafety laws and regulations for genetically engineered (GE) crops represent a barrier to trade and innovation in agricultural products. USDA has provided technical assistance to many AGOA-eligible countries over the past several years, as well as regionally through the Common Market for East and Southern Africa and the African Union. Countries that have made progress towards improved biosafety frameworks and commercialization of GE crops include Cameroon, Ethiopia, Ghana, Kenya, Malawi, Mozambique, Nigeria, Senegal, South Africa, Tanzania, and Uganda. For example, in 2017, Kenya's National Biosafety Authority approved the environmental release of GE corn and cotton, allowing those crops to continue to national performance trials. Cameroon, Malawi, Mozambique, and Tanzania implemented biosafety frameworks and recently begun biotech field trials. Senegal is in the process of amending trade-restrictive biosafety legislation to create an enabling environment for biotech innovation. South Africa remains the only country in Africa to grow biotech food crops (other than cotton), which it first commercialized in 1997. In 2016, South Africa brought its biotech approvals into synchrony with the United States to facilitate approval of biotech corn imports during the country's drought-induced food shortages.

Trade Promotion

USDA has engaged in several initiatives for trade promotion between the U.S. and sub-Saharan Africa. These include leading U.S. business representatives on a trade mission to Ghana to promote U.S. exports and stronger partnerships with African buyers, as well as sponsoring African buyers to meet with U.S. companies during trade shows to further enhance relationships. Since 2015, USDA has sponsored 52 buyers to the Gulfood Show in Dubai, United Arab Emirates, to meet with U.S. companies. In 2016, USDA partnered with U.S. agricultural trade associations, cooperatives, state regional trade groups and small businesses to share the costs of overseas marketing and promotional activities in AGOA member countries. In 2016, USDA also endorsed the Food and Hospitality Africa trade show, Africa's largest food, drink, and hospitality trade event.

Export Credit Guarantee Program

Under the Export Credit Guarantee (GSM-102) Program, USDA encourages financing of commercial exports of U.S. agricultural commodities. During fiscal years (FY) 2014-2017, USDA made available over $2 billion in export credit guarantees for Africa. To date, for FY 2018, USDA has made available $493 million in guarantees for the region. Many AGOA-eligible countries are also eligible for the new Facility Guarantee Program, which offers credit guarantees to facilitate the financing of manufactured goods and U.S. services to improve or establish agriculture-related facilities and infrastructure in emerging markets – provided these improvements primarily benefit exports of U.S. agricultural commodities. USDA also routinely conducts program outreach in Africa. Staff recently met with importers and banks from Ghana, Ethiopia, Kenya, and Nigeria to explain the benefits of USDA's export credit guarantee programs.

Market Development

USDA provided approximately $6 million in Market Access Program (MAP) and Foreign Market Development (FMD) funds to strengthen trade relationships between U.S. agriculture and AGOA members. Activities included trade servicing, crop quality, supply and demand, and building capacity of African buyers for increased knowledge of trade in U.S. food and flour milling short courses. USDA industry partners have used USDA market development funds to expand U.S. product familiarity and interest in Africa. Between 2012 and 2018, the United States Foreign Agricultural Service (FAS) provided more than $9 million in Emerging Markets Program funds for more than 50 projects. These projects addressed topics such as biotechnology and sanitary and phytosanitary issues. Reverse trade missions were conducted to display U.S. production methods and address market access issues.

U.S. Department of Commerce

The U.S. Department of Commerce (DOC) promotes job creation and economic growth in the United States by ensuring fair and reciprocal trade, providing the data necessary to support commerce and constitutional democracy, and fostering innovation by setting standards and conducting foundational research and development. The Department maintains offices in nine countries in sub-Saharan Africa countries via the U.S. Commercial Service to advance trade ties with the continent. It helps build trade capacity and investment in sub-Saharan Africa by promoting an environment ideal for U.S. businesses to export, by addressing the removal of trade barriers and by enforcing laws that ensure a level playing field for American businesses and workers. The Commerce Department also administers the President's Advisory Council on Doing Business in Africa.

Commercial Law Development Program

The Department of Commerce's Commercial Law Development Program (CLDP) is a team of attorneys, resident advisors, program specialists, and administrative personnel who provide technical assistance in developing and post-conflict countries for commercial legal reforms leading to a liberal and strengthened business and trade environment. In support of doubling access to electricity in sub-Saharan Africa, CLDP led technical assistance programs to improve the investment environment for foreign investors focused on power projects in sub-Saharan Africa. Under Power Africa, CLDP also drafted and explicated key provisions in Power Purchase Agreements (PPAs). CLDP has held workshops on PPAs in Tanzania, Nigeria, and Kenya, with the objective of clarifying for government and private sector actors the obligations, risks, and remedies that are found within PPAs. To that end, the CLDP has also published a handbook written by a group of experts from governments, development banks, private banks, and leading international law firms, called "Understanding Power Purchase Agreements." The handbook is intended to provide stakeholders with an understanding of the challenges involved in PPAs and insight into the practical reality of how to address the challenges. At Power Africa's request, CLDP also published "Understanding Power Project Financing" in 2016 and "Understanding Power Project Procurement" in 2018. Altogether, the handbooks currently have over 42,000 copies in print and have been adopted by several African governments as a guide for their negotiation with private power project developers.

Global Intellectual Property Academy

The United States Patent and Trademark Office (USPTO), an agency of the Department of Commerce, provides intellectual property (IP) capacity building and technical assistance through its Global Intellectual Property Academy (GIPA). GIPA develops and produces capacity building programs that address a full range of IP protection and enforcement matters, including enforcement of IP rights at national borders, internet piracy, express mail shipments, trade secrets, copyright policy, and patent and trademark examination. Technical assistance activities in IP protection and enforcement help further build trade capacity by strengthening the IP systems that promote innovation and creativity, foster economic development and attract foreign investment. Over the last two years, USPTO GIPA has provided 19 programs to more than 150 attendees from sub-Saharan African counties, including Ethiopia, Ghana, Kenya, Nigeria, Rwanda, South Africa, Tanzania, and Zambia. Programs range from USPTO's Annual Copyright Seminar to programs provided in cooperation with the World Intellectual Property Organization (WIPO), INTERPOL, and the International Union for the Protection of New Varieties of Plants (UPOV). When possible, USPTO presents programs for sub-Saharan African countries in cooperation with the African Regional Intellectual Property Office (ARIPO) or the Organisation Africaine de la Propriete Intellectuelle (OAPI).

U.S. Department of Energy

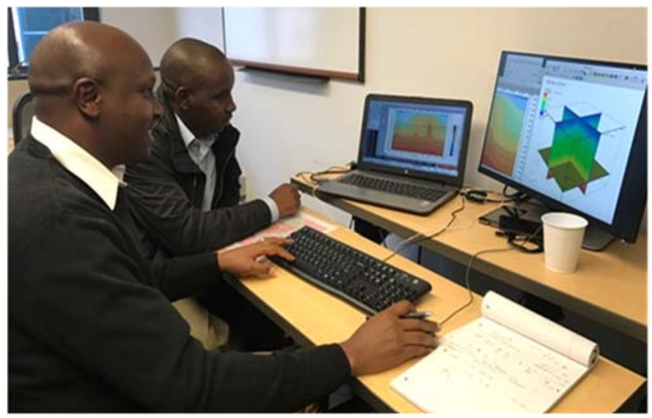
The U.S. Department of Energy's (DOE) mission is to ensure America's security and prosperity by addressing its energy, environmental, and nuclear challenges through transformative science and technology solutions, as well as promoting the energy security of our allies and partners. Trade capacity building activities undertaken by DOE serve the dual purpose of supporting enabling environments for energy investment in sub-Saharan Africa and creating opportunities for U.S. companies and expertise abroad. DOE undertakes these activities in close coordination with the Power Africa initiative, an interagency effort led by USAID.

Natural Gas Handbook

DOE, in partnership with USAID and Power Africa, is working to promote opportunities for U.S. companies to export liquefied natural gas and invest in natural gas, power, and liquefied natural gas (LNG) development projects to promote job growth in the U.S and in partner countries globally. DOE's "LNG Handbook" program, framed by an original Africa-focused book, *Understanding Natural Gas and LNG Options*, has developed into a unique forum for public-public and public-private dialogs on LNG and gas development. By increasing understanding in sub-Saharan Africa of basic LNG and natural gas project development principles, this project aims to promote a larger market for LNG and natural gas in Africa which will benefit all producers and consumers of natural gas and natural gas technology and expertise.

Geothermal

DOE, the U.S. Energy Association, and Power Africa are working closely together to provide technical training to East African geothermal scientists, with the goal of increasing and improving geothermal energy output in the region. This effort builds capacity for trade by strengthening the technical foundation upon which tenders, contracts, and new field development plans are built.



Ken Gen interns modeling their geothermal resources at Berkeley National Laboratory in 2017.
Source: Department of Energy

Clean Energy Solutions Center

With support from Power Africa and the Clean Energy Ministerial, DOE and its partners provide technical and policy guidance to governments in sub-Saharan Africa. The Clean Energy Solutions Center (CESC) helps governments design and adopt policies and programs that support the deployment of clean energy technologies. This effort builds capacity for trade by strengthening the “enabling environment” for energy investment through policy and regulatory certainty, and thereby creates additional opportunities for U.S. companies.

The Export-Import Bank of the United States

The Export-Import Bank of the United States (EXIM Bank) is the official export credit agency of the United States. The Bank’s mission is to assist in financing the export of U.S. goods and services to international markets, including to developing markets such those in sub-Saharan Africa. With a Congressional mandate to operate in SSA, EXIM Bank meets its mission through providing loans, guarantees, and insurance programs. Subject to eligibility requirements, EXIM Bank’s mission includes the finance of some local costs in projects of the host country.

The Bank’s financing of U.S. goods and services in foreign infrastructure projects can lead to an increased capacity for trade in the project country. EXIM Bank’s short-term insurance programs operate by way of insuring receivables against nonpayment and enhance trade capacity by improving African companies’ working capital. EXIM Bank’s medium and long-term financing for U.S. capital goods supports long term investments to grow the productive capacity of African countries. In the last two years, EXIM Bank has authorized $133 million of transactions in sub-Saharan Africa, of which $38 million were authorized in 2017 and $95 million were authorized in 2016. Under our current country limitation schedule, 43 out of 49 countries in the region are eligible for some or all of the financing programs of EXIM Bank. Additionally, as part of building institutional relationships, EXIM Bank also signed a memorandum of understanding (MOU) with United Bank of Africa (UBA) for $100 million and a MOU with Trade and Development Bank (TDB) for $100 million in 2016.

U.S. Department of Homeland Security

The U.S. Department of Homeland Security has a vital mission to keep America safe. Under the Department of Homeland Security, a number of agencies are responsible for protecting U.S. borders against various threats, including preventing terrorists and terrorist weapons from entering the United States and facilitating the flow of legitimate trade and travel. The U.S. Customs and Border Protection agency also assists sub-Saharan African governments improve compliance with the WTO Trade Facilitation Agreement and the AGOA eligibility criteria by building partner government's capacity in border management.

U.S. Department of Justice

The U.S. Department of Justice has a full-time Intellectual Property Law Enforcement Coordinator (IPLEC) assigned to the sub-Saharan Africa region. IPLECs, among other things, develop and deliver training to enhance capacity to enforce intellectual property rights.

U.S. Department of Labor

The U.S. Department of Labor (DOL) funds and implements a number of international development projects aimed at assisting sub-Saharan African countries to improve internationally recognized worker rights and address various labor related issues. Establishing and adhering to internationally recognized worker rights promotes trade capacity as it further helps attract international investment, increase trade, and improve inclusive development and livelihoods. DOL projects aim to strengthen a country's labor-related policies, increase access to educational and livelihood opportunities, and improve social protection and industrial relations. These projects also assist governments improve compliance with the AGOA worker rights eligibility criteria by: reforming laws and policies; building government capacity to improve workplace safety and health and combat exploitive child labor, forced labor, and human

Source: U.S. Department of Labor

trafficking; and improving access to workforce development programs and decent work opportunities for youth.

Government Capacity Building Projects

DOL funded $79.2 million in global projects that include 27 AGOA-eligible countries.[7] Global projects aim to improve government capacity to improve internationally recognized worker rights, including by: improving legislation by bringing local and national laws into compliance with international standards; improving monitoring and enforcement of laws and policies related to the worst forms of child labor; supporting effective implementation of national plans of action on child labor; building the capacity of national governments to address child and forced labor by improving the evidence base through data collection and research; and strengthening social protections and access to education as a means to combat child and forced labor. The Government of Uganda is one of 11 countries participating in the Country-Level Engagement and Assistance to Reduce Child Labor Project (CLEAR) (2013–2018), which strengthens government capacity to combat child labor. This, in turn, builds government capacity to meet the AGOA eligibility criteria and helps to prepare for a post-AGOA trade relationship. In 2017, Uganda's Labor Inspectorate implemented new standard operating procedures on how to address child labor concerns. The CLEAR project provided the technical expertise and recommendations on creating the new operating procedures, and the project helped to establish a training of trainers program in May 2017.

Combating Child Labor

DOL funded $62.5 million in projects to provide direct beneficiary services and improve government capacity to combat child labor in Burkina Faso, Cote d'Ivoire, Ghana, Ethiopia, Liberia, Madagascar, Rwanda, Tanzania, Uganda, and Zambia. The projects combat exploitive child labor in the cocoa, cotton, gold, rubber, tea, tobacco, and vanilla sectors. They aim to withdraw or prevent over 57,000 children from the worst forms of child labor through education services and to provide livelihood alternatives to over 42,000 households. DOL direct beneficiary projects also work with African governments to reform laws and policies, raise awareness, develop monitoring mechanisms, and expand access to social protection as a means to improve government efforts to combat the worst forms of child labor. Projects in Ethiopia, Kenya, Tanzania, Uganda, and Zambia aim to provide vocational skills training and apprenticeship opportunities for youth ages 14-17 and to improve their access to safe and acceptable youth employment. They also aim to build the capacity of government, employers, workers' organizations, and civil society actors to establish and expand workplace-based training programs for vulnerable youth.

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[7] Countries include Burkina Faso, Cameroon, Comoros, Cote d'Ivoire, Democratic Republic of Congo, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mozambique, Namibia, Niger, Mauritania, Rwanda, Sierra Leone, South Africa, South Sudan, Swaziland, Togo, Uganda, Zambia. Not all of the funding goes towards Africa as the project is a global fund.

Better Work Program

DOL recently funded a $500,000 project from December 2015 to December 2017 with the Government of Lesotho to help sustain a high standard of compliance achieved under the previously-funded Better Work Program. The project was designed to strengthen labor law enforcement by improving management of the labor inspectorate and systems for management and service delivery, improving technical and management skills of the labor inspectorate's managers and inspectors, and creating a sustainable training program for new labor inspectors.

Source: U.S. Department of Labor

Millennium Challenge Corporation

The Millennium Challenge Corporation (MCC) works in partnership with well-governed developing countries to tackle critical obstacles to private investment and economic growth. MCC's investments support critical infrastructure like roads, ports, and electricity, improve the productivity of export-oriented industries such as agriculture, and open opportunities for small and medium-sized enterprises. Since MCC was created in 2004, the agency has invested more than $7 billion in trade-related assistance to developing countries, and over $4 billion has gone to 15 of the 40 AGOA-eligible countries. African countries are the largest recipients of MCC's development assistance, both in the number of partnership agreements and in the amount of assistance provided. MCC's partnerships have included expansions to critical sea ports in Benin and Cabo Verde and roads used for commerce in Ghana, Mozambique, and Senegal. MCC's innovative approach — from viability gap financing for infrastructure projects to support of regulatory reforms — unlocks capital, improves investment environments, and helps create opportunities for firms in emerging markets.

MCC Large-Scale Compacts

Since 2016, MCC has signed large-scale compacts with Benin, Niger and Cote d'Ivoire. The $375 million Benin Power Compact aims to strengthen the national utility, attract private sector investment, and fund infrastructure investments in electric generation and distribution as well as off-grid electrification for poor and unserved households. MCC's $437 million Niger Sustainable Water and Agriculture Compact to strengthen Niger's agricultural sector has the potential to benefit more than 3.9 million people. The compact will include investments in irrigation, roads, and marketplace infrastructure to significantly improve access to markets and services and provide technical support for farmers, with a focus on women and youth. The compact will work to improve performance of agricultural businesses and establish market platforms to competitively position farmer groups in the marketplace. The $524.7 million Cote d'Ivoire Compact will support the country's drive to diversify its economy through investments in the education and transportation sectors. The compact will work to reduce transport costs and improve efficiencies for businesses by rehabilitating roads in and around the port area in Abidjan and improving road network management and maintenance.

Overseas Private Investment Corporation

The Overseas Private Investment Corporation (OPIC), the U.S. Government's development finance institution, helps American businesses invest in emerging markets by providing them with financing, political risk insurance, advocacy and by partnering with private equity investment fund managers. The agency continues to focus on sub-Saharan Africa and projects that are expanding access to electricity, food, healthcare, education and technology. In 2017, OPIC committed more than $600 million to this region across 22 projects and actively supported multiple U.S. Government initiatives from Feed the Future to Power Africa. These commitments account for more than a quarter of the agency's portfolio.

Improving Agricultural Yields

Source: OPIC 2017 Annual Report

OPIC supports projects in Africa to help smallholder farmers access the training and equipment needed to increase yields. In 2017, OPIC committed up to $75 million to the *Phatisa Food Fund 2*, which invests in mid-size food and agriculture businesses that will modernize and grow Africa's domestic food production industry. When OPIC supported Phatisa's first fund, the *African Agriculture Fund*, they invested in eight agribusinesses in Malawi that allowed them to conduct soil tests, develop fertilizer blends, and help smallholder farmers improve their yields. OPIC also disbursed $20 million to *Kilombero Plantations Limited*, a Tanzanian company that is working to increase large-scale production of rice and maize to feed East Africa by financing improved irrigation systems and other equipment. Better and efficient farming practices not only improves yields to feed the region, but also helps further engage trade opportunities.

Energy and Technology

OPIC supports projects that bring electricity to millions of people in sub-Saharan Africa. To date, OPIC has committed $2.4 billion in investments to Power Africa, designed to double access to electricity in sub-Saharan Africa. Projects committed in 2017 include a $12.4 million loan to support construction of a 5.9 MW run-of-river hydropower plant in Uganda and providing political risk insurance and financing to build a 50 MW thermal power plant in Guinea. By supporting a development power project in Guinea, OPIC will help stimulate an economy that has stagnated in the wake of the Ebola crisis and increase power supply by ten percent. OPIC also provided financing and political risk insurance to American company Contour Global to support construction of the Lomé Thermal Power Plant in Togo, which has tripled the country's power generation capacity. OPIC and USTR Ambassador Lighthizer toured this power plant, which has virtually ceased blackouts in Togo, during the 2017 AGOA Forum. Lastly, OPIC is supporting expanded access to wireless internet in Africa with a $4.1 million loan to Mawingu Networks, which provides solar-powered wireless internet in rural and semi-urban Kenya. OPIC financing also builds on existing grants in the region from USAID and Microsoft Corp for the *4Afrika Initiative*. With better energy and technology, the continent has better capacity for trade and fosters an environment for international businesses to engage with Africa.

U.S. Department of State

The U.S. Department of State implements a number of programs that advance U.S. trade policy objectives by opening new export opportunities for American businesses, farmers, ranchers and workers through global, regional, and bilateral trade initiatives.

African Women's Entrepreneurship Program

2017 African Women's Entrepreneurship Program (AWEP) Product Showcase, July 27, 2017
Meridian International Center, Washington, DC
Source: U.S. Department of State

Since 2010, the African Women's Entrepreneurship Program (AWEP) has been the State Department's flagship program for supporting women's entrepreneurship in Africa. The program is tailored to help participants build strong, export-oriented businesses, taking advantage of AGOA trade preferences and integrating their firms into regional and international supply chains. The State Department's International Visitor Leadership Program (IVLP) professional exchange is AWEP's primary program. Each year, 30-50 women have participated in a three-week AWEP exchange program in the United States to attend professional development meetings and network with U.S. policy makers, companies, industry associations, nonprofit groups, and multilateral development organizations. State encourages alumni of this program to create AWEP chapters in their country of origin as a means to share their knowledge and expand the network of women entrepreneurs. The AWEP chapters serve as incubators, networking hubs, and locally run, non-profit organizations to further AWEP objectives and promote female entrepreneurship. The AWEP network includes more than 215 alumnae with small and medium-sized enterprises in the agribusiness, food processing, textile, fashion, home accessories, and other sectors in 48 countries and 31 chapters across Africa. AWEP alumnae can work with USAID's three regional trade and investment hubs in South Africa, Kenya, and Ghana to increase their companies' international export competitiveness and intra-regional trade.

Women's Entrepreneurship Finance Initiative

The State Department helps support the Women Entrepreneur's Finance Initiative (We-Fi), an innovative new multi-donor facility for which the World Bank will serve as Trustee, aimed at expanding access to financial services for women entrepreneurs, women-owned and women-led small and medium-sized enterprises (SMEs), and women customers of financial services providers. Initiated by the White House, the United States has contributed $50 million to support We-Fi for a total of $340 million in funding for the initiative. We-Fi takes a holistic approach to addressing both private and public sector constraints faced by women entrepreneurs. The World Bank launched We-Fi at the G20 Leaders' Summit in Hamburg, Germany in July 2017 with support from the United States and 12 other countries, including Australia, Canada, China, Denmark, Germany, Japan, Korea, Netherlands, Norway, Saudi Arabia, UAE, and the United Kingdom. We-Fi will engage private sector finance and catalyze increased lending and investment for women's businesses. In addition, it will provide complementary technical assistance, covering such areas as skills enhancements and market access, which will enable women-owned and women-led SMEs to thrive. We-Fi will also support projects that address the legal and policy barriers women face in starting and growing successful businesses in a variety of sectors, and strengthen the enabling environment for such firms. We-Fi builds on the success of past and current programs of the World Bank and other implementing partners, while reaching into new areas, supporting women-led businesses at earlier stages of growth, and unlocking access to equity, insurance and risk-mitigation services.

Security Governance Initiative

The Security Government Initiative is an interagency program housed by the Department of State and supported by USAID, Department of Defense, the Department of Justice, and the Department of Homeland Security's Customs and Border Protection (CBP) division. CBP provides assistance through SGI to partner countries in sub-Saharan Africa to improve their border security and management. This initiative is a strategic and sustained approach to security sector governance that enhance governance structures of both military and civilian security sector institutions. This assistance advances and fosters environments conducive for economic growth, trade and stability. These efforts improve processes, safety, and efficiencies at the Ports of Entry including the seaports and airports of the partner countries. In addition, it encourages partner countries to formulate a coordinated border management approach which reduces corruption in the border system and mitigates weakness in the trade supply chains. The U.S. Government launched the Initiative with a select group of partners: Nigeria, Kenya, Mali, Niger, Tunisia, and Ghana. CBP is also assisting separate bi-national programs between the United States and the Governments of Ghana and Kenya. In both countries, CBP assists to institute legal frameworks, enhance information sharing on security matters and build relationships to better enforce trade laws.

U.S. Trade and Development Agency

The U.S. Trade and Development Agency (USTDA) helps companies create U.S. jobs through the export of U.S. goods and services for priority development projects in emerging economies. USTDA funds project planning activities, pilot projects, and reverse trade missions in partner countries. USTDA's objectives are to help build infrastructure for trade, match U.S. technological expertise with overseas development needs, and help create lasting business partnerships between the United States and emerging economies.

Western Cape Integrated LNG Importation and Gas-to-Power Project

In 2017, USTDA awarded an $800,000 grant to the Green Cape Sector Development Agency for the Western Cape Integrated LNG Importation and Gas-to-Power Project to support an increase in access to affordable, reliable energy in South Africa. The feasibility study will assess the market demand, socio-economic impacts, and key risks of a proposed LNG importation and gas-to-power project in the Western Cape Province. The study will also provide a preferred model for the importation of LNG for gas-to-power electricity generation capacity, as well as for industrial, transportation, commercial and domestic uses.

Cote d'Ivoire and Cameroon Rail Reverse Trade Mission

In 2017, a USTDA-funded reverse trade mission (RTM) introduced high-level representatives from the rail sectors of Cote d'Ivoire and Cameroon to innovative U.S. technologies, equipment, services, and regulatory practices through visits to U.S. facilities and meetings with leading U.S. companies. The purpose of this RTM was to bring rail sector leaders to the United States in order to inform them on policies and regulations that support private industry participation in rail infrastructure as well as best practices and technologies that will support the two countries' planned expansion of their national rail infrastructure.

Nigeria Rail Reverse Trade Mission

In 2017, USTDA carried out a reverse trade mission (RTM) that brought stakeholders from Nigeria's rail sector to the United States to explore technology advances and regulatory practices that support the country's planned expansion of the national rail infrastructure. The trip was designed to inform delegates from public and private sector entities on private industry participation in rail infrastructure, as well as best practices and technologies that may facilitate implementation of the Lagos – Kano and Port Harcourt – Maiduguri rail lines, as well as future rail projects in Nigeria.

U.S.-Africa Clean Energy Standards Program Technical Assistance

In 2015, USTDA approved $490,000 in funding for the U.S. - Africa Clean Energy Standards Program (CESP), which is designed to share U.S. commercial and industrial standards information and practices with government officials and industry in sub-Saharan African countries. The goal is to ensure that decision makers who develop and implement standards, testing protocols and regulatory procedures for the energy sector, are informed of U.S. and internationally accepted industry-led standards. The program features U.S. private sector technology, expertise, best practices and resources to carry out 12 technical workshops in sub-Saharan Africa in partnership with key stakeholder entities in country. To date, the CESP has delivered a total of three workshops, which included participation by 147 private and public sector participants from five countries in sub-Saharan Africa (Kenya, Liberia, Nigeria, South Africa and Tanzania) and the United States. These workshops addressed standards development, testing, and conformity topics of mutual interest to officials and private sector from sub-Saharan Africa and the United States in the areas of electrical safety, solar minigrids and energy storage.

Global Procurement Initiative – Botswana and Ethiopia

The Global Procurement Initiative (GPI) is dedicated to assisting public officials in emerging economies better understand the total cost of ownership of goods and services for infrastructure projects. The GPI helps government procurement officials establish practices and policies that integrate life-cycle cost analysis and best-value determination in a fair, transparent manner. Adopting these standards improves governments' capacity to make better-informed decisions that take into account all relevant costs of goods and services over their entire life cycle. This leads to smarter, longer-term investments with overall savings to the government, and also levels the playing field for U.S. firms in international tenders.

<u>Botswana</u>: USTDA signed a MOU with Botswana's Public Procurement and Asset Disposal Board in 2014, establishing Botswana as USTDA's first Global Procurement Initiative (GPI) partner country. As the first and second phases under the GPI, USTDA implemented an in-country training workshop and orientation visit to the United States for Botswanan procurement officials. For the third phase of the GPI, USTDA awarded a grant to fund two senior procurement advisors to assist the Ministry of Minerals, Energy and Water Resources in developing tenders for water and energy procurements that better incorporate value of money considerations. USTDA is reviewing proposals for potential future activities with Botswana. Botswana has shared lessons learned and provided guidance to other GPI partner countries, including Ethiopia.

<u>Ethiopia</u>: In 2015, USTDA signed an MOU with Ethiopia's Public Procurement and Property Administration Agency to promote transparency and better value in public procurement, and implemented an in-country training workshop for Ethiopian procurement officials as the first phase of its GPI partnership. Under the second phase, USTDA hosted 15 senior Ethiopian officials in the United States in 2016 for a value-based procurement study tour. The delegation received advanced training on life-cycle cost analysis, best value, and risk management. Following the visit, USTDA awarded a grant to fund procurement advisors to Ethiopia Electric Power Corporation (EEP) for a period of 18-months. Under this grant, two procurement advisors

from Crown Agents USA are currently providing strategic and technical procurement guidance on energy sector procurements, with the goal of incorporating value-based methodologies into EEP's procurement procedures. This technical assistance is expected to be completed June 1, 2018. USTDA is reviewing proposals for potential future activities with the Government of Ethiopia.

U.S. Department of Transportation

The U.S. Department of Transportation (DOT) works to ensure fast, safe, efficient, accessible and convenient transportation systems that meet vital national interests. Under the Office of the Secretary, Aviation and International Affairs, DOT advises on international transportation and trade policy by conducting in-depth analyses and provides policy recommendations to address emerging and ongoing international transportation issues.

Safe Skies for Africa

Safe Skies for Africa (SSFA) is the U.S. government's chief program supporting improvements in African aviation safety, security, air navigation, and accident investigation. Funded by the U.S. Department of State and led by the U.S. Department of Transportation, SSFA's mission is to partner with willing and capable states in sub-Saharan Africa and regional organizations through political engagement, technical assistance, and training opportunities to foster and sustain internationally compliant aviation operations. SSFA enables African states and regions to achieve compliance with international aviation standards to drive economic growth and development, improve air transportation, and have policy dialogues with the United States to advance trade and sale of U.S. goods and services. The program also works with African states aligned with U.S. government and private sector interests such as Nigeria and Kenya, two of the largest economies on the continent. Through this program, both countries achieved FAA "Category 1" status, a pre-requisite for direct service to the United States. Additionally, over the past two years, SSFA convened safety and security-related workshops and training events in sub-Saharan Africa, including Kenya, Ghana, South Africa, Nigeria, Rwanda, Senegal, and Cameroon. Participants included senior and high-level representatives of civil aviation and airport authorities, as well as regional safety oversight organizations. SSFA has built a foundation for greater commercial ties, mobility and connectivity between the United States and Africa by working with key stakeholders to raise standards and access to U.S.-Africa aviation services.

Interagency Initiatives

Assistance to West African Cotton Producers

Since 2005, the United States has mobilized its development agencies, including USAID, USDA, and the U.S. Trade and Development Agency, to help the West African countries of Benin, Burkina Faso, Chad, Mali, and Senegal address obstacles they face in the cotton sector. A key element in U.S. assistance to the cotton sector in West Africa has been USAID's West Africa Cotton Improvement Program (WACIP), which was implemented from December 2006 to November 2013. The program has boosted the productivity and profitability of the cotton sector in these West African countries. WACIP raised smallholder incomes and food security through increased cotton and rotational food crop yields.

With the completion of WACIP, USAID created a successor program, the C-4 Cotton Partnership (C4CP), which also aims to increase food security and incomes for cotton farmers in targeted areas of Benin, Burkina Faso, Chad and Mali (known as the four cotton-producing countries, or "C-4"). These programs were the U.S. Government's direct response to concerns raised by the C-4 at WTO meetings. The C4CP will be implemented from 2014-2018 and will raise the incomes of cotton producers and processors by introducing competitive and sustainable strategies to boost farm productivity and improve post-harvest processes. The project was intended to forge partnerships with a wide array of regional and national actors and stakeholders in the value chains for cotton and its rotational crops in the C-4, to leverage resources and scale up the dissemination of technical packages produced by the project. The project also was intended to address the challenges women face in cotton-producing households, introducing economic and social strategies to benefit these farmers.

The United States also provides complementary support to the cotton sector through other programs, including MCC compacts and USDA programs such as Food for Progress, the Borlaug Program, and the Cochran Program.

Chapter IV. Status of Regional Integration

Over the past decade, African governments have intensified efforts to foster greater regional economic integration by linking together the continent's largest economies with relatively smaller, landlocked, and fragmented markets and reducing barriers to trading amongst each other. This chapter examines recent developments of regional integration efforts in Africa and of some regional economic communities (RECs).

Recent Developments in Regional Integration

African Continental Free Trade Area

The January 2012 African Union (AU) Summit of Heads of State and Government adopted a decision to accelerate regional integration by establishing an African Continental Free Trade Area (AfCFTA) by 2017. The AfCFTA would cover a market of 1.2 billion people with a GDP of $2.5 trillion across all member states of the AU. Following successive rounds of negotiations, on March 21, 2018, at the AU's Extraordinary Summit in Kigali, Rwanda, 44 member states signed the framework establishing the AfCFTA. The AfCFTA will come into effect 30 days after ratification by the parliaments of at least 22 countries. To date, four countries – Ghana, Kenya, Niger, and Rwanda – have ratified the agreement.

Tripartite Free Trade Area between COMESA, EAC, and SADC

On June 10, 2015, heads of government or authorized representatives of 27 member states of the Common Market for Eastern and Southern Africa (COMESA), the East African Community (EAC), and the Southern African Development Community (SADC) signed the Sharm El Sheikh Declaration, launching the Tri-Partite FTA. Originally endorsed in 2011, the Tri-Partite FTA was considered the first step towards a more ambitious plan of establishing an African continental free trade area. The Tri-Partite FTA covers a large swath of sub-Saharan Africa, stretching from Cape Town to Cairo. As of January 2018, 22 of 27 countries have signed the agreement.

Regional Economic Communities

Central African Economic and Monetary Community

The Central African Economic and Monetary Community (CEMAC) is a regional economic bloc that includes 11 members (see appendix 5) that have adopted a common external tariff (CET) to imports from third countries, though with numerous exceptions. With a sharp decline in oil prices and other commodities, as well as security crises throughout the region, the CEMAC region has experienced severe reductions in its external and fiscal balances. To overcome these challenges, CEMAC leaders responded in 2016 with the Program of Economic and Financial Reforms (PREF), which seeks to implement structural reforms such as in economic diversification and financial sector development. PREF-CEMAC is centered on five pillars – public finance policy, monetary and financial policy, structural reforms, regional integration, and effective international cooperation.

Common Market for Eastern and Southern Africa

The Common Market for Eastern and Southern Africa (COMESA) comprises 19 member states (see appendix 5) with a combined population of 389 million. COMESA originally started in 1981 as a preferential trade area among partner countries and was institutionalized as a common market in 1994. An FTA was established in 2000 among nine member states (Djibouti, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia, and Zimbabwe), which was later expanded to include Burundi and Kenya in 2004. A customs union was launched in 2009, although it was never fully established. COMESA has worked to reduce the cost of doing business and the movement of goods between Member States through a regional payment system, harmonization of transport regulations and standards, implementation of the COMESA Virtual Trade Facilitation System (CVFTS), the Yellow Card insurance scheme, and the Regional Customs Bond Guarantee System. In 2018, COMESA announced the establishment of a digital free trade area, which comprises e-commerce, e-legislation, and e-logistics. It will include an electronic certificate of origin, which will facilitate and expedite the export process.

East African Community

The EAC is an organization composed of six countries (see appendix 5) in East Africa. After reaching agreement on a customs union and common external tariff in 2005, the EAC Common Market entered into force in July 2010. It provides for the free movement of goods, labor, services, and capital, in order to significantly boost trade and investments and make the region more productive and prosperous. The partner states agreed to eliminate tariff, non-tariff and technical barriers to trade, harmonize and mutually recognize standards and implement a common trade policy for the community, ease cross-border movement of persons, and adopt an integrated border management system. According to the EAC, the Common Market Protocol is a significant step towards future goals in the regional integration process, namely the creation of a monetary union and political federation. The EAC initiated a development strategy in 2011 that included programs and infrastructure projects such as roads, railways, inland waterways, ports and harbors. Other projects address Information and Communications Technology (ICT), energy and civil aviation.

The Economic Community of West African States

The Economic Community of West African States (ECOWAS) has 15 member states. The main goal of ECOWAS is to promote economic cooperation among member states in order to raise living standards and promote economic development. ECOWAS has also worked to address some security issues by developing a peacekeeping force for conflicts in the region. ECOWAS established its free trade area in 1990 and adopted a CET in January 2015. The CET initiates the 2015-2019 phased implementation of the ECOWAS customs union.

The Southern African Customs Union

The Southern African Customs Union (SACU) is a customs union among Botswana, Lesotho, Namibia, South Africa, and Swaziland. Founded in 1910, it is the world's oldest existing customs union. SACU has a common external tariff, a common excise tax, and a common external trade policy. There are no import duties among members. All members except Botswana share a Common Monetary Area (CMA), and within the CMA the currencies of

Lesotho, Swaziland, and Namibia are tied to the South African rand. SACU member states cannot negotiate and enter into new preferential trade agreements with third parties or amend existing agreements without the consent of other SACU member states. Additionally, member states are required to adopt common positions in negotiations with third parties. One concern, however, is that overlapping memberships among other regional blocs can create trade inconsistencies. For instance, all SACU members are also members of SADC, and Swaziland is also a member of COMESA.

Southern Africa Development Community

The Southern Africa Development Community (SADC) is an organization of 15 southern African states (see appendix 5). The African Regional Integration Index ranked SADC as the second most integrated REC. SADC announced the achievement of a free trade area in August 2008, when 85 percent of intraregional trade amongst 12 of the 15 partner states attained duty free status, though tariff liberalization continued through January 2012. However, to date SADC has not achieved its objective of creating a customs union.

The West African Economic and Monetary Union

The eight members of the West African Economic and Monetary Union (UEMOA, the French acronym) (see appendix 5) are also all members of ECOWAS. UEMOA has moved faster than ECOWAS toward trade and economic integration, agreeing to a free trade area among its members in 1996, and introduced both a CET and a customs union in 2000. While UEMOA has a CET in place, it has been superseded by the ECOWAS CET since January 2015. In December 2015, UEMOA entered into a memorandum of understanding with the Geneva-based International Trade Center (ITC) on a series of technical capacity building projects over five years to bolster exports and deepen trade integration. This cooperation will provide UEMOA governments support to implement the WTO Agreement on Trade Facilitation, the opportunity to work with trade and investment promotion organizations, and advice on overcoming obstacles in international markets.

Chapter V. Strengthening Bilateral Relations Moving Forward

There have been significant changes in sub-Saharan Africa and the global trading system since AGOA came into effect in 2000. The region has experienced robust economic growth and reduced poverty and achieved higher living standards, creating new trade opportunities for U.S. exporters. Regional real GDP has more than doubled. Africa is in a better position than ever before to sell to and buy from the United States.

The United States wants to build on AGOA's success by strengthening bilateral trade and investment relationships with countries in the region. Most African countries are becoming more market oriented and are promoting economic integration with both neighboring countries and overseas trade partners. Additionally, while accounting for different levels of readiness and capacity across the varying countries in the region, AGOA partners are now in a stronger position to negotiate and implement reciprocal trade agreements with major developed economies, including the United States and the European Union.

In recent years, the overwhelming focus of most sub-Saharan African countries with respect to their trade relationship with the United States has been on securing renewal of AGOA rather than seeking other, more far-reaching trade arrangements. Expiration of the program in 2015 would have posed a challenge to the beneficiary countries in maintaining investments that rely on export to the United States and in securing new investment. The ten-year renewal of AGOA helped to alleviate the immediate concerns of investors and importers, and there are already indications that it has made a critical difference in the decisions of some major producers in their investments and retailers in their sourcing.

With the extension in place, the Administration has sharpened the focus on bilateral trade that benefits both U.S. and African exporters and service providers, improves the business environment, and creates economic opportunities – all of which are core aspects of the U.S. trade policy in the region. On January 31, 2018, Ambassador Lighthizer signaled the Administration's interest in a potential FTA with a sub-Saharan African country that can serve as a model for other African countries. Currently, Morocco is the only country on the African continent with which the United States has an FTA. This focus on potential FTA partners in sub-Saharan Africa is consistent with Congress's instructions in AGOA's 2015 reauthorization to seek to negotiate FTAs with sub-Saharan African countries.

The Administration also encourages the region to take full advantage of AGOA over the coming years by developing AGOA utilization plans. Given that AGOA was not designed to be the permanent mechanism by which the United States engages its sub-Saharan African trading partners, the Administration also encourages beneficiaries to consider a more stable, permanent, and mutually beneficial engagement on trade and investment. Many African countries and regional groups – some of them among the fastest growing economies in the world, with a rapidly growing population and rising middle class – are moving away from preferences and toward more advanced trade arrangements, both with African and non-African trading partners.

U.S. exporters to Africa, particularly small and medium-sized companies, will increasingly find themselves at a disadvantage vis-à-vis foreign competitors as the reciprocal agreements that

African countries sign with other trade partners take effect. In this context, it will become increasingly important that the United States and its sub-Saharan trading partners move toward more advanced trade arrangements. These topics will be discussed during the July 2018 AGOA Forum in Washington DC, under the theme of “Forging New Strategies for U.S.-Africa Trade and Investment.”

Appendices

Appendix 1: AGOA Eligibility of Sub-Saharan African Countries

AGOA Eligible Countries in 2018

1. Angola
2. Benin
3. Botswana
4. Burkina Faso
5. Cabo Verde
6. Cameroon
7. Central African Republic
8. Chad
9. Comoros
10. Republic of Congo
11. Cote d'Ivoire
12. Djibouti
13. Ethiopia
14. Gabon
15. The Gambia
16. Ghana
17. Guinea
18. Guinea-Bissau
19. Kenya
20. Lesotho
21. Liberia
22. Madagascar
23. Malawi
24. Mali
25. Mauritius
26. Mauritania
27. Mozambique
28. Namibia
29. Niger
30. Nigeria
31. Rwanda
32. Sao Tome & Principe
33. Senegal
34. Sierra Leone
35. South Africa
36. Swaziland
37. Tanzania
38. Togo
39. Uganda
40. Zambia

Sub-Saharan African Countries NOT ELIGIBLE in 2018

1. Burundi
2. Democratic Republic of Congo
3. Equatorial Guinea**
4. Eritrea
5. Seychelles**
6. Somalia*
7. South Sudan
8. Sudan*
9. Zimbabwe

* Not reviewed for eligibility because Somalia and Sudan have not requested designation as an AGOA beneficiary country.
** Equatorial Guinea and Seychelles have graduated from GSP, so are not eligible for consideration for AGOA benefits.

Appendix 2: AGOA Eligibility Criteria

The eligibility criteria under AGOA are set forth in section 104(a) of AGOA and sections 502(b) and (c) of the Trade Act of 1974, as amended (containing the GSP eligibility criteria). Section 104(a) is provided below in its entirety. A summary of sections 502(b) and (c) is also included below.

SEC. 104. ELIGIBILITY REQUIREMENTS

(a) In General -- The President is authorized to designate a sub-Saharan African country as an eligible sub-Saharan African country if the President determines that the country --

(1) has established, or is making continual progress toward establishing --

(A) a market-based economy that protects private property rights, incorporates an open rules based trading system, and minimizes government interference in the economy through measures such as price controls, subsidies, and government ownership of economic assets;

(B) the rule of law, political pluralism, and the right to due process, a fair trial, and equal protection under the law;

(C) the elimination of barriers to United States trade and investment, including by--

> (i) the provision of national treatment and measures to create an environment conducive to domestic and foreign investment;
>
> (ii) the protection of intellectual property; and
>
> (iii) the resolution of bilateral trade and investment disputes;

(D) economic policies to reduce poverty, increase the availability of health care and educational opportunities, expand physical infrastructure, promote the development of private enterprise, and encourage the formation of capital markets through micro-credit or other programs;

(E) a system to combat corruption and bribery, such as signing and implementing the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions; and

(F) protection of internationally recognized worker rights, including the right of association, the right to organize and bargain collectively, a prohibition on the use of any form of forced or compulsory labor, a minimum age for the employment of children, and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

(2) does not engage in activities that undermine United States national security or foreign policy interests; and

(3) does not engage in gross violations of internationally recognized human rights or provide support for acts of international terrorism and cooperates in international efforts to eliminate human rights violations and terrorist activities.

Summary of section 502(b) and (c) of the Trade Act of 1974 as amended.

The President shall not designate any country as a beneficiary country if:

The country is a Communist country, unless its products receive normal trade relations treatment, it is a member of the World Trade Organization and International Monetary Fund or is not dominated or controlled by international communism (Sec. 502(b)(2)(A));

The country is a party to an arrangement or participates in any action that withholds or has the effect of withholding vital commodity resources or raises their prices to unreasonable levels, causing serious disruption of the world economy (Sec. 502(b)(2)(B));

The country affords preferential treatment to products of a developed country which has, or is likely to have a significant adverse effect on U.S. commerce (Sec. 502(b)(2)(C));

The country has nationalized, expropriated or otherwise seized property, including trademarks, patents, or copyrights owned by a U.S. citizen without compensation (Sec. 502(b)(2)(D));

The country does not recognize or enforce arbitral awards to U.S. citizens or corporations (Sec. 502(b)(2)(E));

The country aids or abets, by granting sanctuary from prosecution, any individual or group which has committed international terrorism (Sec. 502(b)(2)(F));

The country has not taken or is not taking steps to afford internationally-recognized worker rights, including the right of association, the right to organize and bargain collectively, freedom from compulsory labor, a minimum age for the employment of children, and acceptable conditions of work with respect to minimum wages, hours of work and occupational safety and health (Sec. 502(b)(2)(G)).

The country has not implemented its commitments to eliminate the worst forms of child labor, as defined by the International Labor Organization's Convention 182 (Sec. 502(b)(2)(H); this provision was added by the Trade and Development Act of 2000 in Section 412).

Failure to meet criteria 4 through 8 may not prevent the granting of GSP eligibility if the President determines that such a designation would be in the national economic interest of the United States.

In addition, the President must take into account:

A country's expressed desire to be designated a beneficiary country (Sec. 502(c)(1));

The country's level of economic development (Sec. 502(c)(2));

Whether other major developed countries extend preferential tariff treatment to the country (Sec. 502(c)(3));

The extent to which the country provides "equitable and reasonable access" to its markets and basic commodity resources and refrains from unreasonable export practices (Sec. 502(c)(4));
The extent to which the country provides adequate and effective protection of intellectual property rights (Sec. 502(c)(5));

The extent to which the country has taken action to reduce trade-distorting investment practices and policies and reduce or eliminate barriers to trade in services (Sec. 502(c)(6)); and

Whether the country has taken or is taking steps to afford internationally recognized worker rights, (Sec. 502(c)(7)).

Appendix 3: GSP Eligibility Criteria

Mandatory criteria

19 USC 2462(b)(2) of the GSP statute sets forth the criteria that each country must satisfy before being designated a GSP beneficiary. These criteria are summarized below for informational purposes only. Please see the GSP statute for the complete text.

1) A GSP beneficiary may not be a Communist country, unless such country receives Normal Trade Relations (NTR) treatment, is a World Trade Organization (WTO) member and a member of the International Monetary Fund (IMF), and is not dominated or controlled by international communism;

2) A GSP beneficiary may not be a party to an arrangement of countries nor participate in actions the effect of which are (a) to withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level and (b) to cause serious disruption of the world economy;

3) A GSP beneficiary may not afford preferential treatment to products of a developed country that has, or is likely to have, a significant adverse effect on U. S. commerce;

4) A beneficiary may not have nationalized, expropriated or otherwise seized property of U.S. citizens or corporations without providing, or taking steps to provide, prompt, adequate, and effective compensation, or submitting such issues to a mutually agreed forum for arbitration;

5) A GSP beneficiary may not have failed to recognize or enforce arbitral awards in favor of U.S. citizens or corporations;

6) A GSP beneficiary may not aid or abet, by granting sanctuary from prosecution, any individual or group that has committed an act of international terrorism;

7) A GSP beneficiary must have taken or is taking steps to afford internationally recognized worker rights, including 1) the right of association, 2) the right to organize and bargain collectively, 3) a prohibition on the use of any form of forced or compulsory labor, 4) a minimum age for the employment of children, and a prohibition on the worst forms of child labor, and 5) acceptable conditions of work with respect to minimum wages, hours of work and occupational safety and health.

8) A GSP beneficiary must implement any commitments it makes to eliminate the worst forms of child labor.

Discretionary criteria

19 USC 2462(c) of the GSP statute sets forth the following criteria that the President must take into account in determining whether to designate a country as a beneficiary country for purposes of the GSP program. These criteria are summarized below for informational purposes only; please see the GSP statute for the complete text.

1) An expression by a country of its desire to be designated as a GSP beneficiary country;

2) The level of economic development, including per capita Gross National Product (GNP), the living standards of the inhabitants and any other economic factors that the President deems appropriate;

3) Whether other major developed countries are extending generalized preferential tariff treatment to such country;

4) The extent to which such country has assured the United States that it will provide equitable and reasonable access to its markets and basic commodity resources and the extent to which it has assured the United States it will refrain from engaging in unreasonable export practices;

5) The extent to which such country provides adequate and effective protection of intellectual property rights;

6) The extent to which such country has taken action to reduce trade distorting investment practices and policies, including export performance requirements, and to reduce or eliminate barriers to trade in services; and

7) Whether such country has taken or is taking steps to afford internationally recognized worker rights, including 1) the right of association, 2) the right to organize and bargain collectively, 3) freedom from compulsory labor, 4) a minimum age for the employment of children, and 5) acceptable conditions of work with respect to minimum wages, hours of work and occupational safety and health.

Appendix 4: Countries with AGOA Utilization Strategies

Countries that have completed national AGOA strategies in high-priority industries and products

AGOA Beneficiary Country	Agricultural and Food processing	Textile, apparel, footwear and leather products	Jewelry and mining	Handicrafts	Other light manufacturing
Botswana	•	•	•	•	•
Burundi	•	•	•		•
Ethiopia	•	•			
Ghana	•	•	•	•	
Kenya	•	•			•
Lesotho	•	•	•	•	•
Madagascar	•	•	•	•	•
Malawi	•	•	•		
Mali	•	•	•	•	
Mauritius	•	•	•		•
Mozambique	•	•	•		•
Rwanda	•	•			•
Senegal	•	•		•	•
Tanzania	•	•		•	
Togo	•	•	•	•	
Zambia	•		•		

Source: U.S. International Trade Commission; Compiled from national AGOA strategy documents; Government of Togo, Operational Action Plan for the Short and Medium Term Use of AGOA, August 1, 2017; Government of Malawi, Strategic Plan 2011-2016, September 2011, 10. Note: While not specifically an AGOA strategy, Malawi has a national export strategy dated 2011-16. "Other light manufacturing" includes categories such as headgear, toys, sporting goods, plastic, glass, and other ceramic products.

Appendix 5: Country Membership in Regional Economic Communities

African Union (AU): All 55 countries in Africa.

Central African Economic and Monetary Community (CEMAC): Cameroon Central African Republic, Chad, Republic of Congo, Equatorial Guinea, Gabon.

Common Market for Eastern and Southern Africa (COMESA): Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia, Zimbabwe.

East African Community (EAC): Burundi, Kenya, Rwanda, South Sudan, Tanzania, Uganda.

Economic Community of Central African States (ECCAS): Angola, Burundi, Cameroon, Central African Republic, Chad, Equatorial Guinea, Gabon, Republic of Congo, Rwanda, Sao Tome & Principe.

Economic Community of West African States (ECOWAS): Benin, Burkina Faso, Cabo Verde, Cote d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo.

Southern Africa Customs Union (SACU): Botswana, Lesotho, Namibia, South Africa, Swaziland.

Southern African Development Community (SADC): Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe.

West African Economic and Monetary Union (WAEMU): Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo.

Appendix 6: Goods Trade between the United States and Sub-Saharan Africa

Goods Trade between the United States and Sub-Saharan Africa
(billions of dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total goods trade (exp+ imp)	29.4	28.3	24.0	32.5	44.4	60.6	71.3	81.8	104.7	62.0	82.1	95.5	72.1	63.3	52.3	36.9	33.7	39.0
Total U.S. goods exports	5.9	7.0	6.0	6.9	8.6	10.3	12.1	14.4	18.6	15.1	17.1	21.2	22.5	24.0	25.5	18.0	13.5	14.1
Total U.S. goods imports	23.5	21.3	17.9	25.6	35.9	50.3	59.2	67.4	86.1	46.9	65.0	74.3	49.6	39.3	26.8	18.8	20.1	24.9
SSA trade balance	-17.6	-14.4	-11.9	-18.8	-27.3	-40.0	-47.1	-53.0	-67.5	-31.8	-47.9	-53.2	-27.1	-15.3	-1.3	-0.8	-6.5	-10.8
AGOA imports (incl. GSP)		8.2	9.1	14.1	26.6	38.1	44.2	51.1	66.3	33.7	44.3	53.8	34.9	26.9	14.2	9.3	10.6	13.8
AGOA oil imports		6.8	6.9	11.2	23.1	35.2	41.0	47.7	61.2	30.3	40.2	48.8	30.1	22.0	9.9	5.1	6.5	9.5
AGOA non-oil imports (incl. GSP)		1.4	2.2	2.9	3.5	2.9	3.2	3.4	5.1	3.4	4.0	5.0	4.8	4.9	4.4	4.1	4.2	4.3
AGOA apparel imports		0.4	0.8	1.2	1.6	1.4	1.3	1.3	1.1	0.9	0.7	0.9	0.8	0.9	1.0	1.0	1.0	1.0

Note: The table shows U.S. exports and imports from the 49 Sub-Saharan African (SSA) countries, and AGOA imports from the SSA countries eligible for AGOA benefits.

Source: U.S. International Trade Commission and U.S. Department of Commerce

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Appendix 7: Cross-Border Services Trade between the United States and Africa

Services Trade between the United States and Africa

Billions of Dollars

Exports of Commercial Services	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Africa, total	5.42	5.66	5.06	5.53	5.99	6.41	7.73	8.92	10.18	10.81	11.18	12.48	12.47	12.94	13.42	13.67	13.05
Nigeria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2.25	2.42	2.59	2.40
South Africa	1.56	1.37	1.26	1.21	1.35	1.58	1.87	2.17	2.23	2.47	2.46	2.85	2.87	2.88	3.00	3.04	2.86

Imports of Commercial Services	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Africa, total	3.45	3.17	2.86	3.53	3.72	4.16	4.69	5.52	7.07	7.40	7.20	8.03	8.15	7.81	7.80	7.72	7.98
Nigeria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.51	.47	.45	.39
South Africa	.98	.92	.78	1.00	1.03	0.97	1.33	1.31	1.72	1.48	1.52	1.61	1.74	1.61	1.59	1.59	1.79

Source: U.S. Department of Commerce, Bureau of Economic Analysis (BEA), Interactive data, International Transactions, Services, &IIP, International Services, table 2.3 (accessed May 7, 2018).

Notes:

– Commercial services exclude "government goods and services n.i.e."

– Data for Africa includes exports and imports of commercial services by both SSA countries and the countries of North Africa. BEA does not publish discrete data on U.S. services trade with the SSA region.

– BEA did not publish discrete data on U.S. cross-border services trade with Nigeria prior to 2013.

Appendix 8: Inward and Outward Investment between the United States and Sub-Saharan Africa

Investment between the United States and Sub-Saharan Africa
(billions of dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
U.S. Investment in Sub-Saharan Africa	7.2	9.0	9.5	11.8	11.9	11.8	15.3	18.4	21.3	25.7	33.2	33.0	29.7	34.1	37.5	29.4	29.0
Sub-Saharan Africa Investment in U.S.	2.7	2.2	2.2	2.2	2.4	2. 3	1.9	1.0	1.9	1.4	2.5	1.5	3.7	1.6	1.6	4.2	4.2

Note: The table shows total U.S. investment stock in all 49 Sub-Saharan African countries, as well as the total of the individual sub-Saharan African countries' reported investment in the U.S.

Source: Bureau of Economic Analysis, Department of Commerce

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