



**2020 BIENNIAL REPORT ON THE
IMPLEMENTATION OF
THE AFRICAN GROWTH
AND OPPORTUNITY ACT**

UNITED STATES TRADE REPRESENTATIVE
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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 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. This reporting function was delegated to the United States Trade Representative (USTR) in Executive Order 13720 of February 26, 2016. The USTR, on behalf of the President, last submitted this report under this provision in June 2018. 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.

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Chapter 1: The Trade and Investment Relationship between the United States and sub-Saharan Africa

Overview

The United States maintains a strong trade and investment relationship with sub-Saharan Africa. In recent years, many African nations have enjoyed high rates of economic growth, rising living standards and a reduction in poverty. As a result, U.S. trade ties with sub-Saharan Africa have evolved and expanded. Major American companies have entered the market making first-time large-scale investments. Numerous existing investors have increased their operations. More and more U.S. small and medium-sized businesses are viewing sub-Saharan Africa as both a vital export market and key sourcing destination. With the rise of the continent's middle class, trade has diversified across a wider range of sectors including information technology and electronic commerce, infrastructure, retail, and consumer products. For instance, in 2018 (latest available data) U.S.-African trade in commercial services was the largest on record.

The African Growth and Opportunity Act (AGOA) has been a core element of the U.S. trade relationship with sub-Saharan Africa since it was signed into law in May 2000. AGOA has encouraged American companies to both do business with and invest in sub-Saharan Africa. It has spurred economic growth and regional integration across the continent, and provided incentives to African governments to undertake key political and economic reforms.

The Trade Preferences Extension Act (TPEA) of 2015 extended AGOA for 10 years, through June 2025. This was AGOA's longest renewal to date. The Administration remains committed to enabling beneficiary countries to take full advantage of the legislation for the duration of the program. As outlined in Chapter 5 of this report, the U.S. Government is providing extensive trade capacity building support to many countries across sub-Saharan Africa. Over these next five years, AGOA eligible countries can still capitalize on the advantages and incentives that the program provides. As one example of what an individual country can do to leverage its AGOA benefits over a five-year time horizon, Ethiopia's annual apparel exports under AGOA increased dramatically from \$20.3 million in 2015 to \$209.6 million in 2019.

At the same time however, the Africa of two decades ago is not the Africa of today. The changes that have taken place both on the continent and in the global marketplace have been profound. When Congress reauthorized AGOA in 2015, it supported the pursuit of free trade agreement (FTA) negotiations with AGOA eligible countries. FTAs hold the promise of transformative change in ways that are not possible through one-way preference programs.

In July 2018, U.S. Trade Representative Lighthizer announced the Administration's Africa Model Free Trade Agreement Initiative. The goal of this initiative is to conclude a comprehensive, high-standard agreement with a country that can serve as a model bilateral accord for other African countries going forward. In March 2020, the Administration notified Congress of its intent to initiate trade agreement negotiations with Kenya.

Trade in Goods

Total two-way goods trade with sub-Saharan Africa totaled \$36.7 billion in 2019, a 5.7 percent decline from \$38.9 billion in 2017. U.S. goods exports were \$15.7 billion, up from \$14.1 billion

in 2017 (partly due to higher sales of vehicles and parts). U.S. goods imports were \$21 billion, down from \$24.9 billion in 2017 (primarily due to sharp declines in oil and vehicle & parts imports). Top U.S. goods exports in 2019 by product were machinery (\$2.6 billion), vehicles (\$2.4 billion), aircraft (\$1.5 billion), mineral fuels (\$1.3 billion), and cereals (wheat) (\$884 million). The top American export markets in 2019 were South Africa (\$5.3 billion), Nigeria (\$3.2 billion), Ethiopia (\$1.0 billion), Ghana (\$837 million), and Angola (\$536 million).

Top U.S. imports in 2019 were mineral fuels (\$7.4 billion), precious metals and stone (platinum, diamonds) (\$4.3 billion), apparel (\$1.4 billion), cocoa (\$930 million), and ores slag, ash (titanium) (\$845 million). In 2019, the top sub-Saharan African suppliers to the United States were South Africa (\$7.8 billion), Nigeria (\$4.6 billion), Angola (\$955 million), Ghana (\$943 million), and Côte d'Ivoire (\$924 million). For more detailed information on trade in goods, consult Appendix 6.

Services Trade

The services sector has in recent years emerged as a growing component of the U.S.-Africa trade relationship. U.S. exports of private commercial services (which exclude government-provided services) rose from \$13.15 billion in 2016 to \$14.77 billion in 2018 (the latest year available), the highest level ever. Leading export sectors included travel services (\$4.9 billion), professional and management consulting services (\$1.6 billion), air transport services (\$1.4 billion) and financial services (\$1.2 billion).¹ Similarly, U.S. imports of private commercial services increased from \$8.10 billion in 2016 to \$10.05 billion in 2018. Leading import sectors were travel (for all purposes including education) (\$4.9 billion), air transport (\$1.3 billion), and technical, trade-related, and other business services (\$1.3 billion).² American private sector engagement is also expanding in others areas such as architectural design and education. For more detailed information on trade in services, consult Appendix 7.

Investment

U.S. outward foreign direct investment (FDI) stock in sub-Saharan Africa stood at \$34.05 billion in 2018 (latest year available), up slightly from \$34.02 billion in 2016.² In recent years, U.S. companies have made major investments on the continent in such sectors as energy, retail, technology/digital economy, tourism, and entertainment. The three largest destinations for cumulative outward U.S. investment in sub-Saharan African countries in 2018 were Mauritius (\$9.5 billion), South Africa (\$7.6 billion), and Nigeria (\$5.6 billion).³ Sub-Saharan Africa's foreign direct investment (FDI) stock in the United States stood at \$5.6 billion in 2018, up 33 percent compared to \$4.5 billion in 2016.³ FDI from South African firms accounted for the majority (\$901 million) of the increase. For more detailed information on investment data, consult Appendix 8.

¹ USITC, U.S. Trade and Investment with Sub-Saharan Africa: Recent Trends and New Developments, Investigation Number 332-571, March 2020, Table 2.11

² USITC, U.S. Trade and Investment with Sub-Saharan Africa: Recent Trends and New Developments, Investigation Number 332-571, March 2020, Table 4.5.

³ U.S. Department of Commerce, Bureau of Economic Analysis.

⁴ USITC, U.S. Trade and Investment with Sub-Saharan Africa: Recent Trends and New Developments, Investigation Number 332-571, March 2020, Table 3.16

⁵ USITC, U.S. Trade and Investment with Sub-Saharan Africa: Recent Trends and New Developments, Investigation Number 332-571, March 2020, Table 4.5

Chapter 2: AGOA Implementation

Overview

Since its enactment in 2000, AGOA has been at the core of U.S. economic and investment policy with sub-Saharan Africa. AGOA provides beneficiaries 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 Generalized System of Preferences (GSP) program. Currently, 38 countries are eligible for AGOA benefits (see Appendix 1 for the 2020 list of AGOA beneficiary countries).

AGOA has helped numerous beneficiary countries expand and diversify their exports to the United States. By providing these new market opportunities for African exports, the legislation has bolstered economic growth, generated jobs and helped to 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. The legislation has also enabled many American companies to get a foothold into key African markets and diversify their global sourcing chains.

Many countries have taken advantage of the benefits related to AGOA's tariff preferences and liberal rules of origin for apparel. Utilization of these benefits has led to significant increases in exports of apparel to the United States from countries such as Kenya, Lesotho, Madagascar, Mauritius, Eswatini, and Ethiopia. When TPEA renewed AGOA through 2025, the extension included renewal of the provision that allows fabric from third-countries to meet the program's rules of origin for apparel to qualify for duty free treatment – a critical factor in apparel companies' decisions to make investments in AGOA-eligible countries. TPEA also amended AGOA's rules of origin.

Additional products that African countries have taken advantage of have included: value-added agricultural products and specialty food items such as macadamia nuts and chili sauces; cut flowers (largely from East Africa); and manufactured goods such as sunglasses and footwear. South Africa has exported the widest array of products under AGOA, ranging from passenger vehicles to citrus products to frozen sorbet.

AGOA Import Data

Total U.S. goods imports under AGOA (including GSP) totaled \$8.4 billion in 2019 compared to \$13.7 billion in 2017. This was mainly the result of the lower dollar value of oil imports. Non-oil imports under AGOA also decreased to \$3.8 billion in 2019, down from \$4.3 billion in 2017. This was due mainly to decreases in exports of passenger vehicles from South Africa (the largest non-oil AGOA beneficiary). However, U.S. AGOA apparel imports totaled \$1.4 billion in 2019; the highest annual total since 2005. In addition to apparel, several non-oil AGOA products have experienced sizable increases since AGOA was passed, including vehicles and parts, cut flowers, cocoa powder/paste, cassava, and macadamia nuts.

In 2019, the top five country exporters under AGOA were Nigeria (\$3.1 billion; mostly crude oil), South Africa (\$2.0 billion; mostly vehicles and parts, nuts, wine), Angola (\$605 million; mostly crude oil), Kenya (\$518 million; mostly apparel, nuts, cut flowers), and Ghana (\$441

million; mostly crude oil, cassava, cocoa powder/paste). Leading AGOA import categories were crude oil (\$4.6 billion in 2019), apparel (\$1.4 billion), agricultural products (\$656 million), minerals and metals (\$510 million), transportation equipment (\$499 million), and chemicals and related products (\$434 million).

The 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.

The 2019 AGOA Forum took place in Abidjan, Côte d’Ivoire. Deputy U.S. Trade Representative C.J. Mahoney led the U.S. delegation. During the Forum, Ambassador Mahoney re-emphasized the importance of the United States’ trade relationship with sub-Saharan Africa as well as the Administration’s objective of establishing model free trade agreements with partners on the continent.

With a theme of “AGOA and the Future: Developing a New Paradigm to Guide U.S.-Africa Trade and Investment,” the 2019 Forum highlighted the role of the private sector in expanding trade to support economic growth and poverty reduction. During the plenary and workshop sessions, Forum participants discussed policies and measures that can help African countries maximize the benefits of AGOA. Other key topics of focus included: regional integration; building global value chains, infrastructure; electronic commerce and the digital economy; and intellectual property rights. Participants also explored ways to strengthen policy coordination, public-private partnerships, compliance with international standards, and the empowerment of women and youth. Congressman Dwight Evans (D-PA) led a session focused on U.S. Congressional perspectives.

Deputy U.S. Trade Representative Mahoney hailed the African Continental Free Trade Area as a “remarkable achievement” and signed a joint statement with African Union Trade Commissioner Albert Muchanga memorializing U.S. support for and partnership with the AU for the ongoing negotiation and implementation of the agreement. During a session on digital trade, Ambassador Mahoney called for information and communications technology regulatory regimes to strike the “appropriate balance” in the degree of regulation. He noted that “trade is facilitated by the free flow of information” and “when governments hinder data flow, they lose...their competitive edge.” Ambassador Mahoney emphasized the need for transparency and to avoid using national security as a pretext for protectionism, a point that was touched on by other panelists.

Developing Strategies to Support AGOA Implementation

Since AGOA’s inception, a number of countries on the continent have taken advantage of the program to increase and diversify their exports to the United States. TPEA encouraged eligible countries to develop AGOA utilization strategies to further diversify their exports and engage in markets in which they may have an advantage due to AGOA. Currently, 16 AGOA-eligible countries have national AGOA utilization strategies. In many cases, this work occurred in conjunction with the U.S. Agency for International Development (USAID). The Common Market for Eastern and Southern Africa (COMESA) and the Economic Community of West

African States (ECOWAS) have developed similar plans for those regional blocs. Aside from this, many African governments and private sector entities have undertaken work to develop other strategic plans and studies (some sector-specific, others more broadly focused) dedicated to enhancing exports under AGOA as well as their broader export competitiveness.

Please refer to Appendix 4 for a list of countries with national AGOA utilization strategies.

Chapter 3: Key Initiatives and Engagements

The U.S. Government has over the last two years worked to support and enhance U.S. trade ties with sub-Saharan Africa through a sustained series of high-level engagements, strategic initiatives, and programs.

Announcement of Intent to Initiate Trade Negotiations with Kenya

On March 17, 2020, the Administration notified Congress of its intent to initiate trade agreement negotiations with Kenya. This came after President Trump announced on February 6, 2020 that the United States intends to initiate these negotiations following a meeting at the White House with Kenyan President Uhuru Kenyatta. The announcement came while the U.S.-Kenya Trade and Investment Working Group held its third meeting in Washington on February 3 through February 7, 2020. The Working Group, established by President Trump and President Kenyatta in August 2018, explored ways to deepen the trade and investment ties between the two countries and lay the groundwork for a stronger future trade relationship. The inaugural meeting of the Working Group, hosted by USTR, was held on April 2 through April 8, 2019, in Washington, DC, and included the Kenyan Trade Minister and senior government officials. Among topics discussed were pursuing exploratory talks on a future bilateral trade and investment framework, maximizing the remaining years of AGOA, strengthening commercial cooperation, and developing short-term solutions to reduce barriers to trade and investment.

From October 31 through November 4, 2019, Kenya hosted the second meeting of the Working Group in Nairobi, Kenya. The Working Group's discussions covered a range of trade and investment topics, including services, digital trade, intellectual property (IP), agriculture, environment, customs and trade facilitation, technical barriers to trade, labor, and state-owned enterprises. The delegations also discussed expanding bilateral trade and investment under AGOA and strengthening commercial cooperation, including in the small and medium-sized enterprises (SME) sector.

U.S. Government Support of African Continental Free Trade Area

In the last two years, the U.S. Government launched a range of activities to support the African Continental Free Trade Area (AfCFTA). At the AGOA Forum in August 2019, Deputy U.S. Trade Representative Mahoney signed a joint statement with African Union (AU) Commissioner for Trade and Industry Albert Muchanga to deepen American support for the AfCFTA. That past fall, the United States and African Union held a High Level Dialogue in Washington in which members of a U.S. interagency committee on African trade met with AU Commission leadership to discuss and develop a work plan for comprehensive AfCFTA engagement through calendar year 2020.

The Better Utilization of Investments Leading to Development (BUILD) Act and Launch of U.S. International Development Finance Corporation

President Trump signed the Better Utilization of Investments Leading to Development (BUILD) Act into law on October 5, 2018. This legislation strengthens U.S. development finance capabilities by creating a new U.S. International Development Finance Corporation (DFC), which has assumed the functions of the Overseas Private Investment Corporation (OPIC), and certain development finance functions of USAID, while expanding current

flexibility and resources. One key expected benefit of the new DFC will be to enhance trade and investment between the United States and Africa. The DFC officially opened its doors in late 2019, ushering in a new era of U.S. development finance and foreign policy. As America's development bank, DFC helps businesses expand into emerging markets, foster growth, and improve lives in the developing world, while reinforcing U.S. foreign policy and national security interests

Prosper Africa

In June 2019, the Trump Administration launched "Prosper Africa," a signature U.S. Government initiative dedicated to substantially increasing two-way U.S.-Africa trade and investment. Prosper Africa streamlines the U.S. Government tools that facilitate private sector activity and foster transparent and business-enabling environments on the continent. It brings together the resources of over 16 U.S. Government agencies to connect U.S. and African businesses with new buyers, suppliers, and investment opportunities. Its main goals are to: 1) modernize U.S. capabilities and efforts; 2) facilitate individual transactions; and 3) foster fair and accessible business climates and robust financial sectors.

President's Advisory Council on Doing Business in Africa

The President's Advisory Council on Doing Business in Africa (PAC-DBIA), comprised of private sector executives, advises the President through the Secretary of Commerce on ways to strengthen commercial engagement between the United States and Africa. In June 2019, the Secretary of Commerce appointed members to a new two-year term, which will expire in June 2021. In convening the first meeting of the 2019-2021 term of the PAC-DBIA in August 2019, Secretary Ross asked the Council to provide analysis and recommendations that would inform the U.S. Government's implementation of Prosper Africa. He also tasked the PAC-DBIA with producing a report on "keys to success" for doing business in Africa. The PAC-DBIA adopted this report in February 2020. The report is a compilation of the collective insights from the Council on best practices U.S. companies should consider in order to approach, compete, succeed, and invest in African markets. At that time, the Council also adopted a letter to the President that outlines new initiative areas that Members would like to prioritize in their work over the course of the current term.

Secretary Ross and other high-level U.S. Government representatives met with the 2016-2018 PAC-DBIA members in February 2017, August 2017, November 2017, April 2018, and September 2018. The PAC-DBIA adopted a report in November 2017 that outlined the top challenges to American companies in: 1) approaching African markets, 2) competing successfully in African markets, and 3) operating effectively and efficiently in African markets. The PAC-DBIA adopted a report of recommendations in April 2018 on measures the U.S. Government might take to mitigate the issues identified in the November 2017 report, with a focus on Ethiopia, Kenya, Côte d'Ivoire, and Ghana. These four countries were the destinations for a fact-finding trip undertaken by PAC-DBIA members in June 2018, led by Secretary Ross and former Under Secretary for International Trade, Gil Kaplan. The PAC-DBIA convened in September 2018 to adopt a report of the highlights and key takeaways of the June fact-finding trip, along with 22 new recommendations to the President on measures the U.S. Government might take to strengthen commercial ties with Africa. The 2016-2018 term of the Council concluded in November 2018.

Secretary Pompeo's February 2020 Travel to sub-Saharan Africa

In February 2020, Secretary of State Mike Pompeo traveled to Senegal, Angola, and Ethiopia. The Secretary focused on strengthening the U.S. economic and investment relationship with Africa. The Secretary met with Senegalese President Macky Sall and Foreign Minister Amadou Ba to discuss how to deepen security and economic ties. Secretary Pompeo co-led a roundtable with business leaders and co-chaired the signing ceremony of five Memoranda of Understanding to broaden commercial ties between the United States and Senegal. In Luanda, Angola, he met with President Joao Lourenço and then-Foreign Minister Manuel Augusto to reaffirm U.S. support for Angola's anticorruption and democratization efforts. He also met with economic stakeholders and the business community to discuss the fight against corruption and expanding trade. In Addis Ababa, Ethiopia, the Secretary met with Prime Minister Abiy Ahmed and President Sahle-Work Zewde to discuss joint efforts to promote security and to support Ethiopia's historic political and economic reform agenda. Secretary Pompeo also met with African Union Commission Chairperson Moussa Faki Mahamat.

Advisor to the President Ivanka Trump and USAID Administrator Mark Green April 2019 Visit to Africa

Advisor to the President Ivanka Trump and then-USAID Administrator Mark Green traveled to Ethiopia and Côte d'Ivoire in April 2019 to promote the Women's Global Development and Prosperity (W-GDP) Initiative, a whole-of-government approach to advancing global women's economic empowerment with a goal of reaching 50 million women in developing countries by 2025. They met with women entrepreneurs in the coffee, apparel, and cocoa industries, and engaged with other private sector and bilateral partners to promote the initiative's core pillars aimed at driving global women's economic empowerment throughout Africa. As part of the W-GDP Initiative, the U.S. Government has deployed numerous key tools for African women entrepreneurs.

U.S.-Nigeria Commercial and Investment Dialogue

In February 2020, Deputy Secretary of Commerce Karen Kelley and Nigeria's Minister of Industry, Trade and Investment Adeniyi Adebayo cohosted the inaugural United States-Nigeria Commercial and Investment Dialogue (CID). The CID is a policy mechanism designed to provide both governments the benefit of the experiences of their respective private sectors. Its formation had been recommended by the PAC-DBIA. During this inaugural event, both the Nigerian and U.S. private sector leads presented initial findings in the five focus areas, which included digital economy, agriculture, investment, infrastructure, and regulatory reform.

U.S.-Rwanda Trade and Investment Framework (TIFA) Council Meeting

On October 31, 2019, senior officials from the United States and Rwanda held the fifth meeting of the United States-Rwanda TIFA. Topics discussed included: maximizing the remaining years of AGOA, strengthening commercial cooperation, developing short-term solutions to reduce barriers to trade and investment, and the establishment of an American Chamber of Commerce in Rwanda.

Chapter 4: AGOA Eligibility and Country Reports

This chapter contains information on: 1) the AGOA eligibility criteria; 2) the annual AGOA eligibility review process; 3) recent changes in eligibility of countries during the past two years, and; 4) detailed country reports assessing whether each beneficiary country is continuing to meet the eligibility requirements.

AGOA Eligibility Criteria

To qualify for AGOA benefits, 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 nondiscriminatory 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; (6) may not aid or abet, by granting sanctuary from prosecution, any individual or group that has committed an act of international terrorism; (7) must not have failed to take or be taking steps to afford internationally recognized worker rights, and; (8) must not have failed to implement its commitments to eliminate the worst forms of child labor.

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 AGOA and GSP eligibility criteria are included in Appendices 2 and 3, respectively.

The Annual AGOA Eligibility Review

The AGOA legislation requires the President to determine annually which of the countries listed in the Act are eligible to receive benefits. These decisions are supported by an annual interagency review, chaired by 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 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.

The Trade Preferences Extension Act (TPEA) provides 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. It also improved transparency and participation in the AGOA review process and created a public petition process to review countries' AGOA eligibility. In addition, TPEA authorized the initiation of out-of-cycle reviews of a country's eligibility.

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.

Recent Changes in AGOA Eligibility

The annual eligibility review conducted in 2019 resulted in the termination of Cameroon's AGOA eligibility as of January 1, 2020. The President determined that Cameroon engages in gross violations of internationally recognized human rights. These violations include extrajudicial killings, arbitrary and unlawful detention, and torture.

The annual review conducted in 2018 resulted in the termination of Mauritania's AGOA eligibility as of January 1, 2019, due to insufficient progress toward combatting forced labor.

In addition, on March 30, 2018, the President determined that Rwanda was out of compliance with AGOA's eligibility requirements due to insufficient progress toward the elimination of barriers to U.S. trade and investment with respect to apparel, and issued a proclamation suspending the application of duty-free treatment for all AGOA eligible apparel products from Rwanda, effective July 31, 2018.

Country Reports

The remainder of this chapter contains detailed country analysis assessing whether each beneficiary is continuing to meet the eligibility requirements.

ANGOLA

Status: AGOA Eligible

Market Economy/Economic Reform/ Elimination of Barriers to U.S. Trade: Angola is one of the United States' top trading partners in sub-Saharan Africa. Aside from petroleum, Angola exports very little to the United States under AGOA, but the government is committed to attempting to diversify the economy. Imports of U.S. products, such as key agricultural goods, have been hindered at times through the use of restrictive import licensing rules. While Angola is a party to the World Trade Organization (WTO) and other international agreements, its commitments are hindered by a lack of internal capacity building.

Rule of Law/Political Pluralism/Anticorruption: The country has made progress on strengthening public institutions, moving up 19 places in the 2019 Transparency International Corruption Perceptions Index (from 165 to 146 out of 180 countries). However, corrupt practices in Angola are systemic. Long-term processes to address corruption will require changes in public attitudes, combined with public exposure and effective rule of law. The checks and balances system in government is insufficient and faces many bureaucratic struggles. Other concerns include lack of due process.

Poverty Reduction: Poverty reduction is a major part of Angola's 2018-2022 National Development Plan. The Government of Angola encourages domestic production instrument use to address poverty levels. However, a lack of access to education impedes progress, especially in rural areas with high illiteracy rates. Angola ranks 149th out of 189 on the Human Development Index. The country faces significant unemployment and a lack of social investment.

Labor/Child Labor/Human Rights: Angola has made efforts to address child labor. In June 2018, the government passed a National Action Plan (2018-2022) to eradicate the worst forms of child labor. However, concerns remain with regard to enforcement of labor rights. Other concerns include reports of arbitrary arrest and detention and limits on the freedoms of peaceful assembly and expression.

International Terrorism/U.S. National Security: Angola does not support international acts of terrorism, nor engage in activities that undermine U.S. national security interests.

BENIN

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Benin is a constitutional democracy that has experienced robust economic growth. A strong regional currency, effective macroeconomic policy management, and lowering inflation rates contribute to its economic progress. The legal system recognizes and protects property rights, as well as the rights to private ownership and investment. Although barriers to trade have been reduced, Benin lacks fiscal transparency and uses price regulation for certain goods, including cement and gasoline.

Rule of Law/Political Pluralism/Anticorruption: Benin has an independent judiciary and one of the most open media environments in Africa. However, in May 2019 post-election protests turned violent. The government used new digital and online industry regulations to arrest a journalist for alleged false information dissemination about the Beninese economy. 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 71 percent of children attend school and only 80.7 percent graduate from primary school. Benin 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. Beninese police cooperated with Nigerian security forces in a cross-border operation in April 2019, freeing 157 child slaves and arresting 47 suspected traffickers. Concerns remain with regard to restrictions on freedom of association and the right to organize. Other concerns include treatment of prisoners and prison conditions.

International Terrorism/U.S. National Security: Benin actively contributes to and supports regional peace efforts. In the Lake Chad basin, Benin contributed to a Multinational Joint Task Force to combat Boko Haram. Benin also partners with the United States to combat piracy and drug trafficking.

BOTSWANA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Botswana has a stable political, fiscal, and macroeconomic environment. The constitutional and legislative structure affords protections to investors, and the court system is relatively efficient. While mining continues to be the main economic driver, sectors such as tourism, financial services, and technology are growing and becoming a more important part of the country's GDP. However, large, systemic barriers to trade exist in Botswana. 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/Anticorruption: Botswana is a multi-party democracy with free and fair elections and is ranked by Transparency International as the second least corrupt country in sub-Saharan Africa. The country's judiciary is considered independent and produces predictable, law-based decisions. Recent landmark rulings have reaffirmed the independence of Botswana's judiciary. The country held elections in October 2019 that observers deemed free and fair. The government is working to stop the smuggling of counterfeit goods.

Poverty Reduction: Approximately 20 percent of the population lives in extreme poverty. There is high income inequality and a high unemployment rate, especially among youth. Botswana has universal access to health care and primary education, and the government is attempting to expand rural access to secondary education. However, overall educational performance remains poor. The prevalence of HIV/AIDS and tuberculosis is among the highest in the world and continues to impose a heavy burden on society and the economy. Botswana's efforts to address HIV/AIDS and other diseases 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 2018, Parliament amended the Anti-Human Trafficking Act to insert new definitions and criminalize smuggling, in response to recommendations made by the Eastern and Southern Africa Anti-Money Laundering Group. Concerns remain regarding the rights of association and the right to organize, particularly with regard to government interference in union registration. In June 2019, the Gaborone High Court ruled sections of the Botswana Court of Appeals' Penal Code criminalizing certain consensual sexual activity as discriminatory and thus unconstitutional. The government continues to limit the San ethnic group's access to their tribal homeland. Gender-based violence is a pervasive problem.

International Terrorism/U.S. National Security: Botswana generally supports broad U.S. foreign policy objectives. The Government of Botswana is working with the British High Commission and the International Monetary Fund (IMF) to establish a robust anti-money laundering/financial counterterrorism regime.

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 sensitive to global price changes. The government remains committed to a market-based economy without the establishment of any trade barriers. Mining sector development and a rebound in agricultural production contributed to economic growth. 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/Anticorruption: The Burkinabe constitution and law provide for an independent judiciary. However, non-governmental organizations report that elements of the judiciary are inefficient, subject to executive influence, and/or corrupt. In 2019, Transparency International ranked Burkina Faso 85th out of 180 countries in its Corruption Perceptions Index. Burkina Faso has taken important steps to reopen previously closed cases of notoriety against high-level public figures. Officials are required to declare their assets. Arbitrary arrest and detention are prohibited, but concerns remain regarding due process.

Poverty Reduction: The Burkinabe government has taken steps to improve poverty levels, yet, chronic food insecurity results in frequent pressure on the government to implement food emergency programs. The Burkinabe government estimates that approximately 1.8 million people will face severe levels of acute food insecurity in 2020. A National Plan for Economic and Social Development has created jobs and financed 20,000 micro-enterprises. The government invests heavily in education and health, but progress is hindered by terrorism. Limited water access and poor road conditions continue to present challenges.

Labor/Child Labor/Human Rights: Burkina Faso faces labor and human rights challenges proactively, but with limited success. Public sector labor unions engaged in strikes, sit-ins, and protests throughout 2018 and 2019, and the government engaged in dialogue with every sector. The government also increased the number of labor inspectors by 50 percent in 2018 and has made efforts to eliminate child labor. Acknowledging numerous reported human rights abuses by security forces, Burkina Faso created an independent Ministry for Human Rights in 2019, along with other initiatives. Limited resources and an inefficient judicial system pose persistent problems to protecting human rights.

International Terrorism/U.S. National Security: From March to May 2019, the Burkinabe military conducted large-scale operations to counter violent extremist activity. Violent extremists continue to target local and foreign companies along with security forces. Burkina Faso remains a strong supporter of the United States in combatting violent extremism and terrorism.

BURUNDI

Status: Not AGOA Eligible. (Terminated 2016)

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Burundi's short-term economic outlook is uncertain, as political unrest and social tensions threaten structural economic reforms. Major structural challenges weaken incentives for investment. Many policies related to foreign investment are not transparent, and laws or regulations on the books are often ineffective or unenforced. Corruption continues throughout police, judiciary, business, and tax services institutions.

Rule of Law/Political Pluralism/Anticorruption: AGOA benefits were terminated in 2016 due to gross violations of internationally recognized human rights, as well as a lack of progress towards establishing rule of law and political pluralism. These conditions persist. Despite the large-scale rallies opposition parties carried out across the country in recent elections, opposition parties allege that the government meddles in internal party affairs and restrict their activities. Activists from opposition parties have continued to face significant repression including arbitrary arrests, disappearance, and torture. The judiciary is widely perceived as a tool of the executive branch and security forces and government officials benefit from widespread impunity. Corruption is widespread.

Poverty Reduction: Three-fourths of the country lives below the international poverty line, and Burundi ranks 185th out of 189 on the 2019 Human Development Index. Hunger and malnutrition are serious problems, and health care facilities are generally overwhelmed. The lack of donor aid has slowed the delivery of basic services.

Labor/Child Labor/Human Rights: The government's overall human rights record remains poor, and government officials consistently deny any significant violations are taking place. Burundian government officials, including security forces members and others acting on behalf of the government, have been credibly accused of gross violations of human rights, including extrajudicial killings, arbitrary or unlawful detention, and torture. Anti-trafficking efforts have been limited. Resources for labor inspections are scarce. Efforts to eliminate child labor have been minimal, and strikes are strictly regulated. Sexual violence and discrimination against women are major concerns.

International Terrorism/U.S. National Security: Burundi has been a major contributor to the African Union Mission in Somalia (AMISOM).

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 economic freedom 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. The government has tended to retain a heavy presence in sectors that could be fully privatized and then regulated (maritime and air transport and public utilities). Cabo Verde has improved on intellectual property rights (IPR) and has signed three World Intellectual Property Organization (WIPO) treaties: Performances and Phonograms Treaty, Copyright Treaty, and Marrakech Treaty.

Rule of Law/Political Pluralism/Anticorruption: Cabo Verde's political parties have traded power peacefully and all appear to have a voice. Cabo Verde has an independent judiciary but the judicial system is overburdened and this can lead to lengthy pre-trial detentions and delayed trials. Cabo Verde consistently ranks at the top of Transparency International's Corruption Perceptions Index (least corrupt), but a small population and deep social and family ties make it difficult for law enforcement to act on corruption and inter-personal crimes.

Poverty Reduction: Cabo Verde has a low percentage of its population living in poverty relative to other sub-Saharan African countries. The country's focus on entrepreneurial activities and technical education is designed to reduce unemployment and give the economy private sector foundations. However, inadequate housing and poor sanitary conditions still exist, especially in urban areas. In 2016, the unemployment rate jumped from 1.4 percent to 15 percent. A more recent estimate from 2019 indicates that the unemployment rate has decreased but remains at around 9 percent. In April 2016, legislation introducing unemployment benefits came into effect.

Labor/Child Labor/Human Rights: The Government of Cabo Verde generally respects human rights. Cabo Verde made efforts to address trafficking in persons and respect internationally recognized worker rights by prosecuting its first forced labor case in 2019. In 2018, the government created the Observatory for Monitoring and Rapid Identification of Situations of Trafficking in Persons to coordinate anti-trafficking efforts and allocated a budget to the Ministry of Justice and Labor for anti-trafficking efforts, including implementation of the anti-trafficking national action plan. However, sexual and gender-based violence and sex crimes against children are not resolved with a focus on the victim, and victims sometimes return to the abuser because of economic or social pressures.

International Terrorism/U.S. National Security: Despite increasing diplomatic footprints from China and Russia, the Cabo Verdean people and government have a strong cultural preference for European and U.S. cooperation. Within ECOWAS, Cabo Verde's cybersecurity strategy is recognized as a regional model.

CAMEROON

Status: Not AGOA Eligible. (Terminated in 2020)

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Cameroon made progress in establishing a market-based economy during the review period. In May 2019, the IMF noted that structural reforms were moving ahead, though at a slower than desired pace. 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's freezing of company bank accounts. Much of the banking sector operates without effective supervision. Cameroon ranks 167th out of 190 economies in the World Bank's 2020 Doing Business report. Revisions to the 2017 Finance Law were aimed at further improvements to the investment climate, particularly the tax code.

Rule of Law/Political Pluralism/Anticorruption: The political system is dominated by the ruling Cameroon People's Democratic Movement. President Paul Biya has been in power for over 35 years, and the ruling party holds 80 percent of elected offices. The government has continued to restrict opposition party and civil society activities since early 2019. MRC protests were banned and demonstrations were violently dispersed in June 2019. Corruption remains a serious impediment. Transparency International's 2019 Corruption Perceptions Index rated Cameroon 153rd out of 180.

Poverty Reduction: Cameroon's poverty reduction strategies and "Vision 2035" have faced many challenges. Since 2012, the targets for employment, state governance, and macro-economic and budgetary stability have not been reached. In May 2018, the UN, in coordination with Cameroon, released an Emergency Response Plan to address the humanitarian needs of populations in the Northwest and Southwest regions affected by the ongoing political crisis. Unfortunately, the government has usurped the process, regularly accusing humanitarian actors of interference in internal affairs. Currently, 23.8 percent of all Cameroonians live below the international 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: President Trump signed a proclamation in December 2019 terminating Cameroon's designation as a beneficiary of trade preferences under AGOA, effective January 1, 2020. He determined that Cameroon engages in gross violations of internationally recognized human rights including extrajudicial killings, arbitrary or unlawful detention, and torture committed by Cameroonian security forces. These allegations are corroborated by numerous, credible, independent sources. The Government of Cameroon has made efforts to address trafficking in persons, but did not make increasing efforts to do so in 2019. Cameroon has also made efforts to protect worker rights, including efforts to eliminate child labor. It increased the number of labor inspectors and inspections in 2018 and updated the list of hazardous work prohibited for children, but there are also allegations of forced labor. The government continues to heavily restrict workers' rights to form and join trade unions, and there has been significant interference with the rights of peaceful assembly and freedom of association.

International Terrorism/U.S. National Security: The government cooperates with the United States on issues of counterterrorism and transnational crime. U.S. Africa Command has worked closely with Cameroon to counter Boko Haram and ISIS-West Africa.

CENTRAL AFRICAN REPUBLIC

Status: AGOA Eligible. (Reinstated in 2017)

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The Central African Republic (CAR) is a conflict-torn nation with a market-based economy heavily dependent on donor aid. The government amended its foreign direct investment codes to adopt provisions aimed at attracting private sector investments. Infrastructure, including electricity, water, roads, and telecommunications, is severely underdeveloped, especially outside Bangui. Establishing a business remains time-consuming, and opaque regulatory requirements increase the cost of conducting business. The government has very limited capacity to protect property rights, and corporate taxes are often as high as 30 percent. CAR ranks 184th out of 190 in the World Bank's 2020 Doing Business Report, and the private sector has limited access to credit and capital. However, the government seeks foreign investment to increase employment and stimulate the economy.

Political Reforms/Rule of Law/Anticorruption: CAR is a nascent multi-party democracy. In recent years, the government has taken steps to expand the rule of law and strengthen democratic institutions such as by signing the Political Agreement for Peace and Reconciliation and enacting a new Electoral Code. Following years of armed conflict and violence, the rule of law and reformation of government institutions to fight against corruption and impunity are among the government's stated priorities. In 2019, the Special Criminal Court was established, and cases are in the process of being investigated. CAR has adequate laws to combat corruption. However, there is little capacity to implement the laws, and endemic corruption remains a major obstacle to investment. In 2019, Transparency International's Corruption Perceptions Index ranked CAR 153rd out of 180 countries.

Labor/Child Labor/Human Rights: The Government of CAR has made efforts to address child labor and to investigate and prosecute past violations and abuses of human rights and alleged war crimes. However, concerns remain with regard to the worst forms of child labor, forced labor, trafficking in persons, and the rights of association and to bargain collectively. Evidence points to continued human rights violations by armed groups, some government officials, security forces, and UN peacekeepers. A climate of impunity and a lack of access to legal services remain, and significant swaths of territory throughout the country are outside of central government control.

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 open and 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. Limited access to financial services and capital remains a major obstacle to growth. Chad ranks near the bottom of the World Bank's 2020 Ease of Doing Business Report, and its limited infrastructure, high taxes, lack of skilled labor, and corruption hamper private investment.

Rule of Law/Political Pluralism/Anticorruption: The country continues 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. Judges lack judicial training and corruption remains a challenge in both the public and private sectors. Chad ranks 162nd out of 180 on Transparency International's 2019 Corruption Perceptions Index.

Poverty Reduction: Chad remains one of the poorest countries in the world, and food insecurity affects 3.7 million people, or approximately one-third of the population. It ranks at the bottom of the Human Development Index with an estimated 38.4 percent of the population living in extreme poverty. The country is subject to high rates of illiteracy and gender inequality. Diseases like malaria and tuberculosis persist, and measles surged in 2019. High rates of maternal and infant mortality remain. 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. Chad investigated and prosecuted more suspected traffickers in 2018 and improved anti-trafficking coordination. However, concerns remain regarding reports of female genital mutilation, discrimination against women and children, and infringements on fundamental freedoms. The rights of association and to bargain collectively remain restricted, and austerity measures imposed in 2016 continue to limit government funding for efforts to combat child labor and address labor law violations more generally.

International Terrorism/U.S. National Security: Chad is a partner of the United States in the fight against terrorism. Chad's difficult terrain, porous borders, and limited equipment for military and law-enforcement agencies hinder the government's ability to combat terrorism and illicit activities.

COMOROS

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Comoros continues to have a fragile and rudimentary economy, marked by government inefficiency, government ownership of economic assets, a lack of resources and infrastructure, and limited and intermittent electricity generation. Comoros 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. Comorian authorities remain committed to macroeconomic stability. The government is implementing measures to enhance revenue mobilization and public financial management in line with technical assistance recommendations. The economy is heavily dependent on remittances from Comorians living abroad. The country also suffers from geographic isolation, a small domestic market, overcrowding, and a shortage of fertile land.

Rule of Law/Political Plurality/Anticorruption: Comoros has a history of political instability driven by disunity among the three islands in the Union. Comoros had three peaceful transitions of power following generally free and fair elections since the institution of the rotating presidency among the three islands, started in 2002. The recent 2019 election, however, suffered from both unrest and a lack of credibility and transparency. The government arrested multiple opposition figures in 2019 for various charges, including attempting a coup d'état, an assassination attempt against a vice president, and crimes against the state. Police temporarily detained other opposition figures and some of their family members. Rule of law, political pluralism, and the right to due process continue to decline. Corruption remains a problem. President Azali Assoumani circumvented court rulings on his dissolving of the National Anticorruption Commission by failing to appoint new commissioners or renew incumbents' mandates.

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 years old may be vulnerable to child labor, as they are not legally permitted to work.

Labor/Child Labor/Human Rights: The Government of Comoros has made efforts to eliminate child labor and increase labor inspections. Nevertheless, labor law enforcement remains weak. Comoros is not making significant efforts to address trafficking in persons. Other documented human rights issues include harsh and life-threatening prison conditions, restrictions on freedom of movement, severe violations of religious freedom, and criminalization of same-sex sexual conduct.

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

CÔTE D'IVOIRE

Status: AGOA Eligible

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Côte d'Ivoire has a free-market economy in which financial and capital markets are open and continue to attract domestic, regional, and international capital. Côte d'Ivoire's strong economic growth is supported by infrastructure investment and a higher production of key commodities, including cocoa and cashews. The country has ended most non-tariff barriers. 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 Côte 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/Anticorruption: Côte d'Ivoire held free and fair presidential elections in 2015 and successfully established a Senate in April 2018. However, despite anticorruption efforts, there is little evidence of government entities having the necessary resources and stature to fully combat corruption and improve transparency. Municipal and legislative elections were held in 2018, though there were reports of election related violence in some parts of the country. In response to a 2016 IMF study that ranked Côte d'Ivoire poor compared to its peers on contract transparency, an IMF mission team worked with the government to improve its governance of contracts.

Poverty Reduction: The Côte d'Ivoire government has been pursuing its 2016-2020 National Development Plan, with a \$49 billion budget to boost the economy, address poverty, and create opportunities for employment and education. Moreover, Côte d'Ivoire has pledged to increase spending on social programs to improve the living conditions of the rural population in the areas of electricity, youth employment, drinking water, health, and education.

Labor/Child Labor/Human Rights: The Government of Côte d'Ivoire has made efforts to address trafficking in persons and child labor. The U.S. Department of Labor's 2018 Worst Forms of Child Labor Report noted that Côte d'Ivoire made "significant advancement" in combatting the worst forms of child labor. There are ongoing concerns regarding restrictions on freedom of association and collective bargaining. Other concerns include violence against women, female genital mutilation, forced labor, and human trafficking.

International Terrorism/U.S. National Security: Côte d'Ivoire cooperates with regional and international security organizations and is actively engaged in preventing terrorist activities. Côte d'Ivoire's borders remain quite porous. The U.S. Coast Guard visited the ports of Abidjan and San Pedro in 2019 to observe and share information on best maritime security practices.

DEMOCRATIC REPUBLIC OF CONGO

Status: Not AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: While the government has taken steps to reduce impediments to foreign investment, the Democratic Republic of Congo (DRC) ranked 183rd of 190 in the 2020 World Bank Doing Business 2020 Report. President Tshisekedi accepted the U.S. and like-minded Ambassadors' recommendations on improving the business climate and established a Presidential Business Climate Improvement Cell to enact reforms. 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, and the Central Bank maintains dangerously low levels of foreign exchange reserves.

Rule of Law/Political Pluralism/Anticorruption: The DRC's December 2018 election culminated in its first peaceful transition of power since independence in 1960. Since taking office, President Tshisekedi has allowed opposition leaders to hold public rallies and directed state television and radio to provide coverage. He also reversed his predecessor's efforts to prevent opposition members from returning to the DRC. Several high ranking military leaders have also faced trial and conviction for human rights abuses. However, members of the military continue to engage in human rights violations. The DRC ranked 168th out of 175 in Transparency International's Corruption Perception index but the president has established an independent anti-corruption commission, and has supported several recent investigations and trials of high ranking officials.

Poverty Reduction: The DRC is one of the poorest countries in the world, with approximately 70 percent of the population living in poverty. About 25 percent of children are malnourished, and the DRC is unlikely to meet any of the Millennium Development Goals. In 2015, authorities introduced the second generation of the Growth and Poverty Reduction Strategy, which focuses on unifying macroeconomic policy and budget planning to make economic growth more inclusive, especially by increasing employment opportunities. President Tshisekedi's ambitious universal health and education programs were threatened by DRC's limited budget.

Labor/ Child Labor/Human Rights: The DRC was deemed ineligible for AGOA benefits effective January 1, 2011. Security forces are engaged in unlawful or arbitrary killings, forced disappearances, torture, and arbitrary detention. The existence of child soldiers continues to be a major problem, namely within non-state armed groups. However, some progress has been made including the creation of the Agency for the Prevention and the Fight Against Trafficking in Persons. Some of the DRC's main exports are produced with child and forced labor, including forced child labor. There is no evidence of the government conducting any worksite labor inspections since 2015. The DRC has endorsed efforts by donors to establish conflict free supply chains to reduce child labor.

International Terrorism/U.S. National Security: The DRC strongly supports U.S. national security interests and counter-terrorism efforts.

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 movement of capital. It has taken steps to liberalize the power generation sector and to create a framework for energy efficiency regulations. The Government of Djibouti is pursuing a variety of logistics infrastructure projects such as national highways and a gas pipeline to leverage its strategic location. However, electricity costs remain high due to an inefficient government monopoly. High unemployment and a tertiary sector dependent on port activities remain concerns.

Rule of Law/Political Pluralism/Anticorruption: 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. The Government of Djibouti created a National Committee for the Prevention and Fight Against Corruption, which reports directly to the Office of the President. A Code of Good Governance for public enterprises (PE) was adopted to improve the performance of PEs and remedy shortcomings such as weak government oversight and lack of transparency. However, judicial corruption remains an issue. The Ministry of Interior currently manages the organization and execution of elections with marginal transparency. Bilateral debt agreements are frequently negotiated with limited public transparency.

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 171st out of 189 on the 2019 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 17.1 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. Djibouti's anti-trafficking law prohibits all forms of trafficking in persons, protects victims regardless of ethnicity, gender, or nationality, and prescribes penalties of up to 30 years' imprisonment for traffickers. However, concerns remain with regard to the protection of internationally recognized worker rights, including forced and child labor and numerous restrictions on freedom of association. Other concerns remain with regard to a lack of sufficient resources to carry out workplace inspections and freedoms of assembly, movement, and expression.

International Terrorism/U.S. National Security: Djibouti hosts the only enduring U.S. military base in Africa and is a key U.S. strategic asset. It plays a central role in international efforts to combat piracy off the coast of Somalia and is a troop-contributing country to the African Union Mission in Somalia. Even though Djibouti has limited equipment and training to carry out anti-terrorist efforts, its 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 violent extremism.

ERITREA

Status: Not AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Eritrea remains one of the least developed countries in the world, ranking second to last at 189th out of 190 in the World Bank's 2020 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. The Eritrean economy remains excessively dominated by state control and ruling party-owned enterprises. The government diverts much of the nation's resources away from productive industries and into the military.

Rule of Law/Political Pluralism/Anticorruption: Eritrea was deemed ineligible for AGOA benefits as of January of 2004. It is a one-party state in which national legislative elections have not been held since its independence in 1993. Eritrea drafted and ratified a constitution, but it remains unimplemented. The legislature was suspended and there is no political pluralism. Eritreans have limited due process in practice. Visible public corruption is almost unknown, either on a petty or a grand scale. The independent Office of the Auditor General—Eritrea's lead anticorruption agency—is active and respected, and backed by the President.

Poverty Reduction: A combination of external factors, poor economic policy choices, and economic ideology situate Eritrea among the poorest countries in the world. However, the regime has a genuine commitment to poverty alleviation, health, and education, and has a better record than might be expected in achieving several UN Millennium Development Goals, and is now working on the UN Sustainable Development Goals. Eritrea suffers periodic droughts and chronic food shortages hampering development efforts. In the 2019 Human Development Index, Eritrea ranked 182nd out of 189.

Labor/Child Labor/Human Rights: Eritrea has made some progress to eliminate child labor but remains complicit in the use of forced 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 community service, including working on public work projects for several weeks during the summer. Other human rights concerns include: significant restrictions on freedom of expression, including for members of the press; substantial interference with the rights of peaceful assembly and freedom of association; and severe restrictions on religious freedom.

International Terrorism/U.S. National Security: Eritrea has taken steps to improve its terrorism record in recent years. The 2018 UN Security Council decided to lift sanctions against Eritrea. In May 2019, the State Department removed Eritrea from the list of countries deemed uncooperative in the fight against terrorism. Eritrea has also complied with U.S. policy requirements related to the Iran, North Korea, and Syria Nonproliferation Sanctions Act (INKSNA).

ESWATINI

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

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Eswatini has made significant strides towards economic reform and creating a business friendly environment despite growing unemployment and poverty challenges. Eswatini is the best performer in all of Africa on the World Bank's 2020 Doing Business Report's "Trading Across Borders" indicator. The new government launched a Strategic Roadmap (2019-2022), prioritizing the ease of doing business and improving the investment environment. However, access to finance for micro, small, and medium-sized enterprises continues to be challenging. Other concerns include poor policy and administrative coordination, a lack of procedural transparency, slow privatization of key sectors, and out-of-date business guidance.

Rule of Law/Political Pluralism/Anticorruption: Despite facing serious external challenges, Eswatini has taken strides towards establishing a system to combat corruption and bribery, including by strengthening public financial management. Eswatini is ruled by an executive monarch in a combined parliamentary and traditional structure with little support for political pluralism. The United Nations Development Programme (UNDP), the IMF, and other partners are helping Eswatini to address corruption through a Public Financial Management Reform project. The courts are generally independent of executive control or influence, and the current judicial process is procedurally competent, fair, and reliable. However, the capacity of the judiciary to handle cases in a timely manner is extremely limited, creating significant case backlogs.

Poverty Reduction: The government is taking steps to reduce poverty. Eswatini is building on its collaboration with development partners on a Poverty Reduction Strategy and Action Plan. Eswatini continues its work with the UNDP to improve public financial management, support entrepreneurship, strengthen social protection, and improve equality and equity concerns pertaining to vulnerable groups. According to the most recent World Bank data (2019), 39.7 percent of the population live below poverty. The country has a small middle-class, high unemployment, and low female representation in government.

Labor/Child Labor/Human Rights: The Government of Eswatini has made efforts to improve human rights and anti-trafficking initiatives and to combat child labor. In February 2019, the government placed all pending trafficking cases on an expedited calendar and accelerated hearing dates in multiple cases. The King of Eswatini signed the Sexual Offenses and Domestic Violence Act, which provides new legal protections for child victims of commercial sexual exploitation. Legislation protecting internationally recognized worker rights has improved, but strikes remain heavily regulated.

International Terrorism/U.S. National Security: Eswatini observes sanctions and other actions to combat human rights violations and terrorist activities, and cooperates with the United States to eliminate terrorist activities.

ETHIOPIA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Ethiopia's economy has experienced strong growth in recent years. Foreign direct investment has also increased significantly since 2012. 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 a worsening trade balance, inflationary pressures, and persistent shortages of foreign exchange. U.S. businesses and investors cite challenges related to land rights, intellectual property protection and enforcement, government procurement, and taxation.

Rule of Law/Political Pluralism/Anticorruption: The government has legitimized political movements that had been accused of treason in the past, invited opposition leaders to return to the country and resume political activities, allowed peaceful rallies and demonstrations. Since January 2018, over ten thousand prisoners, including activists and journalists, have been released. Ethiopia was ranked 96th out of 180 countries in the 2019 Corruption Perception Index. Ethiopia has made fighting corruption a lynchpin of government reform. Despite the many positive steps Ethiopia has taken towards inclusivity and transparency, years of repression have left a relatively nascent media environment. The judiciary remains overburdened and subject to influence by the executive branch. Concerns remain with regard to human rights violations connected to a lack of rule of law.

Poverty Reduction: The government implements the Productive Safety Net Program both to decrease the country's dependency on humanitarian assistance, and to improve food security for the most vulnerable populations. This program has achieved positive results by increasing beneficiaries' food security, resilience to shocks, and sustainable natural resource improvements. High economic growth and enhanced pro-poor investments have helped reduce poverty in both urban and rural areas. 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 combat trafficking in persons through programs and awareness raising along with victim support. Ethiopia's capacity to investigate and prosecute trafficking crimes has improved since Prime Minister Abiy took office with increases in the number of prosecutions. But more work remains to be done. Ethiopia passed a revised labor code in September 2019 and quadrupled the labor inspectorate's budget from 2017 to 2018. Anti-union discrimination is prevalent, however, and Ethiopia still does not have a legally stipulated minimum wage in the private sector. Child labor continues to be a significant issue, although the government has made efforts to eliminate it. Other concerns include allegations of torture by federal and regional security forces and restrictions on freedoms of expression, peaceful 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 has traditionally elevated its GDP per capita to one of the wealthiest states in Africa. However, oil revenue is skewed, leading to inequalities. Non-oil sectors have not performed as hoped, and global prices have fallen for palm oil, manganese and timber exports. Because of the failure of the government to pay promised tax refunds, many companies that are deeply in debt are unilaterally withholding their taxes. While the government states that the infrastructure, health, and education sectors are high priorities, these sectors remain underdeveloped relative to the wealth of the country. Gabon's burdensome regulatory environment and emphasis on hiring local workers hampers foreign investment. The country ranks 169th out of 190 in the World Bank's 2020 Doing Business Report.

Rule of Law/Political Plurality/Anticorruption: President Bongo Ondimba has tried to reduce corruption by arresting several high profile officials and conducting an audit of all government ministries. Progress has been limited; Gabon is ranked 123rd out of 180 in Transparency International's 2019 Corruption Perceptions Index. Gabon's budget difficulties, due to falling natural resource pricing, have resulted in delayed payments on its debts. There is little political plurality in Gabon, as the ruling party has dominated all levels of politics since the 1960s. In October 2018, the country held elections for the General Assembly in which the ruling party and its allies took roughly 108 of the 143 seats. Concerns remain with regard to an inefficient judiciary subject to government influence. Police inefficiency, press freedoms, and corruption remain major concerns.

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 had one of sub-Saharan Africa's highest per capita incomes, but income distribution is uneven and its ranking on human social indicators is well below its GDP ranking, even as oil revenues decline. 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 made some efforts to combat human trafficking and eliminate child labor, but it failed to conduct worksite inspections in 2018. Trade unions in Gabon continue to report incidents of anti-union discrimination and excessive restrictions on the right to strike. Freedom of expression is generally respected.

International Terrorism/U.S. National Security: Gabon's porous borders allow illegal immigrants and traffickers to pass through easily. 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: The Gambia has been taking steps to increase economic growth and improve its business climate. Tourism has increased significantly since the change in government in 2017. The Government of The Gambia recognizes the importance of updating laws and regulations to expand both private and consumer financial services offerings. However, there is limited foreign direct investment in the country. Interest rates are high and access to capital is difficult due to outdated financial services sector laws and regulations. The World Bank's 2020 Doing Business Report ranked The Gambia as 155th out of 190 countries.

Rule of Law/Political Pluralism/Anticorruption: The election processes in The Gambia in the past few years were deemed to be free and fair. President Barrow has vowed to implement widespread democratic reforms. Access to the legal system has been improved with the creation of regional courts and alternative dispute resolution mechanisms. Government officials made considerable progress in involving women and youth in both the local and national political process with a newly created Ministry of Women's Affairs. The Gambia ranked 92nd out of 180 countries on the 2019 Reporters Without Borders' World Press Freedom index. The Gambia ranked 96th out of 180 countries in Transparency International's 2019 Corruption Perceptions index.

Poverty Reduction: The Gambia is currently following its Poverty Reduction Strategy to achieve the UN Millennium Development Goals and the goals of Vision 2020, the country's long-term development strategy. The Gambia has seen an increase in school enrollment with a rate of over 75 percent. However, a high population growth rate and rising food and utility prices have hampered the positive effects of economic expansion. 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 child labor and forced child begging. There are reports of persistent abuses of the right of association and of state-sponsored compulsory labor. The Gambia's efforts to prosecute human trafficking remain weak and victim protection is insufficient. Concerns remain regarding domestic abuse, female genital mutilation, and poor prison conditions. The Gambian Truth, Reconciliation, and Reparations Commission began hearings to address past human rights atrocities, specifically from the previous regime.

International Terrorism/U.S. National Security: There has been no evidence or examples of The Gambia supporting international terrorism.

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 government has announced plans to overhaul the regulatory system in order to improve the ease of doing business and increase investment. The government has been looking to expand oil and gas production to boost real GDP growth. However, Ghana's infrastructure is inadequate to support more rapid development and the needs of the private sector. The government continues to intervene in the economy, and U.S. firms have expressed concerns about the lack of transparency in government procurement.

Rule of Law/Political Pluralism/Anticorruption: 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. However, the judicial system remains slow and bureaucratic, and prolonged pre-trial detention is a problem. Corruption, from high-level fraud to police bribes, is pervasive.

Poverty Reduction: Sustained growth over the last two decades enabled Ghana to reduce the poverty rate by half. The Ghana Shared Growth and Development Agenda aims to restore macroeconomic stability and foster high 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. Fiscal challenges have adversely affected public social spending and infrastructure investments as the country faces a high risk of debt distress. Debt servicing and public sector wages consume roughly 90 percent of all tax revenue, leaving little left over for the capital investments needed to reduce poverty. Concerns remain with regard to disease, food insecurity, and inadequate sanitation.

Labor/Child Labor/Human Rights: The Government of Ghana has made efforts to address trafficking in persons and the worst forms of child labor. The government's Human Trafficking Management Board continues to promote prevention efforts, facilitate rehabilitation and reintegration of trafficking victims, and the Human Trafficking Secretariat increased expenditures for its activities to combat human trafficking. Administrative requirements for collective bargaining are restrictive, and reports of anti-union discrimination continue. Concerns remain regarding violence against women and children, and forced labor (including forced child labor).

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 successful second review of Guinea's economic performance under the 2017 Extended Credit Facility agreement with the IMF allowed the disbursement of approximately \$23.9 million to the country. The Ministry of Investment and Public Private Partnerships has sought to attract U.S. trade and investment, with efforts focused on the 2020 World Expo in Dubai. However, an enduring legacy of corruption, inefficiency, and lack of transparency undermines Guinea's economic progress. Intellectual property laws remain largely unenforced in Guinea. Counterfeit items, including toiletries, household items, and pharmaceuticals, are readily available in Guinean markets.

Rule of Law/Political Pluralism/Anticorruption: Guinea's respect for the rule of law weakened during the reporting period as exemplified by widespread impunity for numerous allegations of security force extrajudicial killings of civilians, many of which were exercising their constitutional rights to freedom of expression and assembly. Legislative elections and a constitutional referendum in March 2020 were violent and international and domestic observers expressed concerns about inadequate and non-transparent electoral preparations. Corruption continues to be a significant issue despite the National Agency for the Fight Against Corruption's detection and prevention efforts. Transparency International's 2019 Corruption Perception Index ranked Guinea 130th out of 180 countries. The government also lacks the social infrastructure to support victims of and witnesses to crimes in the judicial system.

Poverty Reduction: Guinea is seeking to reduce poverty levels through its National Agency for Community Financing. This agency aims to fight poverty and promote local decision making in Guinea; it is the financing instrument for government decentralization and local development. However, Guinea's workforce remains largely uneducated, and the government has done relatively little to promote skills development. The literacy rate among those over the age of 15 dropped to an estimated 30.4 percent in 2015, compared with 34 percent in 2012. According to the 2019 UNDP Human Development Report, Guinea ranks 174th out of 190 countries.

Labor/Child Labor/Human Rights: The Government of Guinea has made some efforts with regard to trafficking in persons; however, prosecution of traffickers and trafficking victim identification and referral to services remains inadequate. There were allegations that members of labor unions were at times subjected to arbitrary detention. Guinea does not have sufficient labor inspection resources nor oversight capacity.

International Terrorism/U.S. National Security: The Government of Guinea is a firm supporter of U.S. efforts to combat international terrorism.

GUINEA-BISSAU

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Sporadic periods of political instability are speed bumps in the way of a fragile economy that is nevertheless open to foreign investment. Generally, Guinea-Bissau maintains market-based economic policies with few restrictions on private investment. Guinea-Bissau has substantial potential for mineral sector development and investors are pursuing mining projects that could substantially increase Guinea-Bissau's economic growth. However, the country 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.

Rule of Law/Political Pluralism/Anticorruption: Guinea-Bissau has made progress with regard to rule of law and political pluralism. Opposition parties operate openly, and freedom of expression is the rule rather than the exception. The first wave of reforms to simplify licensing requirements and administrative procedures for business registration is underway. Guinea-Bissau remains vulnerable to political instability and factional conflicts that often undermine governance. Moreover, the judicial system remains ineffective and vulnerable to political interference. Other concerns include organized crime and drug smuggling. Transparency International ranked Guinea-Bissau as 168th out of 180 in its 2019 Corruption Perceptions Index.

Poverty Reduction: The government has achieved some progress in several social indicators. School enrollment rates rose dramatically after the elimination of school fees, from 49.0 percent in 2000 to 71.3 percent in 2010, and the literacy rate for female youth increased. But literacy remains low at approximately 59.9 percent. Child mortality and maternal mortality rates have declined but poverty remains a major challenge as more than two-thirds of the population remain below the poverty line. Guinea-Bissau ranked 178th out of 190 in the UN's 2019 Human Development Index.

Labor/Child Labor/Human Rights: The Government of Guinea-Bissau has made some efforts to address trafficking in persons and child labor. Police and legal professionals recently benefitted from training and exercises provided by a U.S. Government grant-funded project to enhance criminal justice response to trafficking in persons. Freedom of peaceful assembly and association are recognized, and usually respected, though security forces occasionally suppress public demonstrations by threatening demonstrators. Worker organizations lack independence, and collective bargaining is not protected by the law. There are reports of arbitrary arrests and detentions, and there is a lack of judicial independence. Children are exploited in forced begging and forced labor in agricultural work in neighboring countries, and traffickers face minimal or no consequences. Anti-trafficking laws enable the government to charge or prosecute traffickers, but a lack of resources impedes effective implementation.

International Terrorism/U.S. National Security: Guinea-Bissau has been a vocal supporter of U.S. anti-terrorist actions. However, reform within security services has been impeded by a lack of basic training, and Guinea-Bissau's porous borders allow for the transshipment of illegal drugs.

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. The 2020 World Bank Group’s Doing Business report ranked Kenya 56th of 190 economies reviewed, up 24 places from 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/Anticorruption: Kenya is a constitutional, multiparty democracy. There has been some progress on constitutionally mandated judicial reform resulting in modest increased public confidence in the judiciary. Kenya’s anticorruption agencies now appear to be coordinating more effectively, including bringing cases against senior government officials. Despite these efforts, corruption remains a major obstacle for investment. Transparency International ranked Kenya 137th out of 180 countries in its 2019 Corruption Perception Index. In May 2019, the High Court upheld a colonial-era penal code law criminalizing homosexuality, citing insufficient evidence that the sections violated Kenyan citizens’ right to “health, dignity, and privacy.” Under this law, individuals found guilty of sexual intercourse with another of the same sex are subjected to a felony offense, though according to the Department of State and NGOs, the law is generally not enforced.

Poverty Reduction: The Government of Kenya is taking steps to reduce poverty by aiming to enhance food and nutrition security, provide affordable housing, enhance manufacturing, and provide universal healthcare. Furthermore, Kenya’s Vision 2030 seeks to transform Kenya into a newly industrializing, middle-income country providing a high quality of life to all its citizens by 2030 in a clean and secure environment. Targets have yet to be met. Kenya is highly dependent on rain-fed crops and is vulnerable to drought, leading to food shortages and malnutrition.

Labor/Child Labor/Human Rights: The Government of Kenya has made efforts to address trafficking in persons. The government increased funding for the protection of identified victims and increased law enforcement efforts to identify and respond to crimes of online child exploitation. Kenya continues to use its National Policy on the Elimination of Child Labor and Child Protection Unit to investigate cases of child exploitation. In 2018, the government increased the number of labor inspectors, inspections conducted, and child labor violations identified. Enforcement of existing labor laws continues to be a major challenge, however, and concerns remain on restrictions on freedom of association and the right to strike. The informal economy employs over 80 percent of all workers in Kenya, making them more vulnerable to worker rights violations.

International Terrorism/U.S. National Security: Kenya actively supports efforts to counter violent extremism. In August 2018, Kenya joined the Global Coalition to Defeat ISIS.

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. However, recent political instability and small market size have dampened investor interest. The country has been one of the largest beneficiaries of AGOA as it has exported hundreds of millions of dollars a year in apparel to the United States. 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 ranked 122nd out of 190 in the 2020 World Bank's Ease of Doing Business Report.

Rule of Law/Political Pluralism/Anticorruption: 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 since 2012. While the government has made some progress on rule of law reforms, progress has been slow-moving and is now overdue from the original Southern African Development Community (SADC)-issued deadline for reforms of May 2019. Lesotho made notable progress toward establishing a system to combat corruption and bribery in 2019. It has passed anti-money laundering legislation that enables citizens and financial institutions to report suspicious activity to law enforcement.

Poverty Reduction: Lesotho's anti-poverty strategy is articulated in its National Strategic Development Plan and tops the government's policy agenda. 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 has made progress on addressing HIV, meeting two of three UNAIDS objectives for 2020. Despite significant health sector reforms, Lesotho failed to meet the health-related Millennium Development Goals of reducing child mortality and improving maternal health.

Labor/Child Labor/Human Rights: Lesotho has made some advancement in efforts to eliminate the worst forms of child labor. Lesotho raised its minimum wage by 60 percent in August 2018. The government did not increase efforts to eliminate human trafficking. Lesotho's legal framework does not criminalize all forms of forced labor or sex trafficking. There have been a number of reports of extrajudicial killings and other violence reportedly linked to Lesotho's security forces with no apparent prosecutions.

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.

LIBERIA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Liberia has a market-based economy and is actively improving the business climate and market access. In April 2019, the government issued an executive order to remove the annual work and residency permit renewal requirement for non-Liberian citizens. The government also established a business climate working group. The 2018 passage of the long-awaited Land Rights Act, as well as development of the implementation plan, enhances community land rights and encourages economic development. Liberia's Small Business Empowerment Act continues to promote the interests of micro, small, and medium enterprises. However, technical capacity is limited. The World Bank's 2020 Doing Business report ranked Liberia 175th of 190 countries. Moreover, Liberia's Investment Act of 2010 continues to restrict ownership of certain business activities exclusively to Liberian citizens.

Rule of Law/Political Pluralism/Anticorruption: Liberia has a large number of active political parties, and continues to strengthen its rule of law and right to due process. Following the 2018 closure of the United Nations Mission, the government has successfully transitioned to managing its own security. Workshops were conducted for public officials aimed at preventing corruption and strengthening transparency and accountability in public procurement processes. However, local and foreign businesses report delays and backlogs in the judicial system. Corruption remains a significant problem, and anticorruption institutions lack adequate funding and capability. Frequent alleged corruption scandals involving public officials diminish public trust in government. Transparency International's Corruption Perceptions Index ranked Liberia 137th out of 180 in 2019.

Poverty Reduction: Poverty remains pervasive as basic services such as safe drinking water are not available to a vast majority of the population. In October 2018, the government officially launched its national development plan, which seeks to reduce poverty by 23 percent across five out of six regions by 2023. The 2016 official poverty rate (latest data available) is 50.9. Liberia's economy has experienced a fall in major export commodity prices, lingering fiscal challenges coupled with structural macroeconomic imbalances, and declining development assistance. The government struggles to fund crucial development projects.

Labor/Child Labor/Human Rights: The Government of Liberia has made efforts to address trafficking in persons provided emergency funding to temporarily shelter child-trafficking victims and prosecuted one trafficking case. In 2018, the Anti-Human Trafficking Task Force collaborated with international organizations, NGOs, and high-level officials to conduct a two-month long public awareness campaign around World Day Against Trafficking. Liberia increased the number of labor inspectors in 2018. Liberia does not have sufficient legal protections against interference with or discrimination against trade unions and their members. Concerns remain with regard to trafficking in persons and child labor.

International Terrorism/U.S. National Security: Liberia is a strong proponent of regional stability and democracy. It currently has peacekeeping groups supporting the UN Multidimensional Integrated Stabilization Mission in Mali. The country is also a staunch ally of the United States, including in multilateral fora.

MADAGASCAR

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The Government of Madagascar took steps to improve its market-based economy. Madagascar has been one of the major beneficiaries of AGOA since the beginning of the program. Investment opportunities exist in energy, extractive industries, information and communication technology, tourism, construction, agribusiness, and apparel and footwear. Vanilla exports, extractive industries and apparel exports have been the largest drivers of economic growth. But the country remains difficult to do business ranking 161st out of 190 countries in the World Bank's 2020 Doing Business Report.

Rule of Law/Political Pluralism/Anticorruption: The democratic presidential election in December 2018 that was deemed free and fair by international observers, followed by a peaceful transition of power and legislative elections in May 2019, have set a tone of political stability in Madagascar and indicate progress on rule of law and political pluralism. President Andry Rajoelina has outlined an ambitious strategy to transform Madagascar via a national development plan, focusing on renewable energy, economic growth, education, health, security, and anticorruption efforts. Though Madagascar's judicial system is known for being slow, opaque and corrupt, recruitment of experienced lawyers and staff capacity building have expedited commercial dispute processes. The first anticorruption court also opened. Corruption remains a significant obstacle. Natural resource trafficking continues largely unabated. Official collusion and impunity remains commonplace. An increased focus on rule of law has caused the government to increasingly lean on the military to aid in domestic security issues with little oversight.

Poverty Reduction: Madagascar remains one of the world's poorest countries, ranked 162nd out of 190 countries in the United Nations 2019 Human Development Report. Madagascar is taking steps to reduce poverty by encouraging the private sector to build infrastructure. The President has also launched a project to grant loans and extend credit for youth to start businesses. Concerns regarding affordability of financial services persist to potential investors. Of Madagascar's eleven operating commercial and private banks, all except one are foreign-owned and offer annual interest rates as high as fifteen percent. Microfinance institutions are expensive as well.

Labor/Child Labor/Human Rights: The Government of Madagascar has made efforts to address child labor and trafficking in persons. In 2018, the government adopted a new decree to make child labor legislation more comprehensive. The government raised the monthly minimum wage in both 2018 and 2019. However, the government has inconsistently respected freedom of association and collective bargaining rights. Child labor laws are often unenforced and ineffective, and reports of child labor particularly in the mining and agriculture sectors persist. Child sex trafficking and forced labor continue to be significant concerns. Reports of extrajudicial killings by government security forces are rarely investigated.

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 remains one of the poorest countries in the world, but it 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 and makes up almost 80 percent of export earnings. Malawi has made strides to improve regulatory authority, trade policy, land rights, and credit access. The World Bank's 2020 Doing Business Report ranked the country 109th out of 190 countries. Despite relatively open trade policies, firms can face lengthy delays at border crossing sites. Barriers to economic growth include high transport costs, poor infrastructure and utilities, and limited access to technology and credit.

Rule of Law/Political Pluralism/Anticorruption: Malawi has functioning good governance institutions and a free press. Malawi also has an independent judiciary, but it is inefficient and lacking both expertise and finances. A lack of accountability remains a problem. The judiciary is hindered in its effectiveness due to a scarcity of human and financial resources. Prison conditions remain harsh and overcrowding is chronic. In some cases the government took steps to prosecute officials who committed abuses. Although corruption is a serious issue, international corruption perception indicators show recent improvement in comparison to neighboring countries.

Poverty Reduction: Poverty remains the primary challenge in Malawi despite the government's efforts to reduce it and bolster food security. Malawi has taken steps, with mixed success, to diversify the economy, increase agricultural productivity, and build resilience to economic and environmental shocks. Despite progress on poverty reduction strategies, intensive coordination between the government and development partners results in strategies being inconsistently implemented. HIV/AIDS, malaria, and tuberculosis remain large threats to human life. Additionally, the government has not adequately reformed the agricultural subsidy program, with some claims of politicization and misuse in both procurement and service delivery.

Labor/Child Labor/Human Rights: Malawi has made efforts to address the worst forms of child labor. In 2018, Parliament passed the Tobacco Industry bill, which is expected to reduce child labor in tobacco farming contracts through fair labor practices clauses and incentives to deliver "clean leaf" tobacco grown without child labor. The Tobacco Commission announced in August 2019 that traceability will be required for auctioned tobacco, as it has been for contract tobacco. The country lacked progress in addressing trafficking, including a failure to address credible reports of complicity of government officials in sexual exploitation of children. Malawi continues to place significant restrictions on rights of association and to bargain collectively.

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.

MALI

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Mali's formal economy consists almost entirely of service industries and the production and export of gold, cotton, and livestock. The government's economic development strategy prioritizes inclusive economic growth, structural reforms, and investment in human capital. Although Mali has made efforts to promote investment, poor infrastructure and administrative inefficiency hamper progress. Mali is heavily reliant on donor partners. The World Bank's 2020 Doing Business Report ranked Mali at 148th out of 190 countries. Concerns remain regarding product transportation, insufficient skilled labor, and economic diversification.

Rule of Law/Political Pluralism/Anticorruption: Mali held legislative elections in 2020. Observers expressed concerns that the election results, which favored the ruling party, did not fully reflect the will of the people. Mali's Constitutional Court later revised the election results to award additional seats to the ruling party, calling into question its independence. An independent inspector general publishes a thorough annual report on corruption covering a wide range of government ministries. However, it is still a significant obstacle. Protracted trial procedures, large numbers of detainees, judicial inefficiency, and staff shortages contribute to lengthy pretrial detentions. Restrictions on freedom of peaceful assembly and poor prison conditions remain concerns.

Poverty Reduction: Mali has implemented macroeconomic stabilization and liberalization policies and prioritizes agriculture in its efforts to reduce poverty. The government is working with partners to assist vulnerable populations by increasing household incomes among rural farmers and agricultural processors. However, export restrictions placed on key agricultural products and commodities discourage farmers from expanding their production capacity. Mali faces numerous poverty reduction challenges, including a literacy rate of 35.5 percent, the fourth highest fertility rate in the world, population growth, and the slow implementation of family planning programs due to religious opposition.

Labor/Child Labor/Human Rights: Mali has made efforts to address child labor and trafficking. Mali allocated a budget of \$10 million for its national plan to combat trafficking in persons. Nevertheless, severe resource constraints hamper government efforts to enforce the anti-trafficking law. The rights of association and to bargain collectively are restricted. Significant concerns remain regarding child labor, the use and recruitment of child soldiers, and hereditary slavery-related practices. Government officials and NGOs reported that Malian law could not be effectively implemented to prosecute trafficking cases involving hereditary slavery because it is not precisely defined in the law. Other concerns include reports of extrajudicial killings and detentions and allegations of torture.

International Terrorism/U.S. National Security: Banditry associated with illicit trafficking of arms, drugs, livestock, and people continues to challenge security. The U.S. Government is supporting development of strong and effective security institutions as a foundation for Mali's future stability and security. An international coalition continues to support Mali in its effort to implement the 2015 peace accord between the government and various armed groups. Terrorist attacks in the capital reflect a fragile security situation.

MAURITANIA

Status: Not AGOA Eligible. (Terminated 2019)

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Mauritania is a small market with a large informal economy. Investment has increased, particularly in the petroleum, fishing, infrastructure, and telecommunications. Mining has been the primary engine of economic growth. Agriculture and livestock show potential but have not made large contributions to economic growth. Underdeveloped infrastructure has hampered economic progress. The World Bank's 2020 Doing Business Report ranks Mauritania at 152nd out of 190 countries.

Rule of Law/Political Pluralism/Anticorruption: Mauritania's 2019 presidential election was the first fully democratic election in the country's history, with a peaceful transition of power between presidents. The government has taken steps to strengthen its financial intelligence unit and uphold international standards regarding money laundering and terrorism financing. Corruption remains a significant issue and is most pervasive in government procurement. Transparency International's 2019 Corruption Perceptions Index ranked Mauritania 137th out of 180. Checks and balances remain weak as the executive branch dominates the legislative branch and judiciary. Enforcement of laws and contracts is inconsistent, and media freedom has declined after several years of progress.

Poverty Reduction: Mauritania aims to reduce poverty through a development plan aligned with the UN Sustainable Development Goals. The government has subsidized cattle feed for herders suffering from poor rainfalls. Major development and infrastructure work continues in regions living exclusively on agriculture. However, successive government strategies have failed to combat poverty, and growth remains unevenly distributed. The poverty rate has remained at 31 percent since 2014, and about 15 percent of the population faces food insecurity. World Bank research shows low rural economic productivity, low quality of public services, and economic vulnerability to exogenous shocks are main constraints to poverty reduction. Concerns remain regarding marginalized groups, low school rates, and a lack of electricity.

Labor/Child Labor/Human Rights: AGOA benefits were terminated as of 2019 due to insufficient progress toward combatting forced labor. In his campaign, President Mohamed Ould Ghazouani discussed the urgent need to acknowledge centuries of hereditary slavery, and once in office has promoted legislation to address the issue. In practice, however, hereditary slavery and forced labor continue to be significant problems. The Anti-Slavery Courts have raised concerns about inadequate resources and a lack of dedicated prosecutors. The government inconsistently and ineffectively enforces labor laws and child labor regulations. Freedom of expression, and the rights of association and to organize have been largely limited.

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 diversified, successful and competitive economies in Africa. According to the IMF, real GDP growth is estimated at 3.8 percent for 2020. AGOA has played an important role in Mauritius' economic growth. Exports to the United States under AGOA amounted to \$144 million in 2018, more than 90 percent of which were in textiles/apparel. For the 12th consecutive year, the World Bank's 2020 Doing Business report ranks Mauritius first in Africa and 13th globally. However, the government controls key utility services. Further constraints include volatile global economic conditions, rising oil prices and falling sugar prices on the world market, and a heavy reliance on the European market. Enforcement of intellectual property legislation is weak.

Rule of Law/Political Pluralism/Anticorruption: Mauritius is a parliamentary democracy that has enjoyed political stability since its independence in 1968 with power shifting among different parties based on 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 country's arbitration center is internationally recognized for commercial dispute settlement. Regulations require all government contracts to be allocated after full and transparent tender procedures. Transparency International ranks Mauritius 56th out of 180 countries in the 2019 Corruption Perceptions Index. Concerns remain with regard to arbitrary arrest and a low participation rate of women in politics.

Poverty Reduction: Mauritius has a wide range of social protection programs including free education, free health services, and subsidies for essential food items. The government continues to expand the construction of low-income housing units throughout the island. Major infrastructure projects to improve the transport network and water distribution are also underway. In the 2019 2020 budget speech, the Prime Minister announced 11,000 families will be given free access to the internet to bridge the digital divide.

Labor/Child Labor/Human Rights: The government has made moderate efforts to address trafficking in persons and child labor. Mauritius improved its ability to identify and assist more trafficking victims, including for both forced labor and child sex trafficking and has increased labor inspections of migrant worker employment sites. In 2018, Mauritius approved a special education bill that reduces barriers to children with special needs accessing education. However, concerns remain with regard to the right of association, anti-union discrimination, and forced labor. There are approximately 41,000 migrant workers in the country. Trade unionists have reported cases of forced labor among migrant workers involving passport confiscation, underpayment of wages, substandard living conditions, lack of clearly defined work titles, denial of meal allowances, and deportation.

International Terrorism/U.S. National Security: Mauritian authorities cooperate with U.S. law enforcement officials on anti-terrorism matters. Although it has made progress over the last five years, the country's coast guard does not have the necessary resources to properly maintain maritime domain awareness or to address acts of terrorism, narcotics trafficking, illegal immigration, smuggling, and pollution. As a result, they continue to rely on international partners for assistance.

MOZAMBIQUE

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Mozambique continues to make incremental steps toward a market-based economy and to take measures to improve bilateral trade. The World Bank's 2020 Doing Business Report ranked the country 138th. Although Mozambique is attempting to implement its AGOA utilization strategy, it does not take full advantage of AGOA trade preferences. Numerous constraints make Mozambique uncompetitive, including inadequate infrastructure, burdensome customs procedures, and limited skilled labor. A major challenge for Mozambique is to link other government agencies involved with trade to ensure that their licensing or authorization regimes are compatible and in an electronic format.

Rule of Law/Political Pluralism/Anticorruption: Mozambique is a multi-party democracy and has bolstered institutions that support the rule of law and political pluralism. In June 2019, President Nyusi and Renamo Party leader Momade agreed to initiate the disarmament, demobilization, and reintegration of Renamo combatants and signed a final peace agreement on August 6, 2019. However opposition parties, civil society groups, and election observers made credible allegations of significant irregularities in the October 2019 election. Senior government officials often have conflicts of interest between their public roles and their private business interests. In 2019, there was an increase in corruption cases involving high-level government officials connected to a hidden debt scandal, which led to the arrest of a former Finance Minister and other officials.

Poverty Reduction: Though endowed with tremendous natural resource wealth, Mozambique remains near the bottom of the UN Human Development Index. Mozambique's National Statistics Institute and Ministry of Economy and Finance's most recent household poverty survey results show overall improvements in living standards. The country remains highly vulnerable to extreme weather, experiencing both severe flooding and drought conditions, contributing to higher food prices. As in the case of social protection, there are inequalities in the benefits of improved access to services. Access to services is much higher in urban areas than rural ones and has benefited more of the upper income quintiles than the lower ones. 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. In 2018, the government amended the Law on the National System of Education, raising the compulsory education age to 15. Mozambique also slightly increased its investigation and prosecution of trafficking cases and trained more front-line responders across the country on trafficking, including labor inspectors for the first time. However, the government restricts the right association for many categories of public servants and lacks clear legislative protections against anti-union interference and discrimination. Security forces have also restricted press freedom, particularly for those reporting on insurgency in the north of the country. The use of forced child labor occurs in rural areas, often with the complicity of family members

International Terrorism/U.S. National Security: The government cooperates with international efforts to counter terrorist activities. During the past year, the ongoing conflict in Cabo Delgado Province, mainly fought between Islamist militants attempting to establish an Islamic state in the region and Mozambican security forces, escalated as violent attacks against government forces and civilian populations surged dramatically in frequency and intensity.

NAMIBIA

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Namibia has made progress toward establishing a market-based economy through the expansion of its main port, Walvis Bay, which was completed and commissioned in August 2019. The economy is modern and market-based, incorporating a rules-based trading system. 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 104th out of 190 countries in the World Bank's 2020 Doing Business Report.

Rule of Law/Political Pluralism/Anticorruption: Namibia placed 23rd out of 180 (best ranking for a sub-Saharan African country) in the Reporters Without Borders' 2020 World Press Freedom Index. 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. Additionally, lack of transparency in government procurement and licensing procedures is a source of corruption. The Central Procurement Board, formed in 2017, has struggled to keep up with the volume of procurements due to lack of capacity, and procurement approvals and awards continue to lag.

Poverty Reduction: Namibia is on track to meet UN goals for HIV epidemic control, but budget cuts make it difficult to maintain progress. Furthermore, a prolonged economic recession contributes to poverty levels. Unemployment levels are high, especially among women and youth. Income inequality remains among the worst in the world.

Labor/Child Labor/Human Rights: The Government of Namibia has made efforts to address child labor and trafficking in persons. The government passed an anti-trafficking-in-persons law in 2018 and finalized implementing regulations in 2019. Unions conducted strikes, which were peaceful and largely resolved within a few weeks. To the extent allowed by limited resources, the government generally enforces laws related to the rights of association, and to bargain collectively, and discrimination with respect to employment. However, concerns remain regarding restrictions on strikes.

International Terrorism/U.S. National Security: Namibia cooperates with U.S. anti-terrorism and foreign policy efforts. Namibia observes sanctions and other actions to combat human rights violations and terrorist activities as prescribed by UN Security Council resolutions.

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. The country has plans to construct a pipeline to the coast of Benin. The Government of Niger-owned oil company no longer has a monopoly on oil exports. Niger is ranked 132nd out of 190 economies in the World Bank's 2020 Doing Business Report. Niger continues to experience chronic food shortages.

Rule of Law/Political Pluralism/Anticorruption: Niger held generally free and fair elections in 2016 and political stability has been maintained since then in spite of regional insecurity. Niger has a strong civil society. Freedom of expression, including for members of the press, is generally respected. High-level government officials are required to submit asset declarations, which are published in the state-owned newspaper. The government has at times restricted freedoms of peaceful assembly and expression. It has detained and prosecuted journalists, opposition politicians, and civil society activists. The government has institutional structures to deal with corruption, but corruption persists. Niger is ranked 120th out of 180 in Transparency International's 2019 Corruption Perceptions Index.

Poverty Reduction: Niger ranked the lowest, 189th out of 189 countries, in the UN's 2019 Human Development Index. Many Nigeriens live in absolute poverty and many, especially children, are malnourished. The government has 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. The country also has one of highest population growth rates in the world, and this has led to investments in education, health, agriculture, and nutrition. Lack of access to water is another major constraint.

Labor/Child Labor/Human Rights: Niger has made efforts to address trafficking in persons and child labor. In 2019, the Supreme Court set a legal precedent banning the practice of *wahaya*, a form of slavery in Niger in which men buy girls born into slavery, typically between ages 9 and 11, as "fifth wives." Lengthy pre-trial detention, weak enforcement of workers' rights laws in the large informal sector, and a failure to pay contract teachers are issues Niger must face. Concerns remain with regard to child and forced labor, including hereditary slavery. Children work in unregulated sectors and are frequently trafficked for mining, manual labor, and prostitution. The law provides for freedom of association, but the government has not adopted implementing regulations to enforce the law. 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 violent 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. Nigeria continues to use high tariffs, import bans, 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 potential foreign investors. The government has signaled a willingness to strengthen cooperation with the United States on intellectual property rights issues. Nigeria ranked 131st out of 190 countries in the 2020 World Bank Doing Business Report.

Rule of Law/Political Pluralism/Anticorruption: Nigeria's 2019 general elections were largely peaceful and resulted in an overall credible outcome despite some violence and irregularities, such as voter suppression. Nigeria has made important strides to improve management of public resources. Nonetheless, Nigeria is ranked 146th out of 180 in Transparency International's 2019 Corruption Perceptions Index. Although the government is addressing selective enforcement, impunity of corrupt officials and low public confidence in the judiciary continue to be major concerns. Lengthy pre-trial detention periods are an impediment to due process. The anticorruption efforts of the Independent Corrupt Practices Commission remain focused on lower government officials without significant oversight on higher officials. While systems exist for combating money laundering, financing of terrorism, and other financial crimes, Nigeria continues to struggle with combatting corruption and bribery.

Poverty Reduction: The government prioritizes poverty reduction through a Social Investment Program. Its components include a job program for unemployed graduates and food programs for school children. However, poverty levels in general and especially in the north remain high due to shocks of lower oil revenue and terrorist insurgencies. Nigeria ranks 158th out of 190 countries in the 2019 UN Human Development Index. The development divide between north and south is very large, and it exacerbates religious and ethnic tensions.

Labor/Child Labor/Human Rights: Child labor remains a major problem in Nigeria. The government reports approximately 14 million children are engaged in child labor. Women and girls are trafficked by security forces for the purpose of sexual exploitation. A large number of alleged cases of anti-union discrimination and obstruction of collective bargaining were recently reported. The government places limits on the rights of peaceful assembly and association. Other concerns include reports of extrajudicial killings and unlawful detentions, allegations of torture, and restrictions on freedoms of expression. Impunity remained widespread at all levels of government. The government did not adequately investigate or prosecute most of the major outstanding allegations of human rights violations by the security forces, including allegations of complicity in trafficking in persons, or the majority of cases of police or military extortion or other abuses of power.

International Terrorism/U.S. National Security: Attacks by Boko Haram and the Islamic State in West Africa (ISIS-WA) 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 United States and international financial institutions to identify and freeze terrorist assets.

REPUBLIC OF CONGO

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: The Republic of Congo (ROC) is a member of the Central African Monetary Community and adheres to those regional financial rules. ROC's macroeconomic performance continued to improve since the 2014 drop in oil prices and economic crisis, with the government achieving a surplus. A small group of U.S. companies in the economic hub of Pointe-Noire formally registered themselves as an AmCham in June 2019. Board members reported a relatively easy registration process and hope that the group's advocacy efforts will help to improve business conditions. Nonetheless, businesses face unevenly applied regulations on taxes, exporting, and contract enforcement. Several U.S. companies continue to face legal proceedings from disgruntled former employees and have seen large and arbitrary sums seized or frozen even though the cases remain under appeal. Lack of infrastructure and transparency remain large barriers, and key infrastructure projects have languished for years.

Rule of Law/Political Plurality/Anticorruption: The ROC constitution and law provide citizens the ability to choose their government in free and fair periodic elections held by secret ballot and based on universal and equal suffrage. However, political parties and civil society groups faced restrictions on their ability to participate in the political and electoral process. President Sassou-Nguesso and the governing PCT party continue to overwhelmingly dominate the political landscape and power structure. ROC ranked 168th out of 180 countries in Transparency International's 2019 Corruption Perceptions index. Despite the President's calls for an end to corruption, many officials engage in corrupt practices with impunity.

Poverty Reduction: The government concluded two years of debt restructuring negotiations with the Export-Import Bank of China in early 2019. Gains in poverty reduction have not taken place as a lack of employment and social mobility persist. The government has reduced funding to education programs as part of fiscal austerity measures. Public schools remain underfunded, understaffed, and lacking basic supplies and equipment. Malaria and cholera have heavily affected the poorest and most rural communities. Mismanagement of medication and hospital equipment stocks and shortages of government funding and co-financing continues to hamper the national vaccination and infectious disease programs. ROC continues to rely heavily on the assistance of international partners.

Labor/Child Labor/ Human Rights: The Government has made efforts with regard to trafficking in persons. In June 2019, it adopted a comprehensive law to combat trafficking in persons. Labor laws are not effectively enforced, and labor inspection resources, labor inspections, and remediation of labor law violations were inadequate. The government continues to place excessive limits on the right of association and strikes. The indigenous population remains especially vulnerable to forced labor in the agricultural sector. Indigenous workers receive extremely low wages or sometimes serve as indentured servants without pay. Challenges with forced labor and alleged government complicity in trafficking in persons remain.

International Terrorism/U.S. National Security: The ROC continues to be a strong supporter of anti-terrorism efforts and efforts to promote regional stability. Its military cooperates with the United States.

RWANDA

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

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Rwanda ranks 38th out of 190 countries globally in the World Bank's 2020 Doing Business Report, and ranks second-highest among African countries. Nonetheless, Rwanda has implemented restrictive trade policies. On March 30, 2018, the President determined that Rwanda was out of compliance with AGOA's eligibility requirements due to insufficient progress toward the elimination of barriers to U.S. trade and investment with respect to apparel, and issued a proclamation suspending the application of duty-free treatment for all AGOA eligible apparel products from Rwanda, effective July 31, 2018.

Rule of Law/Political Pluralism/Anticorruption: Rwanda has implemented a strong anticorruption regime. The constitution and law provide for an independent judiciary, and the judiciary operated in most cases without government interference. Rwanda enjoys a well-deserved reputation for promoting justice, reconciliation, and rehabilitation at a community and national level in the twenty-five years following the Rwandan genocide. However, there are frequent allegations the government harasses and intimidates members of the political opposition. The government has restricted freedoms of speech, expression, assembly, and association. NGOs focused on advocacy, especially in the human rights, media freedom, and civic engagement sector, allege government-sponsored bureaucratic impediments to their operation and describe cases of harassment and intimidation.

Poverty Reduction: The government has aggressive goals to reduce poverty. 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. While donor assistance has declined as a percentage of the overall budget, Rwanda still remains a poor and heavily donor-dependent country. Obstacles to economic growth and the fight against poverty include poor agricultural productivity, inadequate electricity distribution, and a workforce with limited skills.

Labor/Child Labor/Human Rights: The Government of Rwanda has made efforts to address trafficking in persons and the worst forms of child labor. Rwanda's penal code contains anti-trafficking provisions. Labor inspectors have limited resources to enforce labor laws. There are no formal mechanisms specifically dedicated to resolve complaints involving anti-union discrimination. Rwanda continues to place severe restrictions on the rights of association and to bargain collectively.

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. The government remains concerned about national security threats posed by militants operating in neighboring countries, including the Democratic Forces for the Liberation of Rwanda (FDLR), an armed group that traces its lineage to remnants of Rwanda's pre-1994 government and genocide perpetrators.

SÃO TOMÉ AND PRÍNCIPE

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. Tourism represents roughly 14 percent of GDP, growing from 8,000 tourists in 2010 to 30,000 in 2018. Investors have trouble identifying viable investment opportunities in STP outside of tourism due to its weak economy, inadequate infrastructure, small market, and physical isolation. STP may hold large offshore oil and gas deposits as it is located in the oil-rich Gulf of Guinea, but no major deposits have been fully explored.

Rule of Law/Political Pluralism/Anticorruption: STP has a history of free and fair elections since a multi-party system was introduced in the early 1990s. In May 2019, the government dismissed three Supreme Court judges in what many consider a politically motivated move to consolidate the ruling party's power. STP has an overall positive trajectory in combatting corruption due to reforms undertaken by the government in recent years, ranking 64th out of 180 countries in the 2019 Transparency International Corruption Perception Index. The justice system is slow, weak and corrupt. From May 2018, controversial dismissals and appointment of Supreme Court judges by the National Assembly has been an issue in STP justice system. Political violence is rare; however, the country had suffered from frequent turnover in government, which inhibited development. Other concerns include poor prison conditions and restrictions on freedom of expression.

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 enrollment rate of about 93 percent. However, limited coordination and in-country presence by international donors and scarcity of financial resources hinder poverty reduction efforts. Estimates vary but up to 95 percent of the government's budget is donor-funded, underscoring low development levels.

Labor/Child Labor/Human Rights: The Government of São Tomé and Príncipe has made some efforts to address child labor. The law recognizes the right to collective bargaining, but there are no regulations governing this right. The law does not prohibit antiunion discrimination or acts of interference committed by employers against trade unions. There are no collective bargaining agreements in the country. Working conditions in many of the cocoa plantations are unregulated and can be harsh, and the average salary for plantation workers is often insufficient.

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: Senegal's development plan focuses on economic reforms, investment in strategic infrastructure projects, and expansion of private investment in key sectors. The market-based economy is open to foreign investment, and the investment code provides for equitable treatment of foreign and local firms. In 2019, Senegal enjoyed its fifth consecutive year of GDP growth exceeding 6 percent. The country is ranked 123rd out of 190 in the World Bank's 2020 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 and nontransparent. Senegal has made progress in reducing power shortages but reliance on oil-fueled power plants keeps energy costs high and undermines competitiveness.

Rule of Law/Political Pluralism/Anticorruption: Senegal has a pluralistic, democratic political system and is a secular state with a tradition of respect for human rights including the freedom of religion or belief. Opposition political parties operate freely. Freedom of expression is protected, but the press practices self-censorship on some sensitive issues. 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. The government took some steps to investigate, prosecute, and punish officials who committed abuses.

Poverty Reduction: Senegal has made progress on a range of human development indicators and exceeded Millennium Development Goals (MDGs) for reducing extreme poverty and improving gender equality in schooling. The country has also made progress in lowering child mortality and reducing malnutrition. President Macky Sall's Plan for an Emerging Senegal (PSE) forms the reference framework for the country to become an emerging economy by 2035. 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: Senegal continues to make efforts to address human trafficking but concerns remain. In 2019, successes included creating an anti-trafficking database and planning the third phase of its program to remove vulnerable children, including trafficking victims, from the streets of major cities. Other concerns remain with regard to the right to organize, freedom of association, and the worst forms of child labor, especially with regard to forced begging. Child labor and commercial sexual exploitation remain a problem, despite laws designed to protect children from pedophilia, pornography, prostitution, and trafficking.

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 and ECOWAS peacekeeping missions in a number of 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. President Sall has labeled terrorism as the biggest challenge to development in Africa.

SIERRA LEONE

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Sierra Leone has been rebuilding from both a long civil war and the ravages of Ebola. The government has a variety of initiatives to improve the investment climate. But major concerns have arisen about the investment climate, particularly related to contract sanctity. According to the Sierra Leone Open Government End-of-Term Report of June 2019, the government made limited progress on fiscal transparency and open budget information. Land tenure inhibits investment, and the country's infrastructure remains grossly inadequate and poorly maintained. The economy is heavily dependent on the export of minerals.

Rule of Law/Political Pluralism/Anticorruption: March 2018 Presidential elections were deemed free and fair, and led to a transition of power between parties with inauguration of President Julius Maada Bio. The government has worked with donors to implement a project to improve judicial processes and protect the human rights of those accused of crimes. Corruption continues to be a problem, particularly in police departments, while the rule of law is fragile and uneven across the country. Sierra Leone is ranked 119th out of 180 countries in the 2019 Transparency International Corruption Perceptions Index. The country's Anti-Corruption Commission has investigated tough cases, and anticorruption is now part of every ministry's strategic plan. The government took some steps to investigate, prosecute, and punish officials who committed abuses.

Poverty Reduction: In spite of the Ebola outbreak, the government continues to pursue its *Agenda for Prosperity* which aims to propel Sierra Leone into middle income country status by 2035. Sierra Leone is one of the world's poorest countries, ranking 181st out of 189 in the 2019 UN Human Development Index. Child and maternal mortality rates are among the highest in the world. Poverty alleviation remain heavily dependent on foreign donors, and Sierra Leone will need prolonged international assistance and private investment to generate economic growth. International donor assistance has increased significantly in recent years. But a large portion of this support targets the direct consequences of the Ebola outbreak, rather than broader poverty reduction objectives.

Labor/Child Labor/Human Rights: The government has made efforts to address trafficking in persons, and has investigated and initiated prosecutions of trafficking cases. It also finalized, and is beginning to implement, the Labor Migration Policy to improve its response to migrants' vulnerability to trafficking in Sierra Leone and abroad. It has prosecuted several individuals involved with forced child labor and the sexual exploitation of children. However, labor laws are not effectively monitored or enforced due to a lack of resources. Concerns remain with regard to government interference in trade unions, child labor, inhumane prison conditions, and gender equity. In response to a series of sexual violence cases involving minors, President Bio declared rape and sexual violence a national emergency.

International Terrorism/U.S. National Security: Sierra Leone does not support or engage in acts of international terrorism or engage in activities that undermine U.S. national security interests. It has contributed forces to UN peacekeeping missions. The country's geostrategic location makes it an inviting site for piracy and drug trafficking. The U.S. is supporting Sierra Leone's development of coastal security capabilities.

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. It was the United States' largest trading partner on the African continent in 2019. South Africa offers many opportunities and continues to attract major American investments. But it also has the highest income inequality rate in the world and its ranking in the World Bank Doing Business Report has declined significantly over the last decade. In March 2019, South Africa's National Council of Provinces passed the Copyright Amendment Bill and the closely related Performers' Protection Bill, which will become law if the president signs them. U.S. and South African creative industry stakeholders have expressed serious concerns about this legislation. U.S. agricultural goods continue to face major market access challenges as South Africa seeks to develop its domestic agricultural sector.

Rule of Law/Political Pluralism/Anticorruption: President Ramaphosa won elections in 2019 that the international community deemed free and fair, and has demonstrated a renewed commitment to transparency and anticorruption. As a result of judicial commissions' recommendations, high-level officials have been fired, but no government official has yet been prosecuted in court for the corruption revelations revealed before the commissions. South Africa's press is free and regularly reports on judicial and government allegations of public corruption. The independence of the country's judiciary is widely lauded. Deficiencies with enforcement, however, particularly among the police forces, remained acute. The police suffer from low base pay and low education and training, and the judicial system investigated allegations of criminal behavior by police. Violent crime remains a problem throughout the country.

Poverty Reduction: Since the end of Apartheid, the country has made numerous strides towards alleviating poverty and addressing the significant wealth inequities. However, efforts to create low-skilled jobs or significantly develop skilled labor have not been as successful as hoped. Growing sovereign debt and rising budget deficits constrain the ability of the government to increase social spending. The quality of public education remains uneven across different segments of the population.

Labor/Child Labor/Human Rights: South Africa has made only minimal advancement in efforts to eliminate the worst forms of child labor recently. The President endorsed and disseminated the amended Children's Act to prohibit persons convicted of child trafficking from working with children. South Africa's Department of Labor employs too few inspectors to investigate reports of labor abuses, including farm worker abuse, child labor, and human trafficking. Inspectors often lack training. Concerns remain with regard to violence against women and children, domestic violence, and child rape. Other concerns remain about prison conditions and police use of unlawful lethal force.

International Terrorism/U.S. National Security: South Africa contributes peacekeepers to UN peacekeeping operations in the Democratic Republic of 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.

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/Anticorruption: Fighting between the government and opposition forces broke out in December 2013, stalling any efforts to address corruption, legal reform, or institution building. Following the breakdown of the August 2015 peace agreement, President Salva Kiir signed a revitalized peace agreement with the opposition forces in September 2018, but the parties have struggled to implement the accord, and only recently formed a transitional government. The major warring factions signed a revised peace agreement in September 2018, which led to the installation of a Government of National Unity in February 2020, but peace remains highly fragile and reports of localized conflict continue. Security force abuses occurred throughout the country, as did abuses by opposition forces. Transparency International's 2019 Corruption Perceptions Index ranked South Sudan 179th out of 180 countries.

Poverty Reduction: South Sudan has some of the worst human development indicators in Africa. It ranked 186th out of 189 countries on the UN Development Program's 2019 Human Development Index. About 82 percent of the population live below the national poverty line, only 34.5 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. South Sudan continues to commit human rights violations and abuses and engage in government sanctioned political violence, including extrajudicial killings, arbitrary arrest and detention, sexual violence, and the unlawful 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 unlawful recruitment of child soldiers, but continued to recruit and use child soldiers. Concerns remain with regard to enforcement of labor laws, trafficking in persons, forced labor, and child labor. Other concerns include conflict-related, ethnically-based killings, 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.

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 141st out of 190 in the World Bank's 2020 Doing Business Report.

Rule of Law/Political Pluralism/Anticorruption: President Magufuli has cited anticorruption efforts as among his top priorities and has directed a number of investigations into alleged corruption. However, critics continue to question overall efficacy of the anticorruption campaign to tackle deeper structural issues that allowed corruption to thrive. Government statements are often contradictory. In January 2019, despite significant public and diplomatic/donor dissent, Parliament passed amendments to its 1992 Political Parties Act which give sweeping powers over political parties to a government-appointed registrar, further reducing democratic space and dismantling the political opposition. Freedoms of peaceful assembly, association, and expression have significantly declined in recent years, and there are reports of excessive use of force by government security forces.

Poverty Reduction: Tanzania has made progress in universal primary education and reducing child mortality. The poverty rate continues to decline. However, the absolute number of poor citizens has not declined because of a high population growth rate. Tanzania continues to rely heavily on donors, including the United States, to support human and social development particularly in healthcare and education. Tanzanian growth remains hampered by low agricultural productivity and a lack of skilled workers.

Labor/Child Labor/Human Rights: The mainland and Zanzibari governments have separate labor laws. In 2018, Tanzania investigated, prosecuted, and convicted a negligible number of suspected traffickers and continued to allow a fine in lieu of imprisonment. Mainland Tanzania continues to implement a practice of expelling pregnant students from school that delayed advancement in eliminating the worst forms of child labor. Strikes are severely restricted, and labor law enforcement remains a challenge.

International Terrorism/U.S. National Security: The government is generally cooperative with the U.S. Government and other authorities to ensure that Iranian and North Korean ships no longer skirt sanctions by flying the Tanzanian flag. Tanzania has taken steps to comply with U.S. and United Nations sanctions on Iran to include halting imports of liquefied natural gas from Iran.

TOGO

Status: AGOA Eligible.

Market Economy/Economic Reform/Elimination of Barriers to U.S. Trade: Togo's modernized infrastructure, which includes its deep-water seaport and new international airport, have made it a regional hub for goods going to markets in landlocked Burkina Faso, Mali, and Niger. Togo has several state-owned enterprises (SOEs) in key sectors. Although the government has indicated a political will to sell some equity in these entities, it does not appear ready to divest these SOEs at this time. Attracting foreign investment is a priority and the government hosted several high-profile international investor events. According to the World Bank's 2020 Doing Business Report, Togo undertook business reforms in many areas that made it easier to start a business, obtain construction permits, get electricity, register property, and get credit.

Rule of Law/Political Pluralism/Anticorruption: Togo's 2020 presidential election was peaceful but the vote tabulation lacked transparency and diminished confidence in the final results. Togo's Navy apprehended eight suspected pirates (non-Togolese) in 2019. Togo is currently prosecuting them for piracy, one of the first countries in the region to use its maritime law to do so. Corruption remains pervasive and is cited as a major concern in land dispute settlements. The government has shown political will to combat corruption and has established a high authority to do so. Prolonged pretrial detention and lack of access to legal representation remain problematic. The presidency heavily influences the court system, which is overburdened and understaffed.

Poverty Reduction: Following the completion of the 2013-2017 strategy for poverty reduction, Togo adopted a new national development strategy for 2018-2022 with international development partners. Donor assistance has aided infrastructure development and created jobs in the construction industry. Togo remains focused on private sector corporate social responsibility to eliminate poverty and to provide support for the most vulnerable populations. Budgetary constraints limit social sector investment and key social indicators remain among the lowest in the world.

Labor/Child Labor/Human Rights: The government is committed to ending the worst forms of child labor through a long-term strategy of reducing poverty and improving social conditions but has to rely on international donors and NGOs for child labor prevention efforts. Togo places limitations on worker rights in the export processing zone, including a lack of protection against anti-union discrimination in the zone. Concerns remain with regard to enforcement of labor laws. In August 2019, the National Assembly introduced severe new restrictions on freedom of peaceful assembly. The law prohibits demonstrations on all major roads, urban centers, key zones of economic activity, and areas close to government institutions, military sites, and diplomatic buildings.

International Terrorism/U.S. National Security: Togo is an important partner in enhancing maritime security in the region. Togo contributes a significant percentage of its security forces to UN Peacekeeping Operations in Africa. The government has been vigilant in preventing acts of terrorism, specifically in the northern region of Savanes. 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 positive economic potential. Uganda is a member of the East African Community and the Common Market for Eastern and Southern Africa, and its trade flows have increased in recent years. Several factors impede foreign investment, however, including pervasive corruption, weak governance, poor infrastructure, high commercial interest rates, and high transportation and production costs.

Rule of Law/Political Pluralism/Anticorruption: 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 advance of 2021 general elections, 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: Despite impressive growth projections, poverty reduction remains a persistent challenge. Uganda has also made strong progress improving education, promoting gender equity, and strengthening HIV/AIDS prevention and treatment. Uganda has high rates of youth unemployment.

Labor/Child Labor/Human Rights: The Government of Uganda has made efforts to address trafficking in persons and child labor. It has trained more law enforcement officials, and investigated and prosecuted more trafficking cases than in previous years. Uganda adopted a new National Action Plan to combat the worst forms of child labor and cooperated with international counterparts to rescue teenage victims of trafficking in persons. However, the government severely limits the right of association. Enforcement of existing labor laws continued to be a major challenge, as the lack of a centralized supervisory authority, as well as inadequate funding, training, and resources hampered the capacity of law enforcement agencies to conduct labor inspections and child labor investigations. Other concerns include anti-union discrimination; restrictions on freedoms of expression and peaceful assembly; and excessive use of force by security services.

International Terrorism/U.S. National Security: The government continued to make significant contributions toward international efforts to eliminate terrorist activities.

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. The World Bank's 2020 Doing Business Report ranked 85th out of 190 countries. Long border delays remain a serious impediment to trade, despite recent border management legislation. Costs of production are high, primarily due to geographic location, a relatively small local market, and poor infrastructure, which all contribute 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/Anticorruption: Although the law provides for an independent judiciary, inefficiency, corruption, political influence, and a lack of resources hamper the system's effectiveness. Some members of the political opposition and within civil society have been arrested on various charges, including treason. The government continues to exercise considerable influence over government-owned media. Officials attempt to impede public or private criticism when it can. Government intimidation of journalists is frequent. Police continue to restrict opposition rallies and peaceful assembly by civil society organizations and individuals, incorrectly citing the Public Order Act as justification. Corruption and bribery in the police service is an area of particular concern. Zambia ranks 113th out of 180 in the 2019 Corruption Perceptions Index. Reports of arbitrary arrests and detention remain serious problems. Other concerns include reports of excessive use of force by police, as well as harsh prison conditions.

Poverty Reduction: The government formulated the Seventh National Development Plan for 2017 to 2021 to promote fiscal prudence, ensure value for money, and guarantee targeted interventions. It also maintains a Social Cash Transfer Scheme focused on the eradication of hunger and extreme poverty in rural households. Zambia currently has nearly one million people on HIV treatment largely due to U.S. efforts. Malaria also poses a significant challenge, but Zambia has seen a steady decline in infections with donor assistance.

Labor/Child Labor/Human Rights: The government has made strides in addressing worker rights and the worst forms of child labor. In 2019, it enacted the Employment Code, which consolidated the Employment Act, the Employment of Young Persons and Children Act, and other employment-related laws into one piece of legislation. The new law increased government agencies' capacity to address overall labor issues in the informal sector. Zambia has welcomed those fleeing regional conflicts for the past 60 years and espouses progressive policies on refugee integration. Zambia restricts the right of association. It also maintains administrative obstacles to strikes and to the right to organize and bargain collectively.

International Terrorism/U.S. National Security: The government's ability to counter terrorist financing is limited, but it has established a Financial Intelligence Unit to support this work.

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. The country's new government has publicly committed to political and economic reforms, but meaningful progress has been slow to date. In support of establishing a market-based economy, the country introduced a new currency and repealed the indigenization laws that forced foreign investors to cede 51 percent of their shareholding in most businesses to black Zimbabweans (with the exception of the diamond and platinum sectors). The country's private sector is remarkably resilient. Zimbabwe is ranked 140th out of 190 countries in the World Bank's 2020 Doing Business Report.

Rule of Law/Political Pluralism/Anticorruption: Zimbabwe was never determined to have met the AGOA eligibility criteria. Emmerson Mnangagwa was elected president in July 2018 general elections. Despite incremental improvements from past elections, domestic and international observers noted serious concerns about the election's standards. State-sponsored violence against protestors, journalists, labor unions and the political opposition in the immediate aftermath of the national elections has continued through this year and demonstrates the government's lack of commitment to its reform agenda. Transparency International's 2019 Corruption Perceptions Index ranks Zimbabwe as 158th out of 180. The new government has pledged to uphold the rule of law and to establish a system to combat corruption and bribery. While a number of politicians have appeared before the courts on corruption charges, only a few have been convicted of any crime. The President has set up an anticorruption unit within his office to expedite the prosecution of corruption cases.

Poverty Reduction: The growth in contract farming within the tobacco and cotton sectors in recent years has seen increased cash flows into rural areas, helping to alleviate poverty. However, rises in poverty are largely due to drought and a poor 2018-2019 agricultural season, as well as the effects of Cyclone Idai in March 2019. The HIV infection rate has declined, but a significant proportion of the population lives with HIV/AIDS. The government's command agriculture system, under which it partners with the private sector to provide agricultural inputs to farmers, is costly and inhibits the sector's efficiency.

Labor/Child Labor/Human Rights: Zimbabwe made a moderate advancement in efforts to eliminate the worst forms of child labor and human trafficking. The government continued to implement its Trafficking in Persons Action Plan, developed a national referral mechanism to assist victims of human trafficking, and established guidelines to improve coordination of anti-trafficking efforts. Government interference with trade union activity was common, and reports of the violent repression of strikes and protests and threats and intimidation of union leaders are numerous. In 2019, security forces targeted opposition, civil society, and labor leaders with arbitrary arrests and torture, and swept through opposition-friendly neighborhoods, conducting raids in an arbitrary manner. There are also allegations that security forces committed acts of gender-based violence.

International Terrorism/U.S. National Security: Senior Zimbabwe government officials regularly attempt to undermine U.S. foreign policy interests through rhetorical attacks at high profile international fora. Zimbabwe trades and has robust bilateral engagement with North Korea and Iran, both sanctioned by the United States for illegally developing nuclear weapons programs.

Chapter 5: Trade Capacity Building

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 business climate through training programs that help eliminate bureaucratic red tape. The U.S. has invested or obligated more than \$7.6 billion in trade-related projects in sub-Saharan Africa since 2001 to spur economic growth and alleviate poverty.

Trade Capacity Building to Support Implementation of the African Continental Free Trade Area (AfCFTA)

Numerous U.S. Government agencies have collaborated to increase technical assistance in support of the AfCFTA. In September 2019, the Department of State funded and facilitated an International Visitor Leadership Program (IVLP) to bring 12 representatives from the African Union's Departments of Trade and Industry and Economic Affairs to Washington to engage with USTR and other trade-related agencies. The delegation also met with representatives of the trade committees in Congress, private sector representatives, and government agencies at the Port of Baltimore. In March 2020, a delegation from USTR, the U.S. Patent and Trademark Office (USPTO), and the U.S. Copyright Office conducted a Department of State-sponsored workshop in Addis Ababa on intellectual property rights for AfCFTA negotiators and for stakeholders from the public and private sector.

The U.S. Agency for International Development (USAID) also continued an ongoing collaboration with the African Union through its Mission in Washington to support relationships between the African Diaspora and African businesses. As a follow-up to its November 2018 African Diaspora trade conference, USAID collaborated with the Mission and the Maryland Governor's Commission on African and Middle Eastern American Affairs to organize a February 2020 U.S.-Africa trade and investment conference in Baltimore, Maryland, attracting more than 250 participants.

The U.S. Agency for International Development

USAID helps to build trade capacity in Africa through its Trade and Investment Hubs in East, West, and Southern Africa, and through the Feed the Future and Global Alliance for Trade Facilitation initiatives. Building trade capacity is critical to the success of Prosper Africa, the U.S. Government initiative to increase two-way trade and investment between the United States and countries in Africa. Through its multifaceted trade capacity work, USAID aims to increase the efficiency and transparency of cross-border transactions, harmonize safety and quality standards, and reduce 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. Promoting regional integration and the removal of cross-border trade barriers unlocks the advantages brought about by economies of scale, reduces the cost of doing business, and expands market access for American companies while

contributing to increased regional resilience, food security, and inclusive economic growth.

East Africa Trade and Investment Hub

East African countries supported by the Hub have expanded exports by 38 percent under AGOA since 2014, with a total value of more \$1 billion in FY 2019 alone, as a result of direct export assistance and broader trade capacity programs. Companies supported directly by the Hub have achieved nearly \$600 million in exports under AGOA since 2014, which contributed to the creation of 46,769 new jobs. The Hub has also facilitated \$171.4 million in investment. Beyond international trade, the Hub in East Africa also facilitated increased intra-regional trade, specifically in staple foods. Since 2014, the Hub has enabled trade commitments for 1.95 million metric tons of staple foods, valued at \$675.5 million. With the private sector moving grain from surplus to deficit regions, traders contribute to the region's food security and build its capacity to address food insecurity without relying on international assistance. Technical support provided by the Hub also helped East African governments achieve 36 policy and regulatory reforms that strengthen trade and investment-enabling environments, provide a foundation for continued economic development, and contribute to the development or update of eight national AGOA strategies and actions plans. Although the Hub is inoperative while a new contractor is being solicited and confirmed, trade activity through the East Africa Regional Mission is ongoing.

Southern Africa Trade and Investment Hub

The Hub in Southern Africa engages with partners across the region 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. By building a vibrant, broad-based, and export-oriented private sector, including in agribusiness, and promoting an attractive business environment, the Hub fosters resilience among Southern African economies, while in turn fueling demand for U.S. goods and services. In creating sustainability, the Hub is working with trade promotion service providers through trade and investment promotion agencies, business member organizations, and trade facilitation firms. From 2013 to 2019, the Hub facilitated \$165 million in private sector investment, promoted \$14.94 billion in exports to the United States, and promoted \$43.5 million in intra-regional trade.

West Africa Trade and Investment Hub

The Hub in West Africa works to promote regional trade in agricultural commodities, including cereals and livestock, and global trade in apparel, cashew, mango, and shea products. In FY 2018, the Hub facilitated \$8.7 million of exports and \$33 million in investment, generating 325 jobs. The Hub also worked with the Economic Community of West African States (ECOWAS) to advance the ECOWAS Trade Liberalization Scheme (ETLS) by supporting the development of a framework for implementing the ETLS Scorecard to help monitor the implementation process and the development of the ECOWAS Regional Corridor Management and Development Strategy and Action Plan to improve corridor efficiency. Since 2014, the Hub has facilitated \$100 million of investment in agriculture and apparel, \$136 million in total exports, \$174 million in sales, and has generated more than 20,000 new jobs.

Global Shea Alliance

USAID partners directly with the Global Shea Alliance (GSA) through the Sustainable Shea Initiative (SSI) to promote the economic development of women in the shea industry in West Africa. The SSI supports the goal of the Women’s Global Development and Prosperity initiative, which advances global women’s economic empowerment. Through the SSI, the GSA partners with private sector actors to construct warehouses for rural women pickers and to build their business development capacity through training and technical assistance, enabling them to trade directly with international buyers and, as a result, earn 30 to 50 percent more profit for their nuts. Through these actions, in 2018, the GSA facilitated 97,700 metric tons of shea with a value of \$48.6 million, leveraged \$2.4 million in private sector investment, and increased income for women beneficiaries by \$375,000. Since its formation in 2011, the GSA has facilitated more than \$37 million in investment to promote economic empowerment for women in the shea industry.

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 under the GFSS 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 2015. 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, Denmark, Germany, 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, Kenya, Malawi, and Zambia, and is currently scoping projects in Madagascar, Nigeria, and Senegal.

The Standards Alliance

The Standards Alliance is a public-private partnership of USAID and the American National Standards Institute (ANSI) dedicated to providing capacity-building assistance related to the implementation of the World Trade Organization (WTO) Technical Barriers to Trade (TBT) Agreement. The Standards Alliance coordinates subject matter experts from the private sector-led U.S. standardization system to deliver training and other technical assistance to participating countries. ANSI is the official U.S. representative to the International Organization for Standardization (ISO) and its membership comprises numerous standards-setting organizations and companies. As the implementing partner of the initiative, ANSI

coordinates private sector from its member organizations in the delivery of training and other technical exchange on international standards, best practices, and other subjects supporting implementation of the TBT Agreement. In coordination with USTR as well as other government and private sector entities, the Standards Alliance has focused its programming on five African countries: Côte d'Ivoire, Ghana, Mozambique, Senegal, and Zambia.

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 trade capacity building 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 and awards are implemented by foreign governments, private organizations, non-profit organizations, colleges and universities, or intergovernmental organizations in developing countries committed to introducing and expanding free enterprise in the agricultural sector. Active programs in Africa provide assistance valued at approximately \$328 million dollars to the following countries in sub-Saharan Africa: Benin, Burkina Faso, Côte d'Ivoire, Ethiopia, Nigeria, The Gambia, Ghana, Guinea Bissau, Kenya, Malawi, Mali, Mauritania, Mozambique, Senegal, Burundi, Rwanda, Uganda, and Tanzania.

Fellowship and Scientific Exchange Programs

USDA provides high quality U.S.-based agriculture training opportunities to agricultural officials from developing, middle income, and emerging market countries. These programs promote sharing of technical knowledge, facilitate cooperation, and create trade opportunities in the global marketplace.

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 linkages 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 officials in agricultural trade, marketing, policy, food safety, and technology transfer. Knowledge and skills gained by the participants can help countries to develop their capacity to trade and strengthen trade linkages with the United States. Over 1,990 fellows from 27 AGOA-eligible countries have been trained since 1984. Examples of trade capacity building activities include training in biotechnology, cotton classification, facilitating trade agreements, adhering to international standards, and sanitary and phytosanitary issues relating to trade.

Norman E. Borlaug International Science and Technology Fellowship Program

Established in 2004, the Borlaug Fellowship Program provides short-term collaborative research training for early to mid-career agricultural research scientists and policy makers from developing and middle-income countries. Participants are hosted at U.S. land grant universities, USDA and other government agencies, agricultural research centers, private

companies and not-for-profit institutions. Since 2005, there have been 264 Borlaug Fellowships, with some funding from USAID and the Department of Defense, supporting research partnerships to strengthen scientific capacity in 21 AGOA-eligible countries. Examples of activities include research in trade policy development, biotechnology, food safety regulations, and transboundary animal diseases.

Other USDA Fellowships and Scientific Exchanges

The Scientific Exchanges Program aims to educate a new generation of agricultural scientists to assist in opening markets and decreasing or eliminating trade barriers. In 2020, ten Fellows have been slated to conduct research focused on sanitary and phytosanitary issues and technical barriers to trade that will result in liberalizing international trade. The Faculty Exchange Program focuses on improving veterinary education and research in selected African countries for early to mid-career instructors at Colleges of Veterinary Medicine in Ghana, Kenya, Uganda, Tanzania, and Ethiopia. Since 2016, USDA has trained 54 early to mid-career instructors at Colleges of Veterinary Medicine in Nigeria, Ghana, Kenya, Uganda, Tanzania, and Ethiopia under the Faculty Exchange Program.

Sanitary and Phytosanitary Projects

USDA administers both USDA and USAID funds to coordinate and implement continental and regional approaches to a broad range of Sanitary and Phytosanitary (SPS) measures, including food safety, animal, and plant health systems, leading to compliance with internationally-accepted and science-based standards. Through capacity building and policy reform efforts, the program aims to create an enabling environment for safe agricultural trade, improving opportunities for both U.S. and African exports, and enhancing the U.S. Government's Global Food Security Strategy food security objectives.

In 2019, USDA supported the African Union Commission in the development of an SPS Policy Framework, which was approved by African Heads of State in February 2020. The Framework is instrumental in consolidating the USDA relationship with the African Union (AU) and enhancing U.S. agricultural and food exports to the 55 AU Member States. It will be used by the AU, Regional Economic Communities and the 55 AU Member States to guide implementation of the SPS Chapter of the African Continental Free Trade Area (AfCFTA). USDA also helped perform an AU scoping study of African stakeholders in 2019 to provide current perspectives from AU Member States and Regional Economic Communities (RECs) on the most critical value-added functions an AU-Food Safety Agency could perform to harmonize and strengthen food safety control systems across the continent, RECs and Member States. In 2020, USDA will support the implementation of the SPS Policy Framework, engaging with the Department of Rural Economy and Agriculture; the Department of Trade and Industry; the AfCFTA Secretariat once the office is staffed; and various AU technical agencies.

USDA also supports regional SPS efforts, working with East African Community and the Economic Community of West African States on the creation of harmonized guides for phytosanitary border inspections, development of a regional phytosanitary task force, phytosanitary risk assessment, and updated quarantine pest lists. Additionally, through a complementary program, USDA funds technical engagements with the Intra-African Bureau for Animal Resources to support the African technical experts for the international standards-

setting bodies of the World Trade Organization for Animal Health (OIE) and the International Plant Protection Convention (IPPC). USDA's activities increase African experts' understanding and engagement in the standard setting processes of these organizations.

Agricultural Biotechnology

USDA provides targeted technical capacity building for science-based approaches to agricultural biotechnology to address trade restrictions and support access to the technology by farmers worldwide. In Africa, 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 Ethiopia, Ghana, Kenya, Malawi, Mozambique, Nigeria, Rwanda, Senegal, South Africa, Tanzania, and Uganda. For example, since 2018, five new African countries (Eswatini, Ethiopia, Malawi, Nigeria, and Kenya) have begun growing GE cotton. Field trials of GE crops are ongoing in Ghana, Mozambique, Tanzania, and Uganda. Rwanda implemented a biosafety framework in 2019 and will soon begin biotechnology field trials. Senegal is in the process of amending trade-restrictive biosafety legislation to create an enabling environment for biotechnology innovation. Since 1997, South Africa has been the only country in Africa to grow biotechnology food crops (other than cotton), but this will soon change with Nigeria's recent approval of GE cowpea. In 2016, South Africa brought its biotechnology approvals into synchrony with the United States to facilitate approval of biotechnology corn imports during the country's drought-induced food shortages.

Trade Promotion

USDA has engaged in several initiatives for trade promotion between the United States and sub-Saharan Africa. In October 2018, USDA led an agribusiness trade mission (ATM) to Southern Africa, where U.S. exporters had an opportunity to engage in Johannesburg and Cape Town, South Africa, with buyers from eleven countries in the region. Thirty-three U.S. companies participated, reporting nearly \$20 million in 12-month projected sales. In October 2019, USDA hosted leading U.S. business representatives on an ATM to Accra, Ghana, to promote U.S. exports and stronger partnerships with West African buyers from Nigeria, Ghana, Côte d'Ivoire, and Senegal. During the ATM, 40 companies reported \$11.6 million in 12-month projected sales. USDA was scheduled to host a North Africa ATM to Casablanca, Morocco, in March 2020, but this was postponed as a result of the global spread of the coronavirus. Since 2015, USDA has sponsored 52 African buyers to attend the Gulfood trade show in Dubai, United Arab Emirates, to meet with U.S. companies.

Export Credit Guarantee Program

Under the Export Credit Guarantee Program (GSM-102), USDA encourages financing of commercial exports of U.S. agricultural commodities. During fiscal years (FY) 2018-2020, USDA made available over \$1.5 billion in export credit guarantees for Africa: \$425 million in FY 2020 to date, \$650 million in FY 2019, and \$500 million in FY 2018. Virtually all AGOA-eligible countries are eligible to participate in GSM-102, and many are also eligible for the Facility Guarantee Program, which offers credit guarantees to facilitate the financing of U.S. manufactured goods and services to improve or establish agriculture-related facilities and

infrastructure in emerging markets, provided these improvements primarily benefit exports of U.S. commodities. USDA routinely conducts program outreach in Africa to educate importers and banks on the benefits of USDA's export credit guarantee programs. For FY 2020, staff plan to target West Africa.

Market Development

USDA provided approximately \$2.9 million in Market Access Program (MAP) and Foreign Market Development (FMD) funds in 2018, and \$4.7 million in MAP and FMD in 2019, to strengthen trade relationships between U.S. agriculture and AGOA beneficiaries. Activities include trade servicing, crop quality, supply and demand, and capacity building 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. In 2018-2019, FAS approved four projects under the Emerging Markets Program and Quality Samples Program. 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 promotes job creation and economic growth in the United States. Working across numerous agencies, it works to ensure 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 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.

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 22 programs to nearly 320 attendees from sub-Saharan African countries, including Angola, Benin, Botswana, Burundi, Cameroon, Chad, Côte d'Ivoire, Democratic Republic of Congo, Eritrea, Eswatini, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Nigeria, Republic of Congo, Rwanda, São Tomé and Príncipe, Senegal, Sierra Leone, South Africa, Sudan, Tanzania, The Gambia, Uganda, Zambia, and Zimbabwe. Programs range from USPTO's Biennial 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).

Commercial Law Development Program

The Commercial Law Development Program (CLDP) is a team of attorneys, resident advisors, program specialists, and administrative personnel who provide technical assistance for commercial legal reforms in developing and post-conflict countries. As part of the U.S. Government's Power Africa initiative, CLDP is working to improve the legal and regulatory environment for power projects in the African market. CLDP's technical assistance focuses on streamlining the project development process by promoting transparent and competitive legal frameworks for contracting, financing, and procurement, and building the capacity of all parties to understand the risks and challenges inherent in the process.

CLDP contributed to Ethiopia's adoption of a landmark Public-Private Partnership (PPP) law in February 2018 through training workshops for key decision-makers and comments on draft legislation. Following the adoption of the PPP law, CLDP, alongside other U.S. Government agencies and multilateral donors, is supporting the development of that office through certification of staff as PPP experts. CLDP is currently implementing a series of trainings focused on developing capacity, both within the Ministry of Finance's PPP Directorate and across the Ethiopian government. Since 2009, CLDP has been leading a project in Mali with the USAID mission in Bamako to implement innovative technology solutions for combatting counterfeiting of products affecting public health, with a particular focus on agro-inputs.

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 dialogues 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.

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.

Beyond the Grid

Under this project the National Renewable Energy Laboratory (NREL) is providing support to the Power Africa Beyond the Grid (BTG) program with technical and transaction assistance; modeling and analysis support; policy and regulatory decision support; and application of the Quality Assurance Framework in support of scaling up development of mini- and micro-grid projects. The objective of this work is to help enable new electrical connections in contribution to Power Africa’s 60 million new household and business connections goal, specifically the eight to ten million new connections that are expected to come from micro-grids.

The Export-Import Bank of the United States

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

EXIM’s financing of U.S. goods and services in foreign infrastructure projects can lead to an increased capacity for trade in the project country. With the Prosper Africa initiative to increase two-way trade and investment between Africa and the United States, EXIM plays a key role in promoting U.S. exports and countering foreign competition.

EXIM’s short-term export credit insurance protects receivables against nonpayment and enhances trade capacity by improving African companies’ working capital. EXIM’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 has authorized \$5.2 billion in support of sub-Saharan Africa, encompassing 178 transactions for small, medium, and large exporters.

Under EXIM’s current country limitation schedule, 44 out of 49 countries in the region are eligible for some or all of the agency’s financing options. Additionally, as part of building institutional relationships, EXIM signed bilateral memoranda of understanding (MOUs) with Angola, Senegal, and Ghana, and EXIM authorized preliminary commitments for Cameroon and Senegal.

EXIM’s leadership has been engaged in commercial diplomacy through outreach in more than 20 official events in support of Prosper Africa. EXIM’s outreach with African government officials included Angola, Cabo Verde, Côte d’Ivoire, Egypt, Ghana, Kenya, Mozambique, Nigeria, Senegal, South Africa, and Tunisia,

EXIM continued to retain strong ties with financial institutions across the continent, including the African Export-Import Bank and the African Development Bank. Additionally, the agency continued its outreach and support for the Corporate Council on Africa and various African chambers of commerce.

U.S. Department of Homeland Security

The U.S. Department of Homeland Security has a vital mission to protect the homeland by building partner capacity for border security in ways that align standards, promote best practices, and generate an enabling business environment for United States suppliers and contractors, including through the United States Customs and Border Protection's (CBP) security and trade sectors governance and improvement initiatives. One of the key results in CBP capacity building initiatives is strengthening our African partners' compliance with the WTO Trade Facilitation Agreement. CBP also engages AGOA partners through Textile Production Verification Team visits, whereby representatives from CBP and AGOA-eligible countries work together to visit textile factories to verify that goods exported to the United States meet the terms of AGOA.

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

Government Capacity Building Projects

DOL funded \$80.3 million in global projects that include 12 AGOA-eligible countries. 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.

Combating Child Labor and Forced Labor

DOL funded \$46 million in projects to address child labor and/or forced labor in Côte d'Ivoire, Ethiopia, Ghana, Kenya, Madagascar, and Zambia. The projects principally cover gold mining and the agricultural sector, including cocoa, oil palm, and vanilla. They aim to withdraw or prevent children from the worst forms of child labor through education services and to provide livelihood alternatives to households of children engaged in child labor or at high risk of doing so. The projects also seek to provide vocational skills training and apprenticeship opportunities for youth ages 14-17, and to improve their access to safe and acceptable youth employment. In addition, they 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. In addition, these projects 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.

Millennium Challenge Corporation

Since its founding in 2004, the Millennium Challenge Corporation (MCC) has invested more than \$7.1 billion in trade-related assistance to developing countries, with over \$4.4 billion of that amount invested in AGOA-eligible countries. 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. 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 with AGOA-eligible countries span the continent and have included expansions to critical seaports 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.

Since 2018, MCC has signed a large-scale compact with Senegal and established an important partnership with Bechtel Corporation. The five-year, \$550 million MCC Power Compact, between the Government of the United States and Senegal, and a supplemental \$50 million from the Government of Senegal for a total \$600 million program, was signed in December 2018 and seeks to address significant constraints to economic growth. Ensuring consistent and affordable access to energy in Senegal will allow businesses to grow, catalyze private sector investment, increase productivity and employment, and ultimately support diversification and growth of Senegal's economy.

In September 2018, MCC announced a new \$1 million strategic partnership with Bechtel Overseas Corporation focused on national infrastructure master planning in Africa. In this first-of-its-kind partnership, both organizations bring their respective expertise in infrastructure investments to the table. Insights from this collaboration will unlock the potential of National Infrastructure Master Planning to help countries improve project quality and structure that can attract private sector investment. In August 2019, MCC, Bechtel, and the government of Côte d'Ivoire signed a tri-partite MOU to launch the partnership in Côte d'Ivoire. Technical work has begun and focused on transport corridor development, a critical input to trade capacity.

The U.S. Development Finance Corporation

U.S. International Development Finance Corporation (DFC) officially opened its doors in late 2019, ushering in a new era of U.S. development finance and foreign policy. As America's development bank, DFC helps businesses expand into emerging markets, foster growth, and improve lives in the developing world, while reinforcing U.S. foreign policy and national security interests. DFC combines and modernizes the existing development finance functions of the U.S. Government—namely the Overseas Private Investment Corporation (OPIC) and USAID's Development Credit Authority (DCA). The new agency was created with bipartisan support through the Better Utilization of Investments Leading to Development (BUILD) Act.

In addition to OPIC and DCA's previous capabilities, DFC is equipped with new resources and tools to multiply its impact. Enhancements include an investment cap of \$60 billion—more than double OPIC's \$29 billion limit—and new financial tools such as equity investments, technical assistance, and feasibility studies to more proactively address development needs.

DFC has a strong focus on sub-Saharan Africa and supports multiple projects that are expanding access to electricity, food, healthcare, education and technology. DFC has almost \$6 billion invested in sub-Saharan Africa, and supports multiple U.S. Government initiatives including Prosper Africa, the Women's Global Development and Prosperity Initiative, Feed the Future, and Power Africa.

U.S. Trade and Development Agency

The U.S. Trade and Development Agency (USTDA) connects America's private sector to infrastructure projects in developing and middle-income countries. USTDA accomplishes its mission by funding feasibility studies, technical assistance, and pilot projects that integrate the expertise and innovation of American companies. The Agency also connects overseas buyers with U.S. sellers through its reverse trade missions (RTMs), industry conferences, and workshops. Unique among federal agencies, USTDA is mandated to promote the participation of U.S. industry in infrastructure projects at the critical early stages when design choices and technology options are being defined. USTDA has supported a number of new and ongoing activities in the energy, telecommunications, and agribusiness sectors that enhance trade within Africa and between sub-Saharan Africa and the United States.

East Africa Enterprise Solutions Project

In 2019, USTDA awarded a grant to SEACOM Ltd to support the expansion of internet access across Kenya, Tanzania, Uganda, and Rwanda. The feasibility study will assess the market demand, socio-economic impacts, and implementation plan for fiber telecommunications services in East Africa. The study will also include a regulatory review that will analyze regulations in each country that could further contribute to regional expansion of information and communication technology infrastructure.

Nigeria Agribusiness Reverse Trade Mission

In October 2019, USTDA hosted an RTM that brought stakeholders from Nigeria's agribusiness sector to the United States to explore technology, equipment, and best practices that support increased productivity and the development of the sector. The delegates participated in site visits in California, Illinois, Iowa, and Nebraska. The trip also included a finance workshop targeted at challenges in attaining the necessary financing to support the implementation of large-scale agribusiness.

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

USTDA supports trade capacity building in Africa through its U.S.-Africa Clean Energy Standards Program (CESP), which shares U.S. commercial and industrial standards information and practices with government officials and industry in sub-Saharan Africa.

CESP's 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 twelve technical workshops in sub-Saharan Africa in partnership with key stakeholder entities in country. To date, the CESP has delivered a total of nine workshops, which included participation by 697 private and public sector participants from nineteen countries in sub-Saharan Africa and the United States. These workshops addressed standards development, testing, and conformity topics of mutual interest to officials and the private sector from sub-Saharan Africa and the United States in the areas of electrical safety, solar minigrids, grid interoperability, and energy storage.

Global Procurement Initiative – Botswana and Ethiopia

The Global Procurement Initiative (GPI) helps 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.

Botswana: USTDA signed a Memorandum of Understanding (MOU) with Botswana's Public Procurement and Asset Disposal Board in 2014, establishing Botswana as USTDA's first GPI partner country. Under GPI, USTDA implemented an in-country training workshop and study tour to the United States for Botswanan procurement officials. USTDA also 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 more effectively incorporate value of money considerations. USTDA renewed its partnership with the Government of Botswana in July 2019 and is reviewing proposals for potential future activities. Botswana has shared lessons learned and provided guidance to other GPI partner countries, including Ethiopia.

Ethiopia: 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. In 2016, USTDA hosted 15 senior Ethiopian officials in the United States 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 for a period of 24-months, which concluded at the end of 2019.

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 Federal Aviation Administration "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.

Chapter 6: The Status of Regional Integration Efforts

African governments have worked for decades to foster greater regional economic integration by linking the continent's largest economies with smaller countries, reducing tariff and non-tariff barriers, forming customs unions, harmonizing standards, streamlining the processes for moving goods across borders, and reducing visa and work permit requirements.

Up until recently, a great deal of this effort took place at the continent's regional economic communities (RECs). The launch of the African Continental Free Trade Area (AfCFTA) in May 2019 aims to build on this work and enhance continental integration, global competitiveness, and economic growth and diversification even further. To date, the AfCFTA agreement addresses overlapping membership of RECs by treating them as the building blocks of the AfCFTA. The AU recognizes eight RECs: Arab Maghreb Union; Common Market for Eastern and Southern Africa; Community of Sahel-Saharan States; East African Community; Economic Community of Central African States; Economic Community of West African States; Intergovernmental Authority on Development; and Southern African Development Community.

The groundwork for the AfCFTA was laid decades ago with the Abuja Treaty, signed in 1991 and entered into force in 1994. The Abuja Treaty now serves as the foundational legal document for continent-wide regional integration and set in motion the operational plan to use the AU-recognized RECs as stepping stones to an African Economic Community. In January 2012, at its 18th Ordinary Session of the Assembly of Heads of State and Government, the AU decided to fast-track an AfCFTA and agreed to an *Action Plan for Boosting Intra-African Trade*, which set up a plan for negotiating such a continent-wide trade agreement. The AU first announced AfCFTA negotiations in 2015 and as of October 2019, almost all AU members are signatories; the only AU member country that has not signed the consolidated text of the agreement is Eritrea.

Signing the consolidated text does not bind countries to the agreement, which is only achieved through ratification by individual countries' legislative institutions; rather signing the consolidated text is a commitment to negotiate. The AfCFTA entered into force on May 30, 2019, for the members that have deposited their ratification instruments to the AU Commission. As of the date of this publication, 28 AU members have both ratified the agreement through their countries' respective legislative processes and deposited their official documents with the AU Commission Chairperson.

In addition, these countries have ratified the Phase I agreements: Protocol on Trade in Goods, the Protocol on Trade in Services, and the Protocol on Rules and Procedures on the Settlement of Disputes. Thus far, the countries that have ratified have agreed to reduce tariffs on 90 percent of goods tariff lines and have agreed to five priority service sectors (business services, communication, financial services, tourism/travel, and transport). However, the schedules of tariff concessions for liberalization are still under negotiation. The AU has assigned five regional technical teams to assist member countries in completing their schedules of tariff concessions and rules of origin by May 2020. The remaining ten percent of tariff lines are divided into excluded products (these will not exceed three percent of total tariff lines) and sensitive products (these are products that meet AfCFTA qualifications for food security, national security, fiscal revenue, livelihood, and industrialization and will not exceed seven percent of tariff lines). Each member country has the ability to determine the tariff lines included in the excluded and sensitive product categories. Trade under the agreement is

scheduled to begin once members have finalized the tariff schedules for goods, and the preferential tariff rates will apply only to countries that have ratified the agreement.

Phase II negotiations were scheduled to begin in spring 2020 and will culminate in the adoption of legal instruments for intellectual property rights, competition policy, and investment. Negotiations for the Phase III Protocol on digital trade will begin once Phase II is concluded.

At the February 9-10, 2020, AU Summit in Addis Ababa, African heads of state added a third protocol to include digital trade in the negotiations and selected the first Secretary General for the AfCFTA Secretariat in Ghana. The Secretariat opened in March 2020 and is expected to monitor and assist member states with the implementation of ratified components of the AfCFTA.

Membership of the African Continental Free Trade Area (AfCFTA)	
AfCFTA Signatories	All countries except Eritrea
Countries that have deposited their instruments of AfCFTA ratification	Kenya, Ghana, Rwanda, Niger, Chad, eSwatini, Guinea, Uganda, Côte d’Ivoire, South Africa, Sierra Leone, Mali, Senegal, Namibia, Congo Republic, Togo, Mauritania, Djibouti, Egypt, Ethiopia, The Gambia, Zimbabwe, Burkina Faso, São Tomé and Príncipe, Gabon, Equatorial Guinea and Mauritius.

Appendix 1: AGOA Eligible and Ineligible Countries

AGOA Eligible Countries

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

Countries Not Eligible for AGOA

1. Burundi	
2. Cameroon	
3. Democratic Republic of Congo	
4. Equatorial Guinea**	
5. Eritrea	
6. Mauritania	
7. Seychelles**	
8. Somalia*	
9. South Sudan	
10. Sudan*	
11. 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 Legislation

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

Bases for Ineligibility 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.

Factors Affecting Country Designation

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

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

AGOA beneficiary country	Strategy Year	Agricultural and food processing	Textiles, apparel, footwear, and leather products	Jewelry and mining	Handicrafts	Other light manufacturing
Botswana	2017	•	•	•	•	
Ethiopia	2015	•	•			
Ghana	2016	•	•	•	•	
Kenya	2018 ^a	•	•		•	
Lesotho	2016	•	•	•	•	
Madagascar	2015	•	•	•	•	
Malawi	2018	•	•	•		•
Mali	2016	•	•	•	•	
Mauritius	2013	•	•	•		•
Mozambique	2018	•	•	•		•
Rwanda	2016	•	•		•	
Senegal	2015	•	•		•	•
Sierra Leone	2019	•	•			
Tanzania	2016	•	•		•	
Togo	2017	•	•	•	•	
Zambia	2018 ^a	•	•		•	

Source: Compiled from national AGOA strategy documents, including strategy document drafts.

^aStrategies have been updated from a previous version.

Appendix 5: Country Membership in Regional Economic Communities

African Union (AU): All African Countries

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, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia, Zimbabwe.

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

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

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

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

West African Economic and Monetary Union (WAEMU): Benin, Burkina Faso, Côte 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	2018	2019
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	40.9	36.7
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	15.9	15.7
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	20.2	24.9	25.1	21.0
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	-6.7	-10.8	-9.2	-5.3
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	10.4	13.7	12.0	8.4
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	8.0	4.6
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	4.0	3.8
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	1.2	1.4

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

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

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	2017	2018
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	13.72	13.15	13.91	14.77
Nigeria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.04	.92	1.50	1.29	1.46	1.82	1.83	2.25	2.42	2.63	2.42	2.41	2.34
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	3.05	2.88	2.89	2.92

Imports of Commercial Services	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	3	8.10	9.10	10.05
Nigeria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	.34	.37	.51	.50	0.49	.52	.51	.51	.47	.45	.40	.40	.51
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	1.82	1.88	1.98

Notes: Commercial services exclude “government goods and services n.i.e.”

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

Sources: U.S. Department of Commerce, Bureau of Economic Analysis (BEA); USITC, U.S. Trade and Investment with Sub-Saharan Africa: Recent Trends and New Developments, Investigation Number 332-571, March 2020, Tables 2.11 and 3.16

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	2017	2018
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	34.0	36.2	34.0
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	4.6	5.6	5.6

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

Source: U.S. Department of Commerce, Bureau of Economic Analysis (BEA).

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