

**PARTICIPATION OF DIRECTORATE PLANT HEALTH ON THE 5TH AGOA FORUM
WASHINGTON DC, USA
6-7 June 2006**

The African Growth and Opportunity Act (AGOA) is an initiative that was signed into law as part of the United States of America's (USA) Trade and Development Act of 2000, to promote economic development and expedite the integration of African economies into world trading systems. The USA intended AGOA to provide a means for government-to-government interaction and for the private sector and civil society to work together to build trade capacity and expand business links. Through these cooperative efforts, AGOA is said to have expanded duty-free access for more than 6,400 African products to U.S. markets, including selected agricultural commodities.

The AGOA initiative provides sub-Saharan African countries the opportunity to take advantage of tariff-free export of agricultural produce to the US. Under AGOA several African countries have been trying to access the US markets, although few countries have the capacity to satisfy the stringent phytosanitary requirements that the US demands. To help these countries improve their capacity, trade hubs were established in four African regions since 2001, including Kenya, Senegal, Ghana and Botswana, under the African Global Competitiveness Initiative (AGCI). The objective is to provide technical assistance and infrastructure development in order to promote trade.

The meeting was opened by Dr. Condeleeza Rice, US Foreign Secretary and it was held at the State Department. The theme was "The Private Sector and Trade: Powering Africa's Growth." Under this broad umbrella, there were several concurrent sessions on a variety of issues. A specific workshop session was held on agricultural exports. This was organized by the US Department of Agriculture (USDA)/USAID under the theme of "U.S. Market and South/South Trade", in which ministerial delegates, scientists and experts in Plant Health matters from several African countries participated and made presentations on agricultural export programs from their respective countries to the US.

The Forum was organized in two plenary sessions per day, as well as two sessions of three to four concurrent workshop on various topics.

Representing the Directorate Plant Health, Department of Agriculture, was Dr. Solomon Gebeyehu, Assistant Manager of the Pest Risk Analysis (PRA) division, who was an invited panelist together with Dr. Shawn Robertson, USDA-Animal and Plant Health Inspection Services (APHIS) advisor at the West Africa Trade Hub and Mr. Dermot Cassidy, representing the private sector of South Africa. The meeting was chaired by the US Under-Secretary for Farm and Foreign Agricultural Services, Dr. J. P. Penn, and co-chaired by the Angolan Minister of Commerce, Mr. Joaquim Icuma Muafumba. Dr. Gebeyehu also made a presentation on the processes involved in SA's pre-export certification program for citrus fruit destined for the US. This is also known as a 'pre-clearance' programme as the fruit is inspected by US officials in SA and cleared for entry into the US prior to leaving SA, pending successful conclusion of a mandatory in-transit cold treatment against Fruit Flies and False Codling Moth (FCM).

South African citrus exports to the US started long before the conclusion of AGOA in terms of a bi-laterally agreed work plan. In his presentation, Dr. Gebeyehu pointed out that although South Africa is given duty-free access to the US for its Citrus exports, very stringent, and recently in respect of FCM, scientifically suspect phytosanitary

requirements by the US, have made it extremely difficult for South Africa to comply with the USA's phytosanitary import requirements. Thus, unless the phytosanitary requirements are technically justified and do not become technical barriers to trade, South African citrus exports will not benefit fully from the provisions of AGOA.

Ms Elizabeth van Renen (Deputy Director, International Trade) also attended the Forum. She attended the plenaries, as well as workshops on:

- Agricultural exports to the US and south-south
- Enhancing trade policy analysis
- Policy dialogue for competitiveness: case study of the Botswana Cattle Producers Association
- Growing entrepreneurship in communities: moving beyond micro-finance

A plenary session on the implementation of AGOA highlighted the need for each country to develop its own AGOA strategy. The role of trade promotion is very important. The role of infrastructure to stimulate economic development was pointed out.

In the workshop on enhanced trade policy analysis, the US Department of Commerce explained how it approached trade policy analysis. Most of the tools that they use (Revealed Comparative Advantage, ITC Trade Maps etc), Directorate: International Trade are already familiar with. They have developed an interactive, web based module on trade policy and industry analysis.

SA Minister for Trade and Industry, Minister Mandisi Mpahlwa, participated as panel member in the plenary session on "the private sector as the engine of growth". Africa's share of global investment is declining. It is therefore necessary to develop an indigenous private sector. He highlighted the importance of regional integration, and used the term regional industrialization. Deepened integration is necessary to attract more investment.

The importance of access to a financial system was stressed. Each trade transaction has a complementary financial transaction. If financial services are not available, trade consequently suffers. For competitiveness and as a development strategy, it is important to introduce competition in the financial services sector. At present five banks own 98% of financial services assets in Africa.

The workshop on policy dialogue for competitiveness used the Botswana Cattle Producers' Association as a case study. The Botswana Meat Commission acts as single export marketing channel, and sets and pays farmers prices well below export parity. The situation deteriorated to the point that the existence of the industry – one of the economic pillar sectors in the Botswana economy – was threatened. Only after the farmers organized themselves, established the Botswana Cattle Producers' Association and acted as a united voice for the industry, could they enter into dialogue with the Government and influence policy. Public policy is politically driven. Therefore the industry had to make what was right for their industry, a political imperative. It is still a challenge to inject commercial sensitivity into the Government's policy processes. Both the Botswana government and private sector clearly appeared to be unfamiliar with regular dialogue with each other. In addition, it is hard for Government to reflect private sector interests if they do not have an organized sector to talk to.

The special session on HIV/Aids and endemic diseases in Africa highlighted the negative impact of these on economic growth, through reduced productivity. Orphans often do not have the opportunity to build skills before reaching the work place. Part of the problems with providing anti-retroviral drugs is the lack of infrastructure to distribute the drugs. The role of conflict in the spread of HIV was pointed out.

In the workshop on supporting entrepreneurship, the importance of all forms of technical assistance and mentoring, in addition to micro-finance, was recognized. A South African organization, Jump Start Africa, made a presentation on how it works in partnership with communities in the Eastern Cape to establish entrepreneurs.