



**The Honorable John Kerry,**

*U.S. Secretary of State;*

**Her Excellency, Ambassador Linda Thomas – Greenfield,**

*Assistant Secretary, Bureau of African Affairs;*

**And of course, His Excellency, Ambassador Reuben Brigety,**

*U.S. Ambassador to the African Union*

On behalf of both Dr. Nkosazana Zuma and myself, I have the honor of welcoming you to the African Union. This is, indeed, an auspicious occasion; one with special significance: Almost one year ago, President Obama made history as the first sitting U.S. president to officially meet with the African Union Commission. We appreciate President Obama's powerful gesture towards Africa's regional integration efforts, and in the same vein, since this is the second such visit by a U.S. Secretary of Secretary, we do not doubt as to how much importance the U.S. accords Africa. Therefore, all that is left is for us to leverage the natural synergies that exist between the United States and an Africa that is growing exponentially; an increasingly confident continent.

While the U.S. has worked bilaterally with our member states for over 50 years, the Obama Administration has made the strategic pivot towards supporting Africa's integration agenda – facilitating Africa's access to benefits of economies of scale as we progress towards becoming a much

stronger player in global dynamics. Today, as we review the hard work invested by our teams, I'd like to take this opportunity to, first of all, thank Ambassador Brigety for his leadership on the development and regional integration priorities we identified and have dealt with over the past six months.

Secondly, I have no doubt that the four strategic priority areas we both identified in our February 2013 MOU will translate into substantial results for Africa. I can safely assert that our common priorities are in tandem with both the African Union Commission Strategic Plan and President Obama's Strategy toward sub Saharan Africa. Our common vision is focused on peace and stability, and is on expanding agricultural production; promoting inclusive economic development and productive capacity alongside other priority areas like human capacity building and resource mobilization. These priorities build upon our development cooperation with USAID since 2010, including aspects of energy, health, education, youth empowerment and employment.

### **Excellencies, Distinguished Guests,**

- i. Our agreed upon priorities include plans to launch a joint **policy dialogue forum**, where both the U.S. and the African Union Commission will continue to engage on key policies that affect the continent. One of the eminent issues is the African Growth and Opportunity Act (AGOA). I will touch upon this trade program in a few short moments. However, under this cooperation, we intend to harness capacity building resources currently available to Africa from the U.S. This will ease Africa's entry into key global supply chains.

- ii. Through our Continental Free Trade Area process, we are working to develop a culture as well as a system of intra-African free trade. To ensure that this performs optimally, capacity building will be required so that our member states can reap the benefits of free trade. We believe that this will indirectly enhance African performance under AGOA.
  
- iii. In terms of agriculture, I'd like to both acknowledge and thank the U.S. for a decade of support to the Comprehensive Africa Agricultural Development Program (CAADP). Because of this support, African government expenditure on agriculture has nearly doubled in the same time frame.
  
- iv. The World Bank has indicated that Africa has the potential to triple the current \$313 billion food and beverage market; reaching approximately a trillion dollars by 2030<sup>1</sup>. Thus, as part of our cooperation priorities, we shall promote investment to Africa. Capitalizing on 2014 as the **Year of Agriculture**, we shall use the CAADP framework to resolve challenges faced by investors in Africa, and focus on commitments that will benefit food security in Africa.

As soon as the priority areas for our strategic partnership are approved by the high level dialogue meeting today, our teams will engage in action plan

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<sup>1</sup> The World Bank (2013). <http://www.worldbank.org/en/news/feature/2013/03/04/africa-agribusiness-report>

preparation, identifying roles, resource levels, timeframes and responsibilities of both sides.

### **Excellencies, Ladies and Gentlemen,**

At this juncture, allow me to say that Secretary Kerry's visit today is timely. It comes on the cusp of what could be a mutually beneficial partnership between the United States and Africa. Not only is the historical Summit between the U.S. and African heads of states taking place in August this year; the elements are also aligned for an even more effective African Growth and Opportunity Act (AGOA) with a seamless reauthorization for a period of at least 15 years to enable Africa's transformation with more jobs created for both Africa and the US. The Third Country fabric provision should be an integral part of the revised Act. Africa has an opportunity to speak with one voice, and to this end, the African Union and UNECA released a report on what we'd like to see in an AGOA 2.0. In this document, we note that the utilization of AGOA privileges has been sub-optimal, with only 7 out of 39 African countries being able to meaningfully take advantage of the opportunity availed by the American market. The problem does not lie with tariffs alone but with infrastructure deficits in critical areas such as transport, energy and ICT, institutional insufficiency as well as lack of coherence between trade and industrial policy with negative consequences for Africa's productive capacity and overall competitiveness.

Nonetheless, as the program beneficiaries work to bolster their supply side constraints, we hope to work with the U.S. Congress on the timely passage of an enhanced AGOA. And like the recently released US

International Trade Commission report suggests, both the U.S. and Africa could benefit even more if duty-free treatment was provided for all products including agricultural products currently excluded from AGOA. We also ought to collaborate on updating rules of origin so that Africa can be further integrated into global supply chains and distribution networks, beyond textiles and into agro-processing and other sectors. Additionally, because the U.S. could benefit from an integrated Africa, significant effort must be expended on ensuring that untimely reciprocal arrangements do not destabilize Africa's continental integration. Lastly, both the U.S. and Africa must work on promoting investment in Africa by mitigating risk. This should be done in tandem with a more collaborative approach between the U.S. and the African Union to sanctions and AGOA eligibility.

**Excellencies, Ladies and Gentlemen,**

I am very hopeful that the continental issues we identify, analyze and agree to address jointly in the context of our strategic cooperation will also guide the Summit planned by President Obama in August. We are confident that this Summit will not only deepen the partnership between our two regions: it will also help the rest of the world engage with Africa on a different level.

To conclude; we have set ambitious goals for ourselves. While the road ahead will not be easy, we are reassured by the collaborative and transparent approach the U.S. and African Union Commission have employed. I am confident that our targets will be realized.

**Erastus Mwencha** | Deputy Chairperson, African Union Commission