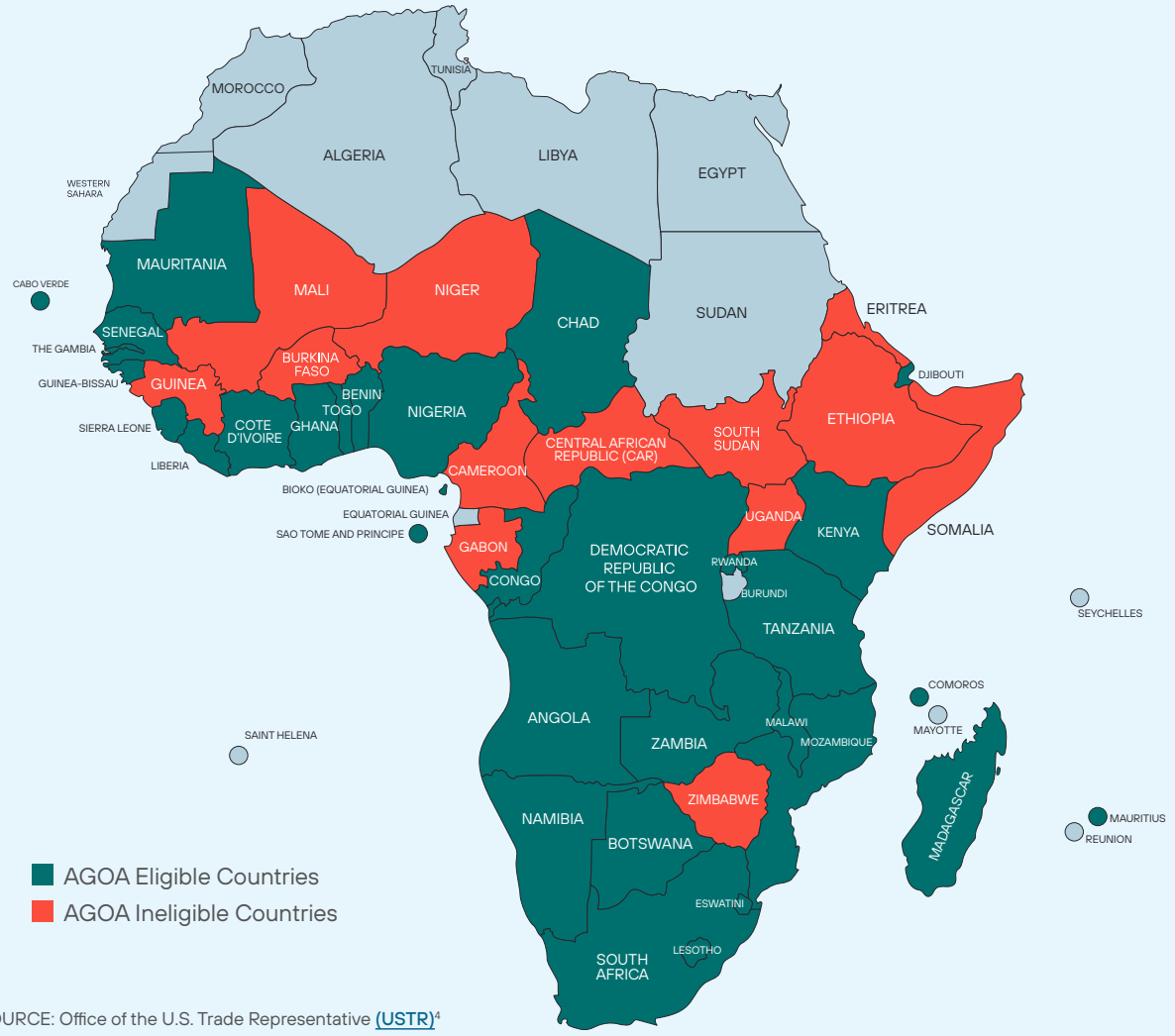
Food Security and Economic Development through the African Growth and Opportunity Act (AGOA)



The African Growth and Opportunity Act (AGOA), according to United States Trade Representative Katherine Tai, is the cornerstone of the economic partnership[1] between the United States and sub-Saharan Africa. It is a program that allows African countries—32 at this writing[2]—to export some goods to the U.S. duty-free, hence free of the often burdensome taxes that impede small business owners. However, countries must satisfy AGOA's eligibility criteria—including the rule of law, respecting human rights, and implementation of economic policies to reduce poverty —in order to participate.

Bread for the World has advocated for AGOA since 2000 and supports its reauthorization.[3] As an organization advocating for policies and programs that will end hunger since 1974, Bread particularly supports the growth of the African agricultural sector that AGOA offers.

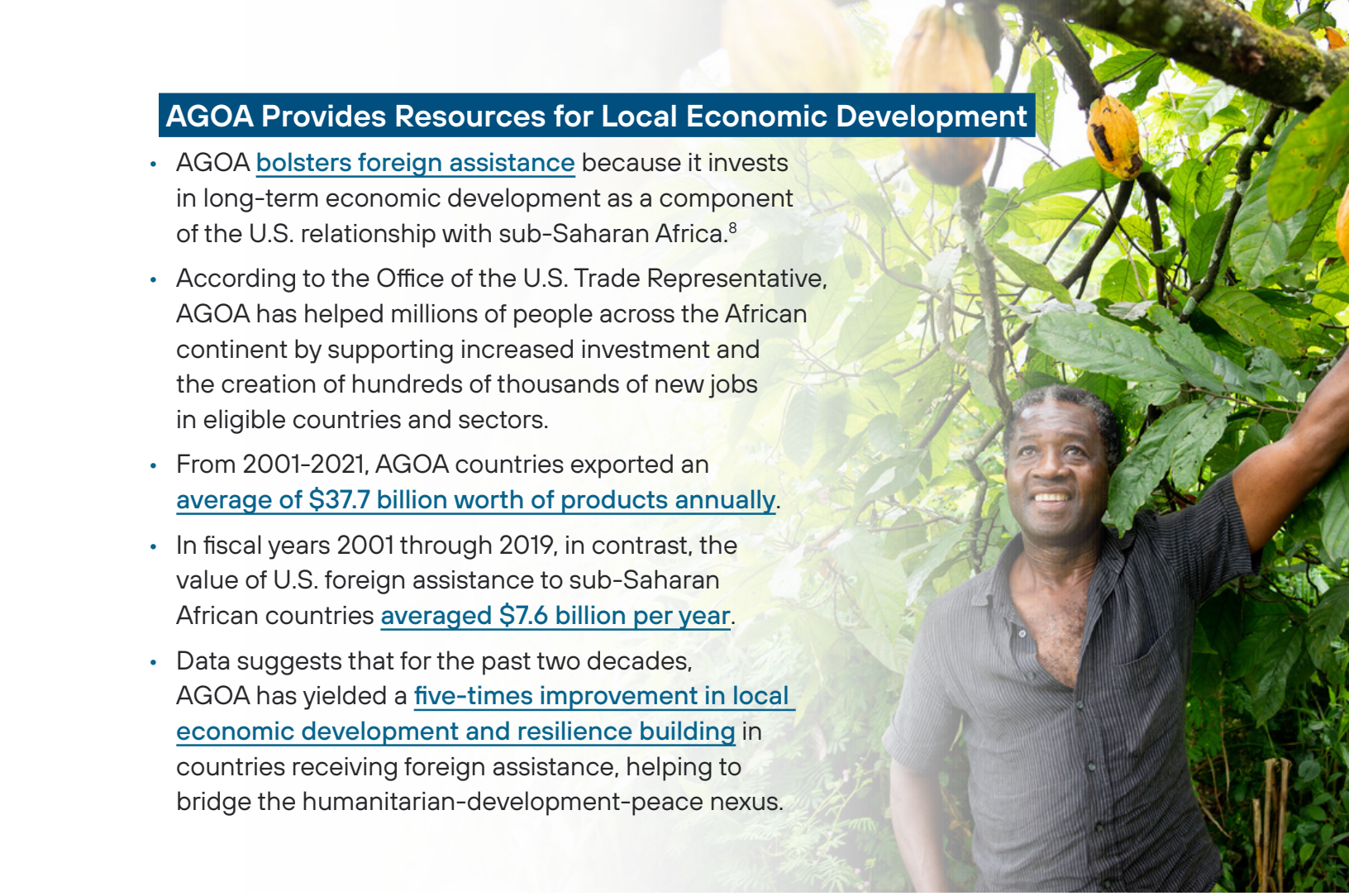
The African Growth and Opportunity Act (AGOA) Eligible and Ineligible Countries (2024)



SOURCE: Office of the U.S. Trade Representative (USTR)[4]

AGOA Promotes Food Security and Economic Development Through Agriculture

- Data shows that inclusive economic growth in the agricultural sector is key to lasting food and nutrition security.[5]
- According to the latest data available, agricultural exports from AGOA countries to the U.S. totaled approximately $802 million in 2023.[6]
- The tariff savings are important to women, families, and communities because they put money back into local economies and the pockets of farmers, producers, and stakeholders in the agricultural supply chain.
- AGOA expands the list of products that African businesses could potentially export, adding 1,800 eligible products[7] beyond what is allowed through the Generalized System of Preferences that governs U.S. trade with developing nations across the globe.



AGOA Provides Resources for Local Economic Development

- AGOA bolsters foreign assistance because it invests in long-term economic development as a component of the U.S. relationship with sub-Saharan Africa.[8]
- According to the Office of the U.S. Trade Representative, AGOA has helped millions of people across the African continent by supporting increased investment and the creation of hundreds of thousands of new jobs in eligible countries and sectors.
- From 2001-2021, AGOA countries exported an average of $37.7 billion worth of products annually.
- In fiscal years 2001 through 2019, in contrast, the value of U.S. foreign assistance to sub-Saharan African countries averaged $7.6 billion per year.
- Data suggests that for the past two decades, AGOA has yielded a five-times improvement in local economic development and resilience building in countries receiving foreign assistance, helping to bridge the humanitarian-development-peace nexus.

AGOA Empowers Small and Women-Owned Businesses

- Bread emphasizes the importance of focusing resources on female smallholder farmers and business owners since they have been historically marginalized as economic actors.
- Data shows that women account for about half of the world's smallholder farmers and produce 70 percent of Africa's food.[9]
- According to UN Women, if women had the same access to resources as men, they would increase yields of farms by 20-30 percent and reduce hunger by up to 17 percent.[10]
- In 2010, the African Women's Entrepreneurship Program (AWEP) was added to AGOA.[11] AWEP is a women's entrepreneurship initiative that provides funding and capacity-building to African businesswomen to promote their participation in international trade.
- AWEP chapters exist in 44 countries and serve as business associations that facilitate trainings and business fairs, engage in global trade through AGOA, and partner with other institutions to promote their members' businesses.
- A wide range of U.S. agencies, including the U.S. African Development Foundation (USADF), as well as the U.S. Departments of State, Commerce, and Labor, currently work with and through AGOA to carry out programs that benefit small and women-owned businesses.



- For example, the USADF has funded the Academy for Women Entrepreneurs Seed Funding Competition and investments in the shea and cashew sectors.

Academy for Women Entrepreneurs Seed Funding Competition:

- In 2019, USADF partnered with the U.S. State Department to train women entrepreneurs to run and scale their businesses through mentoring, technical assistance, and an online training program.
- USADF has provided $1.6 million over two years to approximately 150 women graduates across 15 African countries.[12]

Investments in the shea and cashew sectors:

- USADF supported investments in the shea and cashew sectors, particularly in Benin, Burkina Faso, Senegal, and Cote d'Ivoire.
- Between 2015 and 2022, USADF supported 13 projects with a total investment of approximately $3.2 million in the shea sector, and 15 projects with a total investment of just over $3 million in the cashew sector.[13]
- The projects focused on sustainable parkland and plantation management, improved quality, marketing, and adding value, for example, by processing cashews or using shea nuts to produce cosmetics.
- Shea butter is a common ingredient in cosmetics and food products and according to the Global Shea Alliance, 16 million women in 21 African countries collect and process shea nuts.[14]
- USADF reports, "Support for local growers and processors has made significant contribution to the ability of African shea stakeholders to become viable trading partners across the supply chain."

Making Better Use of AGOA

Bread continues to monitor the effective implementation of AGOA and works to ensure that AGOA countries benefit from the savings offered as fully as possible. When AGOA was last reauthorized in 2015, Congress recommended that countries develop "utilization strategies." According to a Brooking Institution article, countries that have developed AGOA Country Strategies have higher rates of participation and use their AGOA benefits to create jobs with livable wages.[15] Over the last decade, about sixteen AGOA-eligible countries have prepared national AGOA utilization plans, specifically aimed at taking fuller advantage of the opportunities AGOA offers.

AGOA Beneficiary countries with national AGOA strategies (2024)

Botswana	(2021*)	Mozambique	(2018)
Eswatini	(2021)	Namibia	(2021)
Ghana	(2016)	Rwanda	(2016)
Kenya	(2018*)	Senegal	(2015)
Lesotho	(2018*)	Sierra Leone	(2019)
Madagascar	(2015)	Tanzania	(2016)
Malawi	(2018)	Togo	(2017)
Mauritius	(2013)	Zambia	(2018*)

*Strategies updated from a previous version.
**In addition to the countries above, Burundi, Ethiopia, and Mali completed national AGOA strategies when they were eligible for the program.

SOURCE: USTR 2024 Biennial Report on the Implementation of the African Growth and Opportunity Act[16]

Looking to the Future

As part of our work monitoring the effective implementation of AGOA, Bread's efforts include analyzing the causal relationship between adopting utilization strategies and plans, and increasing exports significantly, particularly in the agricultural sector.

For example, Mozambique published a utilization strategy in May 2018. Subsequently, exports from Mozambique under AGOA experienced an 813 percent increase between 2018 to 2020.[17] Agricultural products, such as sugar, nuts, and tobacco, made up the majority of exports over that period.

Countries with the Highest-Value Agricultural Exports under AGOA (2022)

Country	AGOA share (in millions)	Agricultural Products
South Africa	$447	Cocoa beans, paste, cassava, nuts, and soybeans
Cote d'Ivoire	$127	Cocoa beans, paste, butter, and powder, chocolate, nuts, preserved fish, and starches
Ghana	$86	Cocoa beans and paste, cassava, nuts, and soybeans
Kenya	$78	Coffee, nuts, live plants, tea, vegetables, and waxes
Senegal	$70	Preserved fish, crustaceans, fresh fish, and mollusks
Malawi	$37	Tobacco, nuts, tea, sugar, coffee, vegetables, and fats
Togo	$24	Soybeans, soybean oilcake, vegetable, and waxes
Nigeria	$7.5	Cocoa beans, coconuts, medicinal plants, bran, and oil seeds
Uganda	$7.4	Coffee, vanilla, soybeans, oil seeds, fish, and live plants
Mauritius	$4.6	Fish, live animals, sugar, fish fillets, vanilla nuts, and cloves

SOURCE: AGOA.info, AGOA Guide and Overview Agricultural Sector [18]

Contact Us

To learn more about Bread for the World's history with AGOA, our ongoing monitoring of its effective implementation, and our work on its reauthorization, please contact our Policy and Research Institute team at:

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