International Investment, Development, and Privatization

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Section I of this article summarizes the provisions of the African Growth and Opportunity Act and touches on related initiatives in the U.S. executive branch and the independent agencies aimed at Africa. This act represents an important step forward in the development of U.S. trade policies, which look to the potential economic future of sub-Saharan Africa rather than its past. Section II of this article addresses certain recent developments in the European Union (EU) relating to the addition of new members (EU enlargement).

I. The African Growth and Opportunity Act

The African Growth and Opportunity Act (AGOA),[1] which became law on May 18, 2000 when the president signed the Trade and Development Act of 2000, represents the culmination of years of effort to enable international trade to play a greater role in the economic development of Africa. The effort began with Section 134 of the 1994 Uruguay Round Agreements Act,[2] which required the president to develop a comprehensive trade

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1. AGOA is actually Title I – Extension of Certain Trade Benefits to Sub-Saharan Africa, Trade and Development Act of 2000, 19 U.S.C.A. §§ 3701-3741 (West Supp. 2000). The second principal component of the Trade and Development Act is United States-Caribbean Basin Trade Partnership Act, Title II-Trade Policy for Caribbean Basin Countries.

2. *See* Uruguay Round Agreements Act, Pub. L. No. 103-465, § 134, 1994 U.S.C.C.A.N. 4013.

and development policy for countries in Africa and to submit five annual reports related thereto. Some members of the House who wanted a more activist policy introduced AGOA in September of 1996, and then reintroduced it on April 24, 1997.[3] On June 17, 1997, President Clinton next announced his administration's Partnership for Economic Growth and Opportunity in Africa initiative, the main components of which track those of AGOA. These components are: enhanced trade benefits to increase U.S.-African trade and investment flows; technical assistance; enhanced dialogue with African countries; financing and debt relief; and continued U.S. leadership in multilateral forums to support private sector development, trade development, and institutional capacity building in African countries.

AGOA's focus on developing stronger trade relationships with Africa and the recognition that such trade relationships, when compared to other regions of the world, represent a substantial economic opportunity for the United States, signals to U.S. business leaders and to the leaders of the sub-Saharan African countries that efforts to foster this relationship may yield positive benefits for all involved. A White House press release, made in connection with the signing of AGOA, states:

> The 48 nations of sub-Saharan Africa make up a market of 700 million people that offers enormous commercial potential for U.S. exporters. In 1998, for example, our exports to Africa amounted to more than $6.5 billion – more than 45 percent greater than those to all the countries of the former Soviet Union combined. Yet, U.S. trade with Africa still represented merely 1 percent of our total trade that year. There is room for our trading relationship to grow and benefit both markets as Africa develops.[4]

This section summarizes the principal provisions of AGOA and highlights actions that the executive branch and independent agencies have taken to implement and to further AGOA's goals.

A. Preferential Trade Programs

AGOA's central provisions seek to foster increased trade, investment, and economic developments in Africa by greatly expanding the access African products have to the U.S. market. AGOA removes existing product exclusions and other restrictions in the U.S. Generalized System of Preferences (GSP) program, the principal U.S. trade preference program for developing countries. As a result, AGOA affords almost all non-textile and non-apparel products from eligible sub-Saharan African countries complete duty-free and quota-free access to the U.S. market. In addition, AGOA greatly expands the access to the U.S. market accorded textile and apparel products from African countries. However, access to the new trade preferences is conditioned on the President first determining that a country meets the AGOA eligibility requirements and then designating a country as a "beneficiary sub-Saharan African country."[5] A "beneficiary sub-Saharan African country" must also satisfy the general GSP eligibility criteria. Under AGOA only those sub-Saharan African countries that the President determines are in the process of adopting economic and social policies

3. *See* African Growth and Opportunity: The End of Dependency Act of 1996, H.R. 4198, 104th Cong. (1996); African Growth and Opportunity Act, H.R. 1432, 105th Cong. (1997).

4. Press Release, Office of the Press Secretary, The Trade and Development Act of 2000: Strengthening Our Economic Partnership with Sub-Saharan Africa and the Caribbean Basin (May 18, 2000).

5. 19 U.S.C. §§ 3703a, 3721(e)(2) (West Supp. 2000).

that will promote reform and a market economy are to be eligible countries. Put another way, by conditioning the granting of preferential trade access on the adoption of market reform, Congress is attempting to provide an incentive for economic reform in Africa that in turn should lead to increased economic growth.

1. *Eligibility Requirements*

Section 107 of AGOA defines the "countries in sub-Saharan Africa" as the forty-eight countries listed therein.[6] Schedule 1 to this article lists the forty-eight countries covered by AGOA. These forty-eight countries are the only countries that are potentially eligible for AGOA preferential status.

Section 104 of AGOA sets out the eligibility requirements that a country must meet in order to be designated a "beneficiary sub-Saharan African country." A sub-Saharan African country is eligible for AGOA benefits if, among other things, 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 wage, 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 violation 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.[7]

In the first determinations under AGOA made in October 2000, the president, having determined that thirty-three of the forty-eight countries met the requirements set out in

6. *See id.* § 3706.
7. 19 U.S.C. § 3703(a) (West Supp. 2000).

Section 104 of AGOA and the GSP eligibility requirements, designated those countries as beneficiary countries under AGOA.[8] Subsequently, the president designated the Kingdom of Swaziland as an AGOA beneficiary country.[9] The thirty-four AGOA beneficiary countries as of January 2001 are designated by an asterisk '*' in Schedule 1.

The fourteen countries that have so far not been designated eligible for AGOA benefits include some relatively economically advanced African countries, such as the Côte d'Ivoire and Zimbabwe, where coups or other internal political problems at the time called into question whether the democracy-related criteria under Section 104 could be met. In addition, some countries that have been wracked by civil wars or ongoing strife such as Liberia, the Democratic Republic of the Congo, Sudan, and the Comoros have also not been designated.

AGOA requires the president to monitor continually the progress of all sub-Saharan African countries and to terminate the designation of any country that is no longer meeting the eligibility requirements.[10] The president was not required to provide, and did not provide, reasons for designating countries at the time of their designation. However, the president is required to report annually on the progress of each country listed in Section 107 in meeting the eligibility requirements in order to determine its current or potential eligibility. The president's determinations and explanations of such determinations, with specific analysis of the eligibility requirements, must be included in the comprehensive report on the trade and investment policy of the United States for sub-Saharan Africa required by Section 106 of AGOA.[11] The first report, which is due within one year of enactment of AGOA, was not available at the time of this writing. It will be interesting to follow how the president implements these provisions in his role as gatekeeper to the trade benefits available under AGOA.

2. *Non-Textiles/Apparel Preferential Trade Programs*

The new non-textiles/apparel trade preferences in AGOA are set forth in AGOA Section 112.[12] This section amends the GSP statute (Title V of the Trade Act of 1974) to permit "beneficiary African countries" to receive duty-free access under the GSP program for a number of products and in circumstances not permitted under the regular GSP program.[13] In particular, Section 112 permits the president to extend duty-free treatment to a number of products that had been, pursuant to Section 503(b)(1)(B) through (G) of Title V, statutorily excluded or administratively declared to be import sensitive. The list of excluded products included watches, footwear, handbags, luggage, and certain electronic, steel, and glass articles.[14] U.S. tariffs on many of these items are still relatively high and access to the U.S. market on a duty-free basis could be of commercial significance. The president was also authorized to grant duty-free treatment to approximately 1,800 other products, which were heretofore only admitted on a duty-free basis when imported from least-developed developing countries. Before exercising this authority the president was required to take

8. *See* Proclamation No. 7350, 65 Fed. Reg. 59,321-27 (Oct. 4, 2000).
9. *See* Proclamation No. 7400, 66 Fed. Reg. 7373-74 (Jan. 23, 2001).
10. *See* 19 U.S.C. § 3703(b) (West Supp. 2000).
11. *See id.* § 3705.
12. *See id.* § 3721(a).
13. *See id.* § 3721(b).
14. *See id.*

into account the recommendations of the U.S. International Trade Commission on whether any of the foregoing products were import sensitive in the context of imports from beneficiary sub-Saharan African countries.

On December 18, 2000, by Proclamation 7388, the president designated the new products that were added to the GSP program if imported from beneficiary sub-Saharan African countries.[15] Of the approximately 1,900 products (i.e., tariff rate lines) that were potentially eligible to be added to the GSP as a result of AGOA, 1,835 products were added and only about sixty products (mostly steel products) were at the end of process found to be too import-sensitive to be imported duty-free from African countries.

AGOA also modifies the GSP program for eligible African countries in two other ways to make it a potentially more beneficial development tool than before. AGOA extends for African eligible countries the GSP program until September 30, 2008, whereas the GSP program expires on September 30, 2001 for other countries unless renewed.[16] AGOA also eliminates for eligible African countries the competitive need limitations in the GSP program.[17] Under these provisions a country would no longer receive duty-free treatment on an eligible article if U.S. imports of the article from the country exceed either a certain amount (approximately $95 million in 2000) or 50 percent of the total value of U.S. imports of the article.[18] The longer authorization period for the GSP program and the elimination of the competitive need limitations provides more secure and stable access to the U.S. market than that enjoyed by other countries. This preferential structure will hopefully encourage entrepreneurs and companies to make the necessary capital and other investments in Africa to take advantage of the enhanced U.S. market access.

3. *Textiles/Apparel—Preferential Trade Programs*

AGOA also contains specific rules including specific eligibility criteria in respect to textiles and apparel that collectively provide significantly greater U.S. market access for textiles and apparel products from AGOA beneficiary countries than before. These rules are summarized below.

For apparel made in eligible sub-Saharan African countries from U.S. fabric, yarn, and thread AGOA provides for duty-free and quota-free access to the U.S. market without limits. For apparel made from fabric produced in beneficiary African countries from African or U.S. yarn (so-called regional fabric), AGOA provides for substantial growth in duty-free and quota-free imports. However, these duty-free imports are subject to a cap of 1.5 percent of overall U.S. apparel imports. This cap grows to 3.5 percent of overall imports over an eight-year period. For apparel made from non-U.S., non-Africa fabric (so-called "third-country" fabric), Section 112(b)(3)(B) of AGOA creates a Special Rule that permits Lesser Developed Beneficiary Countries (i.e., those whose per capita GNP was according to the World Bank under $1,500 in 1998) to export such apparel to the United States duty free until September 30, 2004. Apparel imported under the Special Rule is counted against the cap on apparel made from African fabric. The twenty-nine Lesser Developed AGOA Beneficiary Countries that were identified by Presidential Proclamations 7350 of October 2, 2000 and 7400 of January 17, 2001, are indicated by a plus "+" symbol on Schedule 1.

15. *See* Proclamation No. 7388, 65 Fed. Reg. 80,723-32 (Dec. 21, 2000).
16. *See* 19 U.S.C. § 3721(f) (West Supp. 2000).
17. *See id.* § 3703.
18. *See id.*

Beneficiary countries can also export to the United States duty free and quota free the following categories of apparel: (a) sweaters from cashmere or merino wool, (b) articles from fabric or yarn not available in the United States in commercial quantities, and (c) certified hand-loomed, handmade, or folklore articles.[19] Section 112(b)(3)(C) allows the president to suspend duty-free treatment for apparel that is subject to the regional and third-country fabric cap in the event that the secretary of Commerce determines that an import surge is causing or threatening to cause serious damage to the domestic industry.[20]

AGOA also eliminates existing quotas on apparel from Mauritius and Kenya (the only two countries in sub-Saharan Africa that at the time of AGOA passage were subject to textile/apparel quotas) within thirty days after those countries adopt the effective visa systems to prevent unlawful transshipments and the use of counterfeit documents.

Greater access to the U.S. market for textile and apparel products is conditioned on the AGOA Beneficiary Countries having adopted and implemented various procedures and policies that will guard against transshipment. AGOA Section 113 provides that a country will not receive the preferential treatment provided by Section 112 unless it:

(A) has adopted an effective visa system, domestic laws, and enforcement procedures applicable to covered articles to prevent unlawful transshipment of the articles and the use of counterfeit documents relating to the importation of the articles into the United States;
(B) has enacted legislation or promulgated regulations that would permit United States Customs Service verification teams to have the access necessary to investigate thoroughly allegations of transshipment through such country;
(C) agrees to report, on a timely basis, at the request of the United States Customs Service, on the total exports from and imports into that country of covered articles, consistent with the manner in which the records are kept by that country;
(D) will cooperate fully with the United States to address and take action necessary to prevent circumvention as provided in Article 5 of the Agreement on Textiles and Clothing;
(E) agrees to require all producers and exporters of covered articles in that country to maintain complete records of the production and the export of covered articles, including materials used in the production, for at least 2 years after the production or export (as the case may be); and
(F) agrees to report, on a timely basis, at the request of the United States Customs Service, documentation establishing the country of origin of covered articles as used by that country in implementing an effective visa system.[21]

In addition, AGOA adopts the customs and related requirements used in the North American Free Trade Agreement (NAFTA) in respect to the U.S. Customs Service procedures to be followed for obtaining the benefits relating to textiles and apparel.[22]

Kenya and Mauritius became the first African countries to be eligible to benefit from the textile and apparel provisions in AGOA. The determinations of the United States Trade Representative (USTR) that Kenya and Mauritius had adopted effective visa systems took effect January 18, 2001 for Kenya[23] and January 19, 2001 for Mauritius.[24]

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19. *See id.* § 3721(b).
20. *See id.* § 3721(b)(3)(C).
21. *Id.* § 3722(a).
22. *See id.* § 3723.
23. *See* Determination Under the African Growth and Opportunity Act, Office of the United States Trade Representative, 66 Fed. Reg. 7836-37 (Jan. 25, 2001).
24. *See* Determination Under the African Growth and Opportunity Act, Office of the United States Trade Representative, 66 Fed. Reg. 8440-41 (Jan. 31, 2001).

The textile and apparel provisions of AGOA are complicated and by no means provide the same unfettered duty-free access to the U.S. market provided for other products. Nevertheless, the textile and apparel provisions are significant given: (a) the traditionally high level of protection that has been accorded to the textile and apparel sector over the years by most developed countries including the United States, (b) the initial opposition of the domestic industry to any liberalization of market access, and (c) the fact that the version of AGOA that first passed the Senate only provided duty-free treatment for apparel assembled from U.S. fabric. The first-year cap, which is in effect for the year October 1, 2000, through September 30, 2001, allows AGOA eligible countries to ship nearly twice the volume of apparel to the United States that they shipped in 1999.[25]

While the impact on Africa's development of AGOA's trade provisions cannot be meaningfully measured so soon after its passage, the legislation has generated an enormous amount of interest in Africa. U.S. government officials who work on Africa have also noted an increase in inquiries from foreign investors who want to source from Africa. There have also been anecdotal reports of companies planning new apparel production in Africa to take advantage of AGOA. Furthermore, USTR, the Commerce and State Departments, and other agencies involved in implementation of AGOA have made an extensive effort through their websites, seminars, and other training sessions to ensure that African governments and entrepreneurs and U.S. companies wishing to do business with Africa have easy access to information regarding AGOA benefits. The USTR website,[26] the Commerce Department website,[27] and the Customs Electronic Bulletin Board[28] all contain extensive material on AGOA and the proclamations, executive orders, regulations, and determinations that have been issued to implement it.

B. Additional AGOA Provisions and Related Initiatives

In addition to the core provisions on enhanced access to the U.S. market, AGOA contains a number of complementary provisions designed to promote economic development and growth in sub-Saharan Africa. Many of these provisions did not require legislative authorization, but still represented new initiatives when AGOA was introduced in 1996 and 1997. By the time AGOA was enacted in 2000, the Clinton Administration had already implemented certain programs in the context of the president's "Partnership for Economic Growth and Opportunity in Africa" initiative, first announced on June 17, 1997. The inclusion in and references to some of the Partnership initiatives represents bipartisan congressional support for them.

Section 105 requires that the president, after consulting Congress and the African governments, shall establish a United States–sub-Saharan Africa Trade and Economic Cooperation Forum (Forum) no later than twelve months after the date of the enactment of AGOA.[29] The Forum is meant to institutionalize the United States' renewed economic engagement with Africa. AGOA requires, among other things, that the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, and the U.S. Trade Represen-

25. *See* African Growth and Opportunity Act, available at http://www.agoa.gov/Eligibility/eligibility.html.
26. *See generally Office of the United States Trade Representative*, http://www.ustr.gov.
27. *See generally AGOA*, http://www.agoa.gov.
28. *See generally Customs Electronic Bulletin Board*, http://www.cebb.customs.treas.gov/public/default.htm.
29. *See* 19 U.S.C. § 3704 (West Supp. 2000).

tative host the first annual meeting with their counterparts from the AGOA Beneficiary Countries and those AGOA countries that the President determines are taking substantial positive steps towards meeting the eligibility requirements of AGOA. AGOA sets out that, "[t]he purpose of the meeting shall be to discuss expanding trade and investment relations between the United States and sub-Saharan Africa and the implementation of the [AGOA] including encouraging joint ventures between small and large businesses."[30] In addition, AGOA encourages the U.S. private sector and the non-governmental organization (NGO) community to develop ongoing contacts with their counterparts in Africa.

1. *The Overseas Private Investment Corporation*

AGOA also encourages the Overseas Private Investment Corporation (OPIC) to initiate one or more equity funds and to take prompt measures to increase its loan, guarantee and insurance programs, and financial commitments of OPIC in sub-Saharan Africa, including through the use of an investment advisory council created pursuant to AGOA. The Board will be charged with, among other things, making recommendations to the board of OPIC on how OPIC can facilitate greater support by the United States for trade and investment with and in sub-Saharan Africa.[31] A number of OPIC Africa initiatives were in place or well advanced by the enactment of AGOA. For example, OPIC's loans and political risk insurance supported three times more business projects in Africa in 1999 than in 1998 and its total dollar support for American investments in Africa rose by more than 36 percent to $1.2 billion in 1999.[32]

OPIC has launched three private equity funds focusing on investment in Africa. In 1996, OPIC created a $120 million fund called the New Africa Opportunity Fund.[33] In 1997, the Modern Africa Growth and Investment Fund was created as a $150 million fund.[34] The latest fund currently being established in support of the objectives of the Clinton Administration's Partnership for Economic Growth and Opportunity in Africa and AGOA is a $350 million fund named the New Africa Infrastructure Fund.[35] This new fund is the largest single fund in OPIC's history and will target the infrastructure needs of sub-Saharan Africa with sensitivity for opportunities including women entrepreneurs and those living in rural areas.

Further evidence of OPIC increasing activity in sub-Saharan Africa is that on June 13, 2000, OPIC's Board of Directors approved the agency's largest loan to a project in sub-Saharan Africa for a $173 million guaranty for the construction, ownership, and operation of a methanol plant in Equatorial Guinea.[36]

2. *Export-Import Bank of the United States*

AGOA also encourages the Export-Import Bank of the United States (Ex-Im Bank) to continue to take comprehensive measures to promote the expansion of Ex-Im Bank financial commitments in sub-Saharan African countries.[37] AGOA notes that from fiscal year 1998

30. *Id.* § 3704 (c)(1).

31. *See id.* § 3733.

32. *See OPIC Implements Aggressive Africa Initiative*, http://www.opic.gov/opicnews/0212/opicnews0212%2Dafricainitiative.htm.

33. *See id.*

34. *See id.*

35. *See id.*

36. *See id.*

37. *See id.* § 3734.

through fiscal year 1999, Ex-Im Bank has doubled the number of sub-Saharan African countries in which it is open for business and has increased by tenfold Ex-Im Bank's support for sales to sub-Saharan Africa.[38]

Ex-Im Bank has three new Africa initiatives to support U.S. business in Africa. The first initiative is the provision of $1 billion in five-year financing to support sub-Saharan Africa's purchase of U.S.-made HIV/AIDS medications and related equipment and services.[39] The pilot program will be available in the twenty-four sub-Saharan countries in which Ex-Im Bank offers five-year financing. These countries are indicated by a pound "#" symbol on Schedule 1.

The second initiative is a one-year $100 million pilot program making short-term export credit insurance available to support U.S. exports of raw materials, spare parts, consumer goods, and commodities to thirteen countries in Africa.[40] The third initiative is the arrangement of rand (the currency of the Republic of South Africa) denominated loans guaranteed by Ex-Im Bank and the inclusion of the rand as a major pre-approved currency in the Ex-Im Bank's Foreign Currency Guarantee Program.[41]

3. *Technical Assistance and Related Efforts*

AGOA also seeks to provide additional assistance aimed at legal, regulatory, and fiscal reforms in Africa.

The United States Agency for International Development (USAID) has instituted new programs to increase Africa's capacity to engage in international trade. One program that USAID has implemented is the Africa Trade and Investment Policy (ATRIP) Program under the president's Partnership for Economic Growth and Opportunity in Africa in June 1997.[42] The ATRIP program provides technical assistance and training to help Africans implement changes in economic policy designed to improve the openness to international trade and investment and encourage greater participation in the global economy and the multilateral trading system.[43] It also provides for assistance in promoting business linkages between U.S. and African business associations and business networks.[44]

Additional related U.S. government efforts include (i) the expansion of the United States and Foreign Commercial Service under the Department of Commerce presence in sub-Saharan Africa; (ii) donation of air traffic control equipment; (iii) a refocus on the Development Fund for Africa established under chapter 10 of part 1 of the Foreign Assistance Act of 1961,[45] which has been an effective tool in providing development assistance since 1988; (iv) encouragement to the private sector to establish an HIV/AIDS Response Fund; and (v) authorizing the Secretary of Agriculture to conduct a two-year study on ways to improve the flow of American farming techniques and practices to African farmers.

AGOA also includes a sense of the Congress resolution that the position of Assistant U.S. Trade Representative for African Affairs should be maintained within the Office of

38. *See Opec Implements Aggressive Africa Initiative, supra* note 32.
39. *See New Africa Initiatives to Expand Your Sales*, http://www.exim.gov/africa-i/afr02.html.
40. *See id.*
41. *See id.*
42. *See United States-Africa Partnership Revisited*, http://www.usaid.gov/regions/afr/us-africa.pdf.
43. *See id.*
44. *See id.*
45. *See* 22 U.S.C. § 2293 (2000).

the U.S. Trade Representative and be adequately funded.[46] Creation of this position was considered an important symbol that Africa should be accorded an institutional focus within the U.S. Trade Representative's office as other regions of the world with which the United States has trade relations.

The creation of the conditions for successful economic development in Africa is a complicated matter and no single piece of U.S. legislation can work as a panacea to the challenges that Africa faces in respect of economic development. However, granting African countries greater U.S. market access for their products conditioned on their continued market and political reforms will hopefully encourage increased foreign direct investment in Africa. These incentives coupled with a new focus by the U.S. legislative and executive branches will hopefully contribute to the development of domestic policies and conditions in the forty-eight countries of sub-Saharan Africa that will develop and harness the energies and abilities of the people in ways that will improve living and health conditions and create more opportunities to benefit from international trade.

II. Enlargement of the European Union

European Union (EU) enlargement is a major goal of its Member States, and in 2000, efforts to enlarge the EU continued to progress.[47] The next major goal of enlargement calls for the integration of all central and eastern European countries into the EU that have interest in membership. This latest and most comprehensive phase of EU development, which commenced in 1993, with pronouncements from the Copenhagen European Council, and other member initiatives,[48] comes with the goal of full integration for a united and strong Europe.[49] The aim is for the continent to achieve comprehensive economic and political stability that guarantees no more war or political strife on its soil, and for the creation of a political and economic superstructure for all Europe. An integral part of the vision is that broad civil liberties will be enjoyed by the European citizenry, including those guaranteed by the European Convention on Human Rights, to which all Member States are signatories.[50] EU member and applicant member citizens can seek redress for wrongs in instances when they believe their member country denied them their rights under the Convention by redress to the European Court of Justice in Luxembourg, the court of the

46. *See* 19 U.S.C. § 3724 (West Supp. 2000).

47. *See generally Europa: European Union On-Line*, http://www.europa.eu.int/index_en.htm; *see also European Union in the U.S.*, http://www.eurunion.org. The European Union commenced with the ratification of the Treaty of Paris, which established the European Coal and Steel Community (1951), the Treaty of Rome (1957), which established the European Economic Community, and EURATROM, all of which were signed by the founding members: Belgium, France, Germany, Italy, Luxembourg, and the Netherlands. There were four successive enlargements: Denmark, Ireland, and the United Kingdom (1973); Greece (1981); Portugal and Spain (1986); and Austria, Finland, and Sweden (1995).

48. *See id.* The Accession process was formally commenced on March 30, 1998 in Brussels for all of the ten central European applicants, and Cyprus. The European Conference, which met for the first time on March 12, 1998, brought together the ten applicant countries from central Europe, Cyprus, Turkey, and Malta. On March 1998, accession negotiations commenced with Cyprus, the Czech Republic, Estonia, Hungary, Poland, and Slovenia. Malta, which had put its application on hold in 1996, had it reactivated in October 1998. At year-end 2000, Turkey did not meet the conditions for opening negotiations for membership, although it is starting to meet more EU criteria, and has been in attendance at an increasing number of EU events.

49. *See Reports on Progress Towards Accession by Each of the Candidate Countries—Nov. 8, 2000*, http://europa.eu.int/comm/enlargement/intro/index.htm.

50. *See* The European Convention on Human Rights, http://www.hri.org/docs/ECHR50.html.

EU, as well as to the European Court for Human Rights in Strasbourg. A further goal of EU development is for Europe to reassert itself in a more powerful way worldwide.[51]

At year end 2000, negotiations continue to progress with twelve applicant countries seeking membership: Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, and Slovenia.[52] Applicant countries are required to pass a series of prescribed economic and political hurdles to achieve accession status. A further requirement of membership is acceptance of existing EU law. Applicants are required to evidence the ability to undertake obligations of membership, including adherence to the goals of political, economic, and monetary union.

Current EU Member States have been working diligently and comprehensively to assist the pre-accession countries to meet the economic and political criteria necessary for accession. Billions of euros of economic aid are provided through numerous economic development programs,[53] including those underwritten by the European Investment Bank, the commercial bank of the EU, the European Bank of Reconstruction and Development, and bilateral economic aid packages provided by individual EU member countries and the donor community. A comprehensive range of civil society building and rule of law programs are provided.[54]

The year 2000 was considered to be a highly successful year for the enlargement process.[55] It is expected that full membership will be achieved for many of the applicant countries over the next few years.

SCHEDULE 1: Sub-Saharan Africa Countries Covered by the AGOA

Republic of Angola (Angola)
Republic of Benin (Benin) * + #
Republic of Botswana (Botswana) *#
Burkina Faso (Burkina) #
Republic of Burundi (Burundi)
Republic of Cameroon (Cameroon) * + #
Republic of Cape Verde (Cape Verde) * + #
Central African Republic * +
Republic of Chad (Chad) * +
Federal Islamic Republic of the Comoros (Comoros)
Democratic Republic of Congo

51. *See id.*

52. The EU has devoted billions of euros for economic development in the pre-accession countries. Among the largest economic programs are IPSA (structural development for environment and transportation), PHARE (infrastructure), and SAPARD (agricultural development).

53. *See, e.g.*, Launching of a $1.3 Million Project on the Training of Judges in EU Law in the Candidate Countries, European Commission (Feb. 5, 2001); Economic & Social Agenda, Enlargement, Governance and Quality of Life on Top of Commission's Priorities for 2001 European Commission (Jan. 31, 2001); Economic Central European Candidates: 134 Million Euro SME Finance Facility Signed, European Commission (Dec. 11, 2000), http://europa.eu.int/comm/enlargement/docs/news2000.htm; The Commission Allocates 10 Million for Scholarships to Turkish Students, European Commission (Dec. 7, 2000), http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&do.../1421101RAPID&lg=E.

54. *See Günter Verheugen, Member of the European Commission Responsible for Enlargement, The Enlargement Process After Nice* (Jan. 16, 2001).

55. *See, e.g., A New Momentum for Enlargement*, European Commission (Nov. 8, 2000).

Republic of the Congo (Congo) * +
Republic of Côte d'Ivoire (Côte d'Ivoire) #
Republic of Djibouti (Djibouti) * +
Republic of Equatorial Guinea (Equatorial Guinea)
State of Eritrea (Eritrea) * +
Ethiopia * +
Gabonese Republic (Gabon) *#
Republic of the Gambia (Gambia) #
Republic of Ghana (Ghana) * + #
Republic of Guinea (Guinea) * +
Republic of Guinea-Bissau (Guinea-Bissau) * +
Republic of Kenya (Kenya) * + #
Kingdom of Lesotho (Lesotho) * + #
Republic of Liberia (Liberia)
Republic of Madagascar (Madagascar) * +
Republic of Malawi (Malawi) * +
Republic of Mali (Mali) * + #
Islamic Republic of Mauritania (Mauritania) * +
Republic of Mauritius (Mauritius) *#
Republic of Mozambique (Mozambique) * + #
Republic of Namibia (Namibia) *#
Republic of Niger (Niger) * + #
Federal Republic of Nigeria (Nigeria) * + #
Republic of Rwanda (Rwanda) * +
Democratic Republic of Sao Tomé and Principe (Sao Tomé and Principe) * +
Republic of Senegal (Senegal) * + #
Republic of Seychelles (Seychelles) *#
Republic of Sierra Leone (Sierra Leone) * +
Somalia
Republic of South Africa (South Africa) *#
Republic of Sudan (Sudan)
Kingdom of Swaziland (Swaziland) *#
United Republic of Tanzania (Tanzania) * + #
Republic of Togo (Togo)
Republic of Uganda (Uganda) * + #
Republic of Zambia (Zambia) +
Republic of Zimbabwe (Zimbabwe) #

* Designates countries that have been designated as eligible for benefits under AGOA as of January [17], 2001.

\+ Designates countries that are designated as Lesser Developed Countries potentially eligible for certain greater trade access under AGOA.

\# Designates countries in which the Ex-Im Bank offers five-year financing and are therefore eligible to participate in Ex-Im Bank's initiative in respect of HIV/AIDS medications and related equipment and services.