

“The Next Steps for Africa”
An International Conference on Cotton
38th IPC Seminar
Woodrow Wilson Building
Washington, DC

An impressive, international array of government officials, private sector representatives, trade and agricultural experts met in Washington on 26 October to take stock of the trade, competitiveness and development assistance issues at play in the African cotton sector. They issued a call for a rapid resumption and conclusion of the Doha Round negotiations and reform of cotton subsidies; for actions by African governments and the private sector to address competitiveness issues and for improved donor coordination and an improved donor-recipient dialogue on cotton.

Three months after the Doha “Development” Round of negotiations were suspended in July over disagreements on disciplines in agricultural trade, West African ministers and leading experts on trade gathered to discuss the future of cotton trade at an international conference on cotton, called “The Next Steps for Africa.” Held on October 26, 2006 in Washington, DC, the conference served to highlight the importance of cotton in Africa, described by many as a symbol of developing countries’ push in the WTO for a more level playing field in agricultural trade policies.

Delivering the opening speech titled, “The Importance of Cotton in Africa,” Mali Trade Minister Choguel Kokala Maïga stressed that cotton is an especially important economic sector to developing countries, given that more than 15 million African farmers make their living from cotton. The commodity has also “contributed to improving rural and agricultural life in Central and West Africa, but farmers are also constrained by global trade rules.” Mentioning that US cotton subsidies have direly affected Mali’s national income and entire processing industries, Maïga expressed hope that “after these meetings we feel we have gathered new information, that we really debated and better understood the issues.” “But I also hope that we are really better understood.”

The conference was organized by IPC, the Woodrow Wilson International Center for Scholars, and the IDEAS Centre, and served to refocus attention on the cotton issue, which hangs precariously in the balance of the stalled WTO Round, which is meant to address cotton more ambitiously and expeditiously than the rest of the agricultural sector. Besides examining the impact of OECD cotton subsidies, the conference also emphasized the need for domestic reforms, ways to boost private sector competitiveness, and improved donor coordination.

The gathering featured high-level speakers, including: Crawford Falconer, the chair of the WTO agricultural negotiations, Gobind Nankani, the vice-president of the World Bank's Africa Region, and ministers from the C-4 countries: Youssouf Abbassalah, the Minister of Trade in Chad, Moudjaidou Issifou Soumanou, the Trade Minister for Benin, and Bonoudaba Dabire, Minister of Agriculture for Burkina Faso, and Trade Minister Choguel Kokala Maïga from Mali.

The first panel was studded with WTO heavy-hitters. Crawford Falconer warned that "nothing will happen on cotton unless negotiators move forward," and urged for a resumption and conclusion of the Doha Round. IPC Member Pedro de Camargo Neto, former Secretary of Trade for Brazil, stressed the urgency for US subsidy reform and for US compliance with the cotton case brought to the WTO by Brazil in 2002. Mark Lange, president of the National Cotton Council, spoke of the multitude of factors that lead to African cotton not being competitive on the world market, including quality issues and the rise of synthetic fibers.

Dan Sumner, director of the University of California Agricultural Issues Center at UC Davis, presented a draft of his forthcoming IPC report entitled "U.S. Farm Programs and African Cotton." Sumner discussed in detail the complexity and extent of US farm subsidies, and how they lead to decreased international cotton prices.

Speaking during the lunch reception, Crawford Falconer made a compelling case for concluding the Doha Round, which would in essence cement agricultural reform policies already put in motion in the US, EU and Japan. Speaking of significant EU agricultural reforms and plans for reform in these countries, he urged for the "political reality in these capitals to be transformed

into reality in the Geneva process.” Assistant USTR for Africa, Florizelle Liser, echoed Chairman Falconer’s push for a resumption of the Doha negotiations and outlined US assistance to Africa.

Bringing to the foreground the insights of the private sector, the second panel after lunch focused on competitiveness issues and featured David Blackwell, vice president for global procurement at Wal-Mart, who spoke on the need for sustainability. Blackwell questioned whether ongoing subsidies might have a detrimental impact on sustainability in the long-term.

While West African cotton production has increased, yields have not, and this trend must be reversed. The opportunities and constraints offered by genetically modified cotton-- which so far is only undergoing field trials in Burkina Faso--was also discussed.

Francois Traore, president of the African Cotton Producers Association, called for the removal of generous US cotton subsidies, highlighting the moral obligation of America to help those millions of African cotton producers whose lives depend on a healthy cotton market.

Representatives from the World Bank, the WTO, the EU, and the French Agency for Development, spoke on the third panel for improved donor coordination in the cotton sector. Given the important role that aid can play in helping African governments take full advantage of new market access opportunities, which has also been highlighted in the WTO’s sectoral initiative on cotton, panelists agreed on the need to improve donor coordination to ensure that recipient countries are not burdened with administering a proliferation of small aid projects, and to better target aid towards capacity building for trade. The panel concluded that donors need to more clearly identify disbursements rather than indicative aid, and undertake more impact assessments. The panel also suggested the need for recipient countries to prioritize agriculture in their respective domestic development plans and urged the C-4 countries to put forward cotton sector specific aid requests.

The conference closed with reflections on the day by Robert Thompson, an IPC Member and Gardner Professor of Agricultural Policy at the University of Illinois, Nicolas Imboden,

executive director of the IDEAS Centre in Geneva, and Ambassador Samuel Amehou, the Benin Ambassador to Switzerland. They acknowledging that developed countries' agricultural support policies have a negative impact on African farmers, and also made a plea for African governments to place greater priorities on their own agricultural sectors and policies.

To access the transcripts, video, and presentations given at “The Next Steps for Africa,” visit www.agritrade.org.