



The Doha Development Round: What's at Stake for Africa?

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Conference Summary

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In Washington for high-level meetings with USTR under the US-COMESA Trade and Investment Framework Agreement (TIFA) to undertake export promotion, a delegation of agribusiness leaders led by the Secretary General of the Common Market for Eastern and Southern Africa (COMESA), Mr. Erastus Mwencha, visited from February 12-16, 2007. Eager to present an African perspective on agricultural trade policies during the kick-off of the farm bill debate in Washington, the International Food & Agricultural Trade Policy Council (IPC), in partnership with the Woodrow Wilson International Center for Scholars, hosted a public event on February 14, titled "The Doha Development Round: What's at Stake for Africa?" Discussion at the event focused on the importance of agriculture to rural development and poverty alleviation, the need for further trade liberalization by OECD and African countries, and additional steps required to improve the competitiveness of African agriculture so that farmers can take advantage of regional and global markets. To view a webcast of the event, please visit: http://www.wilsoncenter.org/index.cfm?fuseaction=events.event_summary&event_id=223867

The event featured Secretary General Mwencha, followed by IPC Member Ajay Vashee, also president of the Southern African Confederation of Agricultural Unions (SACAU), Cris Muyunda, COMESA's senior agricultural advisor, and William Jackson, director for African Affairs at the Office of the US Trade Representative. Kent Hughes, director of the Science, Technology, America, and the Global Economy program at the Woodrow Wilson Center, made opening remarks, and IPC President Charlotte Hebebrand served as moderator.

Agriculture, which provides for 60-90 percent of employment in some African countries and constitutes one-third of African GDP, is a crucial sector for rural development and poverty reduction efforts on the continent. Mr. Mwencha emphasized the need to overcome constraints to trade in agriculture, saying that "answers for African farmers can be found at the global, regional, and farm level."

He acknowledged that African trade concerns would best be addressed through multilateral means, saying that a successful Doha Development Round is the only means of reducing trade-distorting support and the most efficient way for African countries to obtain greater market access. However, trade liberalization alone is not enough, given the existence of supply-side constraints, and preference erosion resulting from liberalization, further underlining the need for capacity-building activities in Africa. Mr Mwencha referred to the WTO's "Aid for Trade" initiative, suggesting it could play a key role in capacity building to strengthen African agricultural markets. Mwencha suggested that "Aid for Trade" efforts could be implemented under the Comprehensive Africa Agricultural Development Project (CAADP), an initiative of the New Partnership for Africa's Development (NEPAD), which is being implemented by COMESA at the regional level.

Representing the views of African farmers, Ajay Vashee said that farmers support the multilateral trading system, and initiatives to promote trade opportunities and sustainable agriculture. He elaborated on the need for “Aid for Trade” to address the specific supply-side constraints of poor transport and telecommunications infrastructure, low soil and seed quality, lack of monetary and fiscal incentives for investment, and insufficient coordination between the public and private sectors.

Mr. Vashee also urged the US Congress to provide the US Administration with an extended trade promotion authority, and to undertake serious reforms in the 2007 farm bill; otherwise, the US may risk losing its position as a leader in trade liberalization efforts. He welcomed the US Administration’s proposal to provide up to 25 percent of US food aid in cash, calling it a “step in the right direction,” since it fosters local and regional procurement.

Cris Muyunda discussed the nature of food insecurity in Africa, noting that “pockets of food surplus and shortage exist—the problem lies in getting food to the people,” further underscoring the need for improved regional food distribution networks. Muyunda also noted that sustainable land and water management areas need improvement, and that CAADP is a regional mechanism that, if supported adequately, can address these issues.

Bill Jackson of the USTR lamented the decrease in Africa’s share of global trade from 6 percent in the 1970s to 2 percent today. He noted that an increase of Sub-Saharan Africa’s share of global trade from 2 percent to 3 percent would result in an increase of \$70 billion in revenue for African producers. “There are no other countries in the world that have more to gain from Doha,” Jackson said.

In addition to increasing Africa’s participation in the global economy, Africa needs to address its own barriers to regional trade. Jackson pointed out that the highest tariff and non-tariff barriers to trade exist among developing countries, and that rural livelihoods could be improved through overcoming barriers to South-South trade.

When asked by Jim Starkey of Universal about why the US could not exercise greater leadership by proposing a 100 percent duty free, quota free access for LDCs, Jackson replied that although the African Union promoted the 100 percent goal, several members of COMESA in fact prefer 97 percent, due to concerns over the competitive textile sector in Bangladesh.

Wrapping up the session, Charlotte Hebebrand indicated that an ambitious and successfully concluded Doha Round is important to African countries, not just because of special and differential treatment provisions, but also because given their own commitments to liberalization. She indicated that the discussion over duty-free/quota-free market access (97 vs 100 percent) showed that developing countries are not a homogenous group. She concluded by saying that preference erosion – as difficult as it may be for some countries – is inevitable, and emphasized Secretary General Mwencha’s point that competitiveness is much more important than preferences. Both CAADP and “Aid for Trade” hold promises for increased competitiveness of African agriculture, but important work remains for all players to realize these promises.