**Session 41: Strategies for overcoming the African cotton crisis at the WTO and beyond: Lessons from the past and strategies for the future**

**Sub-theme IV: What next for the multilateral trading system?**

**Moderator**

H.E. Mr Fodé Seck, Ambassador and Permanent Representative of Senegal to the WTO

**Speakers**

H.E. Mr Prosper Vokouma, Ambassador, Permanent Representative of Burkina Faso to the WTO; C4 Coordinator.

Mr Flavio Damico, Minister Counsellor, Permanent Mission of Brazil to the WTO

Mr Romain Benicchio, Advocacy and Communication Officer, Oxfam International

Dr El Hadji A. Diouf, Executive Director, African Agency for Trade and Development (2ACD)

**Organized by**

African Agency for Trade and Development

Wednesday, 21 September – 14.15-16.15**Abstract**

Ever since the African countries began to link the problems facing their cotton sector with the fall in international prices and with US subsidies, they have been trying to find solutions. Never have they questioned the problems inherent in the cotton industry at the local level. However, at the same time, the US subsidies have always been considered to be an important part of the African cotton problem. Numerous formal and informal consultations have been organized, and several inter‑governmental and civil society organizations have been involved.

In the end, a decision was taken to favour a sectoral initiative rather than to have recourse to the Dispute Settlement Body (DSB). The negotiations have been going on for eight years now, and the Doha Round does not appear to be producing a favourable solution for the African countries. In the meantime, Brazil, which brought its case (Dispute DS267: United States — Subsidies on Upland Cotton) before the DSB, has been successful. An arrangement has been found and Brazil is receiving compensation from the United States.

The overall objective of this session was to take stock of the African cotton issue at the WTO. More specifically, its objectives were to:

* provide the different stakeholders in the cotton issue with an opportunity to discuss practical modalities for putting an end to the African cotton crisis, at the WTO and in other relevant international forums
* offer a diagnosis of the WTO cotton negotiations, examining the obstacles, the progress that has been made, and the opportunities the Doha Round can still offer
* explore ways of referring the matter to the WTO DSB and see what there is to be gained for the African countries.

**1. Presentations by the panellists**

During the session, the participants identified strategies for overcoming the African cotton crisis. It was largely agreed that, in addition to pursuing the negotiations in the framework of the Doha Development Agenda (DDA), litigation before the DSB might be necessary in order to remove harmful subsidies and to obtain compensation.

All the speakers agreed that the African countries and the Cotton 4 had been successful in keeping the cotton issue at the centre of the DDA negotiations. Mr Damico even asserted that this issue was now “synonymous” with the Doha Round. However, they all noted that one mistake had been made: the association of the commercial and of the development dimension of the matter had weakened the movement. The focus should only have been commercial. The participants also largely recalled their wish for an early harvest focused on least-developed countries (LDCs) during the next WTO Ministerial Conference in December 2012. For Mr Benicchio, this would be “a step in the right direction”.

Ambassador Vokouma made various recommendations for the future. He suggested carrying on the negotiations in the framework of the DDA; leading awareness campaigns and lobbying activities aimed at the United States and the European Union; securing the support of different groups (e.g. the Africa, Caribbean and Pacific (ACP) Group of Countries, African countries, etc); and obtaining a better estimation of the issue by political leaders.

On his side, Dr Diouf called for action before the WTO DSB. This action was deemed urgent, as the United States might remove the litigious law on cotton subsidies after their condemnation following the case brought by Brazil before the DSB. It should be a collective action by African countries; not an act of animosity but a way to get compensation for the harm caused to them until now. Officials present in the room confirmed that this possibility was being discussed in political circles.

**2. Questions and comments by the audience**

During a series of questions and answers with the audience, potential competition from the Chinese cotton industry was confirmed by Ambassador Vokouma.

It was also specified that the pursuit of the negotiations and litigation are not mutually exclusive and need to be led in parallel.

Finally, it was established that the development question should not be abandoned, but should be pursued in other forums.