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## **COLUMN: Bridging the information gap, IPC urges 'constructive participation' in biofuels debate**

By Charlotte Hebebrand

**N**ot a week goes by without a major biofuels-related conference or announcement. IPC has now also taken the plunge and delved into the topic by raising the up-to-now little discussed issue of trade. The EU and US have embraced biofuels because they represent a welcome new market for their farmers' agricultural goods, and could contribute to rural development and address climate change concerns.

Yet, if OECD countries are interested in obtaining the most environmentally efficient and economically efficient biofuels for meeting their ambitious biofuel mandates, they would do well to also look beyond their own borders. Developing countries – and not only Brazil - may well have a comparative advantage in producing biofuel feedstocks and biofuels. With continuing high oil prices and the

world's unabated appetite for fuel, the simple logic of demand and supply may lead to increased trade flows of biofuels and their feedstocks. Considerable government support provided to the biofuels sector, high tariffs placed on some biofuel imports, and a multitude of standards being advocated, however, risk stymieing potential trade in biofuel feedstocks and biofuels.

Partnering with Renewable Energy & International Law (REIL), IPC published "WTO Disciplines and Biofuels: Opportunities and Constraints in the Creation of a Global Marketplace," a paper by international trade law expert Robert Howse, which charts out a range of WTO issues that will need to be addressed in order for biofuels to become an internationally traded commodity. These include the product classification of biofuels; the legality

of subsidies to the industry; and the question of technical and environmental sustainability standards, both at the national and international level.

IPC has also recently completed a discussion paper, "Biofuels: Promises and Constraints," authored by IPC Policy Associate Kara Laney. With much uncertainty about how the biofuels industry will evolve, this paper puts forward the potential benefits and drawbacks of biofuels in order to present a thorough overview of the policy issues. It lays out the possible  
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### **IPC calls for rapid resumption and conclusion of Doha "Development" Round**

IPC Members met in plenary in Washington, DC on October 26-29, and held extensive discussions on the current Doha trade negotiations. They called for a rapid resumption and conclusion of the round, and made a particular plea for the finalization of talks in order to achieve more progress on cotton.

Acknowledging that the costs of a failed Doha Round would fall heaviest upon developing and least developed countries, IPC members said they "consider it irresponsible to pass up this existing but shrinking window of opportunity to conclude the round."

"If a deal is not concluded prior to the expiration of US trade promotion authority, negotiations may not resume

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### **IPC announces new website and blog, *Trading Ideas***

IPC is pleased to announce the launch of its new and improved website!

The new site will announce upcoming Council activities, research, and initiatives. It is our intent that this new website enhance IPC's online presence, and help strengthen its ability to communicate effectively with stakeholders. As such, please feel free to sign up for the IPC RSS feed, subscribe to our e-newsletter, the *AgriTrade Forum*, write about agricultural trade issues on Digg, or contribute to our new blog, *Trading Ideas*. This blog will feature comments, analysis, and opinions from IPC members and its staff, and will be available to the international development and trade communities, as well as the general public.

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**D**elivering the lunch address at IPC's 38th cotton seminar, Crawford Falconer made a compelling case for concluding the Doha Round. Speaking of EU agricultural reforms and plans for reform in the US and Japan, he urged for the "political reality in these capitals to be transformed into reality in the Geneva process."

*(COLUMN: Bridging the information gap, from page 1)*

impacts of biofuels on economic and rural development and food security, and also explores different scenarios for trade and investment in biofuels. It also explores the interaction between biofuel production and the environment. For each of these policy areas, the paper examines the implication of biofuels for both developed and developing regions of the world. The purpose of the paper is to raise questions to illustrate the complexity of the biofuels issue to policymakers and other interested parties.

Having contributed these two analyses to the wider biofuels debate, IPC now plans to look at the potential for biofuel production in Sub-Saharan Africa. Using Brazil's experience as a reference point, this investigation will identify what regions, if any, may benefit from investment in biofuels and what policy measures are necessary for such investment to be successful. IPC will release the outcome of this investigation at its spring 2007 meetings, which will be held in Lusaka, Zambia.

Proponents of biofuels see them as a means towards energy independence, a way to reduce greenhouse gas emissions, an economic development opportunity for farmers in both developed and developing countries, or a combination of all three. Others, however, view biofuels more critically, dispute their environmental benefits, and express concerns about rising food prices that may result from using food crops for fuel, and exacerbating food insecurity in some regions of the world. Given the dichotomy of opinions over the role of biofuels, there is clearly a need for IPC to jump in and do what it does so well: address information gaps in food and agricultural trade policy by clarifying complex issues and putting forward pragmatic policy suggestions. 

## **"The Next Steps for Africa": IPC, Woodrow Wilson Center and IDEAS host international conference on cotton**

By Yvonne Siu

Three months after the Doha "Development" Round of negotiations were suspended in July over disagreements in agricultural trade, government officials from West Africa and leading trade experts gathered in Washington, DC, to discuss the future of cotton trade.

Cotton, described as a symbol of developing countries' plight for a more level playing field in global trade, is an important economic sector to developing countries. More than 15 million African farmers have been impacted by US cotton subsidies, which in 2004-2005 totaled more than \$4 billion to American producers. The conference served to refocus attention on the cotton issue, which is supposed to be addressed more expeditiously than other commodities, yet is nonetheless hanging precariously in the balance of the stalled WTO round. It also highlighted other important factors necessary to strengthen the cotton sector in Africa: domestic government policy, private sector competitiveness, and donor coordination.

"With this conference, we attempt to address the complexity of these issues in a comprehensive fashion, to provide an impetus for moving the cotton issue forward, and to promote a healthy exchange of ideas," said IPC Member Robert Thompson, who is also Gardner Professor of Agricultural Policy at the University of Illinois.

Called "The Next Steps for Africa," the conference 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 government officials from the C-4 countries. Among them were Youssouf Abbassalah, the Minister of Trade in Chad, Choguel Kokala Maiga, the Minister of Trade in Mali, Moudjaidou Issifou Soumanou, the Trade Minister for Benin, and Bonoudaba Dabire, Minister of Agriculture for Burkina Faso.

"Cotton has contributed to improving agricultural life in Central and West Africa, but farmers are also constrained by global trade rules. US cotton subsidies have direly affected our national income and entire processing industries," said Mali Trade Minister Choguel Kokala Maiga. "I hope after these meetings we feel we really debated and better understood the issues," he said. "But I also hope that we are really better understood."



The first panel was studded with WTO heavy-hitters. Crawford Falconer spoke of the need for “less repetition and more innovation.” “Nothing will happen on cotton unless negotiators move forward,” Falconer cautioned, and urged for a resumption and conclusion of the Doha Round. IPC Member Pedro de Camargo Neto, the 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. Mark Lange, president of the National Cotton Council, spoke of the multitude of factors that led to African cotton not being competitive on the world market, including quality issues and the rise of synthetic fibers.

Bringing to the foreground the insights of the private sector, the second panel 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.

Francois Traore, president of the African Cotton Producers Association (Aproca), 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 about improved donor coordination as a way for aid to bolster African development and trade. Donor coordination is important to ensure that recipient countries are not burdened with administering a proliferation of small aid projects, and to target aid towards capacity building for trade. The panel concluded that donors need to more clearly identify disbursements, undertake more impact assessments, and that recipient countries need to prioritize agriculture in their respective development plans. The panel also urged the C-4 countries to make aid requests specific to the cotton sector.

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**(left to right) Minister of Agriculture Bonoudaba Dabiré of Burkina Faso, Sara Rogge of DATA, Gobind Nankani of the World Bank, Francois Traore of Aproca, and David Blackwell of Wal-Mart discuss competitiveness issues at IPC's 38th annual seminar, the “Next Steps for Africa.”**

*(IPC calls for rapid resumption of Doha Round, from page 1)*

until 2010 or later,” they said.

They agreed the elements of a final agreement already on the table represent a worthwhile deal, and urged the US to “commit to greater cuts in trade distorting domestic support, and the EU to go the extra step in market access. We also call upon the G-33 and G-20 to acknowledge the heterogeneity of developing countries.”

The risks of a Doha failure IPC outlined are:

- Developing countries have the most to gain from an elimination of export subsidies and substantial reductions in domestic support in OECD countries;
- Without a Doha Round, least developed countries may not obtain duty-free and quota free treatment;
- The likely increase in bilateral and regional trade negotiations may not include developing and least developed countries, or it may overtax their negotiating capacity and create an un-navigable fragmented trading system, and
- Litigation is not an easy route for developing and least developed countries, considering the legal costs and lack of credible retaliation threats. The risks of failure include a loss of commitments made to date, the likelihood of backtracking on agricultural reforms, and a rise in litigation, which risks undermining the strength of the multilateral trading system. 

(The Next Steps for Africa, continued from page 3)

IPC Member Robert Thompson, Nicolas Imboden, executive director of the IDEAS Centre in Geneva, and Ambassador Samuel Amehou, the Benin Ambassador to Switzerland, gave closing remarks. They acknowledged that developed countries' agricultural support policies have a negative impact on African farmers, but also made a plea for African governments to place a greater priority on their own agricultural sectors and policies.

"There needs to be African investment in research, technology, and in transportation and communication infrastructure," Thompson said. Speaking of the need for a "recapitalization of African soil," and stressing that African officials would do well to prioritize agriculture with donors, he said, "agriculture does matter." "We will fail to reduce rural poverty if we do not create an enabling environment for agriculture."

IPC, in partnership with the Woodrow Wilson International Center for Scholars and the IDEAS Centre, organized the conference.

### IPC Announcements: New Staff

IPC welcomes Yvonne Siu, who joined IPC in August as Communications Director. Before joining the Council, she was at the Center for Global Development, where she worked as publications coordinator, and prior to that she worked on economic development projects for Citizens Development Corps. Yvonne has an M.A. in International Development from American University's School of International Service, where she also served as Editor-in-Chief for the School's international affairs journal, *Swords & Ploughshares*. At IPC, Yvonne continues to promote research-based development ideas through publications, online outreach, and engagement with the media. She holds a bachelor's degree in International Studies and US Foreign Policy from Colby College.

IPC also welcomes Avery Murphy, who is participating in the Government of Canada's Young Professionals International Program for six months. She holds a Bachelor of Science in Agriculture from the University of Saskatchewan, with a major in Food Science and a minor in Agribusiness.

### Recent Papers:

IPC recently published Issue Brief 20, "Specific Environmental Effects of Trade Liberalization: Sugar," by Thomas and Jane Earley. The authors make country-specific recommendations for policy-makers to mitigate the possible negative impacts associated with increased sugarcane production. They highlight the important roles played by resource endowments, law enforcement, and technology in creating national policies to overcome the adverse environmental effects of increased sugar production on the world stage.

### Forthcoming Papers:

**"US Farm Programs and LDC Cotton"** by Daniel Sumner, director of the University of California Agricultural Issues Center, UC Davis.

**"Possible Scenarios for Unblocking the Impasse in the Agricultural Negotiations of the WTO Development Round"** by IPC Member Mike Gifford.

### Upcoming Activities:

IPC's 39th seminar and plenary will be held in Lusaka, Zambia, in May 17-20, 2007.

IPC will host a dairy standards roundtable in Geneva on March 9, 2007 at the margin of the SPS Committee Meeting.

**for more information, visit  
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### IPC MISSION

The International Food & Agricultural Trade Policy Council (IPC) promotes a more open and equitable global food system by pursuing pragmatic trade and development policies in food and agriculture to meet the world's growing needs. IPC convenes influential policymakers, agribusiness executives, farm leaders, and academics from developed and developing countries to clarify complex issues, build consensus, and to advocate policies to decision-makers.

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