

Speech on agricultural development by Mr Jacques Chirac President of the Republic to the 22nd Conference of heads of State of Africa and France, Paris

February 21, 2003

I would like to thank President Chissano for presenting the agricultural debate with such clarity. I am prompted by the importance of the issues at stake to speak specifically about this matter.

Agricultural development is vital for Sub-Saharan Africa to attain the 7% average annual growth rate that will enable it to achieve the millennium goals.

The agricultural question is therefore crucial. The risk of famine still threatening part of southern Africa and the Horn of Africa today calls not only for emergency humanitarian action, in which we are involved, but also for a long-term response. Agriculture has been the poor relative of development policies in recent years, despite the fact that the construction of sound agricultural sectors is the surest way of eliminating hunger and poverty in Africa. This is why the African countries should be encouraged to develop ambitious agricultural policies that are designed primarily to satisfy national needs and are supported by enhanced donor action.

I am convinced that food security more than largely relies on food self-sufficiency. Yet although action needs to be taken to build sound food-producing agriculture, Africa also needs to develop export crops.

From this point of view, Europe's agricultural import policy is the most open and the most favourable to Africa, and especially Sub-Saharan Africa. No other developed region has proposed such a generous scheme to the LDCs. There is no agricultural competition between Europe and Africa, there is complementarity. We import your tropical products and you use our temperate products. The major challenge today is to improve the way in which this complementarity functions by stepping up co-operation to give Africa a firm market, which is a basis for faster development.

In recent years, we have not been attentive enough to Africa's real economic and trade needs. We have allowed our relations to become hackneyed and risk losing their special character, even though Africa's position in world trade has never been so weak.

As regards achieving the millennium goals, the Doha Round and the implementation of the NEPAD provide an opportunity to work on a new strategy for the development of African agriculture. It is true that we need a new policy. In addition to the ever-vital technical support actions, which should be stepped up, I propose – and will also propose the same to our European Union partners and the other G8 countries – three major courses of action: first of all, to improve the management of the developed countries' aid and agricultural export policies to prevent them from destabilising your food production; secondly, to defend privileged trade treatment for Africa; and thirdly, to reopen the question of raw materials and primary products, essential for your development.

The first subject concerns export subsidies. In Doha, we undertook to launch negotiations on this matter. The European Union will do so with generosity and paying particular attention to Africa.

However, France is already prepared, in liaison with our European Union and G8 partners, to look into eliminating the elements of our action that create instability and precariousness for the most modest agricultural producers in Africa. I am referring to those local food-producing sectors that, benefiting from the advantage of being local, supply the domestic market and should

constitute its main source of supply. They are vital to tens of thousands of farmers and their families. They can be destabilised by extremely sudden and massive inflows of cheap imported products such as meat, dried milk, poultry and rice. The developed countries, in particular, all have a responsibility in this from the point of view of their export subsidies, their food aid, their export credits and even their sale of surplus stock policies.

France, for its part, proposes that a moratorium, decided on by all the developed countries, be placed on destabilising aid for agricultural exports to Africa for the duration of the WTO negotiations. The European Union will convey this proposal to our partners. Naturally, this moratorium would also apply to food aid used for commercial purposes and to privileged export credits. We could consider, in dialogue with you, where your real interests lie and what your real needs are.

The second area of action is to defend special and privileged trade treatment for Africa. This is not the natural tendency at the WTO, which seeks to move towards multilateral and universal liberalisation. Yet this conflicts with Africa's interests. You need markets for your production. But not just any markets: guaranteed markets protected from excessive competition and price volatility. We have somewhat overlooked this reality. It is time to come back to it.

We must therefore defend preferential treatment for Africa at the WTO and guarantee the continent privileged and sustainable access to our markets. Naturally, there will be opposition. For the international community, it is a question of political will. And Africa will see who its real friends are.

But the running of the system of preferences also needs to be improved. It needs to be simplified and consolidated. I will propose that the developed countries create a single common scheme for each African country, aligned with the most favourable scheme. It is a simple principle: each of your countries should be guaranteed the same access by all the developed countries, based on the same rules. And, of course, we will align ourselves in each case with the situation that is the most favourable to you. And I will propose that these schemes be sustained. This is essential to attract the private investment that is, as you know, a NEPAD priority. France intends to defend this proposal at the Evian Summit.

The third course of action is for us to address the question of raw materials prices.

The lives of one billion human beings depend directly on this. The implications for Africa are considerable. Seventeen Sub-Saharan African countries depend on primary products (excluding oil) for over 75% of their exports.

Cotton, coffee and cocoa guarantee the income and survival of millions of producers and farm workers, who are among the poorest people in the world, and the least protected. When we say that most of the world's poverty is in rural areas, we sometimes forget to say that this is largely due to the volatility of and long-term slide in primary product prices. For your countries, the downturn in raw materials prices represents a loss equal to half of the development aid over the last thirty years. This is a major cause of the problems you are experiencing with your development and your external debt.

These problems are sometimes aggravated by the industrialised countries' policies. I am referring, in particular, to cotton, which provides a living for over 15 million people in Central and West Africa. World prices are constantly driven down by billions of dollars of subsidies to some tens of thousands of producers.

There is, on this subject of raw materials, a sort of conspiracy of silence. There are no simple solutions. Many of the remedies introduced in the past – especially the major commodity

agreements – have failed and we do not want to repeat these experiences. Yet there is no justification for the current indifference.

I will therefore propose to the other G8 members and to the relevant international institutions that work is reopened on this subject. A number of possible courses of action warrant consideration.

- Improving the international financial institutions' facilities in terms of their implementation modalities and their amount and adapting the systematic trade liberalisation policies, which the African countries are pushed too quickly to introduce.
- Adjusting the treatment of the poor countries' debt to raw materials price trends;
- Focusing our development assistance effort more on raw materials producers. We were probably wrong to drop the Stabex-type mechanisms, even if they did not function perfectly. We could think about ways of importing part of your production at guaranteed prices;
- Studying the use of insurance mechanisms to absorb price volatility.

We should also embark on discussions with the major NGOs present in the field to see how we could support their efforts for fairer trade, based on the fair remuneration of producers for coffee and cocoa, in particular.

Putting an end to the negative impact of our agricultural export subsidy policies on Sub-Saharan Africa, fostering the implementation and convergence of the trade preference systems, and tackling the raw materials issue. Such is the shape of the initiative on which I would like us to work, together. These are three aspects of the same ambition for Africa. And this ambition benefits from an extremely favourable timetable, which from Paris through Evian to Cancun, should enable us to make swift progress. Starting today, I would like to open a productive dialogue with you on these issues.