

INVITIATION and the PROGRAM

Mozambique Trade Policy Program (TPP)

Trade Policy formulation for the Cotton Sector

**A conference and workshop jointly hosted by
MIC and MADER**

Date April 5 & 6, 2005

OVERVIEW AND INTRODUCTION

The development of agriculture and agro-processing is of strategic importance as an engine of growth for the Mozambican economy and thus for contributing to the reduction of poverty in the country. It is further seen as paramount that the Donors' community assist the Ministries in charge of trade policy to put in place and strengthen an adequate trade policy framework and process, which is able to identify the specific interests of the country in the field of agriculture and agro-processing and defend them in related fora.

In the light of the special initiatives in the global cotton trade, this sector will be addressed with priority.

To strengthen the Trade Policy formulation framework and process, the Program will help to better structure the decision-making processes. To this end, the Program will target the process by which Mozambique's trade interests in the field of cotton production, trade and processing are identified, the processes by which these interests are translated into policies and negotiating goals and the systems to allocate roles and resources to implement these policies in the various negotiating fora. These policy-making processes are a joint undertaking of the MINISTÉRIO DA INDÚSTRIA E COMÉRCIO (MIC) and of the MINISTÉRIO DE AGRICULTURA E DESENVOLVIMENTO RURAL (MADER). The entity in charge of coordinating and conducting this ongoing process is the GRUPO INTERMINISTERIAL DE AGRICULTURA, composed of members of both ministries and institutions attached to them. The implementation of this policy making process is supported by contributions from the Swiss government and is accompanied by IDEAS Centre. MIC and MADER, given the significance of the cotton production and the cotton industry in the fight against poverty and as one of the gateways towards economic and social development, put high priority on the implementation of this policy making process.

PROCEDURE

Key trade policy goals for the cotton sector will be identified by integrating the views and concepts of the relevant government agencies, the private sector and the institutions related to the cotton sector, including all participants, from production of raw cotton to the manufacturing of garments, including all commercial and industrial steps connecting the two.

The first day is dedicated to expert presentations; the second day will concentrate on workgroup discussions in order to establish broad, consensus-based inputs for the policy making process as well as for the respective roadmap.

In order to establish and assemble efficiently the findings of the conference and turn them into a working document for the Grupo Interministerial, members of the Grupo Interministerial will act as conference rapporteurs.

The group of Rapporteurs will provide, at the end of the conference and workshop, a summary of the findings and the output.

OBJECTIVES

The following output is envisaged at the end of the two days:

- 1 Agreement on the basic policy principles for the cotton sector**
- 2 Definition of a roadmap for the establishment of an integrated trade policy for cotton, including timetables and assignment of tasks**

Programme

April 5 2005¹ Morning

- 08:30-9:15 Opening Section
Address by Mr. António Fernando - Ministry of Industry and Trade
Address by Mr. Adrian Hadorn – Swiss Ambassador to Mozambique
- 9:15-9:45 Objectives of the workshop; the WTO Doha Round with special reference to cotton
Nicolas Imboden, Director, IDEAS Centre
- 9:45-10:15 Cotton Production and Trade in Mozambique – the view of the small scale farmers
Speaker: Farmer's representative
- 10:15-10:45 Cotton Production and Trade in Mozambique – the view of the private sector
Speaker: Mr. João Ribas – President of the Cotton Association (to be confirmed)
- 10:45-11:15 Coffee break
- 11:15-11:45 Trade policies, production and trade by in cotton and cotton products, an overview of the actual situation in Mozambique
Speaker: named by the Grupo da Agricultura
- 12:15-13:30 Lunch Break

April 5 Afternoon

- 13:30-14:15 The process of Policy Making, trade policy tools and trade policies in the international cotton markets – an overview
Hans-Jakob Niklaus, Senior Policy Advisor, IDEAS Centre
- 14:15-14:45 The implications of the termination of the Agreement on Textiles and Clothing
Speaker: tralac
- 14:45-15:15 Coffee break

¹ While substantial space for discussion is provided on day 2, a few minutes for questions should be allocated after each individual intervention

15:15-17:15 Panel

The regional and preferential arrangements and their significance for the cotton sector and the textile industry

Speaker: tralac

What opportunities are in AGOA for the Mozambican cotton sector?

Speaker: Jim LaFleur (to be confirmed)

What is in for the Mozambican cotton sector in the EPA?

Speaker: EU delegation (to be confirmed)

17:15 Closing of the first day

April 6 2005

08:30-09:00 The challenges the Mozambican cotton industry faces

Speaker: tralac

09:00-09:30 Lessons from Eastern and Southern Africa on Competition and Coordination in the cotton sector.

Speakers: Norberto Mahalambe and Higino Marrule, Grupo da Agricultura.

09:30-09:45 Working group introduction

9:45-10:30 Working group discussions - 3 Groups

Objective of the group work: Defining principles for a trade policy for cotton

- Gr 1: Identifying the priority interventions in the cotton sector (from production to trade)
- Gr. 2: How to attract investments to the textiles and clothing sector.
- Gr. 3: Identifying negotiations priorities for Mozambique.

10:30-11:00 Break

11:00-12:30 Plenary Session – intermediary reports from working group rapporteurs and discussion

Moderation by IDEAS

12:30-13:30 Lunch

13.30-14:15 Working group discussions - 3 Groups

**Objective of the group work:
Defining the road map towards a trade policy in cotton**

- Gr 1: The individual tasks to be addressed for trade policy making
- Gr. 2: The institutional framework needed for trade policy making
- Gr. 3: A project proposal under the European-African Partnership Agreement

14:15-16:00 Plenary Session

- Report by the workgroup Rapporteurs
- Plenary discussion

Moderation: IDEAS

16:00-16:15 Break

16:15-16:45 Summary of policy principles and first drawing of the roadmap leading towards the cotton trade policy
Grupo da Agricultura, IDEAS

16:45 Closing address