



INTERNATIONAL COTTON ADVISORY COMMITTEE

Standing Committee
Washington, DC

SC-M-468 Final
June 16, 2003

MINUTES

468th Meeting of the Standing Committee
Friday, June 6, 2003
United Nations Headquarters, 43rd and 1st Ave.
New York, N.Y.

PRESENT:

- Mr. Ajai Malhotra, India (in the Chair)
- Ms. Andrea Preiss, Australia
- Mr. Aluisio de Lima-Campos, Brazil
- Mr. James H. Wu, China (Taiwan)
- Mr. Jason Hsu, China (Taiwan)
- Mr. John Morrison, Côte d'Ivoire
- Mr. Joern Semmler, Germany
- Ms. Andrea Koch, Germany
- Dr. Mordehai Cohen, Israel
- Mr. Victoriano B. Leviste, Philippines
- Mr. Georgiy V. Glazunov, Russia
- Dr. Siphwe F. Mkhize, South Africa
- Mr. Rolf U. Frei, Switzerland
- Ms. Elena M. Cores, Spain
- Mr. Ismail Ates, Turkey
- Mr. James Johnson, United States
- Mr. Tatenda Makono, Zimbabwe
- Mr. Walubita Imakando, Zambia
- Mr. Ralph Chipman, DESA, United Nations
- Ms. Emily Ostroman, Cotton Council International
- Mrs. Eliana de Lima-Campos, Brazil
- Dr. Terry P. Townsend, Executive Director
- Mr. Gerald Estur, Statistician
- Mr. Carlos Valderrama, Head Economist
- Ms. Caroline Taco, Secretariat
- Ms. Rosa Soper, Secretariat

1. Adoption of the Agenda

The CHAIR thanked the Department of Economic and Social Affairs (DESA), Division for Sustainable Development, United Nations for their assistance in making arrangements within the UN for the Standing Committee meeting. The Chair welcomed Mr. Walubita Imakando of the Embassy of Zambia in Washington who was attending as an observer. He also welcomed Ms. Andrea Koch of Germany and Ms. Eliana Lima-Campos of Brazil who were attending for the first time, and he welcomed Mr. Ralph Chipman, Acting Chief, Policy Integration and Analysis Branch, DESA.

The CHAIR asked if there were additions or corrections to the provisional agenda, and seeing no comments found that the agenda was approved.

2. The Role of Commodities in Achieving Sustainable Development

The Chair introduced Mr. Ralph Chipman to discuss recent developments in the UN system related to sustainable development and commodity matters. Mr. Chipman explained that the DESA serves as the Secretariat for the International Commission on Sustainable Development. He said that the concept of sustainable development, while having a lengthy history, had emerged on the UN agenda at the 1992 Rio Earth Summit. He said that sustainable development is often defined in two ways: 1) meeting the needs of the present without compromising the ability of people in the future to meet their needs, and 2) the integration of economic growth, social development and environmental protection. With regard to the

second definition, the Commission is working to discourage the view that these goals are in conflict and instead to encourage policies that seek to achieve the three goals simultaneously.

Mr. Chipman noted that there are different approaches to sustainable development and that different countries tend to place different emphasis on each of the goals. He said that the EU tends to promote the goal of environmental protection, and that developing countries tend to be most concerned with the goal of economic growth and poverty alleviation. He said that there had been an informal agreement since 1992 that developing countries would make greater efforts to implement environmental protection, while developed countries would provide greater technical and financial assistance in poverty alleviation. However, it was ironic to note that international aid peaked in 1992. He said that developing countries often criticize the practices of international lending institutions that condition aid to the achievement of sustainable development goals.

Mr. Chipman noted that there has been an upturn in international development assistance in recent years, and that a greater spirit of cooperation now prevails. However, he noted that tensions still persist. He said that developing countries still feel that they are not receiving the levels of support promised by developed countries.

Mr. Chipman noted that the EU tends to emphasize the use of targets and commitments in international agreements to achieve sustainable development goals, while the U.S. tends to emphasize partnerships and the use of targeted incentives rather than published government commitments. He noted that the summit on sustainable development held in Johannesburg last year placed an emphasis on partnerships and encouraged more cooperation between the private sector, governments and NGOs.

Mr. Chipman noted that agricultural industries involve all three concerns of sustainable development, including economic growth, social development and environmental protection. He said that discussions in the UN regarding agriculture tended to emphasize the issues of food security, poverty reduction and pollution from agricultural practices. He said a major focus within the UN related to agriculture is water sustainability and increasing the efficiency of fresh water use in agriculture. He noted that some experts believe that water scarcity will be the greatest constraint to sustainable development. World food production has been rising faster than population growth in recent decades, leading to higher standards of living. However, the ability of food production to continue rising is in question because of resource constraints.

He said that the International Commission on Sustainable Development is concerned about government measures that distort production and trade, and that there is a consensus in the Commission that such measures should be reduced and perhaps eliminated in the long term. He said there is support for improving market access for developing countries. He said that the Commission has not taken a position on the subject of biotechnology.

The CHAIR thanked Mr. Chipman for his comments and asked if there were questions.

The delegate of BRAZIL asked if the DESA has studied the impacts of government measures on sustainable economic development. Mr. Chipman said that the UN relies on the Food and Agriculture Organization, the United Nations Conference on Trade and Development and the World Trade Organization to take the lead on such issues.

The CHAIR noted that there are no internationally agreed definitions of sustainable development, and that many developing countries are frustrated by the lack of sustained development. He agreed that water availability is an important issue.

In response to a question about recommendations from the UN about resource use, particularly water scarcity, Mr. Chipman said that there is recognition within the UN that there needs to be more integrated management of fresh water resources. He noted that historic rights to water without paying for it tends to lead to inefficiency. He said that the technology exists to maintain and increase current levels of agricultural production, but that to do so water must be used more efficiently. He added that some countries argue that water is a social good and must not be treated as a commodity. Therefore, proposals for privatization of water systems are very controversial. Other proposals such as technical cooperation, tradable water permits, and the creation of rural water user associations to manage water are also discussed within the Commission.

The CHAIR noted that there must be an emphasis on providing clean water for drinking in both rural and urban areas. Mr. Chipman noted that traditional methods of harvesting rainwater are being revived.

The CHAIR noted that there were no other comments or questions. He again thanked Mr. Chipman for his comments.

3. Approval of the Secretariat Budget

The CHAIR asked the executive director to present the proposed budget for 2003-04. The executive director noted that the proposed budget had been prepared in February and March with the Subcommittee on Budget and presented to the Standing Committee in April. He said that there had been no questions or comments regarding the budget since the Standing Committee meeting in April, and that the proposed expenditures contained in table 1, activities under the business plan contained in table 2 and the calculation of total assessments shown in table 3 had not been changed.

However, the executive director drew attention to the scale of assessments for each country shown in table 4. He reported that since April, one member country had made a payment toward its amount in arrears, and a new country has indicated that it intends to join the Committee during 2003-04. Therefore, the total amount to be collected from members through assessments during 2003-04, \$1,433,700 could now be distributed among 42 member countries rather than 40 as had been assumed in April. As a consequence, the assessment for each member shown in table 4 was approximately \$2,000 less than had been shown in the original proposal submitted in April.

The CHAIR said that it was encouraging that additional countries would be contributing to the work of the ICAC in 2003-04. He said that since there had been no questions or comments received about the budget since April he assumed the Standing Committee is prepared to approve the budget.

The CHAIR recognized the delegate of the USA who serves as Chair of the Subcommittee on Budget. The delegate thanked the members of the Subcommittee on Budget who helped to prepare the proposed budget. He noted that it is not always easy for delegates to make themselves attend subcommittee meetings, and he appreciated their good work. He said the proposed budget advances the goals of the ICAC and meets the concerns of members to control costs. He noted the positive impact of additional membership in the Committee. He also said that it is important that members keep assessments current to enable the Secretariat to function as budgeted.

The CHAIR complimented the Subcommittee on Budget for their work. He observed that there were no additional comments and concluded that the budget was approved.

4. Standing Committee Nominations

The CHAIR asked the executive director to present Attachment I. The executive director reported that a meeting of the Nominating Committee was held on May 5, 2003. It was agreed that Ms. Chigozie Obi-Nnadozie of Nigeria who currently serves as First Vice Chair should be nominated to serve as Chair next year, and that Mr. Luc Devolder of Belgium who currently serves as Second Vice Chair should be nominated to serve as First Vice Chair.

After considering the factors indicated in the Rules and Regulations for the selection of Standing Committee officers, rotation on a broad geographical basis, representation for both importing and exporting countries, and ability, interest and participation in the work of the ICAC, the Nominating Committee agreed that Mr. Bakhtiyar Ibragimov of Uzbekistan should be nominated to serve as Second Vice Chair. Mr. Ibragimov participates actively in the meeting of the Standing Committee and represents a producing country. The executive director asked that the Standing Committee agree to forward the nominations to the Advisory Committee at the plenary meeting for final approval.

The CHAIR noted that members of the Standing Committee were in agreement with the recommendations of the Nominating Committee and concluded that the nominations were approved.

5. List of Countries in Arrears

The executive director called attention to Attachment II. He reported that several countries had paid their assessments in recent months but that as of June 6 there were still 14 countries with a total of \$577,200 in arrears. According to the Secretariat budget, the Reserve Fund of the Committee is \$367,000; thus, the amount in savings is \$210,000 less than the amount in arrears. This means that the Secretariat faced a severe cash flow difficulty if additional funds are not received. He noted that the delegates of Brazil, France, Iran and Nigeria have informed the Secretariat of specific steps being taken to pay assessments, and he asked for the assistance of all delegates in communicating the importance of remaining current in the payment of assessments.

Seeing no additional business, the CHAIR adjourned the meeting at 4:30 PM.



Nomination of Standing Committee Officers for 2003-04

A nominating committee met on May 5, 2003 in the office of the Secretariat to propose a slate of officers for the Standing Committee for the coming year. Delegates from Belgium, China (Taiwan), Italy and Spain and the executive director were in attendance. Mr. Luc Devolder of Belgium was elected Chair of the Nominating Committee.

The Rules and Regulations specify that when practicable, the First Vice Chair will be nominated to succeed the outgoing Chair and the Second Vice Chair nominated to succeed the First Vice Chair. The current First Vice Chair of the Standing Committee, Ms. Chigozie Obi-Nnadozie of Nigeria will be able to serve as Chair next year, and the current Second Vice Chair, Mr. Luc Devolder of Belgium, will be able to serve as First Vice Chair. Accordingly, there was a consensus to nominate Ms. Obi-Nnadozie as Chair and Mr. Devolder as First Vice Chair of the Standing Committee next year.

The Rules and Regulations say that the election of officers should take into account:

1. Rotation on as broad a geographical basis as possible,
2. Adequate representation to importing and exporting countries, and
3. Ability, interest and participation in the work of the Committee.

After consideration of these factors, the Nominating Committee agreed that Mr. Bakhtiyar Ibragimov, Counsellor, Trade and Economic Affairs, Embassy of the Republic of Uzbekistan, should be nominated as Second Vice Chair. Mr. Ibragimov participates actively in the meetings of the Standing Committee and represents a producing country. A delegate of Uzbekistan has not previously served as an officer of the Standing Committee. (Mr. Ibragimov has contacted his ministry in Tashkent and has received provisional approval to serve as a Standing Committee officer next year, subject to final approval by his government.)

Accordingly, the Chair found that there was a consensus to nominate Ms. Chigozie Obi-Nnadozie of Nigeria as Chair, Mr. Luc Devolder of Belgium as First Vice Chair, and Mr. Bakhtiyar Ibragimov as Second Vice Chair of the Standing Committee during 2003-04.



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Attachment II to SCN 468
June 6, 2003

Uncollected Assessments of Member Governments of ICAC as of June 6, 2003

Country	Current Year 2002/03	Prior year 2001/02	Prior years 2000/01
Argentina	29,400	31,000	
Brazil *	44,300	50,200	351
Cote d'Ivoire	25,700	23,200	
Egypt	22,500		
Greece	37,900		
Iran *	13,100	12,200	
Nigeria	16,200	15,000	3,000
Pakistan	31,700		
Paraguay	19,500		
Philippines	16,383		
Togo	19,000		
USA	15,460		
Uzbekistan	104,400		
Total	395,543	131,600	3,351

* Specific assurance of prompt payment has been received.