



78th Plenary Meeting – Brisbane (Australia) MINUTES Meeting of the Steering Committee

3:17 hrs, Thursday 5 December 2019.

Chair: Ms. Maha Zakaria

Secretary General: Mr. Kai Hughes, Executive Director

The Chair opened the session and explained that the Committee would review the working papers one through six.

ICAC Working Paper 1: Election of standing committee officers

The Secretary General explained that the Standing Committee had reviewed the structure of the key officer nominations of the ICAC and that it was recommended that from the following year, the structure should be changed from Chair, 1st Vice Chair and 2nd Vice Chair to Chair, 1st Vice Chair and immediate Past Chair. This would help to ensure that Delegates would only need to serve for one full year instead of two before becoming Chair and lessen the risk of being posted to their next appointment during their year as Chair. A position that had become a familiar occurrence recently.

This year, however, the Committee would keep the structure of Chair, 1st Vice Chair and 2nd Vice Chair. The Secretary General also noted that he had been informed by the Indian delegation that Mr. Anshul Sharma of INDIA, who was originally elected by the Nominating Committee to be the 2nd Vice Chair may no longer be able to serve in that post. He informed the Committee that the current officers were: Ms. Maha Zakaria of EGYPT as the Chair and Mr. Selman Kurt of TURKEY as the 1st Vice Chair. The Secretary General asked the Steering Committee to give the authority to the Standing Committee to elect a new 2nd Vice Chair at its next meeting if necessary.

The Delegate from the UNITED STATES approved the proposal to give the authority to the Standing Committee to elect the 2nd Vice Chair. The delegate from BRAZIL seconded the proposal.

ICAC Working Paper 2: Proposed Topics of the 2020 Technical Seminar

The Secretary General informed the Committee that the topic for the 2020 Technical Seminar would be: *Advances and Challenges of Hybrid Cotton Technology*.

The delegate from the UNITED STATES approved the topic of the 2020 Technical Seminar and the Delegate from BRAZIL seconded.

ICAC Working Paper 3: Cash Basis vs. Accrual Accounting Systems

The Secretary General explained that this paper outlining the difference between accrual accounting and cash basis accounting systems had been produced at the request of the Standing Committee who were asking for guidance on whether they should change from the current cash basis to accruals accounting. He informed the Committee that at this stage, the Secretariat was not asking

the delegates to make a decision on this topic but asked the delegates to transmit the information in this document to the capitals and to urge the representatives in the capitals to feed back their views on the document to the delegates in Washington so they could debate the matter further. The Secretary General noted that the Secretariat expected to receive the feedback by the next Standing Committee meeting that would take place in February 2020.

ICAC Working Paper 4: Strategic Away Day – 2 July 2019

The Secretary General informed the Committee that when the ICAC Strategic Plan was written in 2018, discussion on the organisation's Mission, Vision and Values was deliberately left for the following year. This year, the Standing Committee met for the Strategy Away Day during which they decided and approved the ICAC mission, vision, and values. These were;

Mission

- To serve the cotton and textile community through promotion, knowledge sharing, innovation, partnerships and providing a forum for discussion of cotton issues of international significance.

Vision

- Prosperity through a sustainable cotton industry

Values

- Excellence
- Innovation
- Objective
- Trustworthy
- Receptive
- Passionate

The Delegate from the UNITED STATES proposed that the Mission, Vision and Values for the organisation be accepted. The Delegate from AUSTRALIA seconded the proposal.

The Secretary General also informed the Committee about the other decisions and recommendations that were made during the Strategy Away Day and which had been endorsed by the Standing Committee were:

1. Creation of new membership structure for the ICAC that included international and national cotton and textile organisations. The Private Sector Advisory Panel (PSAP) would undertake the responsibility of proposing recommendations for the new membership structure and had created a Subcommittee on Membership consisting of members with knowledge and understanding of the ICAC and its governance.
2. Adjustment of the way ICAC membership dues were collected. Three actions on this matter had been approved by the Standing Committee:
 - a) The period of unpaid assessment fees which would lead to a suspension had been reduced from 24 months to 20 months. This would ensure that a suspended member did not appear in the calculations forming the following year's budget which was typically discussed in March/April.
 - b) Members who were more than 12 months in arrears of paying their assessment fees would be obligated to pay the entry fee of the Plenary Meetings.

- c) Removal of the section 4f of the ICAC Rules and Regulations which stated, “If the assessment of a member government is in arrears for twelve months, except for a minimal amount, not to exceed 15 percent of its current annual assessment, the Executive Director shall notify the government concerned that, unless payment is received within six months after the date of notification, the provision of documents and other services will be discontinued thereafter. If payment is still not received after a further six months, the membership of that member shall be suspended.” Since this rule had never been implemented and was deemed ineffective, it had been decided that it should be removed.

Other decisions that were at the Strategy Away Day and endorsed by the Standing Committee were:

- a) Removal of the reading of the country statements during the Plenary Meetings. All country statements would be distributed before the meeting and the session would then provide members with an opportunity to ask member countries questions about any details they had included in their statement.
- b) Reduction of the length of the Plenary Meeting from five to four days to reduce the cost of hosting and attendance at the Plenary Meeting.
- c) Limiting the number of delegates that received free entry to the Plenary Meetings.
- d) Designating one specific topic, chosen by the PSAP, to be reviewed during the Plenary Meeting.

ICAC Working Paper 5: Uncollected Assessments of the ICAC Members

The Secretary General informed the committee that the ICAC reinstated the following members that had paid their outstanding assessment fees: Nigeria, Cameroon, and Tanzania.

The Secretary General notified the Committee that Sudan had been given a six months extension to pay their outstanding assessment fees, but Sudan was unable to make a payment and the membership of Sudan would therefore be suspended as of this meeting. The Secretary General noted that the fact that delegates from Sudan had come to the Plenary Meeting should be viewed as a positive sign and that the Committee hoped that Sudan would be able to resolve the issue in the near future.

The Secretary General also reminded the committee that members that were more than 12 months in arrears were in danger of being suspended before considering the budget in April 2020. He urged members to pay and explained that non-payment of assessment fees significantly impacted the operation of ICAC.

The CHAIR addressed Delegates from SUDAN and expressed her hope that they would come back to the ICAC membership soon.

ICAC Working Paper 6: PSAP – Prior Year Recommendations

The Secretary General informed the Steering Committee that the PSAP had been rejuvenated and restructured. The PSAP’s membership structure had been changed whereas instead of governments, PSAP members would instead be able to nominate new members to the Panel. These nominees would then be approved by member governments. The Panel had a productive meeting during the Plenary Meeting and the members were looking forward to future developments. Two subcommittees were created in the PSAP: a Subcommittee on Membership which would work on

integrating international and national cotton and textile associations into the membership structure of the ICAC and a Subcommittee on Promotion that would work on promotion topics including promoting more demand for cotton through ICAC. The Subcommittee would also play a significant role in developing ideas and arrangements for World Cotton Day each year.

The Secretary General informed the Committee that the PSAP had produced and agreed a statement, copied to the Steering Committee, which contained all of the statements that the PSAP had made since the time of its establishment. The Panel had reviewed the statements for relevance and revised the statements to reflect what the current position of the members of the PSAP. The Panel would review the statement on a yearly basis and would also choose a particular subject of significance and importance for the cotton industry that they wished to governments to be made aware of and to debate during the Plenary Meeting. The topic recommended for the next Plenary Meeting was decided to be: *Informational Labeling of Textile Products*.

At this point, the Secretary General asked the Committee if they had questions about any of the working papers that were reviewed.

In the answer to the Delegate from BRAZIL, it was clarified that the comments regarding Working Paper 3, Cash Basis vs. Accrual Accounting Systems, should be send to the delegates in Washington and to the Secretariat.

The Delegate from BRAZIL raised a question regarding the topics discussed in Working Paper 4 asking whether there might be legal ramifications if the new suspension rule in the ICAC Rules and Regulations would be implemented with regard to members that joined before the changes were made. The Secretary General explained that in order to avoid any such confusion, the Steering Committee was asked to formally approve the changes to the Rules and that they would take immediate effect and apply to all Members irrespective of when they joined.

The Delegate from the UNITED STATES proposed to approve the changes outlined in Working Paper 4. The Delegate from AUSTRALIA seconded the proposal.

There being no other business, the Chair adjourned the meeting at 15:58.