



75th Plenary Meeting of the INTERNATIONAL COTTON ADVISORY COMMITTEE

MINUTES

MEETING OF THE STEERING COMMITTEE

9:00 hr. Friday, November 4, 2016

Ms Claudia Fontana Tobiassen, Chairperson of Standing Committee, in the Chair

Approval of the Final Statement of the 75th Plenary

1. The CHAIR noted that the Drafting Group had completed its work on the Draft Statement of the 75th Plenary Meeting and asked if delegates were prepared to officially approve the Statement.
2. The delegate of BRAZIL stated that members had debated the document exhaustively on the previous day and no further debate was necessary. The delegate of the USA supported the suggestion of Brazil.
3. Seeing no suggestions or comments on the draft statement, the CHAIR found that the Statement of the 75th Plenary Meeting of the ICAC was approved as drafted by the Drafting Committee.

Election of the Standing Committee Officers

Working Paper 1

4. The CHAIR introduced Working Paper 1, which contained the recommendations of the Nominating Committee for nominations of officers to the Standing Committee.
5. 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, Ms. Reenat Sandhu, of India, and Second Vice Chair, Ms. Claudia Fontana Tobiassen, of Switzerland, are available to serve as Chair and Vice Chair, respectively, during 2016/17. Accordingly, the Nominating Committee nominated a Second Vice Chair during its meeting. Based on geographical rotation, representation of importing and exporting countries, ability, interest and participation in the work of the Committee and timely payment of assessments, the Nominating Committee put forward the name of Mr. Ali Tahir, Minister (Trade), Embassy of Pakistan, to serve as Second Vice Chair. The Standing Committee endorsed the three nominations during its 543rd Meeting.
6. The CHAIR asked if there were comments on the report of the Nominating Committee and the endorsement of the Standing Committee, and seeing none she found that Ms. Sandhu, Ms. Fontana Tobiassen and Mr. Tahir were confirmed as Chair, First Vice Chair and Second Vice Chair of the Standing Committee, respectively, for the period from the end of the 75th Plenary Meeting to the end of the 76th Plenary Meeting.
7. All delegates congratulated the incoming officers. [Working Paper 1 is attached.](#)

Extension of the Contract of the Executive Director

Working Paper 2

8. The CHAIR introduced Working Paper 2 "Extension of the Contract of the Executive Director", which contained a request for the extension of the contract of the Executive Director for two years, until the end of December 2018, at the level of UN grade D-1, step IV.
9. The Executive Director made a brief presentation on the main developments in the organization since he had assumed the post in January 2014. The main challenge facing the organization was to attract new members, especially countries that imported and processed cotton, in order to make the ICAC even more representative of the world cotton sector.

10. The Executive Director and all present ICAC staff members left the meeting room at this point in time, in order to allow for a unimpeded discussion of the subject (and respecting a previously established ICAC custom for this particular situation). No minutes were taken of the following deliberation. Upon the return of the Executive Director and staff members, the CHAIR informed that the contract extension had been approved. She thanked the Executive Director for his work in leading the ICAC. [Working Paper 2 is attached.](#)

**Topic of the 2017 Technical Seminar
Working Paper 3**

11. The CHAIR introduced Working Paper 3, which contained three proposals from the Secretariat to the Committee on Cotton Production Research as to possible topics of the Technical Seminar to be held during the 76th Plenary Meeting in 2017. During its meeting after the Technical Seminar, the Committee on Cotton Production Research had recommended the topic “Opportunities and Challenges for Technology Transfer”.

12. The CHAIR asked if there were any objections to the proposal of the Committee on Cotton Production Research, and seeing none she declared approved the topic of “Opportunities and Challenges for Technology Transfer”. [Working Paper 3 is attached.](#)

**Uncollected Assessments of Member Governments of the ICAC
Working Paper 4**

13. The CHAIR requested the Executive Director to report on the situation of uncollected assessments of ICAC members.

14. The Executive Director introduced Working Paper 4, which contained the situation of uncollected assessments as of October 28th, 2016.

15. One change had occurred since the document was circulated: the organization had collected \$52,275 for payment of Sudan’s 2015/16 assessment and other obligations. As a result, Sudan was now fully compliant with all its financial obligations to the organization.

16. The Executive Director then proceeded to describe the situation of four Members with arrears from prior years: Brazil, Mozambique, Nigeria and Tanzania.

17. Brazil had been suspended on 1 July 2016, since its arrears exceeded 24 months. It had since paid in full the arrears from fiscal year 2014/15 and was duly reinstated on 7 October 2016. It now had an unpaid balance of \$93,700 from fiscal year 2015/16. The Brazilian Congress has recently passed a law authorizing payment of more than US\$1 billion in arrears to various international organizations. The ICAC expected to receive a further payment in the near future.

18. Mozambique had not paid in full its assessment for 2015/16, leaving an unpaid balance of \$5,309. The Coordinating Agency had informed the Secretariat that payment would be made at the beginning of 2017.

19. Tanzania had an unpaid balance of \$23,200 from fiscal year 2015/16. The Coordinating Agency in Tanzania had informed that it faced financial difficulties, but remained committed to membership in the ICAC. Payments would be made on an installment basis until Tanzania is current with its obligations.

20. Finally, he turned to the case of Nigeria, which was suspended on 31 March 2015 for arrears in payments. After a partial payment of \$22,011 on 19 June 2015, the membership of Nigeria had been reinstated, subject to an agreement to pay outstanding arrears in four annual installments as well as annual assessments (see SC 538-003/15). As a result of this agreement, Nigeria should have paid \$11,500 (*pro rata* assessment for 2015/16) by 5 March 2016 and \$16,197.25 (first installment of arrears) by 1 July 2016. In addition, the annual assessment for fiscal year 2016/17 in the amount of \$27,800 was now also due. None of these payments has been made. Consequently, the total arrears of Nigeria are now \$55,497.25.

21. In correspondence, the Coordinating Agency for Nigeria had informed:
The Nigerian economy is experiencing some difficulties due to the fall in oil prices and continuous destruction of

our oil pipelines and installations by militants in southern Nigeria, which is the area producing the nation's crude oil. The low proceed from crude oil exports is seriously affecting the implementation of the nation's 2016 budget. I want to inform you that up till now the Federal Ministry of Finance has not released the funds meant for payment of annual contributions to international commodity organizations. We have contacted a senior official of that Ministry to assist us to facilitate the release of the funds.

22. Nigeria had been previously suspended and then readmitted, subject to compliance with a schedule for payment of outstanding arrears. Nigeria had now fallen behind in its repayment schedule and, according to the terms of Section 4g of Article II of the Rules and Regulations, was once again liable to suspension. In its 543rd Meeting the Standing Committee gave Nigeria the opportunity to comply with its obligations before the Plenary, at which point the matter would be discussed again, either in the Steering Committee or in the Standing Committee. No payment had been received in the interval between the last Standing Committee meeting and the Plenary.

23. The delegate of BRAZIL proposed that this matter should be handled by the Standing Committee, which was in a better position to monitor developments.

24. The delegate of AUSTRALIA concurred with the suggestion made by Brazil, remembering that the principle of non-forgiveness of debts should be maintained. He hoped that the Standing Committee would be able to find a creative solution that avoided a new suspension of the membership of Nigeria.

25. Seeing no other comments, the CHAIR found that the suggestion of Brazil was approved and noted that the arrears of Nigeria would be taken up by the Standing Committee. [Working Paper 4 is attached.](#)

Future Plenary Meetings Working Papers 5 & 6

26. The CHAIR requested the Executive Director to introduce the subject.

27. The Executive Director explained that Working Paper 5 contained a communication from the Government of Mozambique to the effect that financial considerations prevented it from hosting the 76th Plenary Meeting, as had been previously planned.

28. He had consequently approached other ICAC members about the possibility of their hosting the meeting. The Government of Uzbekistan had immediately expressed its willingness to host the meeting, which was formalized in the letter contained in Working Paper 6.

29. The representative of UZBEKISTAN reiterated the terms of the letter of invitation, which would be a great opportunity to celebrate his country's 25th year of membership in the ICAC.

30. The CHAIR thanked Uzbekistan for the invitation and opened the item for discussion. The delegates of BRAZIL, BURKINA FASO, EGYPT, KENYA, PAKISTAN, SUDAN, TAIWAN, TURKEY, UGANDA and the USA expressed their gratitude to Uzbekistan for the offer, especially since it had been made at such short notice. Noting the enthusiastic response of members to the invitation made by Uzbekistan, the CHAIR considered that the proposal was approved.

31. [Working Paper 5](#) and [Working Paper 6](#) are attached.

32. Seeing no other business, the CHAIR adjourned the meeting at 10:30 hrs.