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Sub-Committee on Cotton

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WTO LAUNCH OF WORLD COTTON DAY (WCD) – 7 OCTOBER 2019

REPORT

1. On 7 October 2019, the WTO hosted the launch of World Cotton Day (WCD) to showcase the contributions derived from cotton by economies worldwide. The event offered a unique opportunity for participants from around the world to: (i) establish networks; (ii) keep abreast of the latest developments on cotton production and trade; and (iii) discuss cotton-related challenges from national, regional and international perspectives, including for the most impoverished regions of the world.
2. The WCD launch event was organized at the request of the Cotton-4 (Benin, Burkina Faso, Chad and Mali)¹, to support their draft UN Resolution for an annual day to celebrate the importance of cotton as a global commodity.
3. The launch event was organized by the WTO Secretariat, in collaboration with the Secretariats of the Food and Agriculture Organization of the United Nations (FAO); the International Trade Centre (ITC); the United Nations Conference for Trade and Development (UNCTAD); and the International Cotton Advisory Committee (ICAC).
4. WTO Deputy Director-General Alan Wm. Wolff chaired WTO internal preparations and the cross-divisional task force group created for the event.²
5. The launch event at the WTO was attended by over 800 participants, including eight Ministers from seven WTO Members³, high-level officials, heads of international organizations, Geneva-based delegates and the global cotton community - national growers associations, traders, inspection services providers, cotton promoters, development assistance partners, scientists, scholars, retailers, brand representatives, and the private sector.
6. Two high-level activities and five thematic sessions were organized during the day, with the participation of key cotton experts on trade, value addition, sustainability, technology, innovation, and market outlook:
 - Special High-level Meeting (Opening Session);
 - Partners' Conference on support for cotton and cotton by-products;
 - WTO Session on Trade;
 - UNCTAD and ITC Session on Value addition;
 - FAO Session on Sustainability;
 - ICAC Session on Market outlook;
 - UNIDO Session on Technology and Innovation.

¹ The co-authors of the 2003 WTO Sectorial Initiative on Cotton.

² Administration and General Services Division; Agriculture and Commodities Division; Council and TNC Division; Information and External Relations Division; Institute for Training and Technical Cooperation; Languages, Documentation and Information Management Division; Office of Deputy Director-General Wolff; Office of the Director-General.

³ From Angola, Benin, Brazil, Burkina Faso, Chad, India (who donated a cotton spinning wheel, also known as charkha, to the WTO to mark the occasion) and Mali.

7. The launch event also showcased technological innovations, including: a new ICAC virtual reality training tool for cotton growers; technologies applicable to cotton traceability through DNA (Deoxyribonucleic acid); on-line cotton information platforms; and applied development assistance programmes. Exhibitors presented cotton products of different origins and varieties, as well as various products derived from cotton and its extensive value chain, including cotton by-products.

8. The launch event also constituted an important moment for cotton trade-related negotiations at the WTO. Ministers from Benin, Brazil, Burkina Faso, and Chad as well as Heads of Delegations and representatives from China, Côte d'Ivoire, the European Union, India, Mali and the United States of America attended a high-level session on trade and issued a Joint Statement on the WTO cotton negotiations.⁴ The Joint Statement confirmed the commitment of participants to intensify discussions focusing on factors negatively impacting cotton trade and markets and to pursue efforts aimed at enhancing transparency and monitoring of cotton-related trade measures affecting the global cotton market.

9. The day was concluded by a Cotton-4 Ministers Press Conference; a Fashion Show sponsored by ITC and Mali; and a reception hosted by the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ).

10. Reports on the Opening session, the Partner's Conference and the thematic sessions can be found in Annex I.

11. Several other initiatives were carried out to mark the occasion, including:

- **Joint Publication on "Why cotton matters":** with statements from WTO Director-General, FAO Director-General, UNCTAD Secretary General, ITC Executive Director, ICAC Executive Director, the Cotton-4; as well as testimonials from the International Cotton Association (ICA), African Cotton Association, Brazilian Cotton Growers Association (ABRAPA), China Cotton Association (CCA), French Cotton Association (AFCOT), Cotton Australia, Indian Cotton Growers, C&A, Esquel Group, and Wakefield Inspection Services.
- **Videos:** by WTO Director-General, the Chair of the WTO Agriculture negotiations, ITC Executive Director, ICAC Executive Director, Minister of Trade of Benin, the Ambassadors of Benin, Chad, Burkina Faso, Brazil, China, India, and by the Assistant Secretary General of the Organisation of African, Caribbean and Pacific States (ACP).
- **Pop-up store (sponsored by ITC/AFREXIMBANK):** displaying the creations of Alphadi (Niger); Bazem'se (Burkina Faso); Ikalook (Mali); Awa Meite (Mali); Zenab Création (Chad); Karitediema (Senegal); Leydii (Mali); Mamysor (Burkina Faso); Association Des Tisseuses Teega-Wende (Burkina Faso); and Lolo Andoche (Benin).
- **Fashion Show (sponsored by ITC and CMDT Mali):** showcasing cotton fashion and designs of Alphadi (Niger); Bazem'se (Burkina Faso); Maïmour (Mali); Zenab Création (Chad); and Lolo Andoche (Benin).
- **Stands:** The Brazilian Cooperation Agency (ABC), China, India, Pakistan, Uzbekistan, ITC, UNIDO, FAO, Haelixa, Inclusive Trade, SOCiLA, C-4 Producers (Centre Malien du Développement Textile – Mali; Cotontchad.SN – Chad; Projet de Mode Ethique au Mali de l'ITC – Mali; Société Burkinabè des Fibres Textiles (Sofitex) – Burkina Faso) and AFREXIMBANK.
- **Exhibitions:** India Cotton Exhibition (which included an on-site demonstration of the use of a spinning wheel to thread cotton); and a US Exhibition by Cotton Council International, Cotton Incorporated and Supima.

⁴ Document JOB/AG/165-TN/AG/SCC/GEN/21 dated 10 October 2019.

- **Photo Contest (sponsored by ICAC and Cotton Incorporated):** Prize winners from four categories ("From the field", "To the fibre", "Made with cotton" and "Women in cotton") were awarded a trip to attend the WCD launch at the WTO.
- **Dedicated Social Media** channels; as well as **a live on-line tour and webcasts of the** Opening session, the Partners' Conference, and the Press Conference.
- **Global Activities: 12 countries** and over **20 institutions** - including NGOs, governmental agencies, private companies, international organisations, students, public health professionals, media organizations and individuals - hosted or performed events to mark the day. These global celebrations launched cotton campaigns in different parts of the world to:
 - Increase understanding of cotton-related issues among the general and specialized publics;
 - Explain how cotton production can be improved and identify challenges faced by local stakeholders;
 - Increase commitment from local leaders/politicians/government to improve cotton production/research/trade; and
 - Mobilize new groups and constituencies to voice the necessity and need for better cotton production.

12. The World Cotton Day launch event was praised by the Cotton-4, WTO Members, the global cotton community and the media as a "resounding success". All participants expressed the hope that the success of the WTO launch event will pave the way for the expedited adoption of an UN General Assembly resolution recognizing 7 October as World Cotton Day.

ANNEX I

REPORTS - OPENING SESSION, PARTNERS' CONFERENCE AND THEMATIC SESSIONS

1. Special high-level meeting - Opening session

<u>Speakers</u>	<ul style="list-style-type: none"> ▪ H.E. Ms. Sunanta Kangvalkulkij, WTO, General Council Chairperson; ▪ Mr. Roberto Azevêdo, WTO, Director-General; ▪ H.E. Ms. Shadiya Alimatou Assouman, Benin's Trade Minister; ▪ H.E. Mr. Harouna Kabore, Burkina Faso's Trade Minister; ▪ H.E. Ms. Achta Djibrine, Chad's Trade Minister; ▪ H.E. Mr. Moulaye Ahmed Boubacar, Mali's Minister of Agriculture; ▪ H.E. Ms. Tereza Cristina Dias, Brazil's Minister for Agriculture, Livestock and Food Supply; ▪ H.E. Ms. Smriti Zubin Irani, India's Union Minister of Textiles; ▪ H.E. Mr. Ambassador Xiangchen Zhang, China's Permanent Representative to the WTO; ▪ Mr. Dongyu Qu, FAO, Director-General; ▪ Ms. Arancha González, ITC, Executive Director; ▪ Ms. Isabelle Durant, UNCTAD, Deputy Secretary-General; ▪ Mr. Kai Hughes, ICAC, Executive Director.
<u>Summary</u>	<p>Director-General Azevêdo stressed the importance of shedding light on the linkages between trade, cotton and development. He further recalled that there is still much work to be done to level the playing field for cotton producers, especially in LDCs. Director-General Azevêdo's opening remarks are available here.</p> <p>Minister Shadiya Alimatou Assouman from Benin underlined cotton's substantial contribution to poverty reduction, education, health care, economic growth, peace, dignity and prosperity. She also highlighted the significant social impact of cotton for young people and rural communities in cotton growing areas.</p> <p>Minster Harouna Kabore from Burkina Faso said that although cotton remains Burkina Faso's main agricultural export, contributing more than 10% of the country's GDP, almost all the production is exported without any processing. He further described measures being undertaken to boost local processing and consumption of cotton products.</p> <p>Minister Moulaye Ahmed Boubacar from Mali referred to the longstanding issue of domestic support negotiations at the WTO. He stressed that African cotton represents 10% of world production and, that despite its qualities, African cotton faces stiff competition, particularly from the estimated \$5.9 billion of domestic support disbursed in 2017/2018 by some countries to their producers. He urged WTO Members to address the issue, in line with the 2004 WTO General Council Decision to address cotton "ambitiously, expeditiously and specifically within the agriculture negotiations".</p> <p>Minister Achta Djibrine from Chad reaffirmed the C-4 commitment to the multilateral trading system and to finding fair, balanced and sustainable solutions to trade-distorting subsidies at the WTO. She urged WTO Members to find solutions for the millions of Africans unjustly deprived of the fruit of their labour. She stated that Chad favours a combination of a level trade playing field and coordinated development assistance, to ensure the sustainability of cotton sectors and of the overall economic development for African countries.</p> <p>A video documenting the full session, including the statements made by Brazil, China, India, FAO, UNCTAD, ITC and ICAC, is available here.</p>

2. Partners' Conference on support for cotton and cotton by-products

<u>Moderator</u>	<ul style="list-style-type: none"> ▪ WTO Deputy Director-General Alan Wm. Wolff
<u>Speakers</u>	<ul style="list-style-type: none"> ▪ Keynote speech by S.E. Ms. Shadiya Alimatou Assouman, Minister of Industry and Commerce, Benin; ▪ Benin: Mr. Jean-Bernard Favi, Director-General for Commerce; ▪ Brazil: H.E. Amb. Demétrio Carvalho, vice-President, Brazilian Cooperation Agency (ABC); ▪ Burkina Faso: Mr. Seydou Ilboudo, Conseiller des Affaires Économiques; ▪ Chad: Mr. Souleyman Abakar Ahmat, EIF Focal Point; ▪ China: Dr. Gong Xifeng, Counsellor of Chinese Mission to WTO; ▪ European Commission: H.E. Dr. Leonard Mizzi, DG-DEVCO, EU Commission, on behalf of Commissioner Neven Mimica; ▪ India: H.E. Mr. J S Deepak, India's Ambassador & Permanent Representative to WTO; ▪ Mali: Mr. Doumbia Boucadary, Directeur General du Commerce; ▪ Mozambique: Ambassador of Mozambique to the WTO; ▪ Tanzania: Mr. Marco Mtunga, President of the African Cotton Association, intervening on behalf of the EIF Focal Point of Tanzania; ▪ Uganda: Mr. Frederick Itungulu, on behalf of EIF Focal Point; ▪ Zambia: Ms. Lillian Bwalya, Director Foreign Trade; ▪ Togo: Mr. Talime Abe, Directeur commerce intérieur; ▪ Malawi: Ambassador of Malawi to the WTO; ▪ Agence Française de Développement (AFD): Mr. Christian Fusillier, Responsable de la Division Agriculture, Développement rural et Biodiversité, Agence Française de Développement; ▪ Enhanced Integrated Framework (EIF): Mr. Simon Hess, Head, Monitoring and Evaluation, EIF Secretariat; ▪ Mr. Anders Aeroe, Director, Division of Enterprises and Institutions, ITC; ▪ Ms. Pamela Coke-Hamilton, Director, Division on International Trade and Commodities, UNCTAD; ▪ UNIDO: Mr. Riccardo Savigliano, Chief of the Agro-Industries Technology Division, UNIDO.
<u>Summary</u>	<p>The Partners' Conference marked the high-level reaffirmation of support for various new initiatives in favor of the cotton sector in Africa. It gathered and established a solid network of donors and beneficiaries engaged towards effective assistance to the cotton sector.</p> <p>Ten major cotton producing African countries, all LDCs, intervened to highlight their needs and priorities in terms of cotton-specific development cooperation activities. Donors committed to support the cotton sector in beneficiary countries, for instance with the development of new cotton by-product value chains.</p> <p>Discussions highlighted <i>inter alia</i> that cotton by-products – such as cottonseed oil for human consumption or cottonseed meal for livestock – present untapped economic potential to increase farmers and processors' revenues and resilience to price shocks, particularly in Africa. Donors and beneficiaries committed to pursue the objective of fully exploiting such potential.</p> <p>All the statements made at the event are available here. A video documenting the full session is available here.</p>

3. WTO Session: 2020 Cotton Harvesting Year – The road ahead for the cotton negotiations

<u>Moderator</u>	<ul style="list-style-type: none"> ▪ H.E. Mr. Ambassador John Ronald Dipchandra (Deep) Ford, Chair of the CoA Special Session
<u>Speakers</u>	<ul style="list-style-type: none"> ▪ Mr. Crawford Falconer, Former Chair of the Committee on Agriculture Special Session; ▪ H.E Ms. Alimatou Shadiya Assouman, Minister of Industry and Trade of Benin (C-4 coordinator); ▪ Mr. Harouna Kabore, Minister of Trade, Industry and Handicrafts of Burkina Faso; ▪ Ms. Achta Djibrine Sy, Minister of Trade, Industry and Private Sector Promotion of Chad; ▪ H.E. Ms. Tereza Cristina Dias, Minister for Agriculture, Livestock and Food Supply of Brazil; ▪ H.E. Mr. Xiangchen Zhang, Ambassador, Permanent Representative to the WTO of China; ▪ H.E. Mr. Dennis Shea, Ambassador, Permanent Representative to the WTO of the United States; ▪ Mr. Paolo Garzotti, Deputy Permanent Representative of the European Union.
<u>Summary</u>	<p>JOB/AG/165 TN/AG/SCC/GEN/21</p> <p>"We, the Ministers and High-Level Representatives of Benin, Burkina Faso, Chad, Mali, Côte d'Ivoire, Brazil, China, the European Union, India and the United States met in Geneva on 7 October 2019, on the occasion of the WTO World Cotton Day launch, and participated in the Ministerial Trade Session on Cotton organized by the Chairman of the Committee on Agriculture in Special Session.</p> <p>We exchanged views on the state of play in the WTO negotiations on cotton and agree as follows:</p> <p>Recognizing the importance of cotton production and trade for farmers, we will intensify our discussions on factors negatively impacting cotton trade and markets. We will continue our efforts aimed at enhancing transparency and monitoring of cotton-related trade measures affecting the global cotton market.</p> <p>We invite all WTO Members to work with us in the Committee on Agriculture in Special Session so as to make progress on this issue."</p>

4. UNCTAD and ITC Session: Value addition for a resilient cotton sector in Africa

<u>Moderator</u>	<ul style="list-style-type: none"> ▪ Ms. Elke Hortmeyer, Director, Bremen Cotton Exchange
<u>Speakers</u>	<ul style="list-style-type: none"> ▪ Ms. Dorothy Tembo, Deputy Executive Director, ITC; ▪ Mr. Marco Mtunga, President, African Cotton Association/Director-General, Tanzania Cotton Board; ▪ Mr. Joseph Nkole, Chief Executive Officer, Mumbwa Ginnery Limited/Chairman, Cotton Association of Zambia; ▪ Mr. Christian Schindler, Director-General, International Textile Manufacturers Federation (ITMF); ▪ Mr. Sidahmed Alphadi Seidnaly, alia ALPHADI, Fashion Designer, Niger.
<u>Summary</u>	<p>In many cotton-producing countries in Africa, textile and apparel industries collapsed in the 1990s and have yet to recover. As a result, these countries export nearly all their lint without adding any value to the fibre. Apart from crushing cotton seed, they also add relatively little value to by-products, such as stalks, linters or ginning and spinning residues. Generating little value added, the cotton sector therefore relies on volatile international markets. Meanwhile, risk-averse farmers have reacted to volatile prices by growing less cotton, creating a vicious cycle, in which lower production of raw material represents the main impediment to new value-added processing activities in Africa.</p> <p>Policies to build a more resilient cotton sector in Africa must therefore develop value-added activities that contribute to increased and diversified revenues and thus incentives for farmers to grow more cotton.</p> <p>In this session, experts shared their perspectives and success stories on how African countries can reimagine the cotton-to-clothing value chain and capitalize on cotton by-products, while making cotton more profitable for farmers.</p>

5. FAO Session: Market and policy trends in the cotton sector: prospects for sustainability

<u>Moderator</u>	<ul style="list-style-type: none"> ▪ Mr. Máximo Torero Cullen, Assistant Director-General, Economic and Social Development Department, FAO
<u>Speakers</u>	<ul style="list-style-type: none"> ▪ Mr. Dongyu Qu, FAO Director-General; ▪ Mr. El Mamoun Amrouk, Economist, Trade & Markets Division, FAO; ▪ H.E. Madjidian Padja Ruth, Minister of Production, Irrigation and Agricultural Equipment of Chad; ▪ H.E. Khurram Dastgir Khan, Member of the National Assembly and former Minister of Pakistan; ▪ Ms. Alia Malik, Director of Implementation, Better Cotton Initiative, UK.
<u>Summary</u>	<p>This side event assessed plausible scenarios of key market trends that are likely to affect the cotton market over the coming decade, including the relationship between man-made fibres and natural fibres as well as the extent to which technology can alter that relationship. This can serve to inform and support policy-making processes at various levels in the formulation and execution of policies and investment strategies to ensure a more sustainable cotton sector.</p>

6. UNIDO Session: Key innovation themes for a sustainable, competitive and efficient cotton-textile industry

<u>Moderator</u>	<ul style="list-style-type: none"> ▪ Ms. Piera Francesca Solinas (UNIDO)
<u>Speakers</u>	<ul style="list-style-type: none"> ▪ Mr. Marco Marzoli, Filmar group; ▪ Mr. Mohamed Negm, Cotton research institute, Egypt; ▪ Mr. Cristian Locatelli, Camozzi group; ▪ Mr. Heinz Zeller, Hugo Boss; ▪ Ms. Natalia Papu Carrone, Circle economy; ▪ Mr. Cristian Locatelli, Camozzi group.
<u>Summary</u>	<p>The primary objective of the side event was to shed light on the innovation and technology drivers that are shaping the development for a competitive and sustainable cotton-textile industry. Specific focus was given to how companies in the sector can counterbalance the adverse effects that automation can cause with regards to employment, especially in developing countries.</p> <p>The panel also depicted key market trends and consumers patterns that are affecting fashion-textile industry and illustrate to which extent innovation and technology can help to effectively and sustainably respond to consumers demands.</p> <p>Examples of recycling and upcycling in textile were presented and discussed.</p> <p>Transparency and traceability of supply chains was also discussed as a current priority for the industry to increase effective and sustainable management of value chains: manufacturers are often unable to "tell the story" behind their goods and how their goods are produced and move down the value chain into retail outlets.</p>

7. ICAC Session: Plotting the future path for cotton

<u>Moderator</u>	<ul style="list-style-type: none"> ▪ Mr. Allan McClay, CEO of Better Cotton Initiative (BCI)
<u>Speakers</u>	<ul style="list-style-type: none"> ▪ Ms. Cecilia Brannsten, Environmental Sustainability Manager, H&M Group; ▪ Ms. Anita Chester, Head of Sustainable Raw Materials, C&A Foundation; ▪ Mr. J. Berrye Worsham, CEO, Cotton Incorporated; ▪ Mr. Mark Jarvis, Managing Director, World Textile Information Network (WTIN); ▪ Mr. YC Man, Head of Cotton Operations, Esquel Group; ▪ Ms. Lacy Vardeman, Partner with Vardeman Farms, Texas.
<u>Summary</u>	<p>Industry experts from the cotton and textile supply chain discussed how the future of cotton will be impacted by many factors beyond the farm, and even beyond the supply chain. The challenges of sustainability — in all aspects, including social, economic and environmental future — will require innovative new solutions that take advantage of cutting-edge technologies to tackle:</p> <ul style="list-style-type: none"> • Climate change; • Population growth; • Least developed countries; • Consumer preferences and activism; • Plastic pollution.