

# **EU statement**

**ICAC Plenary**

**Dec. 2019**

**Brisbane, Australia**

Your Excellencies,  
Distinguished Guests,  
Ladies and Gentlemen,

I am delighted to be here today, representing the European Union. This international panel is a clear show of force from across the globe to look closely at the development of cotton value chains. And when we speak about value chains we need to dissect the various parts of the value chain – from the small farmer to the final consumer in a high street shop, but recognise in particular the challenges faced (economic, social and environmental) of the weakest link of the chain- the small farmholder.

And when I talk about SDGs, I refer in particular, to eradication of poverty, but also to economic growth, sustainable production and consumption, decent work and gender equality, all key aspects to development. Trade is an essential drive to economic growth, and global value chains, where different production stages are carried out in different countries, have become a dominant feature of global trade.

Since a few years, the EU is strongly engaged in the International Cotton Advisory Committee- which we consider as the most relevant international forum to discuss the sustainability of cotton value chains- and how to dynamise the sector to achieve SDGs. Hence the crucial importance for producing and consuming countries to tap into and engage in ICAC.

Furthermore, the importance of EU Membership in the ICAC is owing to the significance of cotton to the Union economy and to the Member States (MS) which cultivate, produce, process, trade and consume cotton.

The importance of global value chain as drivers to economic growth, employment and sustainability needs to be embedded within a set of policies and actions to address decent work and reduce vulnerabilities. The garment value chain provides employment opportunities to millions of workers, especially young women. However, particularly in low-income production countries, the industry is often characterised by vulnerable employment and persistent structural problems linked to the fragmentation of labour-intensive, low-skill production across multiple factories and international locations. The European Commission's on-going work on sustainable garment value chains seeks to ensure improvements in terms of labour conditions and human rights, including a strong gender equality focus (75 % of all garment workers are women), and environmental impacts, such as an efficient use of resources and sustainable production and consumption patterns.

Let me highlight some initiatives which we can share with you and which could benefit cotton value chains, if there is demand by partner countries.

One is Value Chain Analysis for Development (VCA4D) which is a very effective tool used by the EU, intended to undertake feasibility assessments, analysing products along the chain, by-products, bottle necks/challenges in a dynamic way. Another is DeSIRA - Development Smart Innovation through Research in Agriculture. It is an initiative launched in 2017, delivering on increased resilience of agricultural and food systems; and on increased coherence and efficiency of research and agricultural advice in climate adaptation and mitigation issues. Focus areas could be water use efficiency, seeds, improvement of soils and using data and digital farm services. We need to unleash the full potential of the digital agenda, which is a key component for example in the Rural Africa Taskforce which deliberated earlier this year and which proposed an action plan at the June EU AU Ministerial Conference in Rome. There are various aspects of this plan which could also be tapped to benefit the cotton value chains.

An additional initiative, which was lately undertaken by European Cotton Alliance (ECA), aims to promote the identity features and values of cotton produced in Europe (EU Cotton). Let me also welcome initiatives presented such as COTTON BY PRODUCTS, contributing to sustainable agriculture, to product diversification, leading to new market opportunities,

hence to growth, contributing to environment, and contributing to employment and gender equality.

We support the COTTON ROADMAP, covering the C4 countries, developing and promoting inclusive and sustainable regional value chains. It means that cotton is treated not as a mere commodity, but rather as a prime sector, as it deserves to be.

When we talk about cotton, it is critical to mention child labour and forced labour in the cotton, textile and garment value chains. The European Union co-funds CLEAR COTTON, implemented by the International Labour Organization (ILO) in collaboration with the Food and Agriculture Organization (FAO) and seeking to halt child labour in cotton production.

I also would like to praise initiatives, such as VISION ZERO FUND, implemented by International Labour Organisation (ILO), aiming at preventing work-related deaths, injuries and diseases in global supply chains.

The agriculture of tomorrow in developing countries, will go hand in hand with sustainability and diversification of production. Agricultural practices need to be transformed and we need to accompany this transformation. Manufacturing cotton and by using cotton-by-products can create lots of opportunities in terms of job creation and growth. Infrastructure, energy supply, as well as policy framework, a strong focus on education and farmers' organisation, will have to create the path towards a competitive presence on markets.

Each country though, definitely needs a different strategic approach. Progress requires a concerted involvement of all relevant actors, taking a broad developmental view, stretching beyond narrow cotton/agriculture sub-sector, including general investment, climate issues, and rural development functions of cotton. Farmer organisations/professional organisations are often a central factor for success.

I trust this Annual Plenary will be the right forum to capitalise on the work done by all of us and to discuss about common endeavours.

Thank you for your attention.