

Joint UNCTAD-ITC statement

Date : 24 September 2019

For Pamela Coke-Hamilton, Director, DITC, UNCTAD

Meeting: World Cotton Day
Partners' conference
Room W, WTO
Geneva, Switzerland

Date: 7 October 2019

Time: 14h30 - 16h30

Excellencies,

Distinguished Panellists,

Ladies and Gentlemen,

- I am pleased to address you on behalf of UNCTAD and ITC – the latter represented by my colleague (NAME) sitting beside me – as part of our joint initiative, along with the WTO, on cotton by-products.
- As you have heard, the WTO is currently implementing the first phase of a joint project, funded by the EIF, in the form of a study on the feasibility of developing cotton by-products in eight African LDC.
- As agreed among our three agencies, UNCTAD and ITC stand ready to implement the project's next phase, with capacity-building activities and pilot projects that respond to the study's findings.
- Both UNCTAD and ITC have extensive experience implementing projects, including on cotton, on behalf of a number of donors and partners, employing dedicated technical cooperation personnel and best-practice methods.
- Through the feasibility study and the subsequent dissemination workshops, project countries will identify priority cotton by-products and/or initiatives for development.
- Without anticipating the results of the feasibility study phase, UNCTAD and ITC have drafted a preliminary second-phase project proposal, with outputs and activities to assist the countries in implementing their priority initiatives.
- The proposed project would contribute to the following overall **impact** statement:
 - “Project countries have viable cotton by-product industries that contribute to poverty reduction through value addition and ensuing income generation”
- We would aim to accomplish this through the following all-important **outcome**:
 - “Increased revenue from cotton for stakeholders, especially smallholder and women farmers, by developing and adding value to cotton by-products”

- In support of this outcome, we propose five specific **outputs**:
 - (1) Improved capacity of stakeholders to elaborate pragmatic commercialization plans for selected investments in value-added cotton by-products.
 - (2) Improved capacity of cotton farmers, as well as women farmers, to form strong cooperatives, allowing them to access inputs and credit and invest in value addition activities, including cotton by-products.
 - (3) Support to established edible oil producers – particularly those producing cottonseed oil – to invest in modern, cost-competitive production techniques and technologies.
 - (4) Improved capacity of policy makers to formulate evidence-based policies to support commercial investments in value-added processing of cotton by-products; and
 - (5) Develop or update cotton development strategies **and** strengthen institutional and policy coherence along the value chain, from production to value addition.
- To deliver on these outputs, we proposed a preliminary programme of **activities**. I won't list them all, but simply say they include general categories such as:
 - Surveys;
 - Expert analytical and advisory services;
 - Facilitating South-South cooperation
 - Capacity-building workshops;
 - Study visits;
 - Advocacy programmes; and
 - Training.
- Once we have the findings of the feasibility study, as well as individual countries' priorities, we will formulate a detailed programme of activities, complete with a specific duration and budget.
- At the current stage, based on the full range of activities I've outlined, we estimate a duration of approximately 3-5 five years.
- As for the arrangement between UNCTAD and ITC, we have agreed that we work in tandem together in each country, with each agency implementing the planned outputs and activities in which it has experience.

Ladies and gentlemen,

- Moving from the technical summary of our proposal, I would like to highlight several cross-cutting themes we have included that respond well to the priorities echoed earlier by **PRESIDENT NAME** and in the joint statements by the EIF project countries.

First: Smallholder farmers must earn a fair share of additional revenues from cotton by-products

- To do that, they must be able to participate directly in value addition, by organizing into commercially viable cooperatives or other forms of farmer organisations.
- Channelling additional revenue to farmers will give them incentives to grow more cotton, helping overcome the raw material challenge faced by many processors in Africa.
- Most importantly, since cotton farmers are among the more vulnerable populations in many countries, additional revenues will contribute to reducing poverty and transforming people's lives.
- Our proposal therefore emphasizes smallholder farmers in every output and devotes a full range of activities to them, such as:
 - Sensitizing them to value addition opportunities;
 - Building their capacity to add value themselves; and
 - Devising policies and pricing formulae that ensure they receive a fair share of additional revenues in the chain.

Second: Women grow half the cotton, but receive fewer than half of the benefits

- In Africa, cotton is predominantly handpicked on small farms with family labour, with the subtext being that: women contribute half of the work in planting, weeding and harvesting.
- Nonetheless, women are poorly represented at the commercial and political levels of the cotton sector.
- Our joint proposal devotes specific activities to assist women in identifying and pursuing value addition opportunities, including forming collectives and accessing the growing range of assistance programmes devoted to women.
- In this way, we aim to increase the income and status that women draw from cotton.

Third: Cotton by-products can contribute to fighting climate change, conserving the environment and improving human health

- Processing cotton residues into commercial by-products reduces waste in the chain, contributing to SDG 12, towards responsible production and consumption.
- More specifically:
 - Biomass briquettes and pellets, made from cotton stalks and other agricultural residues, are attractive substitutes for wood-based fuels, which can help combat the associated crisis of rampant deforestation that exists in many African countries;
 - Biomass fuels also have the potential to reduce the net greenhouse gas and noxious emissions by replacing non-renewable fuels; and
 - Biomass pellets are smoke-free, which can replace some of the damaging health problems associated with burning smoky wood-based fuels in the home – problems that disproportionately affect women and children.

- Our joint programme will incorporate these important environmental and health benefits – alongside the economic ones – into its advocacy, investment planning and policy making activities.

Fourth: By-products must be part of a coherent national cotton strategies

- In many cotton-producing countries, the institutional structure governing the value chain is relatively fractured.
- Most countries have legislation and specialist institutions devoted to cotton production, overseen by their agriculture ministries.
- Cotton-specific governance of value addition is rare and, where it exists, policy coordination from production to value addition is often lacking.
- Similarly, some countries have strategies for the cotton-to-clothing chain, while others do not.
- The policy-oriented activities in our proposal therefore stress the alignment of fibre and by-products in a single national cotton strategy, as well as a more coordinated, end-to-end governance of the cotton value chain.
- **In conclusion**, UNCTAD and ITC are pleased to submit this joint proposal, to implement the findings from the ongoing feasibility study on cotton by-products in eight African LDCs.
- We trust that the structure of outcomes, activities and cross-cutting themes will respond to our partners' and beneficiaries' priorities.
- We look forward to answering your questions and continuing this work on developing cotton by-products, towards reducing poverty and improving farmers' livelihoods in African LDCs.
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