



24 October 2013

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Page: 1/3

Committee on Agriculture
Special Session
Sub-Committee on Cotton

Original: French

WTO NEGOTIATIONS ON AGRICULTURE

Communication from the Co-sponsors of the Sectoral Initiative in Favour of Cotton¹

This communication, dated 24 October 2013, is being circulated at the request of the co-sponsors of the Sectoral Initiative in Favour of Cotton.

DRAFT DECISION ON COTTON²

The *Ministers*,

Stressing the vital importance of cotton to the economies of several African countries in general and those of the Least Developed Countries (**LDCs**) in particular;

Concerned at the adverse consequences for the cotton market of trade-distorting domestic support measures and export subsidies;

Also concerned at the consequences of these measures for the economies of the developing countries, and particularly those of the LDCs, and for the social conditions of populations in the rural cotton-producing communities in those countries;

Stressing the urgency of settling the problems faced by the countries belonging to the Group of Least Developed Countries as a result of the trade-distorting domestic support measures and the cotton export subsidies;

Referring to the Declaration adopted at the 5th Ministerial Conference of the World Trade Organization (WTO) held in Hong Kong in December 2005, and especially paragraphs 11 and 12 thereof relating to cotton;

Concerned at the lack of progress on the cotton issue in the trade negotiations; and

Without prejudice to the overall conclusion of the negotiations on agriculture in the framework of the Doha Development Agenda;

Decide as follows:

¹ Benin, Burkina Faso, Mali and Chad.

² This submission will take account, where appropriate, of the data, implications and economic and trade factors associated with the production and marketing of cotton on the world market and in the trade policies of Members between now and the 9th Ministerial Conference of the World Trade Organization (WTO) in Bali in December 2013, and beyond, where their effects or impacts have been established.

1 TRADE COMPONENT

1.1 MARKET ACCESS

1. Developed country Members, and developing country Members declaring themselves in a position to do so, shall grant, as from 1 January 2015, duty-free and quota-free market access for cotton from the cotton-exporting LDCs.
2. Developing country Members declaring themselves not to be in a position to grant duty-free and quota-free market access for exports of cotton from the cotton-exporting LDCs shall undertake, as from 1 January 2015, to look positively at the possibilities for increased import opportunities for cotton from LDC Members.
3. In the course of its sessions, the Sub-Committee on Least-Developed Countries shall review the implementation by Members of paragraphs A.1 and A.2 above.
4. In accordance with its mandate under the Work Programme for LDCs, the Sub-Committee on LDCs shall include in its work the following specific elements:
 - i. identification and examination of market access barriers, including tariff and non-tariff barriers for the entry of cotton exported by the cotton-producing LDCs;
 - ii. annual reviews in the Sub-Committee of the market access improvements and of any market access measures undertaken by Members, including the identification of access barriers to cotton exported by the cotton-producing LDCs in markets of interest to them. These reports will be on the basis of factual annual studies by the Secretariat of the WTO or any other relevant international organizations; and
 - iii. examination of possible additional measures for progressive and predictable improvements in market access, in particular the elimination of tariff and non-tariff barriers to cotton exported by the cotton-producing LDCs.

1.2 DOMESTIC SUPPORT

5. **Reaffirm** the mandate given by Members in the Decision adopted by the General Council on 1 August 2004 according to which cotton was to be addressed **ambitiously, expeditiously and specifically**, and calling upon all stakeholders in the cotton issue to engage effectively and without delay in the negotiations, on the basis of the outcomes of the work carried out in the Special Session of the Committee on Agriculture and contained in the reports of the Chair of the agriculture negotiations;
6. **Instruct** the Special Session of the Committee on Agriculture and the Sub-Committee on Cotton to intensify and complete the work on this important issue, on the basis of the official proposals by Members, and to submit a draft Decision on the definitive resolution of the cotton issue to the General Council by *31 December 2014 at the latest*;
7. **Request** that the WTO Secretariat circulate a compilation of all domestic support measures (AMS, blue box, *de minimis*, green box, etc.) over the past ten years in the main cotton-producing, -exporting and -importing countries.

1.3 EXPORT SUBSIDIES

8. The WTO Secretariat shall report to Members at each session of the Ministerial Conference on implementation by the developed country Members of the Decision adopted in Hong Kong relating to *the elimination in 2006* of all forms of export subsidies for cotton.
9. The developed country Members that have not yet complied with the implementation of the decision adopted in Hong Kong relating to the *elimination in 2006* of all forms of export subsidies for cotton shall do so immediately following the adoption of the present Decision.

2 "DEVELOPMENT" COMPONENT

10. The necessary link will have to be established between the development aspect of cotton and the Aid-for-Trade (AFT) initiative in order to create, on the basis of the priorities identified by the cotton-producing LDCs, a framework conducive to the development of subregional or regional multidimensional and integrated programmes or projects, for submission to the development partners.

11. The developing countries, and in particular the LDCs having a substantial trade interest in cotton, shall prepare, for submission to the development partners, regional-scale integrative projects, if necessary, linked to cotton or related sectors.

3 IMPLEMENTATION AND FOLLOW-UP

12. The Sub-Committee on Least-Developed Countries, in conformity with its mandate under the Work Programme for the LDCs, shall establish an item on its agenda entitled "Follow-up to Ministerial Decisions/Declarations" where Members will be invited to report on measures taken in fulfilment of WTO Ministerial Decisions and Declarations on cotton.

13. Pending the deadline of 31 December 2014 mentioned in paragraph 6 above, the General Council is instructed, in the course of 2014, to conduct periodic reviews of the implementation of this Decision, based on the reports submitted by the Trade Negotiations Committee, the Sub-Committee on LDCs, the Special Session of the Committee on Agriculture, and the Sub-Committee on Cotton.

14. Finally, the WTO Director-General is invited to furnish periodic reports on the implementation of this Decision, taking account of both the trade policy aspects of cotton and the aspects relating to development assistance.



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Page: 1/1

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Corrigendum

Please note the following:

The fifth preambular paragraph on page 1 of the draft decision on cotton should read as follows:

Referring to the Declaration adopted at the 6th Ministerial Conference of the World Trade Organization (WTO) held in Hong Kong in December 2005, and especially paragraphs 11 and 12 thereof relating to cotton;

On page 2, paragraph 3 should read as follows:

3. In the course of its sessions, the Sub-Committee on Least-Developed Countries shall review the implementation by Members of paragraphs 1 and 2 above.

¹ Benin, Burkina Faso, Mali and Chad.