

EU accession to the International Cotton Advisory Committee (ICAC)

2016/0349(NLE) - 15/11/2016 - Preparatory document

PURPOSE: to allow the EU to accede to the International Cotton Advisory Committee (ICAC).

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: the Council may only adopt the act if Parliament has approved it.

BACKGROUND: the International Cotton Advisory Committee (ICAC) is the International Commodity Body (ICB) for cotton. Its mission is to assist governments in fostering a healthy world cotton economy. ICAC acts as a statistical observer and brings together producing, consuming, and trading countries and all segments of the cotton industry. It has an overall facilitating role. To date, the ICAC is one of the few ICBs¹ where the European Union is not a member, whereas nine Member States have been members of the ICAC in their own right (Belgium, Germany, Greece, Finland, France, Italy, Netherlands, Poland and Spain).

Membership of ICAC is in the interest of the Union, owing to the significance of cotton to the Union's economy.

On various occasions (namely in its conclusions of 2004, 2008 and 2010), the Council of the European Union has requested the European Commission to consider EU membership of ICAC. It authorised the Commission in 2013 to negotiate, on behalf of the European Union and on the basis of negotiating directives, the accession of the Union to ICAC.

CONTENT: with this draft decision, the Council is called upon to permit the EU to accede to the International Cotton Advisory Committee, on behalf of the Union. The Union will pay a contribution in line with the ICAC Rules and Regulations.

BUDGETARY IMPLICATIONS: ICAC membership is based on the payment of an annual contribution. It is calculated on an annual basis as a function of the number of ICAC's members (fixed part) and the volume of raw cotton traded by each member (variable part). A first contribution of maximum EUR 400 000 would be required, which will give the EU an appropriate influence in ICAC affairs and allow broad EU involvement in ICAC's activities.