The regional Cotton to Clothing strategy

At 21st Round of the WTO Director General's Consultative Framework Mechanism on Cotton
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COMESA Membership

• The 19 Member States of COMESA are:

Burundi
Comoros
Congo, DR
Djibouti
Egypt
Eritrea
Ethiopia
Kenya
Libya
Madagascar
Malawi
Mauritius
Rwanda
Seychelles
Sudan
Swaziland
Uganda
Zambia
Zimbabwe
Introduction

- Presentation is a follow up of the statement by Chair of Permanent representatives of COMESA countries at the 20th round of the Consultative Framework Mechanism on Cotton

- We would like the DG for the Consultative Framework Mechanism – it has improved the exchange of information and coordination

- We appreciate the role of the evolving Table on Cotton Development Assistance as centrepiece of a transparent and all-encompassing monitoring process

- Like in the past, it reveals that the aid disbursement has not been well distributed to vulnerable cotton farmers in all African countries.

- There is a need to consider this to ensure INCLUSION of all vulnerable farmers in Africa to consolidate the gains made so far in cotton development assistance
A Strategy for the ESA Region

- Responds to development priorities, private sector’s concerns and market’s requirements

- Has High political/public endorsement - strategy favour political cohesion and policy convergence

- Provides an enabling framework for the design and implementation of regionally integrated projects

- Coordination capacity-….mechanisms in place to secure implementation at national levels-PPP approach

- Provides a framework to donors and institutions for support
Regional Cotton – Textile-Clothing strategy process flow

1. COMESA Djibouti Head of States Summit-Nov 2006
   - COMESA Secretariat Developed Implementation plan

2. COMESA Secretariat co-opted Partners
   - EU-ACP
     - ITC, UNIDO, ACTIF, USAID, FAO

3. Stakeholders round tables mounted - ITC and ACTIF supported
   - Members states: 2 rep (private public sectors)
   - Expert group meetings held
     - Industry Association (ACTIF)
2009
Zimbabwe Heads of States Summit: Business Forum

THE LAUNCH OF THE STRATEGY

Private sector
Investing/trading

Public sector
Creating enabling Environment
The development goals

- To enhance cotton production and farmer incomes;
- To increase investment and efficiency in textile and clothing manufacturing; and
- To expand trade-regional and connect to global value chain.
Key Strategic objectives

- To increase the production of quality cotton to raise farmer incomes
- Improve access to affordable agricultural inputs and farm credit
- To improve the production of quality lint and enhance market penetration.
- To enhance competitiveness and increase trade in the textile sub-sector
- To diversify product line and improve manufacturing efficiency in the clothing sub-sector
- To diversify markets in the clothing sub-sector
- Establish an institutional framework for the implementation of the regime strategy
Focus Area: New Value proposition

Embracing the 5F + 1 strategy: to capture the cotton value chain

- Farm
- Fibre
- Fabric
- Fashion
- Foreign markets

Plus +

- Fair Trade
Why strategy: A Race Against Time

Value Chain

- Cotton Production
- Spinning/Knitting/Weaving
- Cutting & Sewing
What is the strategy for?

Synergise /strenthen National strategies

Develop programmes/Projects

Co-ordinate donor value chain activities
The Strategy & Development partners

- Develop synergies, avoid parallel programs
- Joint approach-studies, market information
- Framework to apply local solutions for local problems
- Support PPS initiatives
- Coordination interventions in the sector
PRIORITY PROJECTS
Activity 1: Capacity building of National ACTORS

- The key objective is to implement capacity building initiatives for the national associations and cotton boards to strengthen their ability to support the various national level programs.

- Direct Beneficiaries
  - National Associations from 8 Countries

- Estimated duration: 24 Months

- Target Countries: All cotton and textile producing Countries in ESA region
Activity 2: Market prospects for cotton by-products

- Key objective is to identify and promote the market potential and economic value that can be generated through cotton by-products which can act as a complimentary source of income for farmers.

- Targeted countries: Zambia, Uganda, Ethiopia, Malawi, Zimbabwe, Kenya and Tanzania

- Direct Beneficiaries
  - Cotton producers
  - Ginners
  - Cotton by-product industry stakeholders e.g. cotton seed oil sector

- Estimated Duration: 24 months
Activity 3: Attract investments in primary, secondary and end value chain

- The objective is to work with investments promotion agencies to develop sector specific investments profiles along the value chain to showcase East & Southern Africa African region as an investment destination.

- Direct Beneficiaries
  - Ginners
  - Spinners
  - Fabric manufacturers
  - Processors
  - Garment manufacturers

- Estimated duration: 36 Months
Activity 4: SMEs cluster development

- Key objective is to assist the SMEs in spinning, fabric garment manufacturer in the region to achieve competitive productivity and quality levels to enhance presence in global value chain

- Projected Impact groups
  - Selected SMEs in the identified countries
  - National Associations
  - Women and Youth
  - Cotton farmers

- Estimated Duration: 36 months
3) Investment friendly policies, regulations and incentives have been established across the region including the set up of special economic zones to take care of the investors needs.

4) An increasing number of factories maintain strong social and environmental compliance and are already accessing both US & EU markets;

5) Raw material availability, with Africa accounting for 5% of the worlds cotton production, and huge investment being undertaken to produce high quality fabric;

6) Competitive production & transit times available to meet the needs for fast fashion;
10th – 12th November 2014
HOTEL INTERCONTINENTAL
Nairobi, Kenya

Africa’s Cotton,
Textile & Machinery
Trade Fair

www.originafrica.org
Conclusion

- Need for inclusive approach to Cotton Development aid disbursement in Africa

- Paradigm shift from cotton production to value chain approach for more job creation and inclusive growth

- Combine development assistance with FDI in the value chain to connect the region directly to global supply chain
It’s time the LIONS of AFRICA ROAR in this new decade and take up more space in global trade……FYI, at independence Africa’s share of global trade was 3% and now 50 years on it is 2%…..this reduction equates the total value of AID Africa receives annually

Thank you for your attention