



African Cotton & Textile Industries Federation

GRANT COMPLETION REPORT

Developing and delivering value added products & services that directly impact on the competitiveness of the Cotton, Textile & Apparel sectors & the sustainability of ACTIF

Grant Agreement Number: ACT-STA-011-020
Program Dates: 1st Jan 2012 – 28th Feb 2013
Program Amount: US \$582,537.40
Grant Contribution: US \$486,730.77 (84%)

Person Reporting: Rajeev Arora
Executive Director

Date of Report: 15th Feb 2013

Report submitted to:

USAID COMPETE



TABLE OF CONTENTS

1. SUMMARY OF FINANCIAL REPORT	4
2. ACRONYMS.....	5
3. PROGRAM BACKGROUND	7
Result #1: Leadership provided in the implementation of the COMESA CTC strategy	8
Result #2: Improved regional business environment, Trade policies and Opportunities	15
Result #3: Institutional Capacity of ACTIF strengthened	19
Result #4: Value Added products and services developed	25
Result# 5: Hold Origin Africa 2012 in Ethiopia.....	26
4. OTHER ACHIEVEMENTS NOT DIRECTLY UNDER GRANT	29
5. OVERALL IMPACT OF GRANT TO ACTIF.....	35
6. DELIVERABLES	36

1. SUMMARY OF FINANCIAL REPORT

APPROVED OVERALL BUDGET	\$552,537.40
Grant received from USAID COMPETE	\$486,730.00
ACTIF's contribution	\$68,473.60
EXPENSES	
Employment cost	\$225,024.91
Direct cost	\$74,204.93
Program activities	\$253,307.56
TOTAL COST	\$552,537.40

2. ACRONYMS

- **ACA** – African Cotton Association
- **ACT** – Africa Coalition for Trade
- **ACTIF** – African Cotton & Textiles Industries Federation
- **AGOA** – Africa Growth and Opportunity ACT
- **AFAD** – Association of Fashion Designers Kenya
- **ARSO** – African Regional Standardization Organization
- **AUC** – African Union Commission
- **BAF** – Business Advocacy Fund
- **CIN** – Consumer Information Network
- **CUTS** – Consumer Unity Trust International
- **COMPETE** – Competitiveness & Trade Expansion Program
- **CTA** – Cotton, Textile and Apparel
- **COMESA** – Common Market for Eastern & Southern Africa
- **CTC** – Cotton to Clothing
- **CAZ** – Cotton Association of Zambia
- **CODA** – Cotton Development Authority
- **EAC** – East African Community
- **EABC** – East African Business Council
- **ECA** – East & Central Africa
- **EDF** – European Development Fund
- **ETGAMA** – Ethiopia Textile & Garment Manufacturers Association
- **EU** – European Union
- **ESA** – Eastern and Southern Africa
- **EPA** – European Partnership Agreements
- **EPZA** – Export Processing Zones Authority
- **FTA** – Free Trade Agreements
- **KCA** – Kenya Consumer Organization
- **KCGA** – Kenya Cotton Growers Association
- **ICAC** – International Cotton Advisory Committee
- **ITC** – International Trade Center
- **ITMF** – International Textile Manufacturers Federation
- **MEXA** – Mauritius Export Association
- **MOU** – Memorandum of Understanding
- **NACOTAN** – National Cotton Association of Nigeria
- **SATH** – South Africa Trade Hub
- **SADC** – South Africa Development Community
- **SSA** – Sub Sahara Africa
- **SA** – South African
- **TIDI** – Textile Industry Development Institute
- **TCB** – Tanzania Cotton Board

- **TFC** – Trade Fairs Consulting
- **TOR** – Terms of Reference
- **UNIDO** – United Nations Industrial Development Organization
- **US** – United States
- **YEN** – Youth Education Network
- **ZCGA** – Zimbabwe Cotton Ginners Association

3. PROGRAM BACKGROUND

The African Cotton & Textile Industries Federation (ACTIF) was formed to promote trade and increase market access for the cotton, textile and apparel industry in Africa. This Mission is informed by its Vision which is, “an integrated cotton textile and apparel industry that effectively competes on the world market.”

The goal of ACTIF is increased trade in African cotton, textiles and apparel. This goal will be realized through the attainment of the organization’s strategic objectives which are:

- i. To promote trade in African cotton, textiles and apparel;
- ii. To expand market access;
- iii. To establish a market information system;
- iv. To promote the development of policies that are supportive to trade;
- v. To provide an institutional framework for the development of the cotton, textile and apparel industry in Africa; and
- vi. To enhance private sector involvement in regional policy formulation and implementation.

Grant Objectives

Under the COMPETE grant, ACTIF undertook to focus on implementation activities as highlighted in the strategy implementation matrix by playing a leadership and monitoring role across the region, supporting its members in implementation activities, and by promoting the harmonization of national strategies with the regional strategy.

This included strengthening of ACTIF’s institutional capacity and internal structures, increasing value added services to its member organizations and to the CTA industry, crucial for both the sustainability and growth of the Federation, and build income streams for its future sustainability.

The primary objective of this grant application was to support of specific activities aimed at addressing the core challenges facing the organization, to consolidate on the gains achieved so far. The Grant was implemented under the Key result highlighted below:

1. Provide a leadership role in the implementation of the COMESA CTC strategy
2. Improving the regional business environment, improved trade policies and enhance opportunities
3. Strengthening of ACTIFs Institutional capacity
4. Developing and enhancing value added products and services for members
5. Hold Origin Africa 2012 event in Ethiopia in partnership with COMPETE, ECA Trade Hub, the Ethiopian Textile Industry Development Institute (TIDI) and the Ethiopian Textile and Garment Manufacturers’ Association (ETGAMA)

Result #1: Leadership provided in the implementation of the COMESA CTC strategy

To lead, develop, coordinate and monitor progress of key implementation activities of the COMESA regional CtC strategy. Develop an implementation roadmap to guide the implementation process for the regional strategy (Activity 1.1)

The COMESA Cotton to clothing regional strategy was launched in June 2009 following extensive round table meetings by a cross section of stakeholders representing a number of sectors including: cotton, textile and Clothing manufacture, marketing and distribution/exporting. ACTIF collaborated in developing the strategy and was eventually recognized an implementing partner for the COMESA CTC Strategy.

An implementation committee was subsequently formed by the stakeholders to monitor the implementation of strategy. ACTIF was nominated to coordinate the activities of the implementation committee. This activity was intended to support ACTIF to play a leadership role in monitoring the activities of the implementation committee.

The key achievements from of this activity included the development TOR for the COMESA CTC implementation committee were developed and adopted in the Feb 2012 meeting along with a reporting template to be used in monitoring future implementation activities.

ACTIF members, drawn from national associations from the across the cotton value chain along with the other implementation partners can now use a common template to report their progress on activities linked to the COMESA CTC implementation strategy.

Build the capacity of the COMESA strategy implementation committee and in conjunction with COMPETE, hold an initial planning meeting, followed by two implementation progress update meetings (Activity 1.2)

As part of ACTIF's leadership role in implementation of the COMESA CTC regional strategy, ACTIF was tasked to organize the implementation Committee meetings. This involved, proposing the agenda, date, venue and mobilizing resources to convene the meeting.

An initial planning meeting was held in Feb 2012 while the 1st COMESA Implementation committee meeting was held in Nov 2012. Both of them were held in Jo Burg South Africa and supported by USAID COMPETE. The meetings were attended by key representatives of the sector drawn from Production and Ginning, Textile & Apparel and Trade Policy, along with some development partners including USAID COMPETE, USAID-SATH and ITC.

Below is the list of members who participated in the 1st Implementation Committee meeting:

	Representative	Institution	Sector
1	Jas Bedi	ACTIF	Textile
2	Joseph Nkole	CAZ	Production
3	Godfrey Buka	ZCGA	Ginning
4	Lilowtee Rajmun	MEXA	Apparel
5	Jack Kipling	Consultant	Apparel
6	Charles Gibrain	GEFP	Apparel
7	Fassil Tadesse	ETGAMA	Textile & Apparel
8	Hamma Kwajaffa	NACOTAN	Production
9	Barry Fisher	COMPETE	Development Partner
10	Chris Donohue	COMPETE	Development Partner
11	Matthias Knappe	ITC	Development Partner
12	Eric Buchot	ITC	Development Partner
13	John James	SATH	Development Partner
14	Cosmas Mamhunze	SATH	Development Partner
15	Rajeev Arora	ACTIF	Secretariat
16	Joseph Nyagari	ACTIF	Secretariat



PIC: Implementation Committee meeting in Nov 2013, Jo Berg SA

Key highlights / outcomes of the meeting include:

- **Quality & Production enhancement**

It was proposed that quality enhancement activities should be focused on targeted spinners across the region. ITC committed to support this activity targeting one or two countries with significant cotton production.

- **Market information and access**

SATH committed to share market information for South African region based on recent studies that they had conducted

- **Policy and Advocacy**

ITC Offered to support advocacy activities including AGOA. They will liaise with ACTIF as the lead implementer.

- **Other**

A reporting template was developed and adopted and implementation partners urged to use in their future reports for ease of monitoring.

ITC offered to provide technical support to the committees for resource mobilization

SATH offered to support the implementation activities that are linked to their key objectives for South African region. i.e.:

- Increase international competitiveness
- Attract textile/apparel investment
- Increase exports within SSA, and internationally into the US and EU

COMPETE pledged to continue supporting private sector contribution in the COMESA - EAC- SADC tripartite technical discussions through its Trade Policy team

Engage with the Southern Africa Trade Hub (SATH) to align the regional strategy focus areas and actions, and seek support and ownership for key strategy initiatives in the southern Africa region for implementing the COMESA CTC strategy) – Activity 1.3

South Africa Trade Hub (SATH) is a USAID Program that supports the development of Trade in the SADC region. ACTIF, being a Pan African regional Federation with membership across the region found it of strategic interest to partner with SATH.

Following discussions between ACTIF, SATH and COMPETE, it was agreed that the two hubs would support a common Go to event in South Africa in April 2013. ACTIF and COMPETE have started promoting the event at various forums.

SATH committed to support ACTIF's participation in the Source Africa event – An event that will show off the quality, creativity, reliability and sophistication of textiles, apparel and footwear manufacturing in Africa to a global audience of buyers, industry professionals and service providers. With SATH support, ACTIF would promote the event in East Africa region and also organize and host power breakfast seminar during the Source Africa event scheduled for April 11-13th 2013 in Cape Town, South Africa. The total support pledged for the Source Africa event was US\$ 35,000.

A commission arrangement would be agreed with the organizers for ACTIF's efforts to promote the event in East African region.

During a meeting held in Jan 2013, ACTIF received commitment from SATH to engage with ACTIF after April 2013 to develop and implement strategic interventions for Southern African region. The support would be based on 3 key pillars:

1. A Pan African Flagship Go to event.
2. Facilitation of Trade and investments in Textile & Garments in South African region
3. Support advocacy activities to develop Trade regionally and Internationally

It was agreed that details of the support will be discussed at a meeting to be convened after April 2013.

Develop an information pack on best practices for managing fiber contamination in seed cotton, to improve the regions' reputation as a supplier; (Activity 1.4) and develop a pre-ginning classification guide on best practices to improve uniformity of fiber characteristics and to inform national seed cotton grade standards (Activity 1.5)

This activity was directly linked under the key result area 1 of the COMESA regional cotton to clothing strategy - Cotton Sub Sector aimed at reduction of Seed cotton and lint contamination and quality assurance through pre ginning classification of seed cotton have been highlighted as areas of priority to increase the value of cotton in the ESA region.

The activity involved undertaking a desktop review of the Bremen (chemical residues) and ITMF (foreign matter) contamination surveys to identify key sources of contamination from the region; and conducting an assessment of existing regulations regarding contamination within COMESA.

Local consultants were engaged to undertake the regional study on the task with a primary focus on Kenya but to compile best practices on the two subjects benchmarking with the region and internationally.

A report was developed and subsequently reviewed by a leading consultant was in the field of cotton contamination and classification – Gerald Estur. The final report was launched at a regional stakeholders meeting in Nairobi in February 2013.

Below is a list of institutions that were represented in the launch meeting:

1. African Cotton & Textile Industries Federation
2. USAID COMPETE
3. Cotton Development Authority, Kenya
4. Tanzania Cotton Board
5. Ethiopia Textile & Garment Manufacturers Association
6. Ethiopia Cotton Producers, Ginners & Exporters Association
7. Cotton Association of Zambia
8. Zimbabwe Cotton Ginners Association
9. Nigeria Textile Manufacturers Association
10. National Cotton Association of Nigeria
11. Malawi Cotton Development Trust
12. UTEXRWA, Rwanda
13. Ministry of Trade Tanzania
14. Handloom Weavers Association of Kenya
15. Kenya Cotton Growers Association

The report was distributed in CD form and also posted on ACTIF Website.

Develop an inventory of regional textile and apparel educational institutions including universities and vocational training centers, and assess their capacities to train relative to leading international institutions; (Activity 1.6) Convene a regional forum of training institutions to initiate the matching of existing curricula with current industry needs across the value chain. (Activity 1.7)

This activity is linked with COMESA regional cotton to clothing strategy on need to develop human resource capacity in the cotton value chain across the ESA region. Among the key challenges experienced across the region is high use of expatriates in management, supervisory, and technical positions. The skill gap is particularly high in the area of textile engineering, technical and design/fashion skills as well as middle-management skills. Middle management as well as technical and engineering jobs is widely held by foreigners who are expensive compared to locals and who encounter cultural barriers. The design and fashion capacity in ESA are limited. As buyers increasingly demand design capabilities or at least a design understanding, value-added can be significantly increased in the production process if also some design steps are provided by suppliers.

As one of the ways to address the above situation, a local consultant, Dr. Everlyne Nguku was engaged by ACTIF to conduct a detailed review of the existing regional training institutions in order to develop recommendations for improvement and a network framework for cooperation and linkages with the overall objective of enhancing the regional value chain and improving the competitiveness of human resource and technology level for Cotton Textile Apparel sector institutions.

The final report including key recommendations was developed and validated at a stakeholders meeting held in Nov 2012 at Moi University, Kenya.

Below is a list of institutions that were represented in the review meeting:

1. African Cotton & Textile Industries Federation
2. Handloom Weavers Association
3. Kenya Cotton Growers Association
4. Kenya Polytechnic University
5. Moi University
6. Association of Fashion Designers – Kenya
7. EGERTON University
8. Buru Buru Institute of Fine Arts
9. Cotton Development Authority
10. University of Nairobi
11. Kenyatta University
12. Export Processing Zones Authority
13. Technology Development Center

ACTIF members can now access the report and recommendations developed from ACTIF website. The recommendations can be used to foster stronger linkages between industry and academia across the region.

Result #2: Improved regional business environment, Trade policies and Opportunities

Conduct an analysis of the revised rules of origin under the EU EPA, and the proposed market access and rules of origin under the Tripartite agreement, and develop an ACTIF / Industry negotiation and advocacy position; (Activity 2.1); Prepare a statistical trade report on EAC regional trade potential and review EAC FTA rules of origin to establish industry recommendations to improve the free flow of trade in the EAC (Activity 2.2)

This activity was directly supported by USAID COMPETE Trade Policy Component.

ACTIF participated in some of the technical meetings on the proposed RoO under the guidance of USAID COMPETE Trade Policy component. The technical meetings involved stakeholders from a wide range of sectors across the East African region including government and private sector representatives.

ACTIF's participation on behalf of its members was only concerned with chapter 50 – 63 as they are the chapters touching on the Cotton Value Chain. The final industry position on each of the chapters was compiled and circulated to ACTIF members for their information. A copy of the draft industry recommendations is attached as an annexure to this report.

Advocacy activities are now at government ministerial level where they will continue to engage with the European Commission until a final agreement is arrived at.

Hold a technical committee meeting to review and establish private sector industry positions on the various trade policy issues impacting market access and trade, specifically covering arrangements under the EU EPA's, the EAC rules of origin and FTA, and the Tripartite (Activity 2.3)

The technical meeting was held on 3rd December 2012 at Sankara Hotel Nairobi focusing on EAC Trade Policy issues, mainly on EPA RoO impacting on CTA Products. The meeting also covered standards related to Textile Products.

1. African Cotton & Textile Industries Federation (ACTIF)
2. USAID - COMPETE
3. Kenya Association of Manufacturers (KAM)
4. Cotton Development Authority – Kenya (CODA)
5. Kenya Cotton Growers Association (KCGA)
6. Association of Fashion Designers Kenya (AFAD)
7. Tanzania Cotton Board (TCB)
8. UTEXRWA - Rwanda
9. Burundi Chamber of Commerce
10. East African Business Council (EABC)
11. Export Processing Zones Authority (EPZA)

12. Ministry of Industrialization, Kenya
13. African Regional Standardization Organization (ARSO)
14. Kenya Consumers Organization (KCO)
15. Consumer Information Networks (CIN)
16. Youth Education Network (YEN)
17. SAHAM International
18. KENTRADE – Ministry of Finance
19. Consumer Unity Trust International (CUTS)
20. ISO COPOLCO
21. European Union
22. Kenya Plant Health Inspectorate Services



EU Communications Director at the technical on proposed RoO under EU-EPA at Sankara Hotel, Nairobi



Group Picture: ACTIF technical meeting for Cotton, Textile & Apparel sectors held at Sankara Hotel, Westlands, Nairobi on Dec 3rd 2012.

Mr. Chris De Vroey, the Trade and Communication Counselor at the European Union delegation office in Kenya delivered a presentation on EU cotton policy and the opportunity under the proposed EAC-EPA agreement for the CTA sector. He noted that the EU was the largest provider of development assistance to cotton with more than €320 million made available to Africa (mainly West Africa) since 2004. In addition he noted that EU does not apply tariffs on cotton and imports, nor do they subsidize their own cotton farmers to export any of what they produce. He noted that the opportunity was huge considering that EU is currently offering 100% duty- and quota-free access to all exports from Africa's cotton-producing countries under the EPA agreement among other benefits that were superior to the current AGOA arrangement to access the US market. He hoped that that the current discussions under EAC-EPA agreement could be concluded in time and endorsed by the partner states so that the industry could benefit from trade with EU.

Mr. Barry Fisher, Cotton Specialist at USAID COMPETE highlighted the impact that ACTIF had made to the cotton, textile & apparel sector with the support of USAID COMPETE. He noted that ACTIF had significantly developed its profile and established itself as a key regional voice for the private sector interests in the cotton value chain. He also highlighted the importance of trade with US under AGOA, and the key role played by ACTIF in unifying the region.

Disseminate information on the various trade policy positions reached, the regulatory requirements, and factors impacting market access through regional workshops, posting on cottonafrica.com website, and through the ACTIF quarterly magazine (Activity 2.4)

One of ACTIF's strategic objectives is to promote the competitiveness of the sector through representation of private sector perspectives on trade policies at the regional and international level. This was an activity that was implemented throughout the grant period involving generation and dissemination of reports, articles and position papers touching on the regulatory requirements, and factors impacting market access.

Below is a list of some of the related reports and publication

- **ACTIF position on AGOA**

AGOA Update - Publication in all 4 issues of Cotton Africa Magazine by ACT President – Paul Ryberg

ACTIF White Paper 2012 that was used as the primary reference point for ACTIF AGOA activities in Washington, USA.

- **ACTIF Position on EU-EPA Negotiations**

The East African Community customs union (Rules of Origin)

ACTIF brief on EPA rules of origin, April 2012

- **Textile Standards for Africa**

List of African Standards on Textiles as compiled by the Africa Regional Organization for Standardization (ARSO) – Dec 2012

Industry brief of on African Textile Standards – Dec 2012

ACTIF members continue to value the information provided to its members. From the feedback received so far, we have been able to establish that most of our members use the information generated by ACTIF to guide their own country policy positions.

The overall growth in membership by at least 10 new members in the year 2012 also demonstrates the increasing value placed on ACTIF by industry stakeholders.

Result #3: Institutional Capacity of ACTIF strengthened

In conjunction with COMPETE, assess the results of the external institutional assessment of ACTIF's technical and operational capacity and to strengthen its capability of directly sourcing and managing funds from USAID and other donors (Activity 3.1)

This activity was conducted by COMPETE team led by Vincent Kaabunga and Faith Kaari between June 4-8th 2012 at ACTIF. All the members of ACTIF secretariat participated in the sustainability assessment exercises. Key areas covered various models including: Business Process Maturity Model (BPMM); People Capability Maturity Model (PCMM); Financial Management Capability Model (FMCM); Stakeholder Relationship Maturity Model (SRMM); Knowledge Management Maturity Model (KMMM).

Being a small secretariat without specialized departments, it was unanimously proposed that ACTIF needs to develop one guide containing all the key components of institutional sustainability framework. We have since been advised that the final report has been compiled and will be shared with ACTIF for its reference and action.

Stakeholder's engagement Policy

During the last quarter of 2012, ACTIF received technical support from COMPETE to develop a stakeholders engagement policy. COMPETE hired a consultant Ms. Joan Perrine, who spent time with ACTIF staff for capacity building on stakeholders engagement policy. The value of such a policy was emphasized and understood by ACTIF staff.

Key lessons from the discussions include:

- Need to have a formal policy document for stakeholders engagement
- Need to define all the key stakeholders that interact with ACTIF
- Need to profile our members in detail and maintain their records
- Need to develop regular feedback mechanisms with members and donors to understand the value generated and areas for improvement
- Need to have self-assessment on relationship

With the lessons above ACTIF has since amended its approach towards stakeholders' engagement. A formal policy document will also be developed once the final report is availed to ACTIF by the COMPETE consultant.

Hold an ACTIF Board meeting to review and approve actions and the way forward for the sustainability of ACTIF, and to provide guidance and direction on other key activities such as implementation of the COMESA regional strategy (Activity 3.2)

Board meeting held on 24th April 2012, Ethiopia: In attendance was the Chairman, the vice chairman, two directors and board secretary. Key strategic issues were discussed including

partnerships between ACTIF and regional bodies and sustainability activities and plans for ACTIF beyond 2012. The draft MoU's that were presented included:

MoU with ACA

This MoU was developed and submitted to the secretary general of ACA. The objective is to develop a stronger linkage with West African region considering that they produce close to 65% of Africa's cotton production but exporting over 80% out of Africa in raw form. The ESA region on the other hand has a stronger textile industry with capacity to absorb the cotton but has much of its industry operating below capacity.

MoU with AUC:

African Union Commission is a key Institution playing a central role in the day-to-day management of the African Union. Among others, it represents the Union and defends its interests; elaborates draft common positions of the Union; prepares strategic plans and studies for the consideration of the Executive Council; elaborates, promotes, coordinates and harmonizes the programmes and policies of the Union with those of the RECs; ensures the mainstreaming of gender in all programmes and activities of the Union.

ACTIF successfully entered into an MoU with Africa Union Commission in June 2012 that highlights cooperation along the development of the cotton value chain in Africa. ACTIF will be targeting to partner with AUC on key Pan African issues impacting on the policy environment and competitiveness.

MoU with EPZA:

The Export Processing Zones Authority Kenya is involved in the development of all aspects of the export processing zones with particular emphasis on provision of advice on the removal of impediments to, and creation of incentives for, export-oriented production in areas designated as export processing zones;

ACTIF successfully entered into an MoU with the primary objective of collaborating to establish a regional center for excellence for East Africa. The MoU also offers critical government support necessary for the host country for a regional center of excellence.

MoU with TFC

Trade and Fairs Consulting GmbH (TFC GmbH) is a consultant and event agency with its head office in Rosbach/Germany (close to Frankfurt), and East Africa regional office in Nairobi incl. partnerships within East and Southern Africa.

ACTIF entered into an MoU with TFC to have a true joint venture partnership which will involve working together in the development of future Origin Africa events in order to leverage on TFCs

expertise and ACTIF's regional profile. This partnership is expected to add significant value to future Origin Africa events considering that TFC is well connected with the potential international exhibitors of and has the expertise of organizing international trade exhibitions. TFC represents major textile trade shows e.g. Texworld (Paris, New York), Apparel Sourcing Shows (Paris, New York), Techtexil (Frankfurt), Texprocess (Frankfurt) and Heimtextil (Frankfurt) which would be key platforms to promote the African trade expo.

MoU with South African Trade Hub, Signed in July 2012

This MoU was signed by Ms. Maxine Kennett, Chief of Party, SATH on behalf of SATH and Mr. Rajeev Arora, Executive Director, ACTIF on behalf of ACTIF. Among the issues emphasized in the MoU is the support of ACTIF's regional presence in the South African region as well as promotion of investment across the cotton value chain in the South African region. ACTIF members in the SA region will therefore greatly benefit with increased presence of ACTIF once the programs are rolled out.

Board meeting held on 26th Nov 2012, South Africa: In attendance was the Chairman, the vice chairman, Treasurer, four directors and the board secretary.

Key outcomes include:

Re-election of the Vice Chairperson and Treasurer

Nomination of two additional directors to strengthen the capacity of ACTIF board:

Mr. Ali Kwajaffa (NACOTAN) – Nominated on the basis of ACTIF’s strategic interest to grow in West Africa; Currently ACTIF has only 3 member countries from the West African region (Ghana, Nigeria and Ivory Coast). The nominated director is expected to spearhead ACTIF’s growth in the West Africa region especially the key cotton growing countries including Mali, Burkina Faso, Togo and Senegal

Ms. Belinda Edmonds – Based on her wide experience in the apparel sector and her key linkages with major apparel buyers that ACTIF would like to develop a relationship with.

Board meeting held on 25th Feb 2013, Nairobi: In attendance was the Chairman, the vice chairman, Treasurer, three directors and the board secretary. Key outcome included consensus on Origin Africa go to event to be held in 2014 in Nairobi with support to requested from all hubs.

Represent ACTIF members at three key events--the AGOA Forum, the International Cotton Advisory Committee (ICAC) and the International Textile Manufacturers Federation (ITMF), of which ACTIF is a member, to strengthen the organizations profile, build international networks and develop associate membership. (Activity 3.3)

ITMF 2012

ACTIF Chairman Mr. Jaswinder Bedi attended the annual ITMF conference that was held on 4-6th Nov 2012 in Hanoi, Vietnam. The theme of the meeting was ‘Challenges for the Textile Industry – Present and Future’ and the event was hosted by the Vietnam National Textile & Garment Group (VINATEX).

Key issues that were discussed included: Volatile raw material markets, sovereign debt crises, currency disputes, political instability in some regions, a pending Doha-Trade-Round, looming protectionism, among others. ACTIF made key contributions that resulted in amendment of the ITMF constitution to include greater participation of Africa in the ITMF Board. Mr. Jaswinder Bedi was subsequently nominated to represent ACTIF in the expanded board.

The committee of management approved changes to the ITMF statutes to be governed by an 11 member Board of Directors. Mr. Jaswinder Bedi, Chairman of ACTIF from Kenya was nominated to the board as part of the 11 member team. Other included: President Mr. Gomes from Brazil; Vice President Mr. Wang from China; Treasurer Mr. Gnagi from Switzerland; 8 other board members including delegates from Hong Kong, Turkey, India, Egypt and Jas Bedi from Kenya.

This was a significant achievement for ACTIF, being recognized as a key regional voice for the development of the CTA sector in Africa. ACTIF's representation in the global Textile organization will ensure that key issues impacting on Africa receive more attention including need for investments in the Textile Industry in order to increase value addition across the Textile Value chain.

ICAC 2012

ACTIF, represented by the Chairman, Mr. Jaswinder Bedi and the ED Mr. Rajeev Arora participated in the proceedings of the 71st Plenary Meeting of the ICAC and network with cotton and textile organizations/companies and policy makers from across the globe. The plenary focused on the theme of "Shaping Sustainability in the Cotton Value Chain", which cut across the entire global supply chain.

During the ICAC 2012 proceedings, ACTIF was accorded "International Organization" status, alongside the likes of the African Development Bank, the Common Fund for Commodities, the FAO, International Cotton Association, the International Textile Manufacturers Federation (ITMF), UNCTAD, the International Trade Centre and the WTO.



Pic: ACTIF Chairman and ED along with Indian delegation during the ICAC Meeting

ACTIF representation in AGOA Forum 2012, Washington DC, USA

ACTIF Chairman Jas Bedi and ED Rajeev Arora also travelled to the USA to participate in AGOA forum and also meet with key officials of US government and Trade representatives to advocate for the sustainability of AGOA in Sub Sahara Africa on behalf of ACTIF members. ACTIF chairman Jas also managed to testify at a congressional hearing.



Pic: AGOA Advocacy – ACTIF Chairman & ED along with Senator Edward Reayce ahead of Congressional hearing on AGOA in Washington

At the end of the activity, a bill was introduced in the US congress that contained modifications to extend the 3rd country fabric provision under AGOA to 2015. This bill was eventually successfully passed in September 2012.

Result #4: Value Added products and services developed

Improve ACTIF's market information system to increase revenues by upgrading the cottonafrica.com website to include new features that allow greater flexibility to the registered traders; (Activity 4.1) and establish an on-line textile directory, for increased inter-regional trade, and as a manufacturing information source for regional and global retailers and brand (Activity 4.2)

ACTIF website was successfully upgraded to introduce new innovative features including:

- Member section to allow members to share updates about their industry, their companies and their association. Members will be able to access these pages and update them directly
- Online Payment System to facilitate sale of valuable reports
- Enhanced Online trade link with a premium category where traders can post logos / pictures of their products and where traders can discuss in a live market chat.
- Textile Directory section with public view sections (single page by page) and option to download full directory at a cost.

An online Trade Directory was also incorporated into the new website containing general profiles of companies at no cost plus a premium section that enables a company to post its logo and pictures

Sustain the development and publication of the Cotton Africa Magazine on a quarterly basis, focusing on topical issues. (Activity 4.4)

Four Quarterly issues of Cotton Africa Magazine were successfully developed covering the period of Jan – Dec 2012.



The magazine was also able to attract some revenue through adverts thereby contributing to the sustainability of ACTIF. Some of the organizations that committed to advertising in cotton Africa include Wakefield Inspection Services & Cotton International both of whom committed to full page adverts

In addition to print copies, online versions of the magazine were also developed and published on ACTIF website. (In English and French)

Link for the soft copy: www.cottonafrica.com/magazine

Result# 5: Hold Origin Africa 2012 in Ethiopia

An Origin Africa Trade Expo, in cooperation with Mess Frankfurt, covering the fashion, textile and apparel supply chain (Activity 5.1)



This activity was successfully held on 24th – 27th April 2012 at the Sheraton Hotel, in Addis Ababa, Ethiopia. The trade expo was well attended and officially opened by H.E Meles Zenawi, the (LATE) Prime Minister of Ethiopia. The objective of the Trade expo was to bring together business leaders and decision makers from across the region and internationally; it was an opportune time for international buyers to 'Write their Orders in Africa'. The exhibition area consisted of 55 stands and 60 listed companies. The Exhibitors presented an array of

products from different regions of Africa for example Ayka Textile covers a wide assortment of ladies, men's, kids and sports fashion, Trio Craft; hand-woven woolen carpets, fabrics, stuffed toys, table mates, and curtains, Concept international group, suppliers of gifts, souvenirs and sports clothing. *The trade expo was well attended and several exhibitors indicated that they were able secure some orders as well build linkages for trade.*

A 'Seminar Series' covering six topic components including investment, knowledge transfer & capacity building, buyers/sellers platform, the link between industry and academic/vocational training institutions, integrating design and marketing, and technology and innovation (Activity5.2)



The Series Seminars component took place between 25th and 27th April 2012, at the Sheraton Hotel in Addis Ababa, running concurrently with the Trade Expo and Fashion Show as part of Origin Africa. Approximately 120 delegates including speakers and sponsored guests and buyers attended the seminars. Some of the key speakers were Navdeep Sodhi Gherzi Textile Organization Switzerland, Prof. Dorothy McCormick University of Nairobi Kenya, Prof. Bulent ÖZIPEK School of Textile Technologies and Design Turkey, Harminder Sahni Wazir Advisors Mauritius, Prof. Jacqueline Robeck Louisiana State University USA, Dr. Deepti Gupta, Ass. Prof. India Institute of Technology, Mrs. Sabrina Ramsamy-Iranah University of Mauritius, Mr. Heinrich Schultz supply chain expert South Africa and Dr Ben Sekamatte GIZ Uganda.

The feedback received from the evaluation forms on the seminar series was positive and very good comments were made on the selection of speakers, most of the presentations were interesting as far as content, good networking opportunities and discussions. The conference venue and facilities were rated as very good.

A Designer Showcase event in partnership with Clairvoyant Marketing Agency, an Ethiopian company that runs the Ethiopian Hub of Africa Fashion Week. (Activity 5.3)



The event witnessed creativity and innovation at the Hub of Africa designer showcase celebrating Eco-fashion. It was a smart affair with eye catching displays and was held in 2 parts. Part 1 of Hub of Africa Designer Showcase took place on 24th April featuring up-and-coming designers; many of the designers used cotton and other raw material & accessories from the continent. The 2nd part of the designer showcase, offering first, second and third place prizes to the winners, was held on the 25th of April 2012 and were judged by international judges. Designers included Ayuni' Design from Ethiopia, Alain Niava from the Ivory Coast, Salome from Uganda. However Ethiopian designer Mafi wowed the crowd with her Alem Collection that was a mix of modern and traditional pants and knits with a vibrant color scheme.

ACTIF partnered with a number of institutions during the organization of this event. This included:

- 1. Ethiopia Textile & Garment Manufacturers Association (ETGAMA).*** *ETGAMA is an ACTIF member and they supported the event through mobilization of the local industry and linkages with government Agencies.*
- 2. Textile Industry Development Institute (TIDI).*** *This was a key government that assisted with the government support for the event*
- 3. Hub of African Fashion Show.*** *ACTIF entered into a partnership with hub of Africa Fashion show to organize an ethical fashion show as part of the Origin Africa event.*
- 4. Africa Union Commission.*** *ACTIF received the support of Africa Union Commission through provision of facilities at no cost to host the Hub of Africa fashion show. The Deputy Chairperson of AUC HE Erastus Mwencha also attended the event.*
- 5. Friends of Africa –*** *This is a network of EU and US buyers who supported ACTIF by promoting the event and attracting some major buyers to the Origin Africa event.*
- 6. Africa Trade Policy Center –*** *This is an organization under the United National Economic Commission for Africa. ACTIF was able to secure the support of this organization to cover the cost of speakers to the seminar series during the Origin Africa event.*

Key Lessons learnt from the Origin Africa event

- **Need to launch the event at least 8-12 months in advance.** Origin Africa 2012 was implemented in a period of less than 6 months thereby impacting on the promotional efforts for both exhibitors and participants. The success would definitely be much higher in the event of early preparations.
- **Need for incentive mechanisms for mobilizing country pavilions.** Thanks to some support being received from the East Africa Trade Hub, representation by East African companies was possible. However, many more African companies would have been represented at the Country pavilions if specific incentives had been developed as part of the event concept and communicated in good time.
- **Need for increased sponsorship for more value.** ACTIF realized approximately US\$ 10,000 from the event. As per the ACTIF business plan, much more value can be developed from the Origin Africa event if a significant number of sponsors are secured and exhibitors increased (local and international)

4. OTHER ACHIEVEMENTS NOT DIRECTLY UNDER GRANT

1. ACTIF's Regional Profile

ACTIF has continued to develop its regional profile by developing strategic partnerships that will see its role enhanced as a regional player for developing the cotton value chain. Before 2012, ACTIF had already developed strategic MoU's with COMESA and EAC.

Below are the latest initiatives by ACTIF to enhance its regional profile and as a focal point for linking with international organization and associations

a. Strategic Discussions with South Africa Trade Hub

ACTIF held strategic discussions with South Africa Trade Hub in Jan 2013, whereby a SATH committed to support the development of ACTIF in South African region. SATH provided some support to ACTIF to promote the Source Africa event to be held in South Africa in April 2013 and promised to discuss on possible support for more interventions after April 2013.

b. Developing Linkages with West Africa

ACTIF with the support of the African Trade Policy Center (UNECA/ATPC) organized the first ever stakeholders forum between Eastern/Southern African Stakeholders and West Africa Stakeholders. This meeting took place between 2nd and 3rd Aug 2012, providing an opportunity to engage with key West African Associations including: African Cotton Association (ACA), West African Monetary Union (UMEOA), National Union of Cotton Producers' Cooperative Societies of Mali (UN-SCPC), AProCA-Bamako.



ACTIF Meeting with West African Stakeholders in Accra Ghana

ACTIF was able to convene an AGM at the same time taking advantage of the presence of ACTIF members. This enabled the organization to discuss strategic issues important for the institutional development of ACTIF.



Pic: ACTIF AGM held in Aug 2012 in Accra Ghana

c. Partnership with COMESA

Since ACTIF entered into a MoU with COMESA in 2006, a couple of strides have been made through the partnership, with the main one being ACTIF's contribution to the development of COMESA regional cotton to clothing strategy in 2009. On 13th Sep 2012, ACTIF Chairman Mr. Jaswinder Bedi and ACTIF ED, Rajeev traveled to the COMESA secretariat to meet with the Secretary General Mr. Sindiso Ngwenya.

As a result of the meeting, ACTIF was requested to make a direct application to COMESA for secretariat support along with support for supply side analysis studies across the ESA region.



Pic: ACTIF Chairman and ED meeting with COMESA SG Mr. Sindiso Ngwenya

2. Proposed Regional Center of Excellence

ACTIF has taken a lead to mobilize key stakeholders / partners locally, regionally and internationally towards the establishment of a regional center of Excellence. The current effort is focused on establishing a center of excellence in East Africa region that will address the existing gaps and act a valuable source of reference for the existing industries and institutions. A number of strides have already been made in this activity including: ACTIF signed a Memorandum of understanding with Export Processing Zone Authority Kenya (EPZA) on 15th August 2012 with the objective of working together to pursue the development of a regional center of excellence in Kenya. University of Nairobi, Jomo Kenyatta University of Agriculture and Technology & Moi University have formally expressed their interest to collaborate with ACTIF in exploring the development of the Center of Excellence. ACTIF is engaging a host of regional and international partners to seek support & linkages for the development of the regional center of excellence. This includes COMESA, EAC, COMPETE, UNIDO, CDE, CBI, DANIDA, among others.



Pic: Stakeholders meeting on the proposed Regional Center of Excellence

3. Developing Linkages with China

For the second time in a row, ACTIF was invited by China National Textile & Apparel Council to participate in a global home textile round table meeting between 28th and 30th Aug 2012. ACTIF was represented by the Chairman, Mr. Jaswinder Bedi who delivered a key presentation highlighting the massive opportunities in Africa for Trade and Investments with Chinese CTA Companies. Ahead of the meeting, ITMF held its board meeting in China and Mr. Bedi was invited to attend as an observer

4. Developing Linkages with EU

During the year 2012, ACTIF has made some significant strides in developing linkages with the European Development partners in order to increase market access, technology transfer and trade linkages. This includes:

a. Textile East Africa Project (Jan 2012- March 2013)

This is a DANIDA funded project that involves a partnership which is a capacity building project aimed at supporting sustainable development of the East African cotton, textile and apparel industry. The objective of the Textile East Africa is to strengthen the Kenyan cotton, textile and apparel (CTA) industry and promote CTA export from Kenya into Europe, which are currently negligible despite of the existing opportunity

A number of capacity building activities have since been accomplished on CSR, Quality enhancement, Export coaching, among others. A capacity building trip to Denmark of some key stakeholders including ACTIF was successfully made in the month of September where critical linkages were established.

b. Meetings with Key EU Partners (Sep and Oct 2012)– UNIDO, CDE, AAACP, CBI, IAF, MODINT

During the months of Aug, Sep & Oct 2012, ACTIF was able to engage with several EU Partners where ACTIF had to introduce itself and seek for linkages and support for strategic activities. This includes:

- I. 26th – 29th Aug 2012: ACTIF was part of a sponsored delegation to Denmark on a capacity building trip and seeking to develop linkages with Danish companies. Several linkages were developed and interest was generated for a first ever Danish delegation to Africa for Textile and Fashion Companies. The visit by the Danish delegation has now been scheduled to happen in the second week of April 2013.
- II. 29th Aug 2012: Meeting with MODINT, Dutch Trade Organization for fashion, interior, carpet and textiles. MODINT expressed interest in the Go to event and to assist in linking ACTIF with its members; MODINT also agreed to advertise in Cotton Africa magazine and also include ACTIF information in their publications.
- III. 30th Aug 2012: Meeting with Euratex in Brussels, the apex Textile & Apparel Association for EU. Euratex agreed to share trade information with ACTIF and also share ACTIF information with its members and also encourage them to participate in ACTIF go to events; Trade information was subsequently shared with ACTIF.
- IV. 30th Aug 2012: Meeting with Center for Development of Enterprise at their headquarters in Brussels. CDE expressed interest to support ACTIF in the development of the proposed regional center of excellence.
- V. 30th Aug 2012: Meeting with European Commission and AAACP. ACTIF received strategic guidance on application procedures under EDF 10 and was encouraged to submit its applications once the formal call for applications was made. The call will be made in April 2013.
- VI. 13th Oct 2012: Meeting with UNIDO at their headquarters in Vienna Austria. UNIDO expressed interest to partner with ACTIF in the development of regional center of excellence and also in optimization of existing textile mills in East Africa. A draft MoU between ACTIF & UNIDO has been prepared for the Boards to review from both organizations.
- VII. 16th Oct 2012: Meeting with CBI Netherlands at Schiphol Airport, Amsterdam. CBI expressed interest in the proposed regional center of excellence and linking up ACTIF to some of its ongoing regional programs in Africa for the home textile industry. They also expressed interest to participate in Source Africa go to event.
- VIII. 16th - 17th Oct 2012: Participation in a sourcing meeting in Dusseldorf, Germany. ACTIF was able to develop contacts who were interested in participating in Source Africa event in South Africa;

- IX.** 17th Oct 2012: Meeting with International Apparel Federation (IAF) in Zeist, Holland – a leading federation for apparel manufacturers, their associations, apparel retailers and the support institutions. Subsequently, an offer also presented to ACTIF to allow the Federation to join IAF Membership under special discount for the first year.

5. Textile Policy Research For Kenya

In partnership with Business Advocacy fund (BAF)

This activity was approved in early Sep 2012 following several meetings with BAF and concept development. The objective is to carry out a comprehensive research on the implications of the different policy interventions including government responses on the cotton/textile sector in Kenya since independence. Recommendations for advocacy will be developed and shared with the private sector.

A consulting firm has been engaged for this task – Charmy Investments and a work plan developed to implement the activity. Kick off meeting took place on 17th Jan 2013 and the task expected to be concluded in the first quarter of 2013.

6. Business Sustainability Support

In partnership with the Business Advocacy Fund (BAF)

ACTIF developed a concept note to BAF requesting for their support in enhancing the sustainability of the Organization. This would be in the form of cost of consultants to assist in product development and promotion (Origin Africa and Cotton Africa Magazine) along with related institutional support to ACTIF.

The application was submitted and approved with the implementation expected to commence in January

5. OVERALL IMPACT OF GRANT TO ACTIF

- **Membership Increased**

ACTIF recorded an overall increase of 9 members from 40 in 2011 to 29 in 2012 following various activities and initiatives. The increase in membership strengthened the institutional capacity of ACTIF as well increasing the revenue stream to ACTIF. Membership growth resulted through the contacts established in the key regional and international forums coupled with email and telephone follow ups over a couple of months. The amendment of ACTIF memorandum and articles of association to include individual companies has also increased the scope of ACTIF membership which will no doubt attract more membership.

- **Revenue Streams Increased**

ACTIF was able to develop additional revenue streams to support its sustainability strategy under ACTIF business plan. Apart from increased membership, some of the revenue generating activities developed includes income from adverts from the Cotton Magazine and income from administration cost charged to special projects.

- **Increased recognition by various regional & international agencies**

The year 2012 witnessed a significant increase in recognition of ACTIF by international partners and agencies. This includes South Africa Trade Hub, International Apparel Federation (IAF), Africa Trade Policy Center (United Nations Economic Commission for Africa), China National Textile and Apparel Council (CNTAC) among others.

- **Partnerships developed with other funding agencies**

During the year 2012, ACTIF was able to diversify its funding by attracting support from other funding agencies including Business Advocacy fund (BAF), Innovative Partnerships for Development (IPD-DANIDA) and Africa Trade Policy Center (ATPC/UNECA).

- **ACTIF voice recognized in key regional and international FTA's**

Following the increased recognition, ACTIF was invited to make key contributions on various regional and international platforms including International Textile Manufacturers Federation annual meeting, International Cotton Advisory Committee (ICAC) annual meeting and Annual Home Textile Conference in China, among others.

- **Ties with West African fibre producing countries strengthened**

In 2012, ACTIF held its first ever regional meeting with West African stakeholders in August 2012. A number of contacts were established with the key cotton producing associations and ACTIF will endeavor to develop the linkages.

6. DELIVERABLES

- COMESA implementation committee TOR
- COMESA Priority Implementation Plan
- ACTIF Report on COMESA strategy Implementation activities
- ACTIF White paper on AGOA
- Industry Brief on Textile Standards
- Minutes of ACTIF board meetings
- Minutes of working committee meetings on proposed regional center of excellence.
- Minutes of ACTIF AGM
- Minutes of meeting between ACTIF and SATH
- Minutes of COMESA implementation committee meeting
- EU-EPA Tripartite document with ACTIF comments
- Cotton Africa Magazines
- Origin Africa 2012 Report
- MOU with ETGAMA
- MOU between ACTIF-EGAMA and TIDI
- MOU with African Union
- MoU between ACTIF and SATH
- MoU with EPZA
- Draft MoU with ACA
- MoU with TFC
- ACTIF report on regional CTA training institutions
- ACTIF business Plan
- ACTIF report on contamination and pre ginning classification
- BAF Application for Textile research
- BAF Application for Sustainability support
- Concept note on Regional Center of Excellence
- ACTIF application to COMESA
- Concept on Proposed Regional Center of Excellence

~ End of Report ~