



## ACTIF Quarter 2 Grant Report April - June 2012

**Grant activity title:** To develop and deliver value added products & services that directly impact on the competitiveness of the CTA sector & ACTIF sustainability

### Grant Objectives:

ACTIF, having taken a lead role of championing the implementation of the COMESA regional Cotton to Clothing strategy, will place more 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.

ACTIF will place a special emphasis on activities to strengthen its institutional capacity and internal structures, increase 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 is for the support of specific activities aimed at addressing the core challenges facing the organization, to consolidate on the gains achieved so far.

These include:

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).



## **SUMMARY OF ACTIVITIES/ PROGRAMS DURING THE PERIOD OF APRIL – JUNE 2012**

**GRANT OBJECTIVE:** PROVIDE A LEADERSHIP ROLE IN THE IMPLEMENTATION OF THE COMESA CTC STRATEGY

**Activity (1.2): 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**

The objective of this activity is to develop terms of Reference (TOR) for the implementation committee adopted by February 2012 and also to coordinate the Implementation activities in order to generate regular progress reports.

The terms of references for the implementation committee were developed during the first committee meeting that was held in February 2012. The committee was also tasked to review and prioritize the key implementation activities which should not be more than 3 for each sub sector.

*The second implementation committee meeting has been scheduled for 9<sup>th</sup> – 11<sup>th</sup> August 2012 in Lusaka Zambia.*

*During the month of June, the committee members were alerted of the proposed dates for the second meeting so that they could prepare their updates as per their terms of reference.*

**(1.3) 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**

Discussions have been on going with the SATH to develop a memorandum of understanding that will facilitate a partnership with SATH for the next 2 years. A visit by Rajeev was made in February 2012 to SATH offices in Botswana where a draft MoU was developed.

*On June 12<sup>th</sup> 2012, representatives of SATH visited ACTIF where a second meeting was held to address pending issues. SATH was represented by Mr. Tim Piper (Value Chain Specialist) and Emile Mathee (Finance and Investment Advisor). ACTIF was represented by Jaswinder Bedi (ACTIF Chairman) and Joseph Nyagari (Trade Policy Manager).*

*During this meeting, all the outstanding issues were generally ironed out, primarily touching on a Trade Expo in South Africa region and SATH support for ACTIF secretariat for SA region for a period of two years. The amended MoU is now being compiled and with a hope of signing it in July / August 2012. [Copy of discussion notes attached along with Drafted MoU]*



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

This activity was originally scheduled to take place in the first quarter of 2012 but later moved to second quarter owing to the Origin Africa event that took place in April. A leading consultant was in the field of cotton contamination and classification – Gerald Estur was nominated by the International Trade Center owing to his vast experience in Africa.

*When approached, Gerald expressed interest in the task. However he indicated that he was not available before September 2012 and secondly his cost was higher than the budgeted amount. Discussions are still ongoing while we are also seeking for an alternative consultant to undertake the task within the set limitations.*

**(1.6) 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; (1.7) Convene a regional forum of training institutions to initiate the matching of existing curricula with current industry needs across the value chain**

*A regional consultant has been engaged and is currently conducting a regional study to develop an inventory of regional training institutions and generate a report on the gaps between the existing quality of training and industry needs. One of the expected outputs will be recommendations for development of centers of excellence.*

*ACTIF was to partner with COMESA to host a regional forum where findings of this study would be presented and discussed. The event was scheduled to take place in June but later postponed. A new date will be set after July 2012. Meanwhile, the study is ongoing and a local stakeholders forum will be planned to take place in Kenya once the regional forum is held.*

*Attached for reference is the terms of reference and copy of contract for regional consultant.*



**GRANT OBJECTIVE: STRENGTHENING OF ACTIFS INSTITUTIONAL CAPACITY:**

**(3.1) 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 – this activity will have no budget implication**

This activity was conducted by COMPETE team between June 4-8<sup>th</sup> 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. A detailed report on the activity is attached.*

**3.2 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**

The board meeting was held on 24<sup>th</sup> April 2012. 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 MoUs that were presented included:

**MoU with ACA:** *Calling collaboration and partnerships with West African cotton producers*

**MoU with AUC:** *Calling for collaboration and partnership with African Union Commission for developments of the CTA sector in Africa*

**MoU with EPZA:** *Calling for collaboration to establish a regional center for excellence for East Africa*

The executive Director also presented the secretariat report detailing current and upcoming activities including efforts geared towards strengthening the sustainability of ACTIF.

*The board appreciated the progress made so far but noted that much more needed to build to build partners and activities that would sustain the organization in the future. The board gave its blessings on the planned activities and partnerships.*



**(3.3) Represent ACTIF members at the AGOA Forum, to strengthen the organizations profile, build international networks and develop associate membership**

ACTIF Chairman Jas Bedi and ED Rajeev Arora 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.

At the end of the activity, a bill was introduced in the US congress that contained modifications to extend the 3<sup>rd</sup> country fabric provision under AGOA to 2015. ACTIF will continue to monitor the situation.

*A detailed itinerary of the US visit is herewith attached. The visit report is still under compilation and will be availed later.*

**GRANT OBJECTIVE: VALUE ADDED PRODUCTS AND SERVICES DEVELOPED**

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

Issue 3 for Jan – March was successfully developed both in print and online versions and circulated to our database. The online versions was developed using both English and French.

Issue 4 covering April – June has also been developed and finalized and has currently been submitted for print. The online version is also be in developed in both English and French.

*The final draft is herewith attached for reference.*

***(4.1) 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 and (4.2) Establish an on-line textile directory, for increased inter-regional trade, and as a manufacturing information source for regional and global retailers and brand***

Development stage has been completed. Key areas being upgraded / added include Home Page and Layout; Discussion forum section; public Share section; User Profiles section; Payment section; Report section; shopping cart; conference section; Member Section; Directory section; Finance Window; Advertising section; Events Section; Contacts section; Online Trade section; Multi - lingual Function;

*Attached is a copy of the development report for the upgrade of cottonafrica.com. The implementation stage is currently ongoing and is expected to be completed by end of July 2012.*



## **GRANT OBJECTIVE: HOLD ORIGIN AFRICA IN ETHIOPIA IN PARTNERSHIP WITH COMPETE, ECA TRADE HUB AND ETGAMA**

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



This activity was successfully held on 24<sup>th</sup> – 27<sup>th</sup> April 2012 at the Sheraton Hotel, in Addis Ababa, Ethiopia. The trade expo was well attended and officially opened by H.E Meles Zenaw, the 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 detailed report is attached.*

### **(5.2) 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**



The Series Seminars component took place between 25<sup>th</sup> and 27<sup>th</sup> 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 ÖZİPEK 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.*

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



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.

#### OTHER ACTIVITIES NOT PART OF COMPETE GRANT

##### **Textile East Africa**

Textile East Africa is a Danish-Kenyan collaboration, supporting sustainable development of the East African cotton, textile and apparel industry. The purpose of Textile East Africa is to strengthen the Kenyan cotton, textile and apparel (CTA) industry and promote CTA export from Kenya into Europe. Textile East Africa was designed and run by: Danish Fashion and Textile (DFT); African Cotton & Textiles Industries Federation (ACTIF); Danish Federation of SMEs (DFSME). The project period is expected to run for 18 months between January 2012 and March 2013.



During the period of April, May and June, a number of activities were accomplished as part of the Textile East Africa Project. This included:

**Corporate Social Responsibility workshop (CSR):**

for key CTA associations including ACTIF, Kenya Association of Manufacturers, Association of Fashion Designers, Ginners Association, Farmers Association, Export Processing Zone Authority and Export promotion council. ACTIF was represented by ED Rajeev Arora and Joseph the Trade Policy Manager. The training covered the definition and understanding of CSR from the EU point of view and the importance of attaining the necessary.



**Technical Assistance to Textile Companies:** A number of textile companies in Kenya were mapped to identify their needs for capacity building during the first quarter of the year. During the second quarter a number of companies were shortlisted for further review as well to receive some technical assistance in to build their capacity in readiness to initiate linkages with EU companies later in the year.

**Mapping of CTA training institutions:** A number of training institutions offering CTA courses were reviewed including detailed analysis of the courses offered and their curriculums in relation to EU training institutions as well as the demands of the industry. The objective is to short list some institutions that require some technical assistance and later to be linked to some EU training institutions.

**Development of ACTIF Business Plan**

This activity took place between 25<sup>th</sup> and 28<sup>th</sup> May 2012 and was sponsored by USAID COMPETE. The objective of this activity was to develop an ACTIF business plan as part of ACTIF's sustainability strategies. A consultant, Edgar Kamar was engaged by USAID COMPETE to conduct the activity.

The consultant held meetings with the ACTIF secretariat to collect information on current and upcoming activities and also met with three members of ACTIF board to understand the strategic direction of the organization.

*A draft business has since been developed (copy attached) awaiting review, validation and adoption by ACTIF board.*



## **COTTON STAKEHOLDERS FORUM, KENYA**

This activity was held on 19<sup>th</sup> June 2012 and was organized by Cotton Development Authority, Kenya, sponsored by the Matching Grant program that was managed by Deloitte Consulting. The meeting brought together key stakeholders from across the value chain in Kenya to take stock of the activities and achievements that resulted from the programme. ACTIF was represented by Joseph Nyagari, Trade Policy and ICT Manager.

*The key outcome from the meetings was that Kenya had made a lot of progress in developing the cotton value chain especially on the production side. However the key challenges that remained to be addressed included limited value addition, risk management, and inconsistent government policies that affected the competitiveness of the sector.*

## **ACTIF SIGNS MOU WITH AFRICAN UNION COMMISSION (AU)**

ACTIF achieved a major milestone by establishing a partnership with the African Union Commission (AU) for the development of the Cotton, Textile and Apparel Sectors in Africa, following the signing of a Memorandum of Understanding between the two institutions. The MoU was signed on 5th June 2012, at the African Union Headquarters in Addis Ababa, Ethiopia between the Deputy Chairperson of AU, H.E. Erastus Mwencha and ACTIF Chairman, Mr. Jaswinder Bedi, in the presence of Mr. Vimal Shah, CEO of BIDCO Group & Vice Chairman of KEPSA and AU Staff.



This agreement opens up a new level of engagement that will facilitate possible collaborations, programs and activities in line with ACTIFs objectives and goals as well in line with AU's aims and objectives.

*ACTIF will endeavor to pursue these possibilities and in order to build its profile in the region while offering valued services to its members. The copy of the MoU is attached.*



## **Support documents:**

- 1.** COMESA Implementation meeting minutes
- 2.** COMESA Implementation TOR
- 3.** Partners report on key COMESA implementation activities
- 4.** Discussion notes on meeting between ACTIF and SATH
- 5.** TOR for regional consultant for reviewing regional CTA training institutions
- 6.** Copy of contract for regional consultant for reviewing regional CTA training institutions
- 7.** Report on ACTIF sustainability assessment exercise
- 8.** Draft MoU between ACTIF and SATH
- 9.** Draft MoU with EPZA
- 10.** Draft MoU with ACA
- 11.** ACTIF report during board meeting in April 2012
- 12.** Schedule of ACTIF Mission meetings in US
- 13.** Final Draft Cotton Africa Magazine – Issue 4
- 14.** ACTIF website development report
- 15.** Origin Africa 2012 report
- 16.** Textile East Africa – Progress report
- 17.** Draft ACTIF business Plan
- 18.** Trade statistics report from Online Trade link on cottonafrica.com (April and May 2012)