



## MONTHLY GRANT REPORT

For the Period of:	Jan 2014				
Name of the Grantee Organization:	African Cotton & Textile Industries Federation				
Project Title:	To develop and deliver value added products & services that directly impact on the competitiveness of the CTA sector & ACTIF sustainability				
Grant Agreement Number:		Project Startup Date:	1 <sup>ST</sup> Oct 2013	Project end date:	28 <sup>th</sup> Feb 2014
Project Location:	Countries: Kenya, Uganda , Tanzania, Ethiopia, Rwanda, Burundi, Sudan				

### 1) Introduction

This report from African Cotton & Textile Industries Federation is for the period of Jan 2014 covering the activities implemented under EATH funding support. The Grant is aimed at building the capacity of grain stakeholders to participate in structured grain trade in the region while working towards attaining the following specific objectives:

The primary objective of this grant is for the support of specific activities aimed at addressing the core challenges facing ACTIF & its members, to strengthen its institutional capacity and developing value added products to enhance the value proposition for our members and develop sustainability.

The core challenges still faced by ACTIF include:

- Limited sustainability model to cover its direct secretariat costs
- Limited Revenue from corporate membership is restricted by the small number of associations that exist, exacerbated by the fact that many of these associations have limited financial capacity to support the cost of Federation membership.
- Limited funding streams to carry out activities of a “developmental” nature such as policy advocacy issues, capacity building & Investment promotion services.

The activities under the grant include:

#### 1. Strengthening of ACTIFs Institutional capacity and Membership

- 1.1. Support EATH’s hired consultant to develop marketing strategy for its Cotton Africa Magazine
- 1.2. Engagement of an Sales Agent to develop advertisements for Cotton Africa magazine
- 1.3. Sustain the development and publication of the Cotton Africa Magazine on a quarterly basis

#### 2. Developing and enhancing value added products and services for members

- 2.1 Website development
- 2.2 Engage an AGOA/Trade/Technical Advisor on an independent contract

## **2) Summary of Activities accomplished between 1<sup>st</sup> Jan and 31<sup>st</sup> Jan 2014.**

### **1) STRENGTHENING OF ACTIFS INSTITUTIONAL CAPACITY AND MEMBERSHIP**

#### **1.1 Support EATH's hired consultant to develop marketing strategy for its Cotton Africa Magazine**

The objective of this ACTIF is for EATH's hired consultant to improve and increase the revenue generated by the trade magazine in order to contribute to the financial sustainability of ACTIF.

The progress made so far is as follows:

- (1) Editorial, Layout and Design.** This is meant to be done by a professional business writer who will also evaluate the articles for publication; preparation of the fashion page as a center spread; Conducting Expert interviews; and preparation of evaluation criteria for quotations.

*As of end of Jan 2014, agreement was reached with Mr. Kimemia of Alison and Davis Communications and contract issued to him for Issue 8 Magazine.*

- (2) Implementation of Advertising Strategy.** This activity is expected to involve: distribution of proposal letters; short listing of applicants; preparation of interview formats; conducting interviews; Sales training; establishing revenue projections and setting sales targets.

*As of end of January 2014, In the month of January the Sales Assistant made a follow up with various companies for adverts. This was done through phone calls and email reminders. Personal contact was established with a number of marketing department individuals including:*

- 1. Sun and Sand hotel contact person Clara Nyambura.*
- 2. I&M Bank contact person Kirit Dodhia.*
- 3. KARI contact person Ken.*
- 4. CODA contact person Alex Mungai.*
- 5. Muthaiga Travel Ltd contact person Helen.*
- 6. Kikoromeo contact person Claire.*
- 7. Chase Bank contact person Maurice Mwendwa.*
- 8. Rentoki Initial contact person Joseph Mugambi.*
- 9. CBA Bank contact person Chris Pasha.*
- 10. Ultra Promotion contact person Fredrick Githinji*

*Cotton Development Authority (CODA) booked the front inner page for an advert for 4 issues. Cotton Made in Africa (CmiA) has also committed to 4 full page adverts.*

*Follow up to continue in the next month targeting subsequent issues.*

- (3) Membership rationalization and distribution strategy:** This activity is expected to involve engagement of a distribution company that can distribute the magazines effectively and timely;

Prepare a members database consisting of all the members contacts and locations; Develop a database of stakeholders and advertisers who should receive the magazine;

***The target audience has been defined into 3 distribution lists: 1) ACTIF Members – This has been prepared and it continues to be updated as more members are developed 2) Service Providers – All companies that supply to the industry, nationally 3) CTA value chain players;***

***A feedback form was designed and has been included as part of the magazine to seek input from the readers.***

## **1.2 Engagement of an Sales Agent to develop advertisements for Cotton Africa magazine**

This activity is expected to cover recruitment of a Sales agent by ACTIF with the support of the EATH hired consultant and implementation of the marketing strategy that will be developed under activity 1.1 above.

The key responsibilities would be to develop and grow an advertising client base; promote and develop an effective service for the purpose of maximizing sales and revenue; and to seek creative ways to grow the advertising revenue of the publication.

The ultimate objective is to ensure that sufficient revenue is generated in order to sustain the commissions by the second quarter of the magazine.

***This was concluded as at end of Dec 2013, a sales person had been recruited - (Anne Dickson Mutheu). Anne is a holder of a Bachelor of Commerce degree and has two years working experience in customer service and accounts management. She is expected to among other things carry out sales of advertising space.***

## **1.3 Sustain the development and publication of the Cotton Africa Magazine on a quarterly basis**

This activity is expected to focus development and publication of Cotton Africa Magazine on topical issues for the dissemination of information, influencing policy decisions, creating awareness on industry positions and generating revenue for ACTIF through advertisements.

This will include outsourcing content generation to a business writer that will ensure professional and relevant content is generated.

The publication will also target to deliver improved stakeholder value with the overall objective of increasing sales revenues for ACTIF.

***As at end of Jan 2014, several meetings were subsequently held between the Editor, Magazine Consultant and ACTIF to discuss the design and development of the magazine. The draft magazine was ready by end of January. See copy attached.***

***Final draft for approval along with printing and distribution of the magazine expected to take***

*place in the course of February.*

*A draft business plan was also developed by the Magazine with recommendations that can assist ACTIF to develop Cotton Africa Magazine as a sustainable product. The Draft will be discussed and finalized in the course of February 2014.*

## 2) DEVELOPING AND ENHANCING VALUE ADDED PRODUCTS AND SERVICES FOR MEMBERS

### **Activity 2.1 – Website Development**

The objective of this activity is to develop a dedicated organizational website that will be used as the primary tool of communicating with ACTIF's stakeholders. The design to include AGOA information including links to other AGOA resources;

The dedicated ACTIF website is expected to become the face of ACTIF under the domain of [www.actif africa.com](http://www.actif africa.com) which will highlight membership products and services, and various activities of ACTIF including reports generated for the value chain.

ACTIF to engage a consultant/outsourcer expertise to develop the new website, including:

- Create a new website which will be distinct from the trade linkage site of [www.cottonafrica.com](http://www.cottonafrica.com), and will focus on the institutional and member services components of ACTIF, giving a new "face" to ACTIF.
- Extract and upload onto the new site, appropriate data/information/agreements (e.g. MOU's), as guided by ACTIF, from the cottonafrica website.
- Incorporate social media links (twitter, Facebook, LinkedIn), an information 'share' function, and a blog/'ask a question' functionality.

*As of January 2014, discussions with Sawa Sawa had been concluded and contract issued for development of the magazine. See copy attached.*

*Subsequently, a couple of meetings were held with Sawa Sawa Ltd to discuss on web development. As at end of January, a concept was presented highlighting designs for the two new websites – [www.actif africa.com](http://www.actif africa.com) and [www.cottonafrica.com](http://www.cottonafrica.com)*

*The sample designs can be viewed on the temporary links below:*

<http://webdemo.site90.net/actif/>

<http://webdemo.site90.net/actif/inside.html>

With regard to Cotton Africa Magazine and Cotton Africa Trade Directory discussions were held with the developer and a contract issued. The objective is to improve both the magazine and Directory to build an appeal for members, CTA companies, buyers and other visitors.

Development work on the ACTIF website expected to be concluded in the month of February.

## **Activity 2.2**

### **a) Refine Stakeholder Engagement and Membership Services Strategy**

Whilst this activity is ongoing, the work of engaging with stakeholders to receive input, views and suggestions as regards engagement and membership services continued. To obtain a greater coverage of stakeholders/members input, a web based on-line survey tool was used to collect views and suggestions. A questionnaire was constructed, and some 120 individuals and organizations were canvassed. This is a proven survey tool, it provides feedback in real-time, and is reportedly used by 100% of Fortune 100 companies.

The analysis of the poll is in progress, and a schedule detailing those canvassed is appended to this report. The trends, key results and resultant recommendations will be incorporated into the final strategy document, currently under construction.

### **b) Concept Paper for a dedicated 'AGOA Window' Resource Platform**

As reported in the last quarter, work continued in identifying and gap-filling information on the practical steps that exporters need to know to conduct trade under AGOA, and the "country specific" visa requirements, procedures, timings and costs. Adding to the four countries already covered of Kenya, Ethiopia, Tanzania and Rwanda, Uganda was visited at the end of January; meetings were held with officials at the AGOA Country Response Office, the Cotton Development Organisation (CDO), the Ministry of Trade Industry and Cooperatives, Phenix Logistics (an integrated textile mill and garment manufacturer), and the Uganda Revenue Authority (URA).

The second area covered has focused on the content and information structure for the 'AGOA Window' Resource Platform. This will form the core part of the concept paper, which in turn will inform the web developer of what needs to be incorporated into the design. Interpreting the needs resulting from discussions at individual country level, it is becoming evident that a wider holistic approach to providing information, with the objective of increasing trade under AGOA will require an active 'partnership' approach, with a cross-pollinating web portal approach between ACTIF and its bi-lateral partners. This will be further expanded upon in the concept document.

### **c) New ACTIF website**

On the basis of the completed concept for the new ACTIF website, setting out the scope, design, and content requirements for the new portal, a project agreement (appended to this report) was concluded with SawaSawa and development work on the website is at an advanced stage. As the work progresses, input will continue on an on-going basis to fine tune the 'look-feel-design' of the portal.

## **d) Origin Africa brand / strategy**

### **1. Trade Mark Registration**

Following the application with the Kenya Trade Marks Registry of the registration of the Origin Africa ‘Collective Mark’, Kaplan & Stratton have still to be informed as to when the Kenya registration certificate will be issued. No problems are envisaged, but the bureaucratic process has to be endured.

As reported in the last quarter, only once the Kenya registration certificate has been issued, can an application be filed for Trade Mark registration in other countries/regions. Once the Kenya certificate is issued, the intention is to file applications in the following designated countries for two primary purposes:

- In the U.S.A. and European Union (EU) - for ‘point of sale’ products, such as labelling. Also included will be awareness campaigns, trade shows and events. It is anticipated, but not assumed, that much of this will be carried out by USAID East Africa programs such as the proposed U.S. Trade and Investment Center (TIC).
- In China, India, South Africa, Mauritius and Ethiopia – primarily for trade mark protection purposes.

Kaplan & Stratton have researched reasonably realistic estimated costs for these applications, excluding time extended cost for dealing with such matters as subsequent opposition filings and the like, are:

- a) Under the Madrid Protocol: for China, European Union, India and U. S. A. - CHF5,086 (Swiss francs), approximately \$5,700.
- b) For South Africa - US\$2,335. This includes a \$490 fee, being the cost of a search of the mark prior to the filing of the application, a prudent action. South Africa does not have a multi-class system of filing and therefore the application will be for four marks in each of the classes applied for.
- c) For Mauritius – US\$575 for application and registration of one collective mark in four classes. No fee is applied to conduct a search of the mark prior to the filing of the application.
- d) For Ethiopia – US\$3,007. This includes a \$315 fee, being the cost of a search of the mark prior to the filing of the application, for one collective mark in four classes.
- e) Attorney (Kaplan & Stratton) professional fees estimated at:
  - Under the Madrid protocol (China, India and U.S.A.) – US\$1,700.
  - Individual countries (South Africa, Mauritius, Ethiopia) - US\$1,800.
- f) Total estimated cost of all of the above – US\$15,117.

### **2. Origin Africa – Concept, Use, Criteria, Methodology**

Following the completion of the position paper detailing the ‘concept and use’, and the ‘criteria, methodology and rules’ as they relate to Origin Africa, the focus going forward will be to adopt and apply the concepts and recommendations enumerated, in relevant activities and initiatives to be established. As an initiative that centers on activities and programs that can create significant revenue generation and contribute to ACTIF’s sustainability objectives, the planned Origin Africa trade event

slated for November 2014, will be a prime focus for application of these concepts, encompassing the full spectrum of the fiber-to-fashion supply chain. To emphasize, the objectives will include:

- Providing a forum for a global audience of retailers, brands, business leaders and designers, to establish linkages with African industry, and to do business.
- Providing a platform for suppliers and buyers to explore investment opportunities.
- Holding of topical symposiums and seminars with a focus on business, trade, investment, technology transfer and innovation.
- Providing a platform to promote and increase trade under AGOA.
- Developing linkages and trade opportunities between the European Union and Africa.
- Providing a vehicle to enhance the profile of ACTIF in its support and development of the CTA value chain, bringing East, West and South together under one event.
- Creating a significant annual revenue stream for ACTIF that will support the ACTIF secretariat, its activities and other programs connected to member services.
- Obtaining industry buy-in to develop the concept of introducing an Origin Africa “Label” for selected CTA products that are produced, manufactured and made in Africa.
- Engaging and collaborating with the three USAID Trade Hubs to link East, West and Southern African businesses and stakeholders, cross-pollinate ideas and trade information, and to generally promote trade, regional integration, investment and job creation; and to advance the objectives of USAID programs carried out through its trade hub activities.

### 3. Origin Africa – Draft MOU between ACTIF and USAID East Africa

A draft cooperation arrangement between ACTIF and USAID East Africa was completed and submitted to USAID East Africa and EATH and input and comments are awaited. The MOU enumerates an alliance to promote Africa as a reliable sourcing destination for buyers, and to meet the economic growth objectives of the PATA initiative, as enumerated in the activities and goals of the proposed U.S. Trade and Investment Center (TIC) in East Africa.

#### **I) Other Non-Grant activities completed**

#### **II) Textile Policy Research for Kenya**

*In partnership with Business Advocacy fund (BAF)*

Following launch of the Textile Policy report and recommendations in June 2013, ACTIF initiated

engagement with the private sector to advocate for policy changes to protect and grow the Textile Industry.

***During the month of January 2014, a meeting were held with BAF consultant and concept a concept and application developed to cover preparation stage for Textile Advocacy to push for a favourable policy environment.***

### **III) AGOA Outreach activity**

*In partnership with the Business Advocacy Fund (BAF).*

The objectives of the AGOA outreach activity in Kenya is to engage with private sector players in Kenya who are currently exporting under Africa Growth & Opportunity ACT (AGOA) or with the potential to export under AGOA in order to establish information on AGOA awareness as well as develop policy recommendations at national and international level to ensure more participation by the private sector under AGOA.

The intended outcome is to develop a strong position for both ACTIF and for Kenya Government to present at the annual AGOA forum scheduled to be held in Ethiopia between 27th June and 2nd July 2013. The AGOA forum is a powerful advocacy forum that will bring together key US Government from the Trade departments, US Congress and Senate representatives, Private Sector and Civil society members, Africa Ministers of Trade among other industry stakeholders. This will therefore be an excellent platform to present Kenya and ACTIF position, being key stakeholders in AGOA

***During the month of January 2014, ACTIF received BAF support for the Chairman to travel to Washington where he presented a Testimonial on behalf of ACTIF members to state the organizations position in the Investigation on AGOA in order to present its member's views.***

### **IV) Strategic Meeting with Gatsby Trust and Cotton Made in Africa held in London**

During the trip to Washington, the chairman was able to a strategic meeting in UK with some of our development partners to discuss on how to strengthen relations with ACTIF in order to boost the sustainability of the Federation.

A meeting with Cotton Made in Africa (CMiA) and Gatsby Trust was held in London, UK on 10<sup>th</sup> Jan 2014. This meeting was at no cost as it was a piggy back on the trip to USA. The chairman covered his own costs while in London for hotel and personal expenses.

The Objectives were to discuss possible support from Gatsby Trust to implement specific issues impacting on the cotton sector in Africa, including: 4. Specific Issues (chaired by Laurence Cockcroft)

- Farming practices – How can we ensure that CMIA/BCI further impact on farmer livelihoods by improving farming practices?
- Ginner engagement – How can we better encourage ginners to participate in attaining standards?
- Manufacturing (spinning, weaving and garment production) - How can we enhance investments in value addition in Africa?
- International marketing – How can we bring more brands into CMIA/BCI?
- Regulatory environment – How can we better influence government policies?

- Certification – How can we ensure one common framework for sustainability?

During the trip to Washington, the chairman was able to hold 2 other strategic meetings in UK and in Washington with some of our development partners to discuss on how to strengthen relations with ACTIF in order to boost the sustainability of the Federation. This included:

### **I) Meeting with USAID and AAFA held on 14<sup>th</sup> Jan 2014**

A strategic and historic meeting was held with U.S. Agency for International Development (USAID) American Apparel & Foot ware Association (AAFA) on 14<sup>th</sup> Jan 2014 to sign MoU between the three institutions.

The objective of the MoU is to establish an alliance and share their respective strengths, experience, technologies, methodologies, and resources to expand sourcing opportunities of textiles, apparel and footwear from sub-Saharan Africa for U.S. buyers.

The MoU was signed by Ms. Oren E Whyche-Shaw, the Principal Advisor to the Assistant Administrator & Africa Trade Coordinator at USAID, Mr. Steve Lamar, Executive Director, American Apparel & Footwear Association (AAFA), and Mr. Jas Bedi, Chairman, African Cotton & Textile Industries Federation (ACTIF).

***See Trip Report for reference with related attachments.***

### **II) Business Sustainability Support**

*In partnership with the Business Advocacy Fund (BAF).*

This activity is aimed at assisting ACTIF to build sustainability in line with its organization business plan.

Key activities conducted during the month of Aug include:

- Membership development
- Promotion of Cotton Africa Magazine
- Update of Origin Africa concept

***During the month of January 2014, we compiled and submitted our quarterly report that advised on membership development, income from management fees and developments on Origin Africa.***

### **III) Proposed Regional Centre of Excellence**

The proposed Regional Centre of Excellence is an initiative that ACTIF is spearheading to address the critical challenge of limited skilled man power in the textile and apparel sector across the region that has resulted in a high reliance on expatriates. This activity is also in line with COMESA cotton to clothing regional strategy.

**During the month of January, a sub-committee meeting was held and draft letters to the government of Kenya developed to assist in mobilizing support from Government and key agencies such as the World Bank**

### **Viii) Proposed BCI Cotton Project in Kenya**

This initiative being championed by ACTIF proposing a full value chain project under BCI cotton. Currently ACTIF is mobilizing stakeholders to develop support including Solidaridad, IFDC, Value added in Africa and some Danish companies.

Solidaridad in partnership with Cotton Development Authority are already in the process of initiating cotton production under BCI initiative in Kenya.

***During the month of January, additional information was requested to Trade Marks – TRAC Fund where the concept had been submitted for consideration.***

**IX) Proposed silk project**

This is another Niche project that is being proposed by ACTIF in partnership with the International Centre of Insect Physiology and Ecology (ICIPE). The concept proposes to expand the silk production project already under existence with ICIPE to a full value chain project that targets niche market in Europe to purchase at a premium. The target international partner is Best Seller;

**No update was received during the month of January. Response from Best Seller is still pending.**

**X) Source Africa 2014**

ACTIF with the support of South Africa Trade Hub, American Apparel & foot ware Association and LTE to implement series of seminars during Source Africa event to be held between 6<sup>th</sup> and 8<sup>th</sup> May 2013, in Cape Town South Africa. This is at the back drop of Source Africa 2012 event where ACTIF was involved in organizing the Breakfast Seminars which was well received by the participants.

**During the month of January, ACTIF updated the working plan document. Letters were also drafted to invite the key suppliers who are being targeted for the ACTIF session during seminar series.**

**3) Major activities planned for the month of Feb 2014:**

- 1) Printing and distribution of Cotton Africa Magazine;
- 2) Enhancement and Upload of Cotton Africa Magazine, online edition;
- 3) Update of Origin Africa Concept;
- 4) Capacity building for Events Officer;
- 5) Finalization of ACTIF website and Cotton Africa Website;
- 6) Enhancement of Trade Directory;
- 7) Finalization of Stakeholders engagement and Membership development strategy;
- 8) Finalization of Concept for Project AGOA;
- 9) Follow up with BAF on Concept and Application for Textile Advocacy;
- 10) Follow up on the Regional Centre of Excellence;

**Status of Implementation Activities to Date**

Activities	Expected Deliverables	Due Date	Achievements in Jan 2014
<b>Result #1: STRENGTHENING OF ACTIFS INSTITUTIONAL CAPACITY AND MEMBERSHIP:</b>			

<b>(1.1) Support EATH's hired consultant to develop marketing strategy for its Cotton Africa Magazine</b>	Redesign of Cotton Africa Magazine;  Production of 2 issues  Sustainability Strategy for Magazine;	Nov 2013 – Feb 2014	Contract Signed with Professional Editor – Alison & Davis Communication; Issue 8 Magazine developed and delivered in PDF form and Art work for printing; Draft business Plan for Magazine developed Magazine;
<b>(1.2) Engagement of an Sales Agent to develop advertisements for Cotton Africa magazine</b>	Progress reports on interviews;	Nov 2013 - Jan 2014	Follow up with potential targets for advertising;  One advert secured from Cotton Development Authority who made a commitment for 4 issues;
<b>(1.3) Sustain the development and publication of the Cotton Africa Magazine on a quarterly basis</b>	Two Quarterly issues	Nov 2013 – Feb 2014	Issue 8 for Cotton Africa Magazine submitted for printing – This will cover 2 quarters July to Sep and Oct to Dec 2013.
<b>Result #2: DEVELOPING AND ENHANCING VALUE ADDED PRODUCTS AND SERVICES FOR MEMBERS</b>			
<b>Activity 2.1 – Website Development</b>	Improved ACTIF Website with dedicated Member Section & AGOA information	Nov 2013 - Feb 2014	Contract Issued to Sawa Sawa LTD.  Draft designs developed and presented. This can be accessed at the temporary links below:  <a href="http://webdemo.site90.net/actif/">http://webdemo.site90.net/actif/</a> <a href="http://webdemo.site90.net/actif/inside.html">http://webdemo.site90.net/actif/inside.html</a>  A contract was also issued to Rishi to assist in upload of information and also improvement of Textile Directory and Online Magazine;
<b>(Activity 2.2)</b>  <b>a) Refine Stakeholder Engagement and Membership Services Strategy</b>  <b>b) Concept Paper for a dedicated 'AGOA Window' Resource</b>	Stakeholders engagement strategy developed;  Concept paper on Project AGOA	Nov 2013 – Feb 2014	Additional consultations done with ACTIF Members in EAC. The Consultant is currently in the process of compiling the report and strategy.  Development of project AGOA concept - ongoing;

<b>Platform</b>	developed;		
<b>c) New ACTIF website</b>	Contribution to new ACTIF Website;		Further discussions held on ACTIF website with technical input being provided by consultant;
<b>d) Origin Africa /Brand Strategy</b>	Origin Africa Brand Strategy developed		Tracking of Origin Africa registration;

**Deliverables:**

**Magazine Activity**

- 1) Contract with Professional Editor – Alison and Davis Communications
- 2) Final Magazine –Issue 8 in PDF
- 3) Draft Business Plan for Magazine

**ACTIF Website**

- 4) Contract with Sawa Sawa for Development of Cotton Africa and ACTIF Africa Website
- 5) Contract with Rishi to upload data to Magazine and also to improve Textile Directory and Online Magazine

**Origin Africa – Brand Strategy**

- 6) USAID-ACTIF-AAFA MOU

**BAF AGOA Outreach Activity**

- 7) Trip report to US and UK
- 8) Copy of Testimony by ACTIF Chairman
- 9) Copy of testimony by Steve Lande
- 10) Schedule of meeting in US
- 11) AGOA successes and Failures
- 12) AGOA ITC notice of investigations
- 13) Copy of Business Cards from Washington Trip
- 14) CMIA Business Model
- 15) Blue Print for US and Africa Partnership

**BAF Textile Policy Activity**

- 16) CN For Textile Advocacy

**Regional Center of Excellence**

- 17) Draft Letters to GOK and Key Development Partners

**Source Africa Event**

- 18) Updated Planning Document
- 19) Copies of Letters of Invitation