



MONTHLY GRANT REPORT

For the Period of:	Nov 2013				
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 ST Oct 2013	Project end date:	30 th Jan 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 Nov 2013 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 1st Nov and 30th Nov 2013.

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 November 2013, an advertisement for Business Writer had been placed calling expression of interest for the task above. Initial interviews had also been conducted and a shortlist of candidates prepared.

- (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 Nov 2013, Implementation of the advertising strategy had not begun because the Sales Agent was yet to be recruited. Ref to activity (1.2)

- (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;

As of end of November 2013: the membership database had been developed; the list of stakeholders and potential advertisers developed;

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.

As of end of November 2013, an advertisement for a sales agent had been placed calling expression of interest for the task above. Initial interviews had also been conducted and a shortlist of candidates prepared.

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 of end of Nov, some articles had been drafted by the regular contributors. However more work expected in December with the engagement of a professional business writer.

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 which will highlight membership products and services, and various activities of ACTIF including reports generated for the value chain.

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

- Create a new website which will be distinct from the trade linkage site of 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.

This activity was yet to commence as at end of Nov 2013. Some input is expected from the AGOA related tasks before a consulting firm. Development work is expected to commence in the month of December 2013.

Activity 2.2

a) Refine Stakeholder Engagement and Membership Services Strategy

This is an ongoing activity. Initial work and activity focus covered an overview of the organization, identifying work programs that relate to stakeholder engagement activities, identifying the cross-section of stakeholders likely to have an impact on ACTIF, and identifying individuals or groups that are likely to affect, or be affected by the organizations actions, policies and services offered. Additionally, the current suite of ACTIF membership services and other stakeholder products currently offered was reviewed.

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

The first area of work, and in the context of the EAC, has been identifying and obtaining information on the practical steps that exporters need to know to conduct trade under AGOA; the "country specific" visa requirements, procedures, timings and costs; and any barriers, inefficiencies or bottlenecks being experienced by exporters. Two countries have been covered to date, Kenya and Ethiopia, with Tanzania, Uganda and Rwanda to follow during December 2013.

The second area covered has focused on the design layout and 'tab' content for the 'AGOA Window' Resource Platform, which will assist the web developer of the new ACTIF website in identifying what needs to be incorporated into the design. Development of the website content will continue in December and January.

c) New ACTIF website

Work commenced on providing input into the proposed design, content and layout of the new website. Draft concept has been attached for reference.

During December, the Advisor will assist the web developer in content generation for the ACTIF member sections, and for the portal generally.

d) Origin Africa brand / strategy

Following acceptance by the Kenya Trade Marks Registry of registration of the Origin Africa 'Collective Mark' (under reference T. M. A. 79160 ORIGIN AFRICA (Device) in Classes 22, 24, 25 & 35), the application was advertised in the Industrial Property Journal of 30th September 2013 on page 70 under Notice No. 2013/09. The mandatory 60 day opposition period has now elapsed, and we wait on Kaplan & Stratton to advise the status. Assuming no opposition was lodged, the certificate of registration should be issued very shortly.

The next stage to be undertaken in December is the filing of an application for a collective mark at the Madrid office of WIPO. Subject to additional advice requested from the lawyers as regards an EAC 'collective' status or otherwise, of the Kenya registration, the initial set of countries selected for registration will be China, the European Union, India, USA and South Africa; the latter country has not ratified the Madrid Agreement, and will therefore be the subject of a separate national application. Kaplan & Stratton have been requested to provide an updated cost of these applications

Before proceeding, confirmation/an update of the costs given by Kaplan & Stratton to EATH in October 2013 has been requested, at which time approval from EATH to proceed will be sought.

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 October and November, a petition was drafted by ACTIF in consultation with Cotton, Textile & Apparel stakeholders. The petition specifies the short term and long term policy actions that the Government needs to undertake to save the Textile Industry in Kenya from collapse. The petition was endorsed by wide range of stakeholders and a committee nominated to spearhead the advocacy activities in liaison with ACTIF.

The report and recommendations were presented to Business advocacy Fund for their review and support. Follow up will continue in the month of December with the hope of launching the advocacy activities in the first quarter of 2014.

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

IV) 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 November, the Origin Africa concept was updated strategy meetings held with USAID, Trade Fairs Consulting and CBI, being potential partners to the event. However the specific date for the launch is yet to be decided.

Membership development and promotional activities for Cotton Africa Magazine are on-going.

V) 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 November, the working committee held a meeting with the Director of Industries – Ministry of Industrialization, whereby a commitment was made to launch a steering committee chaired by the Cabinet Secretary to spearhead Governments commitment towards the regional centre of excellence.

It is expected that the first meeting of the steering committee will be convened in January 2014.

The Working Committee also continued with its regular meeting including resource mobilization efforts by various members of the committee.

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 November, a meeting was held with Solidaridad and CODA to track the progress of the production activities. A skype discussion was also held with VAA whereby it was agreed that an application be submitted for value addition activities targeting East Africa Trade Marks – TRAC Fund. A

follow up meeting to discuss the application was scheduled for early December.

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 November as a response from Best Seller is still awaited on their commitment.

X) CTA Stakeholders meeting on EAC Rules of Origin

A Kenya Textile and Apparel stakeholders meeting was held on 18th Nov at Laico Regency to discuss implications of the recently endorsed EAC Rules of Origin for Textile and Textile Products [Copy included in the attachments].

The Trade Policy expert who has been involved in presenting ACTIF's position during the EAC negotiations – Mr. Bernard Kagira, was on hand to lead the session and also to collect views from the Industry on their experiences in accessing the EAC market.

In attendance were Fashion Designers, Textile Companies, Apparel Companies and Government agencies that have an interest to understand the implications of the new CTA rules of Origin for EAC.

XI) Trip to Brussels – Nov 2013

The Executive Director, Mr. Rajeev Arora travelled to Brussels between 25th and 29th Nov 2013 at the invitation of the EU-ACP fund to participate in the launch meeting of the EU-ACP fund under EDF 10. During the meeting, ACTIF was provided an opportunity to make a presentation highlighting the key interventions needed for the developing the cotton sector in Africa. A key outcome from the meeting was the call for concepts to which ACTIF plans to participate ahead of the deadline of mid Jan 2014.

On his way back from Europe, Mr. Arora also held meetings with International Apparel Federations and the Centre for promotion of Imports – CBI to update them on plans for Origin Africa event and seek their support. [See attached trip reports for further information].

XII) 9th Regional BDS Conference in Mombasa, Kenya

Mr. Joseph Nyagari attended the 9th Annual BDS conference a flagship event of the BDS Donor Coordination Group (BDCG), whose purpose is to maximize the effectiveness and impact of donor-led activities in market development and value chain facilitation through active coordination and information sharing. Current membership consists of USAID, DANIDA, DFID, World Bank, UNDP, GIZ, MESPT, SNV, ACDI VOCA, TechnoServe, Land O'Lakes, Heifer International, HIVOS, Kenya Markets Trust and Aga Khan Foundation.

During the meetings lessons were shared on key emerging issues including gender, media and enabling environment as key drivers of development projects. Market Systems approach to development was also

highlighted including various innovations that are impacting on development projects. [See attached trip report]

XIII) Special board meeting to Discuss ACTIF sustainability

A Special board meeting was held on 14th Oct 2013 at Pride Inn Nairobi. The meeting was convened to discuss the critical issue of sustainability of ACTIF. A number of issues were discussed touching on governance and it was unanimously agreed that a board subcommittee be formed to review the sentiments raised and provide recommendations to the board for approval and adoption.

A subsequent subcommittee meeting was held in early November where initial deliberations were held and some suggestions made on the way forward. [Copies of minutes attached for reference]

XIV) Special board meeting to Discuss ACTIF sustainability

During the month of November 2013, ACTIF conducted an annual survey of its members in order to generate valuable input for its future planning and activities. The survey targeted to receive views on the annual Pan African Trade event as well ACTIF member services including the role of ACTIF in Advocacy and information offered via its website.

Detailed report and conclusions have captured in the attached reports.

3) Major activities planned for the month of Dec 2013:

- 1) Development and Promotional activities for the Cotton Africa Magazine;
- 2) Design activities for ACTIF Member website;
- 3) Stakeholders engagement under AGOA Project and development of stakeholders engagement strategy;
- 4) Follow up on Origin Africa planning activities;
- 5) Interactions with Business Advocacy fund to plan the next steps for 2014;

Status of Implementation Activities to Date

Activities	Expected Deliverables	Due Date	Achievements in Nov
Result #1: STRENGTHENING OF ACTIF'S INSTITUTIONAL CAPACITY AND MEMBERSHIP:			
(1.1) Support EATH's hired consultant to develop marketing strategy for its Cotton Africa Magazine	Redesign of Cotton Africa Magazine; Production of 2 issues Sustainability Strategy for Magazine;	Nov 2013 – Jan 2014	Implementation Plan developed; Shortlisting of candidates for Business writer;

(1.2) Engagement of an Sales Agent to develop advertisements for Cotton Africa magazine	Progress reports on interviews;	Nov 2013 - Jan 2014	Shortlisting of candidates for Sales Agent; Initial Contact listing for Magazine distribution compiled;
(1.3) Sustain the development and publication of the Cotton Africa Magazine on a quarterly basis	Two Quarterly issues	Nov 2013 - Jan 2014	Initial materials for Cotton Africa Magazine compiled;
Result #2: DEVELOPING AND ENHANCING VALUE ADDED PRODUCTS AND SERVICES FOR MEMBERS			
Activity 2.1 – Website Development	Improved ACTIF Website with dedicated Member Section & AGOA information	Nov 2013 - Jan 2014	Concept for new website developed
(Activity 2.2			
a) Refine Stakeholder Engagement and Membership Services Strategy	Stakeholders engagement strategy developed;	Nov 2013 - Jan 2014	Implementation Plan developed;
b) Concept Paper for a dedicated 'AGOA Window' Resource Platform	Concept paper on Project AGOA developed;		Initial work on Project AGOA commences;
c) New ACTIF website	Contribution to new ACTIF Website;		Initial Input submitted for ACTIF website;
d) Origin Africa /Brand Strategy	Origin Africa Brand Strategy developed		Tracking of Origin Africa registration;

Deliverables:

Magazine Activity

- 1) Implementation Plan
- 2) List of ACTIF Members
- 3) Evaluation Criteria for Interviews
- 4) Interview Score form
- 5) Sales Person Interview form
- 6) Short list of business writers
- 7) Short list of sales agents

Project AGOA, Origin Africa, ACTIF Website

- 8) Implementation Plan
- 9) Concept of ACTIF Website development

BAF Outreach Activity

- 10) Report on stakeholders forum held in Nov 2013
- 11) Draft Policy Position Paper on AGOA Outreach in Kenya

BAF Textile Policy Activity

- 12) Petition to save Kenya's Textile Industry from collapse
- 13) Annexures: Signatures collected, Job Creation Chart, Ethiopia Incentives
- 14) Report and Recommendations following stakeholders meeting held in Nov

Regional Center of Excellence

- 15) Minutes of meeting with PS Min of Industrialization
- 16) Proposal for feasibility study
- 17) Updated Concept document

Other

- 18) Trip reports to Europe: Meeting with ACP; Meeting with IAF; Meeting with CBI
- 19) Trip report to BDS Conference, Mombasa

Special board meeting on Sustainability

- 20) Minutes of ACTIF board meeting held on 14th October 2013
- 21) Minutes of Board Sub Committee meeting held on 5th and 6th Nov 2013

ACTIF Member Survey 2013

- 22) Extract - Survey report on Pan African Trade Event
- 23) Full survey report on ACTIF members